

BEFORE WE BEGIN



To download slides: www.trsil.org/Time-to-Retire

- This presentation will begin shortly and is scheduled to last approximately 60 minutes.
- All virtual attendees are muted throughout the presentation.
- Questions will be addressed during designated Q'n'A sessions.



Teachers' Retirement System of the State of Illinois

It's Time to Retire! 2026



OVERVIEW

- Retirement Paperwork
- Claim Processing
- Q & A
- Health Insurance
- Post-retirement Employment
- Social Security & Medicare
- Contact Info, Phone #'s, & Presentation Materials
- Q & A





Retirement Paperwork





Personalized Retirement Interview (PRI)

- **2-3 months prior to retirement**
- **Contact TRS by phone (can also be completed online).**
- **TRS representative will:**
 - Verify demographic information.
 - Verify beneficiary information (TRS will send new form, if needed).
 - Check for any balances owed (optional service, 2.2 Upgrade, etc.).
 - Establish a claim date, typically either:
 - Day after your last day of service, or
 - A later date if you are waiting to attain a particular age.
 - Gather information to precomplete your retirement application.



PRI Questions

1. Are you interested in the Accelerated Annual Increase (AAI) program?

- AAI is an **optional** program for Tier I members **only** that replaces the standard 3% compounded annual benefit increase (age 61) with an up-front lump-sum payment and a lower annual increase (1.5% non-compounded at age 67).
- If you have not already requested/received a benefit estimate that includes AAI info, you **must** do this before calling for your Personalized Retirement Interview (PRI).
- If electing AAI, retirement claim date must be **June 30, 2026 or earlier** **and** we must receive retirement application by **June 30, 2026 or earlier**.



PRI Questions

2. Do you want a STANDARD annuity or a REVERSIONARY annuity?

- Standard Annuity – pays you your full earned benefit each month for life, **and** provides a monthly survivor benefit for a dependent beneficiary equal to 50% of your pension (66.67% for Tier 2).
- Reversionary Annuity – reduces your pension each month while you are living to provide more than the standard survivor benefit.
 - Terminally ill upon retirement
 - Much younger spouse
 - Spouse with no other long-term income
 - If interested, call TRS for a Reversionary Benefit Estimate.



PRI Questions

3. Verify your last employing school district(s)

- TRS will request current-year salary and sick leave information from current-year employer(s) as part of the claim process.
- If you have not notified your employer(s) of your intent to retire, TRS will not request this information until you have submitted your signed retirement application.
- If you have service with another public pension fund in Illinois, TRS will ask you if you plan to include this **reciprocal** service in your pension calculation.
 - If you are unsure, please request a reciprocal benefit estimate and contact TRS when you know the answer.
- If you will receive a public pension benefit from another state, TRS needs to know this.



PRI Questions

4. Would you like TRS to withhold income tax from your pension?

- Your TRS pension is taxable by the federal government.
 - TRS is required to withhold federal taxes based on the calculation for a **single** individual with no adjustments until a completed W-4P form indicating a withholding preference has been received.
 - The W-4P form is available on the TRS website for those wishing to use an alternate withholding status or to elect to have **no** taxes withheld.
- The State of Illinois does not assess a tax on retirement income.
- TRS can withhold state tax for Illinois, Wisconsin, Iowa, Kentucky, Indiana and Michigan.
- If you will reside in another state, you will need to determine how much to set aside for state tax.



Retirement Packet

Retirement Application

- **Required** form – this is your written election to begin receiving a pension.
- Pre-completed with info provided during the PRI.
- Verify information, **sign**, and return to TRS.
- If uploaded to your myTRSIL account, be sure to send front & back pages.



Retirement Packet

Depository Agreement (Direct Deposit/EFT form)

- **Must** be signed by retiree, any joint account holder(s) (if applicable), and the financial institution.
- Should be returned to TRS prior to your retirement date.



Retirement Packet

TRIP/TRAIL Participation Election Form

- Members with at least 8 years of TRS service are eligible to use TRIP/TRAIL health insurance in retirement.
- This form must be completed and returned to TRS to enroll in:
 - Teachers' Retirement Insurance Program (TRIP) – for retired members not yet on Medicare
 - Medicare Advantage Plan (TRAIL) – for members over age 65 who qualify for Medicare
- If **not** enrolling in TRIP, you can shred this form.
- More info. about TRIP/TRAIL is coming up!



Employer eForms

Supplementary Report

- A supplement to the employer's Annual Report
- Provides TRS with essential information:
 - Official last paid day
 - Total number of paid days worked during final year
 - Total compensation paid during final year
 - Total unused, uncompensated sick leave days as of last paid day
- Submitted electronically to TRS by the employer **after** your last day of service.



Employer eForms

Sick Leave Granting Certification

- Reports whether any sick leave was granted in excess of the normal annual allotment during the last four years of employment.
- Submitted electronically to TRS by the employer **after** your last day of service.



Retirement Claim Processing





Claim Processing

- Claim processing begins once all required forms have been received, **and** all unpaid balances (2.2 upgrade, optional service and previous benefit overpayment) have been paid in full.
- If you have elected the AAI program, an official **AAI Election form** will be mailed to you once your retirement benefit has been calculated. You must complete and return the form before your claim is finalized. Your AAI lump sum is processed as separate claim (Tier I members only).
- TRS takes 60-90 days to process your retirement claim.



Monthly Pension Payments

- Your initial TRS benefit payment pays you retroactively to your retirement date.
- Subsequent monthly payments are issued on the first day of each month and are paid **through the month of your death**.
- Electronically deposited funds are deposited in your bank account on the first **banking** day of the month.
 - If the first of a month falls on a Sunday or a bank holiday, funds will be deposited the next business day.
 - If the first of the month falls on a Saturday, your bank determines whether funds are posted to your account on Saturday or Monday.



Monthly Pension Payments

- Benefits are paid one month in arrears. Your September 1 deposit represents your pension for August.
- TRIP/TRAIL premiums are deducted from your pension check on an after-tax basis, also one month in arrears.



Accelerated Annual Increase (AAI)

- If you have elected the AAI option, TRS will send you an **AAI Direct Transfer/Rollover Packet** (Tier I members only).
 - Elect to accept the AAI lump sum as a check payable to you (less 20% tax), or
 - Elect to have AAI lump sum rolled over to another qualified plan, or
 - A combination (%) of taxed distribution and rollover.
- AAI payments are issued as a paper check by U.S. Mail.
- AAI election is irrevocable.
- If AAI has been elected, annual pension increases (1.5%) will begin January 1 after 67th birthday.
- More AAI information in the Appendix.



Excess Contribution Refunds

- At retirement, TRS will determine if you are eligible for a refund of:
 - 2.2 Upgrade program
 - Early Retirement Option fund
 - Survivor Benefit Contributions (if eligible)
- If you are eligible for an Excess Contribution Refund (ECR), TRS will mail you a refund/rollover application for each balance.
- Most ECR refunds are taxable and are eligible for rollover to another qualified plan.
- ECR refunds are paid through paper checks and issued through U.S. Mail to the retiree (after tax) or your plan's administrator (rollover).

Tracking Your Claim

- Visit www.trsil.org and select **Member Login**.
- If you have not set up Multi-factor Authentication, you will need to register.



The screenshot shows the homepage of the Teachers' Retirement System of the State of Illinois (TRSIL). The top navigation bar includes links for NEWS, FORMS/PUBLICATIONS, CONTACT US, ABOUT US, and a SEARCH bar. Below the navigation is a main menu with RETIREES, MEMBERS, and EMPLOYERS. The MEMBERS menu item is highlighted with a yellow box and a blue arrow pointing to it. To the right of the menu are two buttons: MEMBER LOGIN (yellow) and EMPLOYER LOGIN (white). The main content area features a photograph of a man and a woman looking at a laptop screen. Text on the left side of the image reads: "1099-R TAX FORM & FEDERAL TAX WITHHOLDING FORM" and "Please take note of the annual events that affect retired TRS members." A "MORE" button is also visible.

The screenshot shows the MyTRSL login page. At the top is the MyTRSL logo. Below it, text reads: "If this is your first time signing into the new MyTRSL site, select [Register MyTRSL account](#)". The page contains fields for "Username" and "Password", each with a "Forgot [username/password]" link. At the bottom are "Sign in" and "Register MyTRSL account" buttons.





Claim Status Tracker



Status Indicator

Member Forms → Employer Forms → Holds → Finalizing Claim

- After packet arrives by mail, log into your MyTRSIL account at www.trsil.org.
- Select **Check Claim Status** under the **My Claims** section to see received forms, holds and finalization.
- Tabs will turn from red to green when complete.





Questions?





Health Insurance (TRIP/TRAIL)



TRIP/TRAIL Health Insurance



Eligibility

- Must have at least 8 years of service credit with TRS to be eligible.
- Available for your lifetime with multiple enrollment opportunities:
 - First of the month following retirement
 - When losing other coverage w/termination letter
 - When becoming eligible for Medicare (typically age 65)
 - Annual Benefit Choice periods
- Also available to dependents.

TRIP/TRAIL Health Insurance



TRIP – Before Medicare

- Insurance carriers determined by county of residence (HMO, OAP, PPO).
- TRIP works as primary coverage before age 65.
- Annual Benefit Choice period during the month of May with a July 1 start date.
- Includes prescription drug coverage, dental and vision.
- Also available to dependents.



TRAIL Health Insurance (65+)

Total Retiree Advantage Illinois (TRAIL) Medicare Advantage

- Must be enrolled in Medicare parts A & B.
- Annual Benefit Choice period is mid-October through mid-November with Jan. 1 start date.
- TRAIL coverage is nationwide and one MAPD PPO plan is available.
- Includes prescription drug coverage, dental and vision.

TRIP/TRAIL Health Insurance

Most new retirees enroll when employer coverage terminates

- Check with employer to determine termination date.
- TRIP/TRAIL can start the 1st of the month following your retirement date.
- You may defer your effective date up to 4 months.
- Participation Election Form should be submitted as soon as possible (within 60 days of retirement date).

Who administers TRIP/TRAIL?

- TRS determines eligibility for TRIP/TRAIL.
- State of Illinois (Central Management Services – CMS) is the plan administrator.
- MyBenefits Service Center (MBSC) handles enrollment, (844) 251-1777.
- TRS withholds monthly insurance premiums from your pension payments.

TRIP/TRAIL/Split Family

Type of Participant	Type of Plan	Not Medicare Primary	Not Medicare Primary	Not Medicare Primary	Medicare Primary "TRAIL"
		Under Age 26	Age 26-64	Age 65+	Medicare Eligible
Benefit Recipient	HMO/ OAP	\$121.18	\$370.76	\$503.81	\$7.72
	PPO	\$308.40	\$857.02	\$1,300.03	
	PPO when HMO/OAP not available	\$156.11	\$431.60	\$653.58	
Dependent Beneficiary	HMO/ OAP	\$484.89	\$1,483.01	\$2,015.19	\$28.50
	PPO	\$624.46	\$1,726.40	\$2,614.28	
	PPO when HMO/OAP not available	\$624.46	\$1,726.40	\$2,614.28	



TRIP/TRAIL Health Insurance

Enrollment as a new retiree

- TRS sends you a TRIP Participation Election form.
- You should return the completed form within 60 days of your retirement date **only** if enrolling within 4 months of retirement date. TRS will acknowledge receipt of the form by email.
- TRS enters your participation election in the CMS system. You will receive an email or letter when your form has been entered with instructions to call MyBenefits Service Center.
- You must call MyBenefits to select a carrier and provide info about your dependents if they will be enrolled with you.
- Insurance cards (medical, prescription, dental and vision) will be mailed to you by your chosen carrier.



Post-retirement Employment



In Retirement...

Post-retirement Employment



- Must have received first pension check.
- May not work in TRS-covered position until July 1st.
- May not return to last employer for 30 days.
- May not prearrange post-retirement employment with last employer.
- TRS-covered work limited to 120 days/600 hours per school year thru June 30, 2026 (100 days/500 hours typically).
- Reciprocal limitations apply **if** retiring reciprocally or are Tier 2.
- No limit on private sector or out-of-state public-school work.
- No limit on earnings.
- TRS will send email notification upon first post-retirement TRS-covered day worked.



Post-retirement Employment Limits

- **Typically, 100 days or 500 paid hours.**
- **Currently, 120 days or 600 hours through June 30, 2026.**
- 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.

** Future legislation may impact the 100-day/500-hour limit. Any changes will be emailed to members, posted online and reflected in TRS publications.*



Social Security Medicare



Social Security and Medicare

- Illinois teachers do not contribute on TRS-covered employment.
- Social Security Fairness Act (2025) eliminated the WEP and GPO.
- Contact Social Security for your specific information.
- Check for FICA deduction on your paycheck or contact Social Security to confirm eligibility for Medicare (typically at age 65).
- Medicare ID cards are sent by the Social Security Administration.



Social Security
(800) 772-1213



www.ssa.gov





Questions?



Contact Information

TRS Phone & Hours

**Toll-free:**

(877) 927-5877

M-F: 7:30 am to 4:30 pm

**Email Address**

members@trsил.org



www.trsil.org/calendar

Supplemental Savings Plan Contact:



trsилssp.voya.com

1-844-877-4572 (1-844-TRS-457B)

**Visit us**

www.trsil.org

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[@trsillinois](http://www.youtube.com/@trsillinois)

To download slides: www.trsil.org/Time-to-Retire

MyBenefits Service Center
TRIP/TRAIL
(844) 251-1777

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Appendix



Other Contact Information

MyBenefits Service Center (TRIP/TRAIL): (844) 251-1777

Illinois Retired Teachers Association: (800) 728-4782

Illinois Education Association (Retired): (800) 264-1887

Illinois State Board of Education (Licensure): (866) 262-6663





Reciprocal Retirement Systems

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

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





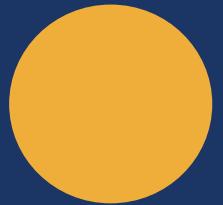
Retirement Process Responsibilities

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 or waive all optional service and 2.2 balances.

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).



Retirement Process Timeline

Elected “NO” for AAI

Your retirement claim will be processed after TRS receives all necessary forms/payments and audits the supplementary report and sick leave granting certification

First retirement check issued 60-90 days after last required form or payment is received & reviewed (first payment is retro-active to your retirement date).

Elected “YES” for AAI

TRS will mail the AAI Election form to your home address after TRS receives all necessary forms/payments and audits the supplementary report and sick leave granting certification.

Once TRS receives your completed AAI Election form, TRS will process your monthly retirement benefit.

First retirement check issued after AAI Election form is received (first payment is retro-active to your retirement date).

Once your retirement claim is processed, you will receive a Transfer/Rollover form for your AAI lump-sum.



Once the calculation is complete, you will receive a Notification of 1st Payment letter that includes the retroactive payment and your planned regular monthly payment.



TRS Retirement Process

Claim Processing

Allow 60-90 business days after all forms and payments received and reviewed.

- **After** last day of service, employer will submit relevant information for final year of service.
- Benefits are paid monthly through the month of your death.
- You cannot outlive your benefit.





Annual Increases

Standard Annual Benefit Increases

- Available to members who have been retired for one full year **and**
 - Are at least age 61 for Tier 1 (3% compounded annually)
 - Are at least age 67 for Tier 2 ($\frac{1}{2}$ of the CPI with 3% Cap)
- Increases occur each January 1 (reflected in the February 1 benefit payment).

Accelerated Annual Increase (AAI) option

- Tier 1 member may choose in lieu of Standard Annual Increase.
- 1.5% non-compounded increase from age 67 with lump-sum payment at retirement.
- Available for Tier 1 members retiring by June 30, 2026.
- Eligible members must call for an AAI estimate ahead of retirement.



Excess Contribution Refunds

Refunds

- 2.2 Upgrade overpayment
- Early Retirement Option (ERO) – if not already claimed
- 1% Survivor Benefit Refund (if eligible)
 - Forfeits any Survivor Benefit

Refunds are paid after retirement benefit is calculated.

Refund checks are always mailed by the Illinois Comptroller's Office.

Taxable refunds \$200.00 or more are eligible for rollover.

