

TOPICS & REPORT

Summer 2023

Teachers' Retirement System of the State of Illinois | trsil.org | Over 439,000 members

Extra TRS Funding Approved in Fiscal Year 2024 State Budget

For the third year in a row, TRS will receive a state government contribution that is higher than the minimum funding level set by law.

The additional funding is further evidence of a strong commitment by Gov.

JB Pritzker and the General Assembly to keep the pension promises made by the State of Illinois to retired teachers and other public employees.

The \$50.6 billion state budget for the fiscal year 2024 that took effect in July not only includes the state's minimum contribution to TRS – \$6.04 billion – but also \$230.4 million in additional funding for the System.

Gov. Pritzker proposed \$200 million in extra funding for TRS in February and that amount was increased by 15% during negotiations with legislators.

In fiscal year 2023, the governor and lawmakers added \$200 million to the minimum \$9.6 billion appropriated to TRS and the other four state-funded retirement systems. And in the previous fiscal year 2022, the additional funding added \$300



million to the state pension allocation of \$9.4 billion.

As TRS and state government begin fiscal year 2024 in July, here is a quick review of some key financial indicators for the System:

In fiscal year 2024, TRS will pay more than \$7.6 billion in benefits on time and in full to more than 128,000 members and their families.

At the end of March 2023, TRS held \$64.8 billion in assets. At the beginning of 2023, the System held \$63.3 billion in assets.

Long-term Funded Status Moves in the Right Direction

The System's funded ratio, which for the last decade was among the worst in the nation, is projected to increase in fiscal year 2023 to 44.5% from 43.8% at the beginning of the year.

If the projection holds, this would be the third year in a row where this important benchmark has improved. Earlier this year, the System's actuaries, **The Segal Group**, of New York, projected the funded ratio increase of 44.5%, as well as a projected

jump in the ratio to 46.1% next year.

The funded ratio is one measure of the System's long-term fiscal health, but it is not a reflection of the System's current financial ability to pay benefits.

The long-term funded ratio reflects the difference in the amount of money TRS has in assets against the amount of money the System needs to immediately pay all members the full amounts of benefits they are owed for the rest of time.

Long-term Investment Returns Remain Strong

Because TRS has relationships with its members for several decades, the System focuses on long-term investment return rate. Currently, the 40-year rate of return was 9.3%, which bests the System's estimated long-term investment rate of 7%.



Spring Legislative Action of Interest to TRS

The governor has signed two bills of interest to TRS, its members and employers:

Private School Service Credit Extension

Public Act 103-0017 extends the time period in which eligible TRS members can establish up to two years of service credit for past employment as an administrator or teacher in a private school recognized by the Illinois State Board of Education **until June 30, 2028**. The law was scheduled to sunset on June 30, 2023. The extension took effect with the governor's signature.



Expanded Post-Retirement Work Limits Extension

Public Act 103-0088 extends the law permitting retired TRS members to accept work as teachers or administrators in public schools without affecting their pensions **until June 30, 2026**. This bill keeps the current work limits at 120 days or 600 hours. The original work limits were 100 days and 500 hours. The extension took effect with the governor's signature.

Members Should Be Alert for Potential Scams Targeting TRS Benefits



TRS is encouraging members and annuitants to remain alert for potential scams that target your retirement system membership and benefits. We are hearing from members who have been solicited for retirement planning assistance claiming to know about your TRS benefits. These non-authorized individuals may give the impression they are affiliated with TRS when they are not.

Only TRS staff are authorized to provide information about TRS benefits and assist with your TRS retirement

planning. TRS does not endorse or authorize anyone else to answer your TRS retirement questions or help you apply for TRS benefits.

The System is always watching for cybercriminal activity and scams that affect members and retirees. You can do your part by verifying the identify of anyone who sends you unsolicited mail, telephone calls or emails that suggest they have some connection to TRS.

As you remain vigilant against scams, here are a few things to remember:

- TRS will never call or contact you to endorse any company's product or service relating to your TRS pension.
- Always carefully guard your Social Security number, birthdate, TRS account number, personal address and any other personally identifying information. Don't share.
- Be wary of all links and attachments in unsolicited emails.
- Don't be rushed into making any decision.

Targeting TRS Benefits *continued on pg. 3*

Targeting TRS Benefits *continued from pg. 3*

- Independently verify the identity of the person or company contacting you.

TRS is monitoring the internet and other forms of communication to spot trends and potential unauthorized activity directed at our members.

TRS will take appropriate action when we become aware of individuals or businesses using misleading tactics to give a false impression that they are affiliated with TRS.

Members may help by contacting Member Services with tips about activities they find suspicious.

If you hear from anyone that offers to enhance or better manage your benefit, always contact TRS before speaking or meeting with anyone who claims to have information about your TRS benefits.

Please Provide Your Email Address to TRS and Save Time and Money

You received a printed copy of *Topics & Report* because a current email is not on file for you. If you have an email address, we encourage you to add it to your TRS record so we can quickly contact you via email and decrease postage expenses.

Members who have an email on file receive *Topics & Report* approximately two weeks sooner than those who receive a print version. Be one of the first to know the news!

Go green and add an email address to your record by sending an email to members@trsil.org. Remember to include your full name, zip code, the last four digits of your Social Security number and the email address you want filed.



Annual Fall Member Meetings Explain Retirement & Benefits



Will be held in person and virtually this year

TRS will host meetings at 4:30 p.m. for members from September to November that are designed to explain the retirement process and to provide members with information about disability, death and insurance benefits. **The sessions are planned for members who are not retired.**

The presentations will have information for both Tier 1 and Tier 2 members. As a reminder, Tier 1 members first contributed before Jan. 1, 2011 and Tier 2 members first contributed on or after Jan. 1, 2011.

In mid to late August, the virtual schedule and in-person meeting locations will be available on our website and an email alert will be sent to members who are close to retirement with both meeting schedules. You will need to register to attend a virtual meeting. No registration is required for in-person meetings.

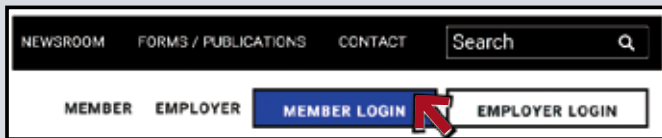
Check the webpage in mid to late August for the 2023 schedule:
trsil.org/Fall_Member_Meetings

Create an Account Today to Access Your Personalized TRS Information

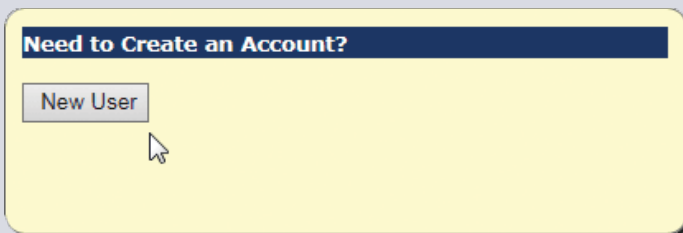
Set up your online account and you will have access to create a personalized benefit estimate; upload documents; view your TRS Benefits Reports; keep your address, phone and email information current and complete your personal retirement interview at retirement.

How to Create an Account

Log on to trsil.org. Select the Member Login button on the top right of the page.



The following option will appear on the opening page. Select the “New User” button.



Next, complete the required fields.

A screenshot of the account creation form. It includes the following fields: 'Social Security Number**' with a masked input field; 'Birth Date**' with dropdown menus for 'Month' and 'Day', and a text field for '(yyyy)'; and 'Member ID**' with a text field and a 'What's This?' link. At the bottom are 'Submit' and 'Cancel' buttons.

Enter your Social Security number, birth date and TRS Member ID. Your Member ID is on your TRS Membership Card, which TRS sends to every member, via either U.S. Mail or email. You also can call TRS at 877-927-5877 (877-9-ASK-TRS) for your Member ID.

If the Social Security number, birth date and Member ID you entered matches those we have on file for you, a new page will open that will instruct you to create a username.

Immediate Access

Your username and password will be immediately established with the proper information. You may enter the secure area the same day.

Additional sign-in screens are also part of the process. With your personalized answers in place, future visits to the area will confidently assure you that you are visiting the official TRS website.

If you forget your username or password before your next sign in, you will need to enter your Member ID to gain access to your account.

Protecting Your Information

Keeping your online record confidential is important to you and TRS. After you have set up your account, personalized sign-in screens make it difficult for someone else to log on to your account. Also, an email will automatically be sent to you when any changes are made to your online account.

Important Direct Deposit of Annuity Payments Retiree Reminder

To avoid any interruptions to monthly pension payments, **please make sure the Depository Agreement for TRS Benefits form is fully filled out before submitting it to TRS.** Check that your completed form has:

- A legible signature.
- A signature from the financial institution receiving the funds.
- A joint account holder's signature (*only for joint accounts*).
- The routing number and your account number. These must be listed on either an enclosed voided check or an official letter from your bank.



Remember to fill out a new Depository Agreement form when a change to your banking information occurs (such as an account number change, a change of banks or a bank merger). For security purposes, blank forms are no longer available for online downloading. To obtain the Depository Agreement for TRS Benefits form, call Member Services at (877) 927-5877 or sign in to Member Account Access (select “Member Login” button, top right on trsil.org) and download your personalized form.

TRAIL MAPD Program Information for Medicare Eligible Members

The State of Illinois requires all retirees, annuitants and survivors who are currently enrolled in the Teachers' Retirement Insurance Program (TRIP) to transition into a healthcare program called Total Retiree Advantage Illinois (TRAIL) effective the date the member becomes eligible to enroll in Medicare parts A and B, either due to age or disability.

The TRAIL Program provides Medicare-eligible members and their covered Medicare-eligible dependents comprehensive medical and prescription drug coverage through a Medicare Advantage Prescription Drug (commonly referred to as "MAPD") plan. A TRAIL MAPD plan is a Medicare-approved plan that combines the different parts of Medicare into one plan.

Since this plan is a type of Medicare, members must continue to pay federal Medicare premiums to the Social Security Administration even after enrolling into a TRAIL MAPD Plan.



For members who are newly-eligible for Medicare and **not currently enrolled in TRIP**, you have three opportunities to enroll into the TRAIL MAPD plan:

- 1. Initial Enrollment (IE):** Members can enroll within six months of the 65th birthday (of the youngest enrollee). Initial enrollment is a one-time offering. For more details, read the Medicare Checklist at trsil.org/Medicare-Checklist online.
- 2. Annual Enrollment (AE):** Members can enroll within a 30-day window each fall from mid-October through mid-November.
- 3. Loss of other insurance coverage.**

Annual Enrollment Period Information for the TRAIL Medicare Advantage Program

The TRAIL Medicare Advantage Prescription Drug (MAPD) Open Enrollment Period for the 2024 plan year will be held this fall from mid-October through mid-November.

Most TRIP members who are eligible for Medicare Parts A and B are required to enroll in the TRAIL MAPD plan in order to keep TRIP insurance coverage.

In the fall, CMS will send out information about the TRAIL Program including any upcoming changes for the new plan year.

Visit the Total Retiree Advantage Illinois (TRAIL) Program page on the MyBenefits website at MyBenefits.illinois.gov for more information.

Important Address Requirements for TRAIL Members or Newly-eligible TRAIL Members

Your address on record with TRS **must match** the address on record with the Social Security Administration (SSA).

To change your address with TRS:

1. Update your address online through your TRS member account at trsil.org
or
2. Download it at trsil.org/change-of-address-form or call TRS at (877) 927-5877 for a Change of Address Form.

You must update your address with both TRS and the SSA. SSA will provide your updated address to federal Medicare as well as the TRAIL MAPD plan administrator.

To change your address with SSA:

1. Update your address online through the SSA website at ssa.gov/personal-record/update-contact-information
or
2. Contact the SSA and update your address by calling 800-772-1213.

Consider the TRS Supplemental Savings Plan



As teachers and administrators look forward to the 2023-2024 school year, more and more TRS members are thinking about their futures and taking advantage of the TRS Supplemental Savings Plan (SSP).

The latest SSP statistics indicate that more participant money has been contributed to the SSP during the first five months of calendar year 2023 than was contributed during all of calendar year 2022.

SSP contributions from January through June totaled \$4.2 million compared to the \$2.99 million deposited by participants in 2022. In all, the SSP currently manages \$7.2 million of participant funds.

To date, 1,451 active and eligible TRS members have elected to participate in the SSP, which is a 457(b) retirement savings plan administered by **Voya Financial**, of Connecticut.

SSP Basics

SSP participants who have terminated employment or reached age 59½ may draw on the money they've saved in their SSP 457(b) accounts* prior to retirement or bring more in addition to their monthly TRS pension.

The SSP will not replace the pension of any TRS member.

SSP participants can elect the amount they want to contribute per paycheck in whole dollar increments or in whole percentage increments, subject to a minimum of \$30 or 1% per pay period on a pre-tax or Roth after-tax basis.

They can change their contribution rates at any time. Participants choose how to invest their money from any of the options made available by TRS and can change their investment choices at any time.

Who can participate?

Active TRS members who are full-time or part-time contractual employees are eligible for the SSP.

A TRS employer must adopt the SSP for their employees to be eligible to participate.

Retired and inactive TRS members are not eligible to contribute to the SSP.

Voluntary enrollment vs. Automatic enrollment

Voluntary: To enroll in the SSP, TRS members first employed in a TRS-covered position before Jan. 1, 2023 must contact Voya through the TRS SSP participant website at trsilssp.voya.com or via the TRS SSP Service Center at **844-877-4572 (844-TRS-457B)**.

Automatic: TRS members (new or rehired) first employed in a TRS-covered position on or after Jan. 1, 2023, as reported by their employer, will be automatically enrolled in the SSP.

Plan participants are able to opt out of the SSP at any time.

How can I find out more about the SSP and register?

Interested TRS members who are eligible to participate are encouraged to visit the TRS SSP participant website at trsilssp.voya.com or call the TRS SSP Service Center at 844-877-4572 (844-TRS-457B).

* Investments are subject to market fluctuation and involve risk, including loss of principal.

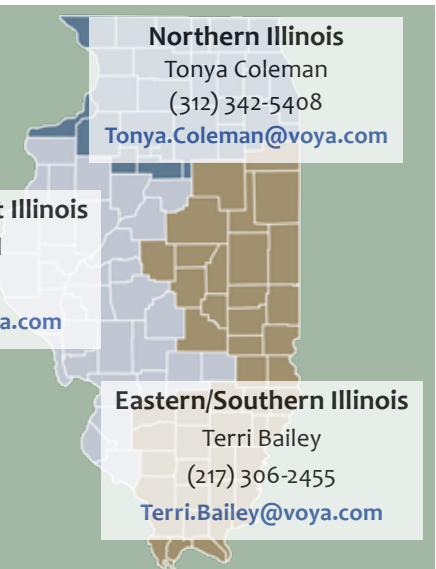
Connect with Your Local TRS SSP Representatives

TRS and Voya have three dedicated representatives to help eligible members learn more about the SSP, including:

- Education regarding the SSP enrollment assistance
- Education regarding consolidation of existing retirement accounts.

Representatives do not give investment advice or monitor member accounts.

To schedule a virtual appointment with a local representative, go to trsssp457b.timetap.com.



Two Ways to Make an Address Change with Us

To avoid any unauthorized changes to your residential address on file, TRS does not allow address changes over the phone or by email. You have two options for updating your address after your move.

1. Update it online within a few minutes in the secure Member Account Access area (select “Member Login” button, top right on trsil.org). Members without direct deposit set up cannot update their addresses online and must use the second option.
2. Complete the Change of Address form at trsil.org/change-of-address-form, including the notarization. After finishing, you can upload the form in the secure Member Account Access area or mail it to us.

Note: When a P.O. Box number is provided, TRS also requires a residential address.



Interested in learning more about TRS benefits and topics through videos?
Visit trsil.org/videos

Wait Four Months to Receive a Refund of Retirement Contributions



Now that the 2022-23 school year is over, some teachers may not be returning to the classroom. These TRS members may apply as early as the day after their last day of teaching for a refund of their TRS contributions if they terminate teaching with a TRS employer.

The law imposes a four-month waiting period. A refund cannot be processed until four months have passed since the member’s final day of teaching.

A refund of retirement contributions, which consists of the portions used to pay the retirement annuity (7.5%) and the annual increases in the annuity (0.5%),

should be carefully considered because it terminates the member’s benefits and will be costly to repay if the member returns to teaching in the future.

Contributions of 0.4% for the expired Early Retirement Option will also be refunded if a member has not already applied and received that refund. If the member receives a refund of retirement contributions, she/he is not entitled to any other refunds. The contribution for the Teachers’ Retirement Insurance Program and the 1% survivor benefit contribution are not refundable.

After the member contacts TRS about the refund, TRS will send the application by regular mail.

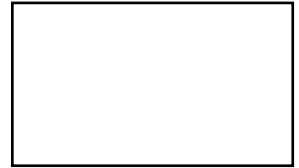
The application can be returned any time after the member has formally resigned from her/his TRS-covered position. Once a properly completed refund application and any required supplementary earnings information from the school district(s) are received, we will process the refund and forward it to the Office of the Comptroller for payment when four months have passed following the member’s final day of teaching.



TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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Go Green!

To receive this newsletter electronically, send an email to members@trsil.org. Include your full name, zip code, the last four digits of your Social Security number and your email address.

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Springfield, IL
62702-3397

4200 Commerce Ct.
Ste. 101
Lisle, IL 60532-3611

Phone numbers

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

Mailing address for both TRS locations

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