

## TRS Investment Strategy Protects 2021 Gains Despite Market Volatility

The diversified, risk-adverse investment strategy employed by TRS in response to an unpredictable economy and roller-coaster markets protected System assets during the first nine months of fiscal year 2022.

As a result, the value of the TRS investment portfolio remains at record levels, with a total value of \$66.1 billion reported at the end of March 2022. The fiscal year ended June 30.

Despite negative news stories about the economy and investment markets, TRS will continue to pay all pensions in full and on time. Currently, the System pays out

\$7.3 billion in benefits every year, expenditures that are more than covered by annual revenues and the assets in the TRS portfolio.

Because TRS carries one of the lowest funded ratios for a major public pension system in the United States – 42.5 percent – the TRS Board of Trustees has recognized for years that it would be unwise to implement an aggressive investment strategy that could lead to further declines in the ratio if markets underperform. Instead, the trustees and investment staff have constructed a diversified portfolio that is designed to make money in “good”



***"TRS will continue to pay all pensions in full and on time."***

economic times but safeguard assets when markets are more “volatile.”

This strategy protected most of the record-breaking gains picked up by

**Investments** *continued on pg. 2*

## Executive Director Rupnik Marks First Anniversary with Year's Highlights

A year ago, the TRS Board of Trustees entrusted me with overseeing the administration of your retirement system. It is a distinct privilege to serve as the executive director of TRS. It has been an exhilarating and fulfilling 12 months and I can point with pride to several highlights from the past year:

### **First, there's our exceptional staff.**

Every day, they bring a high level of skill and dedication to their roles. Responding to the needs of members and employers, accuracy,



**R. Stanley Rupnik**  
Executive Director & Chief Investment Officer

promptness and protecting your personal information are the

touchstones of our staff. They always are thinking in a forward direction and coming up with ideas to enhance our operations. Even under challenging circumstances, they deliver for you.

### **Second, we work hard to meet your needs.**

Our first priority is serving you by fulfilling our mission. In the last year, TRS paid \$7.3 billion in member benefits on time and in full. So far this year, more than 3,400 retirement claims have been processed. The System's Call Center

**Anniversary** *continued on pg. 2*

## Investments *continued from pg. 1*

TRS in fiscal year 2021. TRS investments last year recorded a return of 25.5 percent, net of fees, and more than \$13 billion in investment income. Those record gains pushed the total size of the System's portfolio from \$52.3 billion in fiscal year 2020 to \$64.2 billion at the end of fiscal year 2021. In the first nine months of fiscal year 2022, TRS assets have increased by approximately 3 percent.

Another important aspect of the TRS investment philosophy is a focus on steady, long-term investment returns. The System recognizes that a majority of its members maintain relationships with TRS for decades. So, despite

volatile investment markets, the TRS long-term investment return of 9.45 percent over 40 years continues to exceed the System's long-term assumed investment return of 7 percent.

*"...the value of the TRS investment portfolio remains at record levels, with a total value of \$66.1 billion reported at the end of March 2022."*

The System's strong investment returns over the last two years and an "above-and-beyond" funding commitment from **Gov. JB Pritzker** over the last few years led to a

slight decrease in the TRS unfunded liability from \$80.7 billion to \$79.9 billion.

Late in March, a bill adding \$300 million to the fiscal year 2022 state pension allocation of \$9.4 billion was signed into law by Gov. Pritzker. The remaining \$200 million in the governor's pension funding plan will be added to the upcoming fiscal year 2023 state budget, which includes \$9.6 billion for state pensions.

The added funds will reduce the future long-term liability of the state's pension systems by an estimated \$1.8 billion.

## Anniversary *continued from pg. 1*

has handled more than 117,000 telephone requests for assistance and approximately 60,000 emails from members and their families.

And we've increased the ways you can meet with us. Surveys taken during the COVID-19 pandemic indicated that many of you enjoy the flexibility of meeting with TRS either in person or online. In the last year, those options were made permanent.

**Third, a strengthened commitment to ethics and transparent processes.** We have worked together at TRS to update and enhance our internal oversight and controls on administrative finances, purchasing, investments and other decisions made every day to keep TRS running smoothly. Every major action we take is first reviewed and approved by multiple professionals and properly documented to ensure transparency and confidence in our internal governance.

**Fourth, a renewed commitment of cooperation with our stakeholders and elected officials.** Between the Board of Trustees and our staff, TRS is continually reaching out to members, employers, stakeholder groups, local school officials, legislators and state leaders. The goal is to foster collaborative relationships to help advance our mission.

**Fifth, the opening of the new Supplemental Savings Plan (SSP).** TRS launched the SSP in the last year, a deferred compensation plan, with our partners at Voya Financial. This optional savings plan for active members is the first new benefit that TRS has offered to its members since the System was founded in 1939.

**Sixth, an investment strategy that has protected members' retirement funds through uncertain economic times.** As you will read in greater detail elsewhere in this *Topics & Report*, so far during fiscal year

2022, TRS has slightly increased the size of its portfolio despite volatility in the markets. The System began fiscal year 2022 with \$63.9 billion in assets and nine months later ended the latest quarter in March with \$66.1 billion.

I work with a little more than 200 people at TRS. I am proud of each and every one of them. They own this record of accomplishment and are all dedicated to our mission. My goal in the next year is to continue steady progress in areas where we face challenges and to keep our high standards of service for you and your families.

On behalf of the Board of Trustees and our staff, thank you for your trust in us.



Executive Director & Chief Investment Officer



## Governor Pritzker Signs New Laws Affecting TRS Members



Gov. JB Pritzker

business at the end of April, which is unusually early. Normally, the House and Senate work consistently through May, many times into June, and have been known to convene in July and August.

This expedited schedule also moved up the timeline for Gov. JB Pritzker to act on legislation that made it to his desk. Normally, the governor has most of the summer months to make a decision on pending bills. But this year, Gov. Pritzker already has taken action on more than 400 bills, including new laws that affect TRS, its members and its employers.

New laws of interest to TRS:

### COVID-19 Paid Administrative Leave and Reinstated Sick Leave Days - Public Act 102-697 (House Bill 1167)

The Act amends the School Code and generally provides paid administrative leave to fully vaccinated employees employed on or after April 5, 2022 for certain absences related to COVID-19. The Act generally provides that sick leave days will be reinstated to employees

Because the 2022 primary election date in Illinois was moved from March to June, the General Assembly wrapped up its legislative business at the end of April, which is unusually early. Normally, the House and Senate work consistently through May, many times into June, and have been known to convene in July and August.

employed on or after April 5, 2022 who are fully vaccinated or become fully vaccinated within five weeks of the effective date of the Act, if such employees previously used sick leave days during 2021-22 for certain absences related to COVID-19. Any sick leave days reinstated in accordance with the terms of the Act are reportable to TRS and will not be considered granted days. TRS cannot provide any advice on how to interpret or comply with the Act and will take direction from the districts on such matters.

**Accelerated Benefit Program Extension - Public Act 102-718 (House Bill 4292)** allows state government to borrow up to \$1 billion in additional money to continue funding the two public pension “accelerated benefit” programs. The state has borrowed \$1 billion over the last two years to fund these member “buyouts.” The bill also extends the life of the two “buyout” programs until 2026. The original sunset date was June 30, 2024. The new law is effective immediately.

**Post-Retirement Work Limits - Public Act 102-709 (House Bill 5472)** expands the number of days during the just-completed 2021-2022 school year that retired TRS members could have taught school full-time without that service negatively affecting the payment of their pensions. The

former 120 days limit was increased to 140 days. The current alternative 600 hours limit was increased to 700 hours. In the 2022-2023 school year, the limits revert back to 120 days and 600 hours. The new law is effective immediately.

The following new laws are designed to help ease the current classroom teacher shortage in Illinois by simplifying the path to a teacher’s license or a position in the classroom. These laws affect TRS because changes to licensure requirements may boost the number of active TRS members.

**Teaching License Reinstatement – Public Act 102-0710 (House Bill 4246)** reduces the fine inactive educators must pay to reinstate a lapsed teaching license from the State Board of Education to \$50. The old penalty was \$500. The new law is effective immediately.

**Substitute Teaching Licenses – Public Act 102-0711 (House Bill 4798)** – will allow currently-enrolled college education majors to obtain a substitute teaching license. To be eligible, students must have completed 90 or more credit hours. Under current law, candidates for substitute teaching licenses must hold a bachelor’s degree or higher. The new law is effective on January 1, 2023.

## 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:  
<https://member.trsil.org/subsections/secureaccountaccess/security/signin.aspx>
2. Fill out the Change of Address form: [trsil.org/change-of-address-form](https://trsil.org/change-of-address-form). After completing the form, you can upload the form in the secure Member Account Access area or mail it to us.

## Annual Enrollment Period This Fall for TRAIL Medicare Advantage

The TRAIL Medicare Advantage Prescription Drug (MAPD) Open Enrollment Period for the 2023 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 one of the TRAIL MAPD plans offered in her/his county of residence in order to keep TRIP insurance coverage.

In the fall, CMS will send out information about the TRAIL Program.

If you are already enrolled in TRAIL, you have two options:

- You can make a change to your TRAIL insurance coverage or add a dependent. The fall Open

Enrollment Period is the time when you can make that change.

- You can do nothing and maintain your current TRAIL coverage. Your insurance coverage will automatically continue as it is in 2023.

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



### TRAIL Medicare Advantage Prescription Drug (MAPD) Initial Enrollment for Medicare Eligible Members

The State of Illinois requires all retirees, annuitants and survivors to enroll into a healthcare program called Total Retiree Advantage Illinois (TRAIL) effective the date the member becomes eligible to enroll in Medicare, either due to age or disability. This program provides Medicare-eligible members and their covered Medicare-eligible dependents comprehensive medical and prescription drug coverage through TRAIL Medicare Advantage Prescription Drug (commonly referred to as “MAPD”) plans. TRAIL MAPD plans are Medicare-approved plans that combine the different parts of Medicare into one plan.

Since these plans are 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, you have two opportunities for the TRAIL MAPD enrollment:

1. **Initial Enrollment (IE):** Members can enroll within 60-days of the 65th birthday (of the youngest enrollee). Initial enrollment is a one-time offering. For more details, read the Medicare Checklist online at: [trsil.org/Medicare-Checklist](https://trsil.org/Medicare-Checklist)
2. **Annual Enrollment (AE):** Members can enroll within a 30-day window mid-October through mid-November each fall.

## Michael Goetz Appointed to TRS Board of Trustees



Trustee Michael Goetz

In June **Gov. JB Pritzker** appointed **Michael Goetz** of Springfield as the newest member of the TRS Board. The Board now has 14 members, one shy of the total number of positions. His appointment requires confirmation by the Illinois Senate.

Trustee Goetz is a former chair of the Illinois State Board of Investment and a former member of the Illinois Finance Authority. He retired as executive director of the Laborers' Home Development Corporation, as Midwest Region Tri-Funds coordinator for the Laborer's International Union of North America and as executive director of the Railroad Cooperation and Education Trust. He is a graduate of Eastern Illinois University in Charleston.

## 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 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 for a virtual meeting. No registration is required for in-person meetings.



*Check the webpage in mid- to late August for the 2022 schedule:*  
[trsil.org/Fall\\_Member\\_Meetings](https://trsil.org/Fall_Member_Meetings)



## Wait Four Months to Receive a Refund of Retirement Contributions

Now that the 2021-22 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. However, by law, 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 percent) and the annual increases in the annuity (0.5 percent), 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 percent 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 percent 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.





## Interest in the TRS Supplemental Savings Plan Gains Momentum

The first months of activity for the new Supplemental Savings Plan (SSP) have revealed a growing interest in the voluntary savings plan designed to help TRS members **Bring More** to their futures.

More than 400 active members have signed up for this 457(b) deferred compensation savings plan. More than twice that number have expressed interest in the SSP and have requested more information or expressed interest in speaking with a representative from our partners at **Voya Financial** of New York to have their questions answered. Voya is a national leader in retirement security for millions of Americans.

While Voya will administer all SSP accounts, TRS will continue to oversee each participant's defined benefit (DB) pension.

When SSP participants retire and start to receive their monthly TRS pensions, they also will be able to draw on the money they've saved in their SSP accounts. The SSP will not replace the pension of any TRS member.

As an SSP participant, you can elect the amount you want to contribute

per paycheck (in whole dollar increments) but must contribute a minimum of \$30 per pay period. You can change your contribution rate at any time. And you choose how to invest your money from any of the options made available by TRS. You can change your investment choices at any time.



### Who can participate?

Active TRS members who are full-time and 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 for the SSP.**

### 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](https://trsilssp.voya.com).

### Your SSP Account

Participating TRS members can access their accounts online through the TRS SSP participant website at [trsilssp.voya.com](https://trsilssp.voya.com) or via the toll-free TRS SSP Service Center at 844-877-4572 (844-TRS-457B).

### Why Bring More with the SSP?

**Reason 1:** Your pension may not cover your entire retirement lifestyle, so supplementing your pension income is up to you through personal savings or an optional retirement savings plan like the SSP.

**Reason 2:** The longer you save, the more you will save and the more time your savings will have the potential to grow.

**Reason 3:** You have two types of contributions available and can pick the one that's best for you. If you choose to contribute pre-tax, your account grows tax deferred and you pay taxes when you withdraw your money. If you contribute after-tax, your investments grow tax deferred and you enjoy tax-free income in retirement.

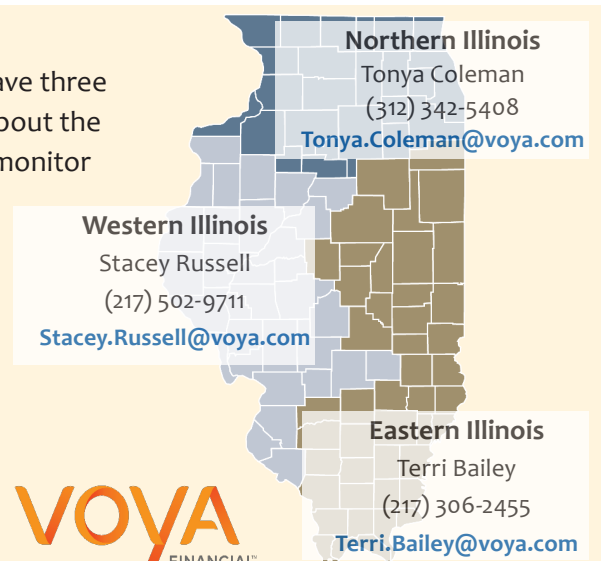
### Connect with a Local TRS SSP Representative

Bring More to your retirement plans with the SSP. TRS and Voya have three representatives to specifically help eligible members learn more about the SSP. Note that a representative **cannot give** investment advice or monitor member accounts.

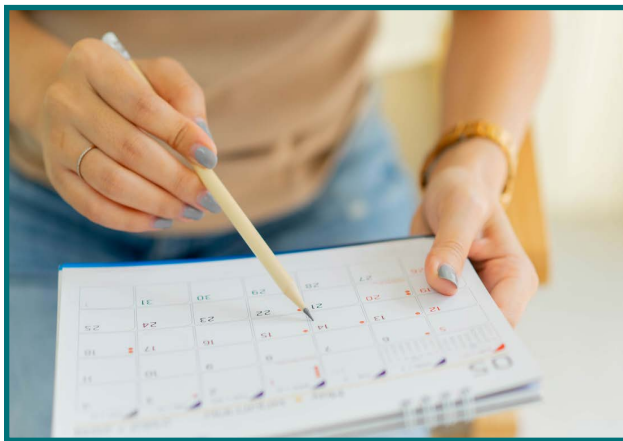
Your local TRS SSP representative will provide ongoing support to help meet your needs, including:

- SSP information and enrollment assistance
- Education regarding consolidation of retirement accounts

To schedule a virtual appointment with a local representative, go to <https://trsssp457b.timetap.com>.



## Be Aware of Post-retirement Limitations for 2022-23 School Year



### Track days and hours worked on Post-retirement Days Worked form

With the last school year just ending on June 30 and a new one beginning, retired members returning to the classroom need to be aware that the limits decreased on July 1, 2022 and are no longer 140 days or 700 hours.

For the 2022-23 school year, retired TRS members are currently limited to 120 days or 600 hours per school year in a TRS-covered position. The 120 days/600 hours limit is in effect through June 30, 2023. Under the current law, the limits are scheduled to return to 100 days or 500 hours on July 1, 2023.

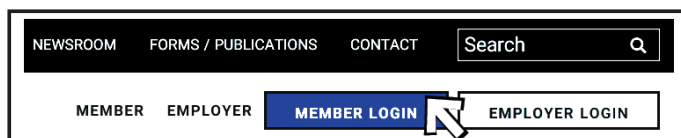
Retired members are responsible for keeping track of their days and hours worked on the Post-Retirement Days Worked Report: [trsil.org/post\\_retirement\\_days\\_worked\\_2022-2023](https://trsil.org/post_retirement_days_worked_2022-2023). Previous school years are also online.

## Create an Account Today to Access Your Personalized TRS Information

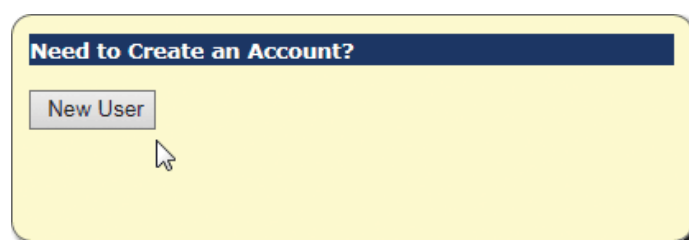
Set up your online account and you will have access to create a personalized benefit estimate; upload documents; view your TRS Benefits Reports; keep your address, phone and email information current and complete your personal retirement interview at retirement.

### How to Create an Account

Log on to [trsil.org](https://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.

If you are a TRS member, you may view your personalized information online. Please supply the following information to start an online account.

Social Security Number\*:  -  -

Birth Date\*:  Month  Day  (yyyy)

Member ID\*:  [What's This?](#)

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

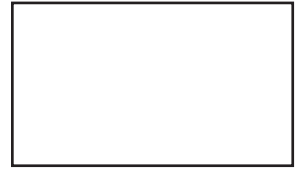
Keeping your online record confidential is important to you and TRS. After you have set up your account, personalized sign-in screens make it difficult for someone else to log on to your account. Also, an email will automatically be sent to you when any changes are made to your online account.



## TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

2815 West Washington Street, P.O. Box 19253  
Springfield, IL 62794-9253

### Summer 2022 Topics & Report



#### Go Green!

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

#### Office locations

2815 W. Washington St.  
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

P.O. Box 19253, Springfield, IL 62794-9253

#### Topics & Report Newsletter

##### Summer 2022

Published by the  
Teachers' Retirement System  
of the State of Illinois

**Editor:** Kathy Boehme  
[kboehme@trsil.org](mailto:kboehme@trsil.org)

**Layout:** Michael Kane



TRSillinois @ILLTRS TRS\_illinois c/trsillinois



TRS website: [trsil.org](http://trsil.org)

Printed by the authority of the State of Illinois.  
38,000 — Pub04 — 6/22

#### Contact TRS

**Email:** [members@trsil.org](mailto:members@trsil.org)

**Call:** 877-927-5877 (877-9-ASK-TRS)

**Website:** [trsil.org](http://trsil.org)

#### Contents

- 1 Investment Strategy Protects 2021 Gains Despite Market Volatility  
E.D. Rupnik Marks First Anniversary with Year's Highlights
- 3 Gov. Signs New Laws Affecting TRS  
Two Ways to Make an Address Change with Us
- 4 Annual Enrollment Period This Fall for TRAIL Medicare Advantage  
Michael Goetz Appointed to TRS Board of Trustees
- 5 Annual Fall Member Meetings  
Wait Four Months for Refund of Retirement Contributions
- 6 Interest in TRS Supplemental Savings Plan Gains Momentum
- 7 Be Aware of Post-Retirement Limitations for 2022-23 School Year  
Create an Account Today To Access Your Personalized TRS Information