



# Tier 2 BENEFIT INFORMATION MEETING

Fall 2020



# Teachers' Retirement System (TRS) Benefit Information Meeting

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This presentation will begin shortly and is scheduled to last approximately 60 minutes

## Questions & Answers

- General questions will be addressed after each section and at the end of the presentation using the Q&A feature of WebEx as time permits.



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# BENEFIT INFORMATION MEETING FOR TIER 2 MEMBERS

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FALL 2020

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## What will be covered . . .

TRS Basics

Your Benefits

- Retirement
- Disability
- Death

TRS Timeline

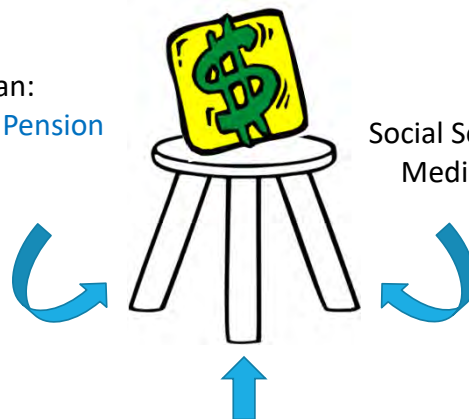
Questions

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## Retirement Basics: A Model Plan

Primary Plan:  
Defined Benefit Pension  
Plan  
(TRS)

Social Security  
Medicare



A "Supplemental" Plan:  
Defined Contribution Plan & Savings  
Example: TRS-SSP, IRA, 403(b), etc...



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## Tier 2

First contributed to TRS or reciprocal retirement system **on or after January 1, 2011**

January 2011						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
26	27	28	29	30	31	1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31	1	2	3	4	5



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## TRS Basics

### Contributions

- All members (Tiers 1 and 2) contribute 9% of gross earnings to TRS
- Contributions are invested by TRS to pay retirement and death benefits

### TRS is a Defined Benefit (DB) Plan

- Account balance and market performance do not determine benefit amount
- Benefit is determined by a formula set out in the Illinois Pension Code
- Benefits are paid through the month of death
- You cannot outlive the benefit



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# RETIREMENT BENEFITS

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## Retirement Eligibility

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### TIER 2

Age 67 with a minimum of 10 years of service

Age 62 with a minimum of 10 years of service \*\*

\*\* Early retirement – the benefit will be reduced by 6% for each year the member is under age 67



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## Retirement Formula

**Service Credit**

x Formula Factor

= Percentage

Percentage

x Final Average Salary (FAS)

= Annual Pension Benefit



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## Service Credit

**Service Credit** x **Formula Factor** x **FAS** = Pension

- 170 paid days equal 1 year of service credit
  - Full-time, part time, and substitute teaching
- Only 1 year of service can be earned per school year
- School year runs July 1 through June 30

Days Worked	Service Earned
94 days	0.553
170 days	1.000
185 days	1.000
260 days	1.000



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## Service Credit from Sick Leave Days

Unused, uncompensated sick days reported to TRS by a school district upon termination or retirement

- Maximum of 340 sick leave days or 2.000 years of service
- Every sick day earns service credit
- Current district sick leave is not reported to TRS until ceasing employment
- Request Former Employer Sick Leave Certification (if not reported by the former district)

Unused, uncompensated sick days	Service credit
1	0.006
67	0.394
170	1.000
213	1.253
340 +	2.000



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## Service Credit Purchase (Optional Service)

Types of optional service credit

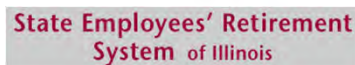
- Out-of-system teaching (K-12 public schools)
- Leaves of absence
- RIF (reduction in force)
- Substitute teaching, homebound, part-time - prior to 1990
- Military service
- Previously refunded TRS service



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## Reciprocal Service Credit

- IMRF, SURS, SERS, CTPF, others
- Must have at least 1 year of non-concurrent service credit to use reciprocal service
- Teacher's aide under IMRF may use less than one year
- Combined service credits must meet the minimum vesting requirements in each system



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## Formula Factor - 2.2 Upgrade

$$\text{Service Credit} \times \text{Formula Factor} \times \text{FAS} = \text{Pension}$$

**Formula Factor is the percentage of your final average salary you earn for each year of service credit**

- Since 7/1/1998, 2.2% has been the formula factor; thus
- For Tier 2 members, all years of service credit are at 2.2%



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## FINAL AVERAGE SALARY

Service Credit x Formula Factor x FAS = Pension

- Average of highest EIGHT consecutive salaries out of last 10 years of service
- Cannot exceed the limit that is tied to the Consumer Price Index
  - 2019-2020 salary cap: \$115,929.00

- “Salary” includes regular pay, extra-duty stipends, and TRS contributions paid by the employer
- Salary increases up to 20% with same employer will count towards average
- Employer bears a cost for year-to-year increases over 6%



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## Retirement Formula

Service Credit

x Formula Factor

= Percentage

Percentage

x Final Average Salary

= Annual Pension Benefit



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## Non-discounted Retirement Calculation Example

Member:

- Age 67
- Years of Service : 10
- Average Salary: \$47,011



10 years of service

x 2.2%

= 22.0%

x \$47,011

= \$10,342 Annual Pension Benefit

= \$862 Monthly Pension Benefit

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## Non-discounted Retirement Calculation Example

Member:

Begin teaching at age 52,  
starting salary of  
\$54,000/yr; 2.5% increases

- Retire at Age 67
- Years of Service : 15
- Average Salary: \$66,717



15 years of service

x 2.2%

= 33.0%

x \$66,717

= \$22,016 Annual Pension Benefit

= \$1835 Monthly Pension Benefit

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<ul style="list-style-type: none"> <li>• 10 years of service             <ul style="list-style-type: none"> <li>• x 2.2%</li> <li>• = 22.0%</li> <li>• x \$47,011</li> <li>• = \$10,342</li> </ul> </li> <li>• - 30% (age reduction)</li> </ul> <p>= \$7240 Discounted Annual Pension</p> <p>= \$603 Discounted Monthly Pension</p> <ul style="list-style-type: none"> <li>• A discounted pension remains permanently discounted</li> <li>• Stop working at any age and wait to retire until full retirement age and pension will be non-discounted</li> </ul>	<h2 style="text-align: center;">Discounted Retirement Calculation Example</h2> <p>Member:</p> <ul style="list-style-type: none"> <li>• Age 62</li> <li>• Years of Service : 10</li> <li>• Average Salary: \$47,011</li> </ul> <p>Age reduction: 30%</p> <ul style="list-style-type: none"> <li>• 6% for each year under age 67 (Tier 2)</li> </ul>
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## Benefit Estimates


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TRS can prepare a benefit estimate if **YOU** can provide us with:

- Anticipated date of retirement
- Total reportable salary for current and future years
- Total sick leave that will be reported at retirement
- Information about district retirement incentives
- Reciprocal service (if applicable)

**YOU** can also prepare your own TRS estimate using your online account access at <http://trsil.org>





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## Once Retired. . .

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### Annual Increases

- ½ Consumer Price Index, no more than 3%, whichever is less, not compounded
- 1<sup>st</sup> increase:
  - Must be retired 1 year
  - Must be at least 67 years old
  - The following Jan 1 is first increase



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## QUESTIONS

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# DISABILITY BENEFITS

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## Disability Benefits

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TRS offers temporary disability benefits to ill/injured ACTIVE members prior to retirement.

- Eligibility
  - Must have at least **3 years** of non-concurrent service credit (TRS, SURS, SERS, and IMRF)
  - **Two** state-licensed physicians must certify the disability existed within 90 days of last day of teaching (only one physician is required for pregnancy)
  - Must use up all sick leave days
- Benefit is equal to 40% of member's contract rate or salary rate
- You earn service credit while receiving the disability benefit
- No cost/premium for this benefit
- **Call TRS Member Services for information if you feel you may need this benefit**



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# DEATH BENEFITS



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## Beneficiary Refund

- Lump-sum refund of 8% unrecovered **pension** contributions
- Paid only if you pass away before retirement or before recovering entire contribution.

☐ **Automatic Designation** (commonly selected by members with spouses and/or minor children)  
In lieu of designating specific beneficiaries, I elect that my dependent beneficiaries, as determined at my death, receive a beneficiary refund and/or survivor benefits. If no dependent beneficiary survives, benefits will be paid to my estate.

If automatic designation is **not selected**, you must complete the Beneficiary Refund and Survivor Benefits sections.

Beneficiary Refund				Survivor Benefits			
First name	Last	Date of birth	Relationship	First name	Last	Date of birth	Relationship



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# Survivor Benefits



☐ **Automatic Designation** (commonly selected by members with spouses and/or minor children)  
In lieu of designating specific beneficiaries, I elect that my dependent beneficiaries, as determined at my death, receive a beneficiary refund and/or survivor benefits. If no dependent beneficiary survives, benefits will be paid to my estate.  
If automatic designation is not selected, you must complete the Beneficiary Refund and Survivor Benefits sections.

**Beneficiary Refund**

Primary Beneficiaries			
First name	Last	Date of birth	Relationship

Alternate Beneficiaries			
First name	Last	Date of birth	Relationship

**Survivor Benefits**

Primary Beneficiaries			
First name	Last	Date of birth	Relationship

Alternate Beneficiaries			
First name	Last	Date of birth	Relationship



- Funded through survivor benefit contributions made while teaching (1% of annual salary)
- Tier II – 66.67% of monthly benefit to a dependent beneficiary
- Lump sum to any beneficiary
- Refundable in retirement if no dependent beneficiary



# RETIREMENT TIMELINE



## What to do/When to do it

### **ASAP – Set up your online member account at trsil.org**

- Review and confirm service and salaries to date
- Verify your beneficiary designation
- Prepare a “baseline” TRS benefit estimate
- Upload Proof of Birth



### **ASAP – Speak to a licensed financial planner**

- Discuss retirement savings options (pre-tax, post-tax, etc.)
- Add to your pension with supplemental savings plans



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## What to do/When to do it (cont.)

### **Regularly – Review your status**

- Review your annual TRS statement online
- Prepare updated benefit estimates
- Check in with your financial planner
  - Monitor DC plan performance
  - Make changes as needed (plan limits change as you age)

### **6-12 Weeks from retirement – Contact TRS for paperwork**

- Personalized Retirement Interview (PRI) – takes about 10 minutes
- Retirement Forms – Review and Return to TRS
  - Retirement Application
  - Direct Deposit Form
  - TRIP Participation Election Form (Health Insurance) – Must return form within 30 days of retirement (Step 1)
  - Enroll in TRIP through My Benefits Service Center in the 30 days prior to effective date (Step 2)
  - Employer forms sent to employer – will be submitted AFTER last day of service



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## In Retirement. . .

### Claim Processing

- TRS takes 60-90 days to issue first retirement payment
- Benefits are paid monthly through the month of your death
- Doesn't matter how long you've been retired or how old you are
  - Current oldest retiree is 109 (retired in 1972)

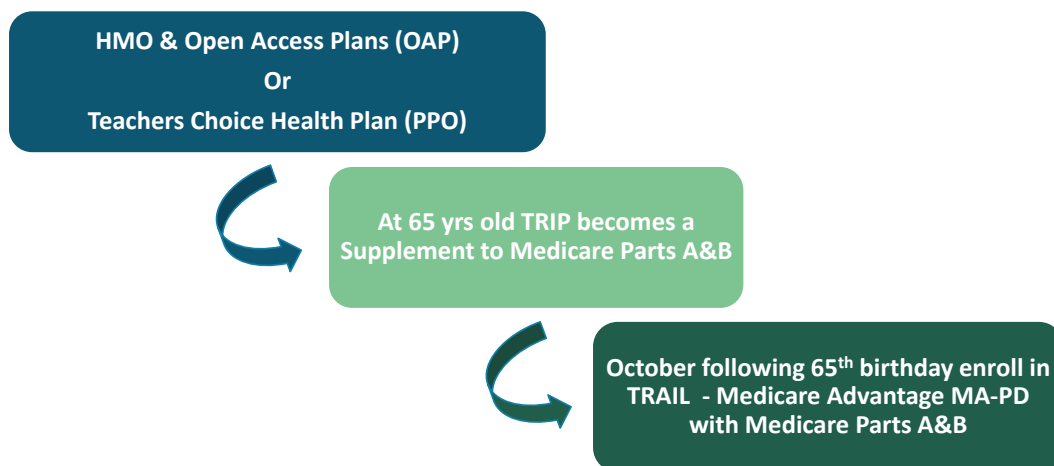
### Post-retirement Employment

- 120 days/600 hours per school year (July 1 – June 30)
- Must have received first pension check
- May not work until July 1 of new school year
- May not return to last employer for 30 days
- Reciprocal limitations, if retiring reciprocally
- May work full time in any position that is NOT a part of a public retirement system that shares reciprocity with TRS
- No limit on earnings



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## Teachers' Retirement Insurance Program (TRIP)



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# Health Insurance

## Teachers' Retirement Insurance Program (TRIP)

- Must have at least 8 years of service credit with TRS to be eligible
- Available first of the month following retirement (can defer up to 4 months)
- Can also enroll when losing other coverage, at 65 (Medicare), or during Open Enrollment every May (effective July 1)
- Insurance carriers determined by county of residence (HMO, OAP, PPO)
- Works as a primary coverage before age 65
- Includes prescription drug coverage
- Subsidized by the THIS fund
- Medicare Advantage Program (TRAIL) for Medicare-primary members
- Also available to dependents



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## TRIP Premiums

### Monthly Premiums Through June 30, 2021

Type of Plan		Not Medicare Primary Under Age 26	Not Medicare Primary Age 26-64	Not Medicare Primary Age 65 & Above	Medicare Primary* All Ages
Benefit Recipient	Managed Care Plan (OAP & HMO)	\$91.95	\$285.64	\$389.18	\$112.89
	TCHP (PPO) when a managed care plan is available	\$238.65	\$673.59	\$1,013.04	\$267.67
	TCHP (PPO) when a managed care plan is unavailable in your county	\$119.32	\$336.80	\$506.53	\$133.84
Dependent Beneficiary	Managed Care Plan (OAP & HMO)	\$367.96	\$1,142.56	\$1,556.68	\$391.07**
	TCHP (PPO) when a managed care plan is available	\$477.31	\$1,347.19	\$2,026.08	\$535.33
	TCHP (PPO) when a managed care plan is unavailable in your county	\$477.31	\$1,347.19	\$2,026.08	\$401.51**

\* You must enroll in both Medicare Parts A and B to qualify for the lower premiums. Send a copy of your Medicare card to TRS. If you or your dependent is actively working and eligible for Medicare, or you have additional questions about this requirement, contact the CMS Group Insurance Division, Medicare Coordination of Benefits (COB) Unit at 800-442-1300 or 217-782-7007.

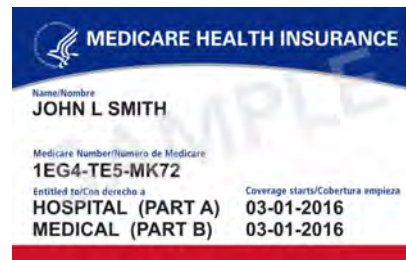
\*\* Medicare Primary dependent beneficiaries enrolled in a managed care plan, or in TCHP when no managed care plan is available, receive a premium subsidy.



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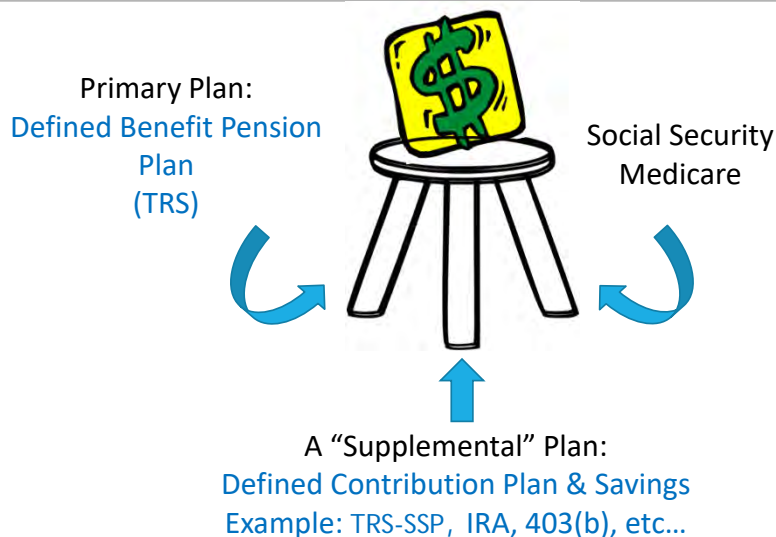
# Medicare

- Medicare eligibility at age 65
- Check for FICA deduction on your pay voucher or contact Medicare to confirm eligibility
- Medicare (800) 633-4227
- [www.medicare.gov](http://www.medicare.gov)



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# Retirement Basics: A Model Plan



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# SOCIAL SECURITY

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## Social Security

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As a teacher in Illinois, you do not pay Social Security tax on your teaching salary (similar to 15 other states) and therefore do not earn Social Security credit.

If you have earned Social Security through other work, you will be able to collect at least a portion of it. However it may be reduced due to the Windfall Elimination Provision.

Your TRS pension will NOT be reduced due to Social Security. You need to contact Social Security to determine if that will be reduced due to TRS.

Social Security (800) 772-1213

[www.socialsecurity.gov](http://www.socialsecurity.gov)



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# SUPPLEMENTAL SAVINGS PLAN (SSP)



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## Bring More

“Bringing more” with a separate savings plan will supplement your TRS pension and enhance your retirement.

If you invest **\$100 a month** in a supplemental savings plan beginning at age **52** and average **5%** rate of return per year, for your **investment of \$18,000** you would have **\$27,051** at age 67.

It is never too late to bring more and with additional “catch up” contributions available to those 50 years and older you could contribute even more to your plan if your circumstances allow.



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## TRS Supplemental Savings Plan

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- Projected availability – Spring 2021
- A qualified 457 (b) plan through VOYA
- Can be used in addition to your 403(b)
- 2020 maximum contributions up to \$19,500 PER PLAN
  - Additional “catch up” contributions up to \$6500/year for those 50 & over
- Contributions taken from your payroll on either a pre-tax or post-tax basis
- Investments are selected by TRS
- Account balance and plan performance can be monitored online
- Provides a secondary savings for additional retirement security



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## Contact TRS

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### Social Media

 [members@trsill.org](mailto:members@trsill.org)

 <https://trsill.org>

 [Facebook.com/TRSillinois](https://www.facebook.com/TRSillinois)

 @ILLTRS

### Phone & Hours

Toll free: (877) 927-5877

M/W/F: 7:30 a.m. to 4:30 p.m.

T/TH: 7:30 a.m. to 5:00 p.m.



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# Appendix



**Teachers' Retirement System  
of the State of Illinois**

# Tier 2 Retirement Time Line Checklist

## As Soon as Possible

- ☐ If you have not already submitted a “proof of birth” online in the Member Account Access area, it must be provided to TRS in order to process your retirement benefit.
- ☐ Update your years of service. Obtain the cost of reinstating a TRS refund, record sick leave from former employers and report optional service. Types of optional service include:
  - prior refunded TRS service,
  - substitute teaching,
  - homebound or part-time service before July 1, 1990,
  - out-of-system service,
  - military service,
  - board-approved leaves of absence,
  - leaves of absence due to pregnancy or adoption prior to July 1983, and
  - involuntary layoffs.
- ☐ Update your Member Information and Beneficiary Designation (MIBD) form to ensure that survivor benefits will be paid according to your wishes.
- ☐ Provide us with your home email address in the secure Account Access area. Emails about legislation and other important events will also be sent periodically.
- ☐ Review the TRS *Tier 2 Member Guide*, [www.trsil.org/Tier2\\_Member\\_Guide](http://www.trsil.org/Tier2_Member_Guide), on the TRS website.
- ☐ Consider consulting with a financial planner. TRS does not provide financial advice.
- ☐ Determine if any reciprocal service you have accrued will be beneficial to use in retirement. Each retirement system has specific rules about reinstating refunded service.

## 4 to 5 Years Before Retirement

- ☐ Attend a pre-retirement meeting. A schedule is available on the TRS website during the fall.
- ☐ Request a benefit estimate online in the secure Member Account Access area or by calling us. We will need to know your estimated retirement date; the number of unused, uncompensated sick leave days at retirement; and current and estimated future salary rates, including TRS contributions. Also include any bonuses and extra-duty pay.



## 2 Years Before Retirement

- ☐ Request an updated benefit estimate (online or by phone).
- ☐ Attend a pre-retirement meeting.
- ☐ Finish reporting all optional service; this task may take time and research.
- ☐ Complete payment to reciprocal system for refunded service, if applicable.

## 6 - 12 Weeks Before Retirement

- ☐ Complete the Personalized Retirement Interview by calling us or logging on to the Member Account Access area of our website. You'll be asked a few questions that will complete information in the retirement packet for you. You will receive the packet within 15 working days. If you have reciprocal service, you also will need to call the other retirement system(s) to apply.
- ☐ Be certain you have provided us with your home email address in the secure Member Account Access area online. You will receive important information about the status of your retirement via email.
- ☐ Check on the status of any optional service balances still owed. If you have any optional service balances, they must be paid prior to retirement, with the exception of pregnancy or adoption leaves.

### Need a form or publication?

Visit <https://www.trsil.org> and download/print what you need.

# Tier 2 Retirement Countdown

## Finalizing Your Retirement Packet

Within 15 days of your personalized retirement interview, you will receive:

- ☐ **Age Retirement Annuity Application**  
Review, sign, and return the application to us.
- ☐ **Direct Deposit form**  
Sign, date, and take this form to your financial institution for completion.
- ☐ **Teachers' Retirement Insurance Program (TRIP) Participation Election form and summary**  
If you are considering enrollment in a managed care plan, contact the plans that are available in your county for their doctor and hospital lists.

## Return the Forms

- ☐ **Application for Age Retirement Annuity**  
We will send you a letter or email when your application is received.
- ☐ **Direct Deposit form**  
You and your financial institution must complete this form.
- ☐ **TRIP Participation Election form (optional)**  
You must return this form to us **no more than 30 days after your retirement date** if you want insurance when you retire.

## Retirement Processing – Allow 60-90 days

TRS begins the calculation process. Allow 60-90 days after all balances have been paid in full and all forms have been received and reviewed to receive your first pension check. If you have reciprocal service, we will contact the other systems.

- ☐ Your employer may not submit the Supplementary Report or Sick Leave Certification to TRS until on or after your last day. These will be submitted electronically by your employer on your behalf.
- ☐ After your retirement is processed, we will send you a notice with the issue date of your first payment and the gross amount of your first and regular checks.
- ☐ Your first check may be mailed to your home. Thereafter, your check will be deposited into your bank account on the first banking day of the month.

## Teachers' Retirement Insurance Program (TRIP)

- ☐ The TRIP election form must be received within 30 days of your retirement date.
- ☐ If you enroll, please choose your insurance using the [MyBenefits.illinois.gov](https://mybenefits.illinois.gov) website or call 844-251-1777.
- ☐ After you enroll in the insurance program, the identification cards will be mailed directly by your insurance carrier. Allow 60 days to receive your identification and claim forms.

## Other Important Information

- ☐ With post-retirement employment, you are limited to 120-paid days or 600-paid hours per year in a TRS-covered position. **The 120 days/600 hours limit is in effect through June 30, 2021.** You cannot return to work in the same school year that you last contributed to TRS and you must wait 30 calendar days before returning to work with the same employer.
- ☐ The law suspends a Tier 2 member's retirement benefit if the member accepts full-time employment in a position covered by a reciprocal system.
- ☐ If you have no dependents, you will be offered a refund of your 1 percent survivor benefit contributions along with your first pay notification. Acceptance of the refund waives all rights of your beneficiaries from receiving survivor benefits.
- ☐ As an annuitant, annual cost-of-living increases will be calculated using either 3 percent or one-half of the Consumer Price Index as of the preceding September, whichever is less, of the originally granted retirement annuity. You will receive an annual increase on the Jan. 1 occurring either on or after the attainment of age 67 or the first anniversary of the annuity start date, whichever is later.
- ☐ Call the Social Security Administration to determine your available benefits including your Medicare eligibility.



TRSillinois @ILLTRS TRS\_illinois c/trsillinois

### TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

2815 W. Washington | P.O. Box 19253 | Springfield, IL 62794-9253

877-927-5877 (877-9-ASK-TRS) | FAX: (217) 753-0964

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# TEACHERS' RETIREMENT INSURANCE PROGRAM (TRIP) SUMMARY

JULY 1, 2020 - JUNE 30, 2021

*This summary provides current TRIP premiums and accessibility information for July 1, 2020 through June 30, 2021.*



## Enrollment and assistance

You will make your benefit elections online through the MyBenefits website, [MyBenefits.illinois.gov](https://mybenefits.illinois.gov). Contact MyBenefits Service Center with questions about navigating the MyBenefits website or how to elect benefits, Monday – Friday, 8 a.m. – 6 p.m. Central Time, 844-251-1777 or 844-251-1778 (TDD). For questions regarding eligibility, please contact Teachers' Retirement System of the State of Illinois at 877-927-5877. More detailed information is available on the TRS website at: <https://www.trsil.org>.

## Medicare Advantage TRAIL Program

Since 2014, the state has administered a Medicare Advantage Program called TRAIL for annuitants and survivors enrolled in both Medicare Parts A and B. Visit [www.cms.illinois.gov/thetrail](https://www.cms.illinois.gov/thetrail) for eligibility information.

## Listing of Current Health Care Plan Providers

Please call the toll-free number or visit the plan online for specific coverage details.

Purpose	Administrator Name and/or Address	Group No.	Phone	Website
Enrollment/ Customer Service	MyBenefits Service Center	N/A	844-251-1777 TDD: 844-251-1778	<a href="https://mybenefits.illinois.gov">MyBenefits.illinois.gov</a>
Health Plan	BlueAdvantage HMO	B06802	800-868-9520 TDD: 866-876-2194	<a href="https://bcbsil.com/stateofillinois">bcbsil.com/stateofillinois</a>
	Aetna HMO/ Aetna OAP	285655 285651	855-339-9731 TDD: 800-628-3323	<a href="https://aetnastateofillinois.com">aetnastateofillinois.com</a>
	Health Alliance HMO	00710A	800-851-3379 TDD: 800-526-0844	<a href="https://healthalliance.org/stateofillinois">healthalliance.org/stateofillinois</a>
	HealthLink OAP	160002	800-624-2356 TDD: 877-232-8388	<a href="https://healthlink.com/soi/learn-more">healthlink.com/soi/learn-more</a>
	HMO Illinois	H06802	800-868-9520 TDD: 866-876-2194	<a href="https://bcbsil.com/stateofillinois">bcbsil.com/stateofillinois</a>
	Teachers' Choice Health Plan (TCHP), Aetna PPO	285659	855-339-9731 TDD: 800-628-3323	<a href="https://aetnastateofillinois.com">aetnastateofillinois.com</a>
Prescription Drug Plan	CVS/Caremark (for TCHP or OAP)	TCHP: 1402TD3 Aetna OAP: 1402TCH HealthLink OAP: 1402TCF	877-232-8128 TDD: 800-231-4403	<a href="https://caremark.com">caremark.com</a>
Behavioral Health	Magellan Health P.O. Box 2216, Maryland Heights, MO 63043	N/A	800-513-2611 (nationwide) TDD: 800-456-4006	<a href="https://magellanascent.com">magellanascent.com</a>



## Enrollment

If you are eligible, you can enroll yourself and qualifying dependents during the following periods:

- **When you apply for monthly pension benefits.** If you want to enroll at this point, you must enroll no later than 30 days after the effective date of the pension benefits.
- **When you turn 65.** TRS will mail you enrollment information within 90 days before your 65th birthday. You have six months from the date you become eligible for Medicare Part A and Part B to enroll. If you are not eligible for both parts of Medicare, you may still enroll but must do so within 30 days of your 65th birthday.
- **When coverage is terminated by a former plan.** You may continue coverage with another plan rather than enroll in TRIP. If this occurs, you and your eligible dependents may enroll in TRIP when coverage under the other plan is terminated. The termination must be initiated by the plan. You must enroll with a letter from the plan stating the effective date of termination no later than 30 days after the termination of the plan's coverage.
- **During the Benefit Choice Period.** You may be eligible to enroll in TRIP during the Benefit Choice Period (usually May 1 through May 31 each year). The insurance becomes effective on July 1. Additionally, a fall enrollment occurs for those eligible for the Medicare Advantage (TRAIL) Program.

You may enroll dependents when you enroll in the program, the dependent turns 65, a qualifying change in family status occurs (marriage or birth/adoption of child), or coverage is involuntarily terminated by a former plan. You may also enroll dependents during the annual Benefit Choice Period. Dependents will be enrolled in the same health plan as the benefit recipient.

It is your responsibility to ensure monthly premium deductions are accurate for the insurance coverage you selected.

## Monthly Premiums Through June 30, 2021

Type of Plan		Not Medicare Primary Under Age 26	Not Medicare Primary Age 26-64	Not Medicare Primary Age 65 & Above	Medicare Primary* All Ages
Benefit Recipient	Managed Care Plan (OAP & HMO)	\$91.95	\$285.64	\$389.18	\$112.89
	TCHP (PPO) when a managed care plan is available	\$238.65	\$673.59	\$1,013.04	\$267.67
	TCHP (PPO) when a managed care plan is unavailable in your county	\$119.32	\$336.80	\$506.53	\$133.84
Dependent Beneficiary	Managed Care Plan (OAP & HMO)	\$367.96	\$1,142.56	\$1,556.68	\$391.07**
	TCHP (PPO) when a managed care plan is available	\$477.31	\$1,347.19	\$2,026.08	\$535.33
	TCHP (PPO) when a managed care plan is unavailable in your county	\$477.31	\$1,347.19	\$2,026.08	\$401.51**

\* You must enroll in both Medicare Parts A and B to qualify for the lower premiums. Send a copy of your Medicare card to TRS. If you or your dependent is actively working and eligible for Medicare, or you have additional questions about this requirement, contact the CMS Group Insurance Division, Medicare Coordination of Benefits (COB) Unit at 800-442-1300 or 217-782-7007.

\*\* Medicare Primary dependent beneficiaries enrolled in a managed care plan, or in TCHP when no managed care plan is available, receive a premium subsidy.

## Out-of-State Managed Care

Managed care is available in some counties in Arkansas, Indiana, Iowa, Kentucky, Missouri, and Wisconsin. View the list online for more information at <https://www.trsil.org/members/retired/health-insurance/out-of-state-accessibility> or directly contact the managed care plan for information regarding availability. OAP carriers can be in every state.

## Hearing Instruments and Related Services

Beginning July 1, 2020, a \$2,500 benefit for hearing instruments and related services every 24 months is available through all plans when a hearing care professional prescribes a hearing instrument. Contact plan for additional details.

## Coverage Comparison Table

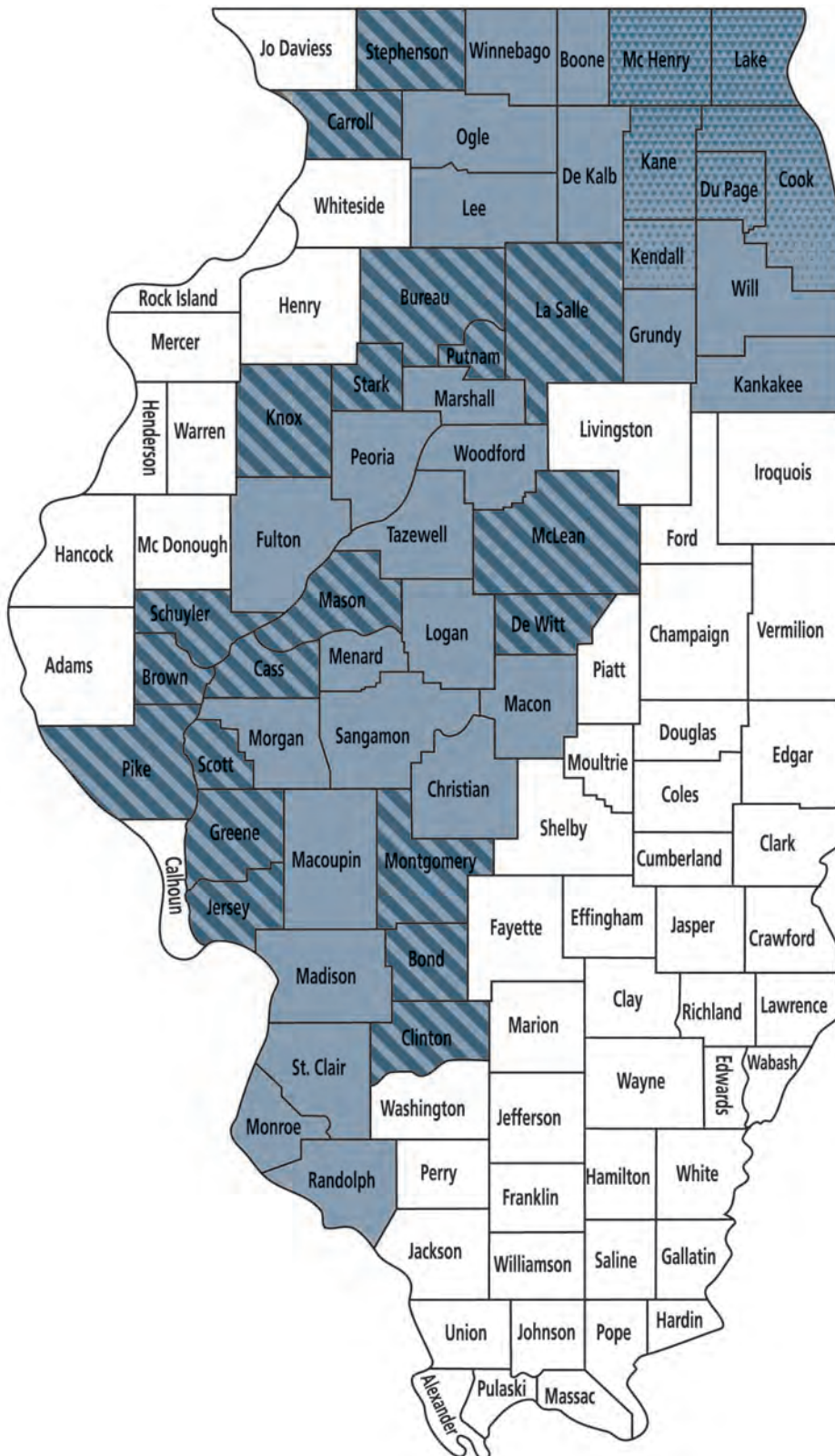
Benefit	PPO Teachers' Choice Health Plan (TCHP) Nationwide	HMO In-network coverage only All IL counties	Managed Care Plans		
			Open Access Plans (OAP)		
			Tier I In-network coverage only All IL counties	Tier II In-network coverage only Nationwide	Tier III Out-of-network coverage only Nationwide
Plan year maximum benefit	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Lifetime maximum benefit	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Annual out-of-pocket maximum	Individual: \$1,200 in network; \$4,400 out-of-network Family: \$2,750 in network; \$8,800 out-of-network	Individual: \$3,000 Family: \$6,000	Individual: \$6,600 Family: \$13,200 (includes eligible charges from Tier I and Tier II combined)		NA
Annual plan deductible Must be satisfied for all services	\$500 per participant	\$0	\$0	\$300 per enrollee*	\$400 per enrollee*
Out-of-network hospital admission	60% covered; deductible applies after \$400 per admission	No coverage	Contact plan administrator		
Inpatient/hospital admission	80% covered; deductible applies after \$200 per admission	100% after \$250 copayment	100% after \$250 copayment	80% network charges after \$300 copayment	60% allowable charges after \$400 copayment
Outpatient surgery	80% in network; 60% allowable charges out-of-network**	100% after \$150 copayment	100% after \$150 copayment	80% network charges after \$150 copayment	60% allowable charges after \$150 copayment
Diagnostic lab & x-ray	80% in network; 60% allowable charges out-of-network**	100%	100%	80% network charges	60% allowable charges
Emergency room hospital services	\$400 additional deductible	100% after \$200 copayment	100% after \$200 copayment		
Physician & Specialist office visits	80% in network; 60% allowable charges out-of-network**	\$20 copayment	100% after \$20 copayment	80% network charges	60% allowable charges
Preventive services, including immunizations	100% in network; 60% allowable charges out-of-network**	100%	100%		Covered under Tier I and Tier II only
New Telemedicine benefit	\$10 copayment, deductible applies	\$10 copayment	\$10 copayment	No coverage	No coverage
Durable medical equipment	80% in network; 60% allowable charges out- of-network**	80% network charges	80% network charges	80% network charges	60% allowable charges
Prescription Drugs copayment (30-day supply)	\$7-\$50 generic \$14-\$100 preferred brand \$28-\$150 nonpreferred brand	\$10 generic \$20 preferred brand \$40 nonpreferred brand	\$10 generic \$20 preferred brand \$40 nonpreferred brand		

\* Open Access Plans: The benefit level is determined by the Tier in which the healthcare provider is contracted. An annual plan deductible must be met before Tier II and Tier III plan benefits apply. Benefit limits are measured on a plan year. Amounts over the plan's allowable charges do not count toward the out-of-pocket maximum.

\*\* TCHP: Sixty percent of allowable charges are paid for out-of-network charges after the annual plan deductible has been met.

# Health Plans by Illinois County

Effective July 1, 2020 - June 30, 2021



The Teachers' Choice Health Plan (TCHP/PPO) is available nationwide.

Health Alliance HMO - AH  
Aetna HMO - AS  
HMO Illinois - BY  
Healthlink OAP - CF  
Aetna OAP - CH  
BlueAdvantage HMO - CI  
TCHP Aetna PPO - D3

HMO Illinois - BY  
Healthlink OAP - CF  
Aetna OAP - CH  
BlueAdvantage HMO - CI  
TCHP Aetna PPO - D3

Health Alliance HMO - AH  
Aetna HMO - AS  
Healthlink OAP - CF  
Aetna OAP - CH  
TCHP Aetna PPO - D3

Health Alliance HMO - AH  
Aetna HMO - AS  
HMO Illinois - BY  
Healthlink OAP - CF  
Aetna OAP - CH  
BlueAdvantage HMO - CI  
TCHP Aetna PPO - D3

*Striped areas represent counties in which HMO Illinois or BlueAdvantage HMO do not have provider coverage; benefit recipients in these counties may have access to HMO Illinois or BlueAdvantage HMO providers in a neighboring county.*

## TRS Stats

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Active TRS members: 163,027 (28.9% Tier II)

- Tier I: 115,839
- Tier II: 47,188

Inactive TRS members: 136,178

Benefit recipients: 124,299

Average annual active salary: \$74,158

Average annual retirement benefit: \$58,860

Oldest retiree: 109+ years old

Oldest full-time teacher: 82 years old

\*Data as of June 30, 2019



## Reciprocal Retirement Systems

CEABF	County Employees' Annuity & Benefit Fund of Cook County	<a href="http://www.CookCountyPension.com">www.CookCountyPension.com</a>	(312) 603-1200
CTPF	Chicago Teachers' Pension Fund	<a href="http://www.CTPF.org">www.CTPF.org</a>	(312) 641-4464
FPEABF	Forest Preserve District Employee's Annuity Benefit Fund of Cook County	<a href="http://www.CookCountyPension.com">www.CookCountyPension.com</a>	(312) 603-1200
IMRF	Illinois Municipal Retirement Fund	<a href="http://www.IMRF.org">www.IMRF.org</a>	(630) 368-1010
JRS/GARS	Judges' & General Assembly Retirement System	<a href="http://www.srs.Illinois.gov">www.srs.Illinois.gov</a>	(217) 782-8500
LABF	Laborers' Annuity & Benefit Fund	<a href="http://www.labfChicago.org">www.labfChicago.org</a>	(312) 236-2065
MEABF	Municipal Employees' Annuity & Benefit Fund	<a href="http://www.MEABF.org">www.MEABF.org</a>	(312) 236-4700
MWRD	Metropolitan Water Reclamation District	<a href="http://www.MWRDRF.org">www.MWRDRF.org</a>	(312) 751-3222
PEABF	Park Employees' Annuity & Benefit Fund of Chicago	<a href="http://www.ChicagoParkPension.org">www.ChicagoParkPension.org</a>	(312) 553-9265
SRS	State Employees' Retirement System	<a href="http://www.srs.Illinois.gov">www.srs.Illinois.gov</a>	(217) 785-7444
SURS	State Universities Retirement System	<a href="http://www.SURS.org">www.SURS.org</a>	(800) 275-7877
TRS	Teachers' Retirement System (of Illinois)	<a href="http://www.trsil.org">www.trsil.org</a>	(877) 927-5877



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## FY 2021 TRS Contributions

Members, employers and the state of Illinois make contributions to TRS to provide for your retirement, disability and death benefits.

Members Contributions	9.0% of gross creditable earnings <ul style="list-style-type: none"> <li>• 7.5% for retirement benefits</li> <li>• 0.5% for automatic annual increases in retirement</li> <li>• 1.0% for death benefits</li> </ul>
Member THIS Fund Contributions	1.24% for subsidized premiums for retiree insurance
Employer Contributions	0.58% for retirement benefits
Employer THIS Fund Contributions	0.92% for subsidized rates for retiree insurance



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# Age Reduction

## TIER 2

The annuity will be reduced by 6% for each year under the age of 67\*.

Age 67	No reduction
Age 66	6% reduction
Age 65	12% reduction
Age 64	18% reduction
Age 63	24% reduction
Age 62	30% reduction

\*Actual age at retirement calculated to three decimal places



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# Retirement Process Responsibilities

## TRS MEMBER

- Contact TRS 6-12 weeks prior to your last day of work (by phone or online)
- Complete and submit all necessary retirement forms
- Contact each reciprocal system for retirement application, if applicable
- Submit retirement application to reciprocal system(s), if applicable
- Pay off all optional service

## EMPLOYER

- Submit the supplementary report on or after the last day of work (electronically)
- Submit the sick leave certification on or after the last day of work (electronically)



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## Legislative Update

PA 100-587 – Effective June 4, 2018 through June 30, 2024

- Voluntary Accelerated Pension Benefit (APB) for inactive members

PA 100-596 – Effective July 1, 2020

- Extends the post-retirement work limitations to 120 full days or 600 hours through June 30, 2021

PA 101-0049 – Effective July 12, 2019

- Allows a retiree to return to active service in a subject shortage area without impacting their pension benefit through June 30, 2021



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## Accelerated Pension Benefit (APB)

- Available to INACTIVE Tier I and Tier II members
  - Tier I: must have at least 5 years of TRS service
  - Tier II: must have at least 10 years of TRS service
- Eligible Inactive Members will be notified via email when available
- “Buyout” amount will equal 60% of the present value of the member’s anticipated lifetime pension benefit
- TRIP insurance coverage will be available to eligible APB participants when the normal retirement age is reached
  - Member must have at least 8 years of TRS service credit to qualify for TRIP



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# TRS Supplemental Savings Plan (SSP)

<b>DEFAULT OPTION</b> BlackRock LifePath® Index K Series – 0.09%		
<b>CORE ARRAY</b>		
<b>CAPITAL PRESERVATION</b>		
<b>STABLE VALUE</b> Vantagepoint PLUS Fund R10 – 0.54%	<b>MONEY MARKET</b> Vanguard Federal Money Market (VMFXX) – 0.11%	
<b>CORE AND DIVERSIFYING FIXED INCOME</b>		
<b>INTERMEDIATE</b> PIMCO Income Instl (PIMIX) – 1.05% (0.50%) <sup>†</sup> BlackRock U.S. Debt Index Fund F – 0.0279%	<b>HIGH YIELD</b> PGIM High Yield R6 (PHYQX) – 0.40%	<b>WORLD BOND</b> PGIM Global Total Return R6 (PGTQX) – 0.56%
<b>DOMESTIC EQUITY</b>		
<b>LARGE BLEND</b> BlackRock Equity Index Fund F – 0.0087%	<b>MID BLEND</b> BlackRock Mid Cap Equity Index Fund F – 0.013%	<b>SMALL BLEND</b> BlackRock Russell 2000® Index Fund F – 0.0186%
<b>GLOBAL/INTERNATIONAL EQUITY</b>		
<b>FOREIGN LARGE CAP</b> BlackRock MSCI ACWI ex-U.S. Index Fund F – 0.0597%		
<b>INFLATION HEDGE</b>		
<b>REIT</b> Vanguard Real Estate Index Admiral (VGSIX) – 0.12%		
<b>SOCIALLY RESPONSIBLE ARRAY</b>		
Garcia Hamilton ESG Core Bond Fund – In Progress BlackRock MSCI ACWI ESG Focus Index Fund F – 0.09%		
<b>SELF-DIRECTED BROKERAGE ACCOUNT</b>		

<sup>†</sup>The fee in parenthesis represents the portion of fees investors pay directly to PIMCO for investment management. This fee excludes other investment expenses, including interest expense from borrowing incurred through investment transactions.

<sup>†</sup>The fee in parentheses represents the portion of fees investors pay directly to PIMCO for investment management. This fee excludes other investment expenses, if any, incurred exclusive from borrowing incurred through investment transactions.



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## Salary Increases Affecting Final Average Salary

- The 6 percent salary threshold applies to year-to-year raises in salaries paid to TRS members by the SAME employer in the years used to calculate the member's final average salary
- Members should contact his/her school district or union representative for questions regarding his/her Collective Bargain Agreement, individual contract, or retirement incentive
- Exceptions: an educator leaves one district and receives an increase when he/she starts with another district or educators whose jobs and salaries are affected by school district consolidations or annexations



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## Post-retirement limitations

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- 120 paid days or 600 paid hours in each school year (July 1 through June 30)
- If you work only full days (five or more hours per day), each day is counted toward the 120 days limitation. If you work all partial days (fewer than five hours) or a combination of full and partial days, the time worked is counted toward the 600 hours limitation. Each full day (five or more hours) is counted as five hours, even if you actually worked more than five hours on that date. For partial days, the actual number of clock hours worked is counted.





**TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**

2815 W. Washington St. | P.O. Box 19253 | Springfield, IL 62794-9253

877-927-5877 (877-9-ASK-TRS) | TDD: 800-526-0844 (or 711)

members@trsil.org | <https://www.trsil.org>