TIER I MEMBER GUIDE

June 2017

TEACHERS' RETIREMENT SYSTEM
OF THE STATE OF ILLINOIS

OUR MISSION:

TRS will continually deliver the retirement security promised to our members by maintaining the highest and most efficient level of service and by living our values:

- Put the best interests of others first
- Diversity
- Teamwork
- Continuous improvement

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Foreword

Our Mission:
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- ***Put the best interests of others first***
- ***Diversity***
- ***Teamwork***
- ***Continuous improvement***

June 2017

The *Member Guide* provides an overview of your TRS benefits. You are a member of Tier I in the Teachers' Retirement System of the State of Illinois (TRS) because you first contributed to TRS before Jan. 1, 2011 or you have pre-existing creditable service with a reciprocal pension system prior to Jan. 1, 2011.

A member first contributes to TRS on his or her first day of paid service.

Public Act 96-0889, which was signed into law in spring 2010, added a new section to the Pension Code that applied different benefits to anyone who first contributed to TRS on or after Jan. 1, 2011 and does not have any previous service credit with a pension system that has reciprocal rights with TRS. These members are referred to as "Tier II" members.

This guide has been prepared to answer general questions that you have about us, the services we offer, and your responsibilities as a member or an annuitant. We make every effort to provide you with the most current information, including rule changes enacted by our Board of Trustees and benefit changes resulting from legislation. This guide includes legislative changes signed into law as of June 1, 2017.

Effective June 1, 2011, Illinois law entitles a party to a civil union to the same legal obligations, responsibilities, protections, and benefits as are afforded or recognized by the law of Illinois to spouses. For information about changes that have occurred since the publication of this guide, see our *Topics & Report* newsletter by visiting the **TRS website** (**http://www.trsil.org**).

It is our policy to comply with all applicable federal and state laws, rules, and regulations. If there is a conflict between information contained in this guide and the applicable law, rule or regulation, the law, rule or regulation takes precedence.

Chapter 1: Introduction

Created by the Illinois General Assembly in 1939, TRS has grown to be one of the largest teachers' retirement systems in the United States with more than 370,000 active members, annuitants, and benefit recipients.

We provide retirement benefits for teachers who are employed by all Illinois public common and charter school districts located outside the city of Chicago. The Illinois Pension Code contains the laws relating to our creation, benefits, and administration.

Administration

TRS is governed by a 13-member Board of Trustees. Trustees include the state superintendent of education, six trustees appointed by the governor, four trustees elected by contributing TRS members, and two trustees elected by TRS annuitants. The Board of Trustees appoints the executive director, who is responsible for the detailed administration of TRS.

Funding

We have several sources of funding:

- member contributions,
- investment income,
- employer contributions, and
- appropriations from Illinois state government.

As an active member, you contribute 9 percent of your salary toward retirement each year. We invest these assets to create diversified investment income. Our investment portfolio, which is managed by external investment management firms and monitored by our investment staff and consultant, includes stocks, bonds, real estate, cash and equivalents, and private markets. Employer contributions and appropriations from Illinois state government make up the remaining funding sources.

As a remittance agent for the Department of Central Management Services, we collect additional contributions from active members and employers to help fund the Teachers' Health Insurance Security (THIS) Fund. Revenues from the THIS Fund are used to finance the Teachers' Retirement Insurance Program (TRIP). Federal law prohibits TRS monies from being placed in the THIS Fund.

Qualified pension plan status

TRS operates a qualified pension plan under provisions of the Internal Revenue Code, Section 401(a). The advantages of being a qualified plan include:

- tax-sheltering of mandatory retirement contributions in the year that they are made to TRS;
- deferral of income taxes on contributions until your retirement, at which time your effective tax rate may be lower; and
- tax-free accumulation of interest credited to you by TRS.

To maintain our qualified pension status, we must meet certain Internal Revenue Service requirements, including:

- annual benefit, salary, and contribution limitations,
- compensation that may be reported for benefit calculation purposes,
- benefit eligibility provisions,
- benefit distribution limitations, and
- rollover restrictions.

We are dedicated to complying with all requirements for qualified plans.

Confidentiality

All information contained in a member's record is confidential. We provide such information to the member, to others at the member's written request, to other retirement systems subject to the Illinois Retirement Systems Reciprocal Act, to the state of Illinois for annuitant health insurance purposes, and to the Social Security Administration for government pension offset determination and windfall elimination purposes. Member information also may be given pursuant to a subpoena issued during court proceedings.

Social Security numbers

TRS requires Social Security numbers (SSNs) for tax reporting obligations associated with payment of benefits and refunds and for internal verification and administrative purposes. You may rest assured that TRS understands identity protection concerns, complies with all applicable identity protection laws, and has policies and procedures in place to protect your SSN. We will never require you to transmit your SSN over the internet unless the connection is secure or

the SSN is encrypted. We will redact your SSN from information or documents before release as part of a public records request. We will only print your SSN on documents and forms that we mail to you as part of an application or enrollment process, to establish, amend, or terminate your TRS account, or to confirm the accuracy of your SSN. For information about SSNs and Qualified Illinois Domestic Relations Orders (QILDROs), please consult our QILDRO publication.

Administrative review

Any member, annuitant, beneficiary, or employer may appeal a staff determination or interpretation of the Illinois Pension Code or the TRS rules which specifically affects them to the Board of Trustees Claims Hearing Committee. A written request for an administrative review must be filed with the executive director no later than six months after a TRS staff disposition or interpretation is given. The TRS Board does not provide advisory opinions.

Chapter 2: Membership

TRS is the retirement system for educators in positions requiring licensure under the Illinois School Code and employed in public schools outside the city of Chicago.

Covered positions

You qualify for TRS membership if you are employed as:

- an assistant regional superintendent of education,
- a chief school business official,
- a classroom teacher,
- a driver education teacher,
- an employee of a regional superintendent in an educational program that serves two or more districts and in a position that requires licensure,
- a regional superintendent of education,
- a retired teacher if post-retirement employment limitations are exceeded,
- a school administrator requiring licensure,
- a school librarian,
- a school nurse,
- a school psychologist,
- a school social worker,
- a substitute or part-time teacher, or
- a teacher of homebound students.

You also may be a member of TRS if you are employed in a position requiring teacher licensure in certain state government agencies or in certain positions with the Illinois State Board of Education (ISBE) or TRS.

Noncovered positions

You do not qualify for TRS membership if you are employed as:

- an adult education teacher,
- an assistant athletic director or athletic director not requiring licensure,*
- an athletic official with IHSA or similar contract,
- a behavior analyst,
- a buildings and grounds manager,
- a bus driver,
- a cafeteria worker,
- a clerical worker,
- a construction manager,
- a contract speech pathologist under section 5/14-6.04 of the School Code,
- a custodian,
- a graduate general administrator intern,
- a home educator/parent educator,
- an individual aide
- a mobility instructor,
- a non-licensed school administrator,
- an occupational therapist,
- a paraprofessional/teacher's aide,
- a physical therapist,
- a physical therapist assistant,
- a psychologist intern,
- a retired teacher who complies with post-retirement employment limitations,
- a secretary,
- a security guard,
- a social worker intern,
- a speech and language pathologist assistant,
- a student teacher or worker,
- an ROTC instructor,
- a tutor,
- a technology director not requiring licensure,* or
- a transportation director.

Positions that do not qualify for TRS membership may be covered by the Illinois Municipal Retirement Fund (IMRF).

The preceding lists are not all-inclusive. Contact ISBE with any questions regarding licensure requirements.

Effective date of membership

The effective date of your TRS membership is the day you begin employment in a TRS-covered position. If your employer has not recorded your date of employment, your membership date is the first payroll day for which contributions from your salary are required.

Proof of birth

If you have not already submitted a "proof of birth" in the secure member area online, it must be provided to TRS in order to receive future benefits. Acceptable proof of birth includes: a copy of your birth certificate, valid passport, valid driver's license or any other state-issued identification card displaying your date of birth.

Felony conviction

If you are convicted of a work-related felony while you are a member of TRS, you become ineligible for TRS membership and benefits. However, you may take a refund of your TRS retirement contributions **(see Chapter 15: "Refund of Retirement Contributions")**.

If you are convicted while an annuitant, you are entitled to a refund of your retirement contributions that have not been paid as an annuity benefit.

** Depending on the job duties, these positions may or may not require licensure.*

Chapter 3: Earnings

Your earnings help to determine the amount of your future pension benefit and are the basis upon which TRS retirement contributions are determined.

Creditable earnings

We recognize the following forms of compensation as creditable earnings:

- salary you earn for:
  - regular contractual teaching duties;
  - extra-duty earnings:
    - contractual teachers: extra duties related to teaching or the academic program, or involving supervision of students;
    - noncontractual teachers: only extra duties requiring teacher licensure;
  - substitute teaching;
  - teaching that is completed after school hours, such as night school or driver education; and
  - homebound teaching.
- stipends paid to administrators for serving as a school board officer or clerk.
- longevity stipends.
- bonuses.
- wages while using vacation, sick leave, and personal leave.
- employer-paid TRS contributions for members.
- contributions to tax-sheltered annuities under the Internal Revenue Code, Section 403(b) or to a qualified tax-deferred compensation plan under the Internal Revenue Code, Sections 457(b) or 401(a).
- contributions to a flexible benefit plan. A "flexible benefit plan" is an option offered by an employer to employees who are covered under TRS to receive cash or contributions to a 403(b) tax-sheltered annuity or 457(b) deferred compensation plan in lieu of employer-provided insurance.
- payments made by your employer for the purchase of optional service credit. To be reportable as creditable earnings, the payments must be paid or due and payable along with or prior to your final paycheck for regular earnings.
- payments made by your employer for your 2.2 upgrade. To be reportable as creditable earnings, the payments must be paid or due and payable along with or prior to your final paycheck for regular earnings.
- salary or backwage payments resulting from contract buyouts, labor litigation, and settlement agreements.
- retirement incentives and severance payments, including payments for accumulated vacation and sick leave, that are paid or due and payable along with or prior to your final paycheck for regular earnings.
- regional superintendent stipends paid from county funds.
- stipend paid for becoming National Board Certified.
- honorariums paid to union officers.
- gift cards given in lieu of payments that qualify as salary.

Summer earnings

Summer earnings are reportable to TRS on the same basis as employment during the regular school term.

Summer-school teaching and summer extra duties that require teacher licensure are reportable as creditable earnings. For full-time and part-time contractual teachers, summer extra duties involving supervising students and summer duties related to the academic program are also reportable as creditable earnings.

Active military duty

Since the 2000-2001 school year, members called to active military duty receive full earnings and TRS service credit while on active duty without paying any contributions.

Limitations

Individuals who become TRS members on or after July 1, 1996, receive credit for earnings up to the annual amount allowed by federal law.

Noncreditable earnings

Noncreditable earnings include compensation earned for duties that are unrelated to the academic program.

The following compensation items do not qualify as creditable earnings and cannot be reported to TRS:

- severance payments that are due and payable and paid after your final paycheck for regular earnings or last day of work,
- payment at termination for services that you will perform while you are retired,
- lump-sum payments made after your death,
- previously nonreportable or nonreported earnings or benefits that are converted to reportable earnings in the last years of service for the purpose of increasing final average salary. TRS presumes any decrease in noncreditable compensation in the last seven creditable school years is to increase final average salary,
- workers' compensation payments,
- jury duty payments,
- options to take salary in lieu of employment-related expense allowances or reimbursements,
- payments to substitute and part-time noncontractual (hourly) teachers for extra duties that do not require licensure,
- member THIS Fund contributions paid as a benefit,
- employer TRS and THIS Fund contributions,
- employer payment of Medicare tax, and
- contributions to or distributions from nonqualified deferred compensation plans.

Fringe benefits

Employer-paid fringe benefits are not creditable earnings unless they are included in a reportable flexible benefit plan. A "flexible benefit plan" is an option offered by an employer to employees who are covered under TRS to receive cash or contributions to a 403(b) tax-sheltered annuity or 457(b) deferred compensation plan in lieu of employer-provided insurance. Examples of noncreditable, employer-paid fringe benefits include:

- dental insurance,
- disability insurance,
- health insurance, and
- life insurance (including insurance in excess of $50,000 and split-dollar life insurance).

Expense reimbursements and allowances

Expense reimbursements or allowances are not creditable earnings, whether they are paid to you or to the provider of the service or product. Examples of noncreditable expense reimbursements and allowances include:

- cellular phone reimbursements,
- contributions to medical savings accounts,
- dependent care reimbursements,
- employer-provided automobiles,
- legal fee reimbursements,
- living or mortgage allowances,
- medical care reimbursements,
- membership dues,
- moving expenses,
- publication subscriptions,
- travel reimbursements and allowances, and
- tuition reimbursements.

Chapter 4: Contributions

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

Member contributions

As an active TRS member, you are required to contribute 9 percent of your gross creditable earnings (**defined in Chapter 3: "Earnings"**) toward retirement each year. Your contribution consists of:

- 7.5 percent for retirement annuities,
- 0.5 percent for automatic annual increases in annuities, and
- 1 percent for death benefits.

You must also contribute a percentage of your gross creditable earnings to help fund the Teachers' Health Insurance Security (THIS) Fund, which finances the Teachers' Retirement Insurance Program.

Contributions are withheld from your creditable earnings by payroll deduction or are paid by your employer and are credited to your TRS account. Your contributions accrue interest at the rate of 6 percent per year and are sheltered from federal income taxes.

Annually, you will receive an online TRS Benefits Report that provides information about your contributions (**see "TRS Benefits Report" in Chapter 16**).

Employer contributions

Employers contribute a percentage of creditable earnings (**defined in Chapter 3: "Earnings"**). In addition, if any portion of a member's creditable earnings is paid from a special trust or federal fund, the employer pays TRS an additional contribution on creditable earnings paid from that special trust or federal fund.

Employers also make contributions to the THIS Fund.

End-of-career salary increases exceeding 6 percent

Your employer will be required to pay TRS for the actuarial value of any salary increase over 6 percent that is used in the final average salary calculation and increases your pension benefit. The amount will be determined when you retire and your employer will be required to pay a lump sum to TRS.

Contracts and collective bargaining agreements in effect prior to June 1, 2005 that provide for pay increases over 6 percent at retirement are exempt from the provisions contained in the act.

Sick leave granted near the end of a career

Employers will be responsible for the cost of sick leave granted days that increase service credit in excess of the teacher's normal allotment in the last four school years prior to his/her retirement. The law exempts collective bargaining agreements and contracts as discussed in the paragraph above.

State of Illinois contributions

The state of Illinois provides a large source of contributions annually to TRS. The state also makes contributions for the 2.2 benefit formula.

Assignment of contributions and loans

By law, you are protected from creditors placing a lien on, garnishing, or confiscating contributions you have made to TRS. This provision does not extend to federal tax levies. You may not assign your TRS contributions to a creditor or borrow against your account funds.

Chapter 5: Service Credit

Service credit determines your eligibility for a retirement annuity.

"Days paid" include any weekday (Monday through Friday) for which payment is made to you for:

- administrative absence defined as an absence from duty administratively authorized for investigative purposes without the loss of pay or benefits and without charge to leave;
- attendance during the work week at teachers' institutes, workshops, and parent/teacher conferences scheduled in the school calendar;
- legal school holidays;
- sabbatical leaves in accordance with the School Code;
- Saturday, if it qualifies as a day of service and the service is required due to a lawful day of attendance;
- service requiring licensure under the School Code;
- vacation, sick, or personal leave days used prior to termination; or
- suspension.

You may also purchase optional service, which is discussed in **Chapter 6: "Optional Service Credit."**

We annually prepare an online TRS Benefits Report for each active member that provides information about service credit **(see "TRS Benefits Report" in Chapter 16)**.

Regular service

You earn one year of service credit for any school year in which you are employed and receive salary for 170 days.

Prior to Jan. 14, 1991, if you earned salary for fewer than 170 days, you were granted a fraction of a year of service based on the length of the school term or employment contract, whichever was longer.

Effective Jan. 14, 1991, if you earn salary for fewer than 170 days between July 1 and June 30, you will be granted service credit at the ratio of actual number of days paid to 170 days.

For example, if you teach three days per week for a total of 108 days, your service credit would be 0.635 of a year. (108 ÷ 170 = 0.635)

Sabbatical leave

You earn regular service credit for a sabbatical leave if your employer granted the leave in accordance with the School Code [105 ILCS 5/24-6.1]. Your employer must remit the full retirement contribution for you during your sabbatical leave. The contribution is based on the last reported salary rate prior to your leave.

Sick leave

When you retire, you may receive a maximum of two years (340 days) of service credit for unused, uncompensated sick leave that is certified by a TRS employer. If you receive payment for unused sick leave days and the payment is reportable as creditable earnings, you will not receive service credit for those days. If the payment for sick leave days is not reportable to TRS as creditable earnings, the sick leave days must be reported.

Your last employer certifies the number of unused, uncompensated sick leave days you have accrued on the Supplementary Report for Retirement Annuity Benefits form that is filed with us when you retire. If you have sick leave from employers prior to the 1987-88 school year for which you want service credit, you must have each former employer complete a Former Employee Sick Leave Certification form and return it to us. Beginning with the 1987-88 school year, employers annually certify the number of unused, uncompensated sick leave days for members who terminated employment during the past school year. Please check your TRS Benefits Report to determine if any previous employers reported unused sick leave for you.

To be creditable for retirement purposes, sick leave must be available for your use if you become ill. Service credit is not available for sick leave days that are added to your record at or near the time you terminate service for the purpose of increasing your retirement service credit.

In certain instances, your employer may agree to add sick days to your record to restore days lost due to an earlier, lower cap or because of a negotiated increase in sick days.

In all cases, any additional days awarded must actually be available for use in the event of illness, accident, or disability. The following box shows the calculation to determine whether additional days granted are available for use and retirement credit.

Number of paid days remaining until termination: • Include subsequent years (if applicable)	_____
Subtract sick days already recorded on your record	_____
Additional sick days, if any, that may be granted and available for retirement credit	_____

Example

With 180 days (one school year) remaining until you retire, you have 210 available sick leave days. Your employer grants you an additional 130 days in an attempt to give you two full years of service credit at retirement. These added days cannot be reported to TRS because they were not available for your use; at the time they were granted, you had sufficient sick leave available to cover the remainder of your employment (180 days until retirement less 210 days already on record). You use five days during the school year. At termination, the district reports 205 (210-5) days of unused, uncompensated sick leave to TRS. You will receive credit for 1.206 of a year (205 ÷ 170 = 1.206).

TRS will not grant service credit for days:

- lost as a result of a district imposed sick leave cap;
- not reinstated or granted sufficiently far in advance of retirement to be available for use;
- granted contingent upon a future event such as retirement;
- only available for catastrophic or extended illnesses;
- accumulated in excess of a per illness limitation;
- reportable to another retirement system;
- earned in years for which you took a refund that has not been repaid;
- available for use in a non-TRS-covered position;
- or recorded in other states, even if you purchased out-of-system credit.

TRS will not grant service credit for any days you withdrew from a sick leave bank in excess of the days you deposited into the bank and did not use.

Granted days

The following situations are regarded as granting sick leave in excess of the normal annual allotment. The three-step formula must be applied to the extra days as of the date they are added to your record to determine if they are available for use.

- granted from a sick leave bank to preserve your personal sick leave balance in the final year(s) of service;
- bonus days awarded for good attendance or for not using sick or personal leave;
- bonus days awarded for reaching a minimum accumulation of sick leave;
- sick leave days awarded in lieu of payment for extra duties;
- unused bereavement leave days converted to sick leave;
- unused vacation days converted to sick leave;
- unused personal leave days that accumulate two-for-one as sick leave or personal leave;
- personal leave days that are not available for use as sick leave but accumulate as sick leave if unused; or
- unused, non-designated or no-reason days converted to sick leave.

Personal leave days

If unused and unpaid personal leave could be used in the event of illness, they are also reportable for sick leave service credit.

Vacation

You will not receive service credit for unused vacation days.

Chapter 6: Optional Service Credit

You can obtain additional credit towards your retirement through purchases of optional service or repayment of refunds.

There are several types of optional service. Most have a direct relationship to certified teaching in the public schools, but there are certain exceptions such as military service.

To begin the process of purchasing optional service credit, call TRS at 877-927-5877 (877-9-ASK-TRS) and request the optional service type's form. In all cases, you must submit the appropriate documentation to TRS to purchase the credit. We urge you to do so at the earliest possible opportunity to avoid disappointment. With the passage of time, records may become lost, destroyed, or much more difficult to obtain. Once reported to TRS and verified, the qualifying event is a permanent part of your record at TRS and can be used in calculating your benefit estimates.

You are under no obligation to purchase optional service that you have reported to TRS.

When to purchase

Purchases of most service credit must be completed before you retire. The only exception is credit for pregnancies and adoptions.

In addition, federal tax laws do not permit your survivors to initiate or complete an optional service purchase or refund repayment after your death.

Cost

Your cost for out-of-system service, part-time teaching, unreported substitute teaching, homebound teaching, leave of absence, involuntary layoff, pregnancy leave, or adoption leave credit is equal to the amount that would have been required had the service been earned under TRS, plus interest, usually at the rate of 6 percent, from the date the contributions would have been due to the date payment is made. The cost for military service is specified within its section.

THIS Fund Contribution

For service performed on or after July 1, 1995, all active TRS members, except employees of state agencies, are required to make contributions to the Teachers' Health Insurance Security Fund (THIS Fund) when making an optional service credit purchase to help finance the Teachers' Retirement Insurance Program. Active military service purchases are an exception to this contribution rule.

The THIS Fund amount will vary according to the purchase year; it is calculated by using the same rate that was required that year. For example, the 1995 THIS contribution rate would apply for a 1995 maternity leave optional service credit purchase. The payment must be made to the THIS Fund with a separate check.

Out-of-system service

Illinois law does not permit credit for teaching service that is also used in any other statutory, public employee retirement system except Social Security or a military allotment. You may not receive retirement benefits from two public pension systems for the same years of service.

The following types of full-time, part-time or substitute public school teaching qualify as "out-of-system" service:

- other states, territories, or dependencies of the United States,
- Chicago public schools, and
- public common schools operated by the United States.

In addition, employment by a public agency in professional speech correction or special education in Illinois, another state, territory, dependency of the United States qualifies.

The following types of service do not qualify because they were not performed in a public common school:

- colleges or universities, and
- military instructional centers.

Service requirements

Your out-of-system service must be followed by at least five years of creditable service earned with TRS,

the Public School Teachers' Pension and Retirement Fund of Chicago (CTRF), or the State Universities Retirement System (SURS). The out-of-system service cannot exceed two-fifths of your total creditable service with TRS at retirement. The overall maximum is 10 years. You may establish and pay for out-of-system service at any time. However, you must meet the service requirements at retirement for the out-of-system service to be creditable.

Reporting

The member, school district, and retirement system must complete the Out-of-System Service Certification form using actual school records.

Part-time teaching

You may be eligible to purchase credit for part-time teaching if you worked part-time between July 1, 1969 and June 30, 1990. If you worked in a permanent and continuous position during the entire school term, you have already received credit. If your service was not permanent and continuous, you may purchase the credit.

Reporting

The member and the school district must complete the Part-time Service Certification form using actual school records.

Substitute and homebound teaching

Before July 1990, substitute teaching service was not covered by TRS. You may, however, purchase credit for this service. In addition, you may purchase credit for homebound instruction and tutoring service that was paid by a TRS employer.

Reporting

The member and the school district must complete the Substitute or Homebound Service Certification form using actual school records.

Leave of absence or involuntary layoff

You may purchase service credit for approved leaves of absence or involuntary layoffs.

A leave of absence is "approved" if:

- you did not resign;
- your employer promised renewed employment at the end of the leave; and
- your employer, through its board, officially approved your leave; or
- your leave qualifies under the federal Family and Medical Leave Act, as certified by your employer.

A layoff is involuntary if it is due to a reduction in force (RIF) authorized under the School Code. An involuntary leave does not include a dismissal for cause or other performance-related reasons.

To qualify, you must return to service under TRS or the State Universities Retirement System (SURS) after the leave or layoff for one year or the period of the leave/layoff, whichever is less.

Reporting

The member and the school district must complete the Leave of Absence Certification form using actual school records. For an involuntary layoff, a letter from the employer indicating the RIF must be received.

Since July 2001, TRS has requested school districts to annually report any approved leave of absences.

Pregnancy or adoption credit

You may purchase credit for periods of absence from a TRS-covered position due to pregnancy or adoption prior to July 1983.

To qualify, you must have returned to covered employment with either TRS or State Universities Retirement System (SURS) for one year or the period you were away from teaching due to pregnancy, whichever is less.

Although it is advantageous to purchase the credit as soon as possible, there is no deadline. Annuitants or members may purchase all or a portion of the credit to which they are entitled, but annuitants may make only one purchase.

Credit Maximum

You may purchase a maximum of three years for all leaves of absence, involuntary layoffs, and absences due to pregnancy or adoption.

Reporting

Send us a completed Pregnancy Service Certification or Adoption Service Certification form and all required supporting documentation.

Military service

You may purchase two types of military service:

- military service that immediately followed Illinois public school teaching, and
- military service that did not immediately follow Illinois public school teaching.

You may purchase up to five years of credit, but only two may be for service that did not immediately follow TRS-covered employment.

Military service immediately following teaching

If you were drafted or enlisted while teaching, you may be able to purchase up to five years of credit. This credit must be purchased before you retire. To qualify, your military service must have begun within 12 months of teaching service under TRS or CTRF, the plan for Chicago teachers. Credit is granted for actual military service as well as for federally-sponsored teacher training that followed your discharge from the military.

Reporting

Send us a copy of your U.S. Government Form DD-214 or its equivalent.

Cost

Your cost is equal to the contributions to TRS that would have been required had you continued teaching. Interest is charged, usually at the rate of 6 percent, from the date the contributions would have been due to the date payment is made.

Military service NOT immediately following teaching

If you were not teaching in a position covered by TRS or CTRF at the time you joined the military, you may be eligible to purchase up to two years of credit for your military service. This credit must be purchased before you retire.

Reporting

Send us a copy of your U.S. Government Form DD-214 or its equivalent.

Cost

The cost is based on the total normal cost in effect on the date of application. This rate, which is determined by our actuaries each year, includes both employer and employee contribution costs. The rate is multiplied by the salary for your first year of teaching after military service.

The salary must be for a position that required mandatory contributions to TRS. Interest, usually at the rate of 6 percent, is added from the date of first membership in the system or when the contributions would have been due, whichever is later, until the balance is paid.

Obtaining a Form DD-214

Written requests for duplicate form DD-214 must be signed and mailed to:

National Personnel Records Center
(Military Personnel Records)
9700 Page Ave.
St. Louis, MO 63132-5100

Service canceled by a refund

When you take a refund of your TRS contributions, your TRS membership ends and all creditable service is canceled. This service cannot be reinstated or used for calculating benefits until you:

- repay the entire refund with interest from the date the refund was made until the date you repay the refund; and
- complete one year of TRS creditable service following the refund, or
- complete two years of creditable service under a reciprocal retirement system.

Remember, Illinois law does not permit credit for teaching service that is also used in any other statutory, public employee retirement system except Social Security or a military allotment.

Chapter 7: Payment Options

Several options are available to pay for optional service, refunds, or 2.2 upgrades. The table below will help you select an option.

	Optional Service	Refund	2.2 Upgrade	THIS Fund*
After-tax lump sum	Yes	Yes	Yes	Yes
After-tax installment	Yes	Yes	No	Yes
Tax-sheltered rollover	Yes	Yes	Yes	No
** Must be paid with separate check to THIS Fund.*				

Lump-sum or installment payments

You may make a lump-sum payment directly to TRS when you purchase optional service credit, upgrade your service credit to the 2.2 benefit formula or repay refunded service. Only purchases of optional service credit or repayments of refunds may be made in installment payments directly from you to TRS. Each installment payment must be a minimum of $50. If your total balance due is less than $50, your payment must be for the full amount due. You may not make after-tax, direct installment payments for the cost to upgrade to the 2.2 benefit formula.

For service performed on or after July 1, 1995, all active TRS members, except employees of state agencies, are required to make contributions to the Teachers' Health Insurance Security (THIS) Fund when making an optional service credit purchase to help finance the Teachers' Retirement Insurance Program. The THIS Fund amount will vary according to the purchase year; it is calculated by using the same rate that was required that year. For example, the 1995 THIS contribution rate would apply for a 1995 maternity leave optional service credit purchase.

The payment must be made to the THIS Fund with a separate check.

We accept personal checks, money orders, and cashiers' checks. Cash and credit card payments are not accepted.

Rollovers

TRS can accept rollover contributions (other than after-tax contributions) from:

- another qualified Section 401(a) or 401(k) or Keogh plan;
- an annuity plan described in Internal Revenue Code (IRC), Section 403(a);
- a tax-sheltered annuity contract described in IRC, Section 403(b);
- an individual retirement account or annuity (IRA) under IRC, Section 408(a) or Section 408(b) that is eligible to be rolled over and would otherwise be included in gross income;
- a conduit individual retirement account described in IRC, Section 408(d);
- a Simplified Employee Pensions Plan (SEP) under IRC, Section 408(k);
- a Savings Incentive Match Plan for Employees (Simple IRA) under IRC, Section 408(p), if there has been participation in the plan for at least two years; and
- an eligible deferred compensation plan under IRC, Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

Additionally, TRS will also accept spousal rollovers of distributions from Section 401(a), 401(k), Keogh, 403(a), 403(b) and 457(b) plans that the member's deceased spouse participated in or that have been divided by a Qualified Domestic Relations Order.

Roth IRAs are not eligible for rollover.

TRS cannot process the payment without a correctly completed Rollover Certification form that provides written confirmation from the transferring plan that the amounts deposited are eligible for rollover treatment. Rollover eligibility is governed by federal law and providers' rules and regulations.

The rollover amount cannot exceed the amount due to TRS.

For more information about rollovers and to obtain the form to initiate the rollover, please contact us.

Chapter 8: Retirement Benefits

You've been preparing children for their futures while we've been building your retirement security. Whether you are retiring soon or years from now, we can help with your retirement planning.

Retirement annuity

Your retirement benefit will be provided for your lifetime.

Eligibility

To be eligible for a TRS retirement annuity, the Illinois Pension Code requires you to terminate active service as a teacher. It is not permissible to prearrange post-retirement employment. To meet federal guidelines, TRS requires a genuine resignation and that the employment relationship be severed prior to the commencement of benefits.

To establish termination of service, two conditions must be met. First, you must formally resign from your teaching position. Second, you must wait 30 calendar days from the date of resignation before performing any post-retirement teaching for the same employer. The 30 calendar day wait period does not apply if the post-retirement teaching is for another employer.

Designations such as "temporary," "interim," and "independent contractor" will not suffice to establish termination of active service if the continued employment is with the same employer.

An annuitant who has established termination of service may not return to post-retirement teaching in the same school year he or she last contributed to TRS.

Once pension eligibility is established, retiring members must comply with post-retirement employment limitations **(see Chapter 11: "Post-retirement Matters").**

In addition to terminating service, you must meet one of the following age and service credit requirements:

Years of Service	Age
5	62
10	60
20	55 *(discounted annuity)*
35	55*

* *If you are eligible to receive a retirement annuity of at least 74.6 percent of the final average salary and will reach age 55 between July 1 and Dec. 31, we consider you to have attained age 55 on the preceding June 1.*

* *If you are a TRS member currently employed by a state of Illinois agency, you may retire under the Rule of 85 if you meet elgibility criteria. Contact TRS to see if you qualify.*

Under federal law, inactive members are required to take a TRS distribution at age 70½.

Annuity calculation

To determine your annuity, we use either an actuarial annuity calculation or an average salary/service credit calculation, whichever results in a higher benefit. The actuarial calculation is based on interest and mortality rate factors, which are subject to change. The average salary/service credit calculation (whose terms are defined in this section) yields a larger retirement annuity for most members with current or recent service; the maximum retirement benefit is 75 percent of the average salary. There is no limit on the actuarial annuity benefit.

The actuarial benefit has been eliminated for teachers who became members on or after July 1, 2005, as a result of Public Act 94-0004. For most TRS members, the 2.2 formula calculation results in a larger benefit than the actuarial calculation. The actuarial calculation usually benefits members with exceptionally long careers or long periods of inactive status.

Average salary is the average of the four highest consecutive annual salary rates within the last 10 years of creditable service. If you have less than a full year during your final year of teaching, we use a special procedure to calculate average salary.

Each annual salary rate after June 30, 1979, cannot exceed the previous year's full-time rate by more than 20 percent. Any earnings above this limit are excluded. The 20 percent cap on salary increases applies only to service you performed for the same employer. Consolidation of school districts does not constitute a new employer; therefore, the 20 percent cap still applies.

Years of creditable service determine the percentage of the average salary to which you are entitled. If you do not upgrade service to the 2.2 formula, you are entitled to the following formula for service credit earned prior to July 1, 1998:

- 1.67 percent for each of the first 10 years
- 1.9 percent for each of the second 10 years
- 2.1 percent for each of the third 10 years
- 2.3 percent for each year over 30 years

For post-June 1998 service, you receive 2.2 percent for each year of service.

A special provision applies to members who had at least 24 years of service credit as of July 1, 1998. If you

do not upgrade to the 2.2 formula and you had at least 24 years of service prior to July 1998, you will receive 2.2 percent for each year of service earned after June 1998 up to 30 years and then 2.3 percent for each year of service over 30 years.

Maximum retirement benefit

If you are qualified to receive a benefit of at least 74.6 percent of final average salary, we will round this percentage up to the 75 percent maximum retirement benefit. If all of your service credit is with TRS, you will receive the maximum benefit with 34 years of service credit if you are eligible for a non-discounted annuity.

Discounted retirement annuity

If you retire between the ages of 55 and 60 with at least 20 but fewer than 35 years of service, your retirement annuity is reduced by 6 percent for each year (half percent per month) that you are under age 60. A discounted annuity is based on your average salary, years of service, and age.

2.2 upgrades

You may upgrade all of your pre-July 1998 service to the 2.2 formula by making an additional contribution. The contribution is equal to 1 percent multiplied by your highest salary rate in the four consecutive school years immediately prior to, but not including, the school year in which you apply for the upgrade times the number of years of creditable service you earned prior to July 1, 1998, or up to 20, whichever is less. For information about receiving a refund or reduction of your 2.2 upgrade cost, **see "Refunds or reduction of the 2.2 upgrade cost" in this chapter**.

Reversionary annuity

When you retire, you will receive a standard annuity from TRS unless you elect to receive a reversionary annuity. The standard annuity provides the largest amount payable throughout your lifetime. A reversionary annuity reduces the retirement annuity amount to provide an additional monthly annuity to a surviving, designated dependent beneficiary after your death.

Electing to receive a reversionary annuity should be a careful decision because of its costs, possible reduction in death benefits, and irrevocability. If you elect a reversionary annuity, remaining contributions are not payable at the time of your death **(see "Refund of Retirement Contributions" in this chapter)**.

Regardless of the type of annuity you select, your dependent will receive death benefits from TRS after your death if you have named him or her to receive such benefits on your Member Information and Beneficiary Designation (MIBD) form **(see Chapter 14: "Death Benefits")**.

If you elect the reversionary annuity, you must designate the dependent beneficiary to whom you wish the reversionary annuity be paid. This beneficiary does not have to be the same as the death benefit designee.

Qualifying the beneficiary

In order to qualify your dependent beneficiary for the reversionary annuity, the following **must occur prior to death:**

- resign from your position,
- complete and return the Retirement Application naming your beneficiary and,
- complete all required payments.

Once you have selected a dependent beneficiary to receive the reversionary annuity, the selection cannot be changed and there is no continuing requirement that a dependent relationship exist between you and the beneficiary. In other words, whether or not the beneficiary is dependent on you at the time of your death has no bearing on his or her eligibility to receive the reversionary annuity.

Election of a reversionary annuity is irrevocable. However, if your designated beneficiary predeceases you and you send us a certified copy of the death certificate, we will reinstate your retirement annuity to the full amount on the first day of the month after we receive your beneficiary's death certificate. You will not receive any retroactive adjustments.

Single-sum retirement benefit

If you have fewer than five years of creditable service, you are eligible to receive a single-sum retirement benefit at age 65. The benefit is the

actuarial equivalent of a retirement annuity consisting of 1.67 percent of your final average salary for each year of creditable service. To be eligible for this benefit, you must terminate TRS-covered employment and complete an application for a single-sum retirement annuity.

Once you receive the single-sum benefit, you may teach in a TRS-covered position without restriction and you will not be required to make contributions.

Refunds or reduction of the 2.2 upgrade cost

You may receive a refund with interest or a reduction of your 2.2 upgrade cost:

- For every three years you teach and earn regular service credit after July 1, 1998, the equivalent of one year of your 2.2 upgrade cost will be reduced or refunded with interest.

If you retire with more than 34 years of service credit, you may receive:

- a 25 percent reduction in upgrade costs for each year of creditable service beyond 34 years, up to a maximum of 100 percent. Partial years are prorated.

Refund of survivor benefit contributions

Eligibility

When you apply for a retirement annuity or while you are receiving a retirement annuity, you may take a refund of your survivor benefit contributions if you have creditable service after July 24, 1959, and you do not have a dependent beneficiary (**see "Types of beneficiaries" in Chapter 14**).

The refundable amount is 1 percent of total gross creditable earnings for each year of teaching service after July 24, 1959.

Effect of receiving a refund

When you receive a refund of your survivor benefit contributions, you waive all rights to your beneficiaries' receiving survivor benefits. However, your remaining accumulated retirement contributions, if any, still remain payable to your beneficiaries upon your death. The survivor benefit refund may be repaid with interest if you return to teaching and earn one year of creditable service.

Application procedure

When you are applying for retirement or at anytime thereafter, you may request a Refund of Survivor Benefit Contributions Application form from us. However, the form will not be sent until the processing of your retirement is complete. Return your completed form to our Springfield office. Within six weeks after we receive your completed application, we will process your refund and will forward it to the Office of the Comptroller for payment.

Impact on Social Security

If you qualify to receive a single-sum retirement benefit or take a refund from TRS instead of a monthly benefit, you may wish to ask if your Social Security benefits will be reduced. For Social Security information, you may call (800) 772-1213 or visit **www.socialsecurity.gov** online.

Chapter 9: Reciprocal Service

If you have service in more than one public retirement system in Illinois, you may qualify for enhanced retirement and survivor benefits by selecting a reciprocal retirement.

Reciprocity offers the following advantages:

- Service credit in any of the reciprocal systems may be used to meet service qualification requirements for a pension.
- The highest final average salary earned is used by each of the reciprocal systems to calculate the retirement benefit. This practice usually results in a higher benefit.
- Members may reinstate refunded service at a reciprocal system once they have established two years service credit at another reciprocal system.

You must have at least one year of service credit in any system you wish to use for reciprocity. The one exception to this rule is if you participated in IMRF as a teacher aide and earned less than 12 months of IMRF service credit, and were next employed in a position covered by TRS. If this applies, you may apply your IMRF service toward a reciprocal pension even though it does not meet the 12-month requirement. You cannot use credit from another system if you have taken a refund or if the credit has already been applied to a pension. If you previously took a refund from a reciprocal system, contact the system to determine if you may repay the refund you received.

To retire with reciprocity, your total years of reciprocal service must equal the minimum qualifying period under each system to be eligible for retirement.

If the service periods overlap, the reciprocal benefits will be adjusted proportionately. Members who have significant amounts of overlapping service may want to consider retiring independently under each system rather than using the reciprocal act.

Reciprocity applies only to retirement and survivor benefits. In most cases, it cannot be used for disability and insurance purposes.

Members wishing to select reciprocity must apply to each retirement system. The systems will then exchange information in order to determine the benefits payable. When payments begin, you will receive separate checks from each system. The use of reciprocity is entirely voluntary.

If you are within five years of retirement, you may receive a reciprocal benefit estimate by contacting your current retirement system. That system will gather information from the other reciprocal systems and provide you with a consolidated estimate.

In addition to TRS, systems under the Illinois Retirement Systems Reciprocal Act include:

- County Employees' Annuity and Benefit Fund of Cook County,
- Forest Preserve District Employees' Annuity and Benefit Fund of Cook County,
- General Assembly Retirement System,
- Illinois Municipal Retirement Fund,
- Judges' Retirement System of Illinois,
- Laborers' Annuity and Benefit Fund of Chicago,
- Metropolitan Water Reclamation District Retirement Fund,
- Municipal Employees' Annuity and Benefit Fund of Chicago,
- Park Employees' Annuity and Benefit Fund of Chicago,
- Public School Teachers' Pension and Retirement Fund of Chicago,
- State Employees' Retirement System of Illinois, and
- State Universities Retirement System of Illinois.

Chapter 10: Applying for and Receiving Retirement Benefits

This is an exciting time for you. Your teaching career is almost complete. You have new experiences waiting.

The retirement process begins with you contacting us about your plan to retire and ends approximately 60 to 90 days after your retirement date when you receive your first annuity payment.

Personalized retirement interview

You may take advantage of our personalized retirement interview by calling a TRS benefits counselor or logging on to the secure member area of our website. When you plan to retire, you should contact us approximately three to four months before your retirement date.

Simply provide your Social Security number, the date you will retire, and your federal withholding status and number of exemptions to start the process. During your interview, we will discuss any optional service or credit under reciprocal systems, upgrading any pre-July 1998 service credit, enrolling in the Teachers' Retirement Insurance Program, and signing up for direct deposit.

TRS will complete the retirement forms with you over the telephone or online in about 15 minutes. You should receive your personalized forms within 10 business days.

Effective date of retirement

Once you meet the eligibility requirements **(see Chapter 8: "Retirement Benefits")**, your retirement annuity will begin on the later of:

- the day following the last day for which you earn salary that counts toward retirement, or
- the day on which you attain the minimum qualifying age.

Annuity payments

You will receive your first annuity payment approximately 60 to 90 days after we receive a signed application form, any remaining payments due from you, and the Supplementary Report and Sick Leave Certification forms from your employer.

A notification of first payment letter will be mailed to you when your retirement paperwork is completed. This notification will contain your member ID to create an online account in the secure member area if you haven't already established one. You will need your member ID, Social Security number and your birth date to set up your account. Once you are in the secure area online, you may view your monthly annuity checks and year-end statement.

The Office of the Comptroller mails payments on the last working day of each month. The payment you receive on the first day of the month represents the annuity you earned for the preceding month. Please notify us if your payment has not arrived after 30 days from the issue date.

To protect our annuitants, we have the right to suspend retirement annuities if two payments remain uncashed. Once we learn the circumstances behind the uncashed payments, we will mail the suspended payments to the annuitant.

Direct deposit

Annuitants, beneficiaries, and disability recipients are encouraged to have payments electronically deposited into a bank or other financial institution. Direct deposit is a safe and convenient way to ensure that your payments are received automatically each month.

To authorize direct deposit of benefit payments, you and your financial institution must complete and sign the Depository Agreement for TRS Benefit Payments form. Please return the agreement form with original signatures no later than the 15th day of the month. Your next check will be mailed directly to your home address. In following months, your payment will be directly deposited into your account on the first banking day of each month. You will not receive a monthly statement from TRS.

IRS Section 415 benefit limitations

Section 415 of the Internal Revenue Code imposes limitations on benefits paid by qualified plans, like TRS. TRS must determine if your retirement annuity exceeds the federally-allowed payment limit.

If your retirement annuity exceeds the payment limit, the excess balance of your monthly retirement annuity will be paid from the Teachers' Retirement Excess Benefit Fund. You will receive two annuity payments each month because payment is being made from two separate funds, the Teachers' Retirement Trust Fund and Excess Benefit Fund.

For example, if you receive $7,000 per month from the Teachers' Retirement Trust Fund and $1,000 from the Teachers' Retirement Excess Benefit Fund, the federal withholding will be taken from the Teachers' Retirement Trust Fund and will be based on a monthly pay of $8,000 and your filing status (single, married, etc.).

You will receive a 1099-R and a W-2 annually for taxes. All federal withholding will appear on your 1099-R and will be taken out of your Teachers' Retirement Trust Fund annuity payment.

Your first year in retirement, TRS will send a letter in January explaining that you receive a benefit from the Excess Benefit Fund. You will receive a W-2 for those benefits but the benefit is not subject to Illinois state income tax. Keep this letter in the event it is requested by the Illinois Department of Revenue.

Chapter 11: Post-Retirement Matters

Annuitants will want to be aware of special issues, such as health insurance, automatic annuity increases, post-retirement employment limitations, and re-entry into active membership.

Health insurance

In addition to current participants, enrollment in the Teachers' Retirement Insurance Program (TRIP) is open to:

- any member who has eight or more years of TRS service credit and is receiving a monthly retirement benefit;
- any beneficiary who is receiving a monthly survivor benefit from a member who had eight or more years of service credit; or
- any member who is receiving a disability benefit, regardless of the years of service credit.

TRIP is a comprehensive program of quality health-care coverage for retired teachers and their eligible dependents. TRS's role is to provide members with basic coverage information, enroll them in the program, and collect the appropriate premiums. The State of Illinois Department of Central Management Services (CMS) determines coverage benefits, establishes premiums, negotiates contracts with the insurance carriers, and resolves coverage and claim issues. CMS administers TRIP as set forth in the State Employees Group Insurance Act of 1971.

No TRS monies are used to fund TRIP.

There are four times when you may enroll in TRIP:

- when you apply for monthly retirement benefits or disability benefits,
- when you turn age 65 or become eligible for Medicare,
- when coverage by a former group plan is involuntarily terminated, or
- during the annual Benefit Choice Period if you have never been enrolled in TRIP.

Enrollment information, including premiums and a summary of benefits, is provided in our *TRIP Summary* publication that is available on our website.

TRS members with at least five years of service with a qualified state of Illinois agency may be eligible for benefit options under the State of Illinois Group Insurance Plan. At retirement, we will send information to members who qualify for the plan.

Annual increases in annuity

Nearly all annuitants receive a 3 percent annual increase in their annuities. You will receive the increase on the later of:

- Jan. 1 following your first anniversary in retirement or
- Jan. 1 following the date you reach age 61.

The increase is effective in January of each year and is reflected in the payment you receive in February. This increases your monthly benefit and is not a retroactive lump-sum payment. When we calculate the first increase percentage, we determine the number of years that have elapsed since your TRS retirement annuity began and the effective date of your initial increase, and then multiply that amount by 3 percent. This increased benefit continues until the next annual increase of 3 percent is applied.

Some annuitants may receive increases in their annuities prior to the initial post-retirement increase due to minimum annuity legislation. If you are affected, we will notify you.

Employment limitations for annuitants

While you are receiving a retirement annuity, certain restrictions apply regarding employment you may accept, the types of positions in which you may be employed, and the number of days and hours you may work.

Employment limitation

You may be employed by any college, university, or private school without limitation. In addition, you

may be employed by a school district in a position not covered by TRS without limitation. For example, as a retired teacher you may be employed as a bus driver for any number of days or hours. You may also be employed in public school systems outside the state of Illinois without limitation.

Once you are retired, you may not resume employment in a TRS-covered position, including substitute and summer school teaching, in the same school year in which you last contributed to TRS. The school year is July 1 through June 30. Therefore, if you retire during the school year, you may teach summer school following retirement only if your first day of service is after June 30.

In addition, you must wait 30 days from the effective date of your resignation before performing any post-retirement teaching for the same employer.

100 days/500 hours limitation

Following the school year in which you last contributed to TRS, you may be employed in a TRS-covered position for up to 100 paid days or 500 paid hours per school year and still receive a retirement annuity.

State law does not allow optional TRS participation. You may not avoid TRS reporting by calling yourself an independent contractor, vendor or consultant.

If you work only full days (five or more hours per day), each day is counted toward the 100 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 500 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. For example, if you worked on two days during a given week, three hours on Tuesday and seven hours on Thursday, a total of eight hours (three for Tuesday and five for Thursday) would be counted toward the 500 hours limitation. It is your responsibility to keep a record of your hours worked to ensure you do not exceed the limitation.

Only work that requires teacher licensure (including summer school and substitute teaching) is subject to the 100 days/500 hours post-retirement employment limitation. All time that a teacher or administrator is required to be present for licensed duties is subject to the limitation. This includes preparation periods and time before, between, and after classes. For administrators, this includes all time that is required to be spent on administrative duties, such as attendance at board meetings and contract negotiations.

Extra duties that do not require teacher licensure are not subject to the 100 days/500 hours post-retirement employment limitation.

A person who received a single-sum retirement benefit is not subject to these limits.

Exceeding the limitations

If you exceed the employment limitations during any school year,

- we must be notified,
- your retirement annuity will be suspended,
- you will re-enter active membership, and
- your employer must remit TRS contributions on all creditable earnings after the employment limitations are exceeded.

There are two circumstances where you will be required to repay all annuity payments in full from the date of retirement:

- if you resume teaching in the same school year in which you retired or
- if you exceed the employment limitations in the first school year following retirement.

Special consequences apply if you exceed employment limitations following retirement under any 5&5 Early Retirement Incentive (ERI) program. Call Member Services, 877-927-5877 (877-9-ASK-TRS), for information.

Special circumstances

If you retire under the Illinois Retirement Systems Reciprocal Act, you must adhere to the post-retirement employment limitations of each retirement system that is, or will be, paying you a retirement benefit. Post-retirement employment in one system does not limit work in another system. Therefore, you should contact each applicable reciprocal system regarding employment limitations that may apply to you. All systems will discontinue benefits if the limits are exceeded.

Retirement with CTPF

If you retired from the Public School Teachers' Pension and Retirement Fund of Chicago, you are allowed to work in a TRS-covered position for any number of days or hours. However, if you exceed the 100 days/500 hours limitation in a school year, you must begin contributing to TRS upon exceeding the limitation.

Re-entry into active membership

As an annuitant, the only way you can re-enter active membership is:

- to teach in a TRS-covered position in the same school year in which you last contributed to TRS or
- to teach beyond the 100 days/500 hours limitation **(see "100 days/500 hours limitation" in this chapter)**.

If you resume active TRS member status,

- contributions are required on all creditable earnings, and
- you are required to send us a new age retirement annuity application form when you file for retirement again.

If your second retirement date occurs in less than one year, your retirement is reinstated. If it follows completion of at least one year but less than three years of creditable service, your annuity will be recomputed using the law in effect on your first retirement date. If at least three years of creditable service have been established after you re-enter active membership, your annuity will be recomputed based on current law, including any legislation that changed benefits while you were in retirement the first time.

Chapter 12: Medicare and Social Security

As an active TRS member, you may be required to contribute toward Medicare coverage. However, you do not contribute to Social Security on your TRS-covered earnings. We will not reduce your TRS benefit because of any Social Security benefit you may receive.

Medicare

All public employees hired after March 31, 1986, are required to make contributions toward Medicare coverage. Persons who change employers after that date are also subject to the Medicare tax. Currently, these individuals and their employers each contribute 1.45 percent of salary to Medicare.

Annuitants who return to teaching after March 31, 1986, also contribute to Medicare, regardless of the number of days they teach. Annuitants and their employers each pay the 1.45 percent Medicare tax.

TRS annuitants with 40 credits of coverage under Social Security will receive free Medicare Part A (hospital insurance) coverage at age 65. A TRS annuitant may also obtain free Medicare Part A coverage as the result of paying the Medicare tax on covered employment. In addition, a TRS annuitant may have Medicare hospital coverage at age 65 if his or her spouse has worked in Social Security-covered employment at least 40 credits and if the spouse is at least age 62. If you are a widow or widower of a Social Security-covered spouse, you are eligible for Medicare Part A at age 65. Please contact Social Security to verify your eligibility.

If you do not qualify for free Medicare coverage, you can purchase Medicare Part A coverage through monthly premium payments. Medicare Part B (medical insurance) is optional and must be purchased separately from Social Security through monthly premium payments. Annuitants must have both Medicare Parts A and B to enroll in the TRIP Medicare Supplement. For information about Medicare Part D, please contact Social Security.

For additional information, read Social Security Publication CMS-10050, *Medicare & You* at: **http://www.socialsecurity.gov/pubs/EN-05-10043.pdf**.

Premium rate information is also available on the website.

Social Security

Active TRS members do not contribute to the retirement and disability program under Social Security on their TRS-covered earnings. However, they may accumulate credit under Social Security through other employment that is not covered by TRS.

Annuitants who return to teaching do not contribute to Social Security.

You may sign up to get your Social Security Statement online at **http://www.socialsecurity.gov**.

The statement provides you with an earnings history under Social Security, the number of credits you have earned, and an estimate of benefits you will receive (provided you have earned sufficient credits of coverage), excluding any offsets that may be applied.

Social Security benefit reductions

Two provisions may cause a reduction in your Social Security benefits: the Windfall Elimination Provision and the Government Pension Offset. Only the Social Security Administration can provide information on the actual amount of the reduction. We will not reduce your TRS benefit because of Social Security benefits you receive.

Windfall Elimination Provision

As a TRS member, you do not pay Social Security tax on your earnings. In 1983, Congress enacted legislation that would prevent those members who earned Social Security credits through supplemental income from receiving a full Social Security benefit. Social Security includes a formula that grants lower-paid workers a higher percentage return than their more highly compensated counterparts. Prior to congressional enactment of the Windfall Elimination Provision, Social Security benefits were computed as if TRS members were long-term, low-wage earners, resulting in a higher percentage Social Security benefit in

addition to their TRS pension. The modified formula eliminates this "windfall."

Your Social Security benefits may not be reduced due to the Windfall Elimination Provision if, before 1986, you:

- reached age 62;
- became disabled and remained entitled to a Social Security disability benefit in any of the 12 months before reaching age 62, even if you reached age 62 after 1985; or
- received, or were first eligible to receive, a TRS retirement annuity.

In addition, the effects of the Windfall Elimination Provision are moderated if you had more than 20 years of "substantial" Social Security employment and are eliminated after 30 years of "substantial" employment.

To obtain additional information, read Publication 05-10045, *The Windfall Elimination Provision* online at **http://www.socialsecurity.gov/pubs/EN-05-10045.pdf**.

Government Pension Offset

This spousal offset also affects the Social Security benefits for those who receive spousal or widow's benefits. The spousal benefit was designed to provide security to spouses who had little or no Social Security benefits of their own and were, therefore, financially dependent on a spouse's Social Security coverage. Before the offset was enacted, many TRS members qualified for a pension from TRS and from Social Security, even though they were not financially dependent on their spouses.

Under the Government Pension Offset, your Social Security benefits may not be reduced if you:

- began to receive or were eligible to receive a TRS retirement annuity before December 1982 and
- meet all the requirements for Social Security spouse's or surviving spouse's benefits in effect in January 1977. At that time, divorced women must have been married at least 20 years (rather than 10 years as required today) and men must have received at least one-half support from their spouses.

If you do not meet these two criteria, you may be exempt from the offset if you received or were eligible to receive a TRS retirement annuity before July 1, 1983, and if you were receiving at least one-half support from your spouse.

If you qualify to receive a single-sum retirement benefit or take a refund from TRS instead of a monthly benefit, you may wish to ask if your Social Security benefits will be reduced.

Chapter 13: Disability Benefits

If you become ill or injured, TRS can help.

Nonoccupational and occupational disability benefits are available to you when you are unable to work.

If you are receiving nonoccupational or occupational disability benefits or a disability retirement annuity, you may be gainfully employed within certain limits detailed in this chapter. You do not need to resign to become eligible for nonoccupational or occupational disability benefits. Members also accrue service credit while receiving both types of benefits.

Disability payments may be electronically deposited. **See "Direct Deposit" in Chapter 10**.

Nonoccupational disability benefits

Eligibility

If you are a full-time teacher, you must have three years of service credit, have become disabled while teaching (or within 90 days of teaching), and use all accumulated sick time to qualify for nonoccupational disability benefits.

If you are a part-time or substitute teacher, you are eligible for disability benefits if you have three years of service credit and have worked as a teacher for at least 340 hours in either the school year in which the disability occurs or the preceding school year. Your disability must have occurred within 90 days of your last day of teaching.

Service credit under the State Employees' Retirement System of Illinois (SERS), the State Universities Retirement System (SURS), and the Illinois Municipal Retirement Fund (IMRF) count toward your eligibility for a disability benefit and the total period during which the disability benefit is payable unless such service is concurrent with your TRS service.

Application procedures

Approximately one month before your accumulated sick leave expires, you must notify us in writing and request a disability application packet. Your request should include your:

- name,
- Social Security number or TRS member ID,
- current mailing address,
- email address,
- phone number,
- type of disability and due date if pregnant,
- last day worked (or will work), and
- last day that paid sick leave or unpaid sick leave is exhausted.

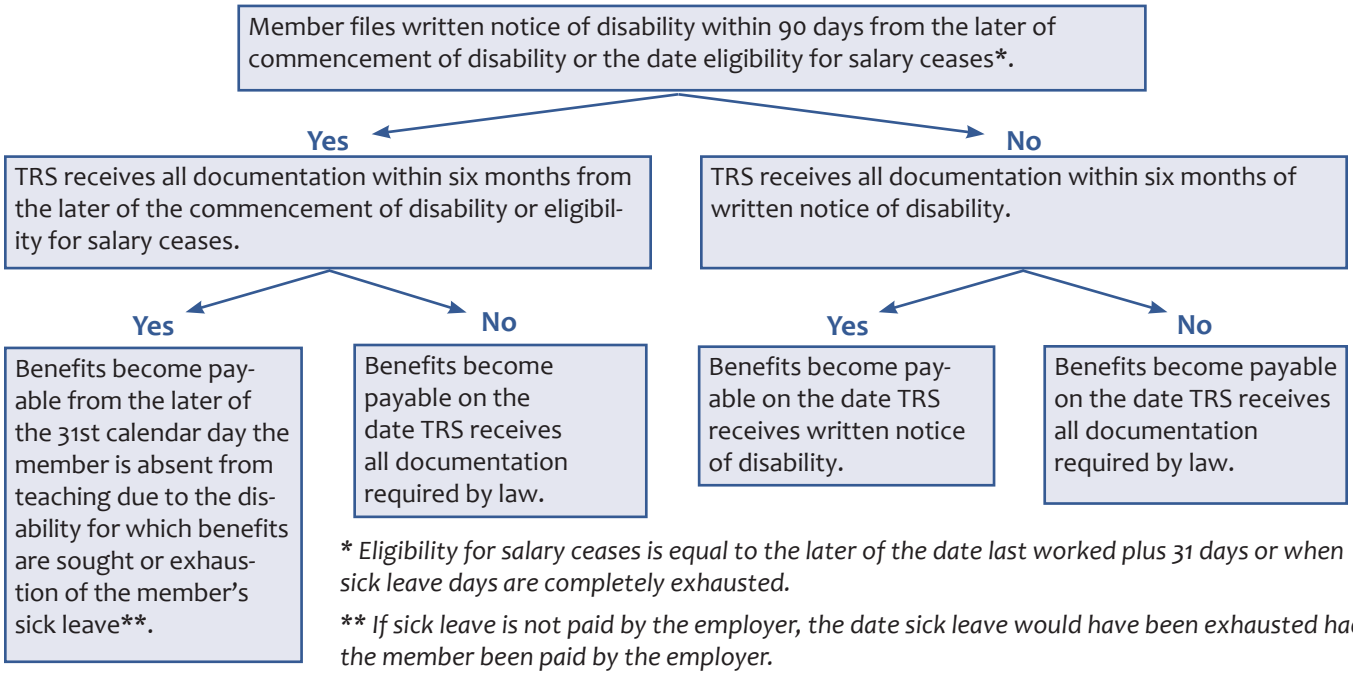
Forms must be completed by you, your current employer, and two state-licensed physicians (one physician in cases of pregnancy). The physicians' reports must be based on examinations that occurred within 90 days of your last day of teaching.

When an individual is employed under an agreement for fewer than 12 full months, neither the 31-day requirement nor the sick leave utilization requirement is satisfied during periods not covered by the agreement.

Applying if time elapsed since you last worked

You must exhaust your employer-granted sick leave before receiving a disability benefit. However, your disability eligibility is still dependent on providing evidence of disability as determined by physician exams conducted within 90 days of your last day of active teaching and subsequent annual exams if one year or more passes before you apply for TRS disability benefits. One physician is required for pregnancy and all other reasons require two physician examinations throughout the duration.

Effective date



** Eligibility for salary ceases is equal to the later of the date last worked plus 31 days or when sick leave days are completely exhausted.*

*** If sick leave is not paid by the employer, the date sick leave would have been exhausted had the member been paid by the employer.*

Benefit amount

Your nonoccupational disability benefit is equal to 40 percent of the greater of the contract rate in effect at the time the benefit becomes payable or the contract rate on the date your disability began. If you are a noncontractual teacher, we use an annualized salary rate based on your actual earnings to determine your benefit.

Annual increases

On Jan. 1 following the fourth anniversary of the effective date of your disability benefit, your monthly benefit will increase 7 percent. Thereafter, your benefit increases by 3 percent of the current benefit each Jan. 1.

Employment limitations

As a recipient of a disability benefit, you are prohibited from teaching in any capacity and gainful employment. "Gainful employment" is defined as earning more than $10,000 per year or the proportional ratio if less than a calendar year while in receipt of a disability or occupational disability benefit.

If you exceeded the earnings limitation of $10,000 per calendar year or the proportional ratio if less than a calendar year, your disability benefits will be terminated. You will be required to repay TRS any disability benefits you receive after the termination date if your benefit is terminated.

Duration of benefits

Nonoccupational benefits cease if you:

- resume teaching **(see "Law allows limited, part-time teaching" in this chapter)**;
- engage in or are able to engage in gainful employment;
- are no longer disabled;
- have received benefits for a period equal to one-fourth of your service credit;
- request termination of the benefit; or
- become eligible and apply for a disability or age retirement annuity.

Temporary disability benefits due to pregnancy expire six weeks following a normal delivery, or eight weeks following a Cesarean delivery. However, if complications arise during pregnancy or delivery, the disability period may be extended. With the submission of appropriate medical documentation, the member may remain on disability until she no longer qualifies for benefits.

If a disability benefit is discontinued because you resume teaching in a non TRS-covered position or are otherwise gainfully employed and you are disabled again due to the same cause within 90 days, the benefit will resume at the previous rate once we receive written notification and verification of your disability and you are no longer receiving salary.

You may be eligible to transfer from a nonoccupational disability benefit to a disability retirement annuity or an age retirement annuity. The effective date of the retirement annuity is the first day of the month after we receive your disability retirement annuity application form or age retirement annuity application form. Please refer to **Chapter 8: "Retirement Benefits"** and, in this chapter, the **Disability Retirement Annuity eligibility requirements.**

Occupational disability benefits

Eligibility

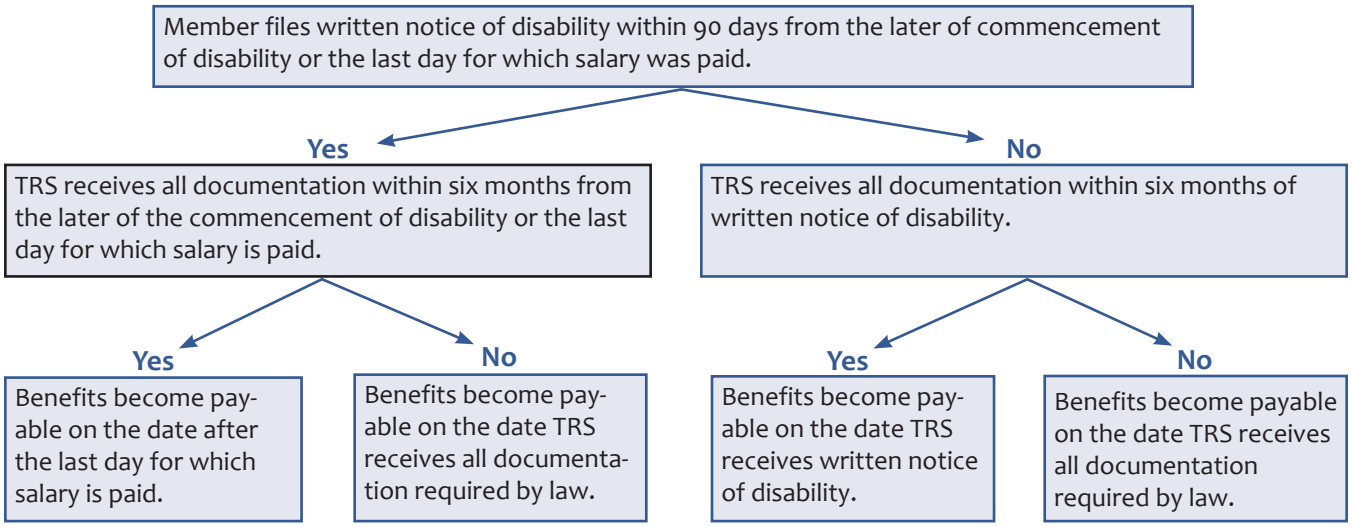
No minimum service requirement must be met before you are eligible to receive occupational disability benefits. However, you must be working in a TRS-covered position and have been disabled due to a duty-related injury or illness as determined by the Illinois Industrial Commission or your employer's workers' compensation insurance carrier to be eligible for this benefit. If you are a part-time or substitute teacher, you are also eligible for occupational disability benefits.

Members who are receiving payments from their employer's workers' compensation insurance company should retain all pay stubs or be able to provide detailed benefit payment records. TRS **may** be able to grant service credit for members on workers' compensation who do not earn a full year of service credit in the year workers' compensation benefits were received.

Application procedures

To receive a benefit, notify us in writing that you are seeking an occupational disability benefit and request a disability application packet. We will require verification that the disability was duty-related from you, your employer, and two state-licensed physicians. Each physician's report must be based on an examination that occurred within 90 days of your last day of teaching. In addition, we must receive a copy of the adjudication by the Illinois Industrial Commission or the award by the insurance carrier with which your employer has a workers' compensation policy with a finding that the disability was employment-related.

Effective date



Benefit amount

Your occupational disability benefit is equal to 60 percent of the greater of the contract rate in effect at the time the benefit becomes payable or the contract rate on the date your disability began. This benefit is reduced by any amounts you receive under workers' compensation. Once workers' compensation benefits expire, we will pay the full 60 percent if you remain eligible for the benefit.

Annual increases

On Jan. 1 following the fourth anniversary of the effective date of your disability benefit, your monthly benefit will increase by 7 percent. Thereafter, your benefit increases by 3 percent of the current benefit each Jan. 1.

Employment limitations

As a recipient of a disability benefit, you are prohibited from teaching in any capacity and gainful employment. "Gainful employment" is defined as earning more than $10,000 per year or the proportional ratio if less than a calendar year while in receipt of a disability or occupational disability benefit.

If you exceeded the earnings limitation of $10,000 per calendar year or the proportional ratio if less than a calendar year, your disability benefits will be terminated. You will be required to repay TRS any disability benefits you receive after the termination date if your benefit is terminated.

Duration of benefits

Occupational disability benefits cease when you:

- resume teaching **(see "Law allows limited, part-time teaching" in this chapter)**;
- engage in or are able to engage in gainful employment;
- are no longer disabled;
- request termination of the benefit; or
- become eligible and apply for an age retirement annuity.

If the disability benefit is discontinued because you resume teaching in a non TRS-covered position or are otherwise gainfully employed and you are disabled again due to the same cause within 90 days, the benefit will resume at the previous rate once we receive written notification and verification of your disability and you are no longer receiving salary.

You may be eligible to transfer from an occupational disability benefit to an age retirement annuity if you meet age and service credit requirements. The effective date of the retirement annuity is the first day of the month after we receive your age retirement annuity application form. (**See Chapter 8: "Retirement Benefits"** for the eligibility requirements for an age retirement annuity.)

You may choose to take a nonoccupational benefit even if you have an employment-related disability. This election cannot be changed at a later date.

Disability retirement annuity

Eligibility

If you remain disabled after the nonoccupational disability benefit eligibility period has expired, you are eligible for either a disability retirement annuity or an age retirement annuity (if you meet the age and service credit requirements). You may switch to either a disability retirement annuity or an age retirement annuity (if you meet the requirements) at any time while you are receiving a nonoccupational disability benefit. (**See "Retirement Benefits"** for information about an age retirement annuity.) No service credit is earned while you are receiving a disability retirement annuity.

Application procedures

When the eligibility period for nonoccupational disability benefits is due to expire, we will notify you. Before the benefit expires, you may either send us a letter or call us to request a transfer to a disability retirement annuity or an age retirement annuity.

Effective date

The disability retirement annuity is effective:

- the day following the last day for which disability benefits are payable or
- the first of the month after we receive your completed disability retirement annuity application form.

Benefit amount

Your disability retirement annuity is the greater of:

- 35 percent of the greater of your last annual contract salary or your annual contract rate on the date your disability began (we use an annualized salary rate based on actual earnings for noncontractual teachers);
- the amount computed by the retirement formula reduced by 0.50 percent for each month you are under age 60 with less than 20 years of service credit; or
- the amount computed by the retirement formula reduced by the 0.50 percent for each month you are under age 55 with 20 years of service credit; or
- the amount computed by the retirement formula with no reduction if you are age 55 or older with at least 20 years of service credit.

Your initial benefit will be increased by the amount of any annual increases that you have been granted while you were receiving a nonoccupational disability benefit.

Employment limitations

While you are receiving a disability retirement annuity, you may not be employed by any other public or private school, college, or university in a teaching position, including subbing and tutoring.

However, gainful employment in any area other than teaching is permitted or in any area of TRS-covered or SURS-covered employment as indicated under "Law allows limited, part-time teaching." The combined income from the disability retirement annuity and the earnings from the nonteaching occupation cannot exceed the salary rate upon which the annuity was based. If you have earnings above this limit, your disability retirement annuity may be reduced or suspended. If your earnings from a nonteaching

occupation exceed the salary rate upon which your disability retirement annuity benefit was based, your benefit will be terminated including Teachers' Retirement Insurance Program (TRIP) insurance.

For those returning to employment in any area other than teaching, the salary rate for purposes of this calculation will increase 15 percent after you have received a disability retirement annuity for 10 years.

Duration of benefits

The disability retirement annuity will continue until:

- your disability ceases or
- you resume teaching (**see "Law allows limited, part-time teaching" in this chapter**) or
- you are eligible and apply for an age retirement annuity.

If you resume teaching in a non TRS-covered position after receiving a disability retirement annuity and are disabled again for the same cause within 90 days, the benefit will be reinstated at the previous rate after we receive your completed disability benefit application form and required medical documentation. In this case, benefits will begin the day following the last day for which you are paid by your employer.

Annual increases

Your disability retirement annuity will increase annually beginning the Jan. 1 following the fourth anniversary of the date you were granted a disability benefit.

If the first annual increase follows the fourth anniversary of the date you were granted a disability benefit, the increase will be 7 percent of the current annuity.

After the initial increase, your annuity will increase by 3 percent of the current benefit each Jan. 1.

Law allows limited, part-time teaching

The law allows individuals who have received TRS disability benefits **for one year or more** to return to teaching if their medical conditions improve, allowing part-time work.

On a limited basis, you may tutor, substitute, or part-time teach for a TRS-covered or SURS-covered employer without loss of your disability benefit. Your combined earnings from your teaching and your disability benefit cannot exceed 100 percent of the salary rate upon which the benefit was based under the limited, part-time teaching law.

For those returning to teaching with a TRS-covered or SURS-covered employer under the limited, part-time teaching law, the salary rate for purposes of this calculation will **not** increase 15 percent after receiving a disability retirement annuity for 10 years.

If you exceed the salary rate upon which your benefit was based, your benefit will cease including Teachers' Retirement Insurance Program (TRIP) insurance.

You may not teach for any employers not covered by TRS or SURS. This includes tutoring and substitute work.

Part-time is defined as "employed for fewer than four clock hours per day or fewer than five days per week."

If you plan to return to teaching on a limited basis, you must contact us to request a Limited Return to Work Program Certification form. This form must be completed and returned to us prior to your return to teaching. We will acknowledge receipt of the form and confirm your eligibility.

This law applies to all members receiving nonoccupational disability benefits, occupational disability benefits, and disability retirement annuities.

Medical examinations

To substantiate your continued eligibility for any type of disability benefits, we may require additional medical examinations and request medical and other records. The frequency of re-examination is governed by individual circumstances; however, you must have medical examinations at least once a year while you are receiving nonoccupational or occupational disability benefits. If you are receiving a disability retirement annuity, periodic medical examinations may be required. If you do not submit to medical examinations or provide the necessary information, your benefits will be discontinued, including insurance, if applicable, until you consent to the examination. If your refusal continues for one year, all rights to your annuity will be revoked.

Chapter 14: Death Benefits

You can take comfort in knowing that your benefits will help take care of your family after your death.

We provide two types of death benefits: a beneficiary refund, which consists of any remaining accumulated contributions, and survivor benefits.

Each benefit may be paid to separate beneficiaries or both benefits may be paid to the same beneficiaries.

The type of benefit for which beneficiaries are eligible is determined by their status at the time of your death. **Effective June 1, 2011, Illinois law entitles a party to a civil union to the same legal obligations, responsibilities, protections, and benefits as are afforded or recognized by the law of Illinois to spouses.** A dependent beneficiary may choose between a lump-sum payment or monthly benefits. A nondependent beneficiary receives a lump-sum payment. If we do not have a Member Information and Beneficiary Designation (MIBD) form on file for you, death benefits are distributed as follows:

- a **beneficiary refund** is paid to your surviving spouse or civil union partner, or if there is not one, to your estate and
- **survivor benefits** are paid to an eligible dependent beneficiary, or if there is not one, to your estate.

Types of beneficiaries

A dependent beneficiary is

- a spouse to whom you have been married for at least one year, except where a child is born of the marriage in which case the one-year period is not applicable;
- a civil union partner to whom you have been partnered for at least one year;
- an unmarried natural or adopted child under age 18, or between ages 18 and 22 if he or she is a full-time student in an accredited educational institution, or an unmarried child of any age who is dependent by reason of a physical or mental disability and claimed as a dependent on your final federal income tax return; or
- a dependent parent who received at least half of his or her support from you for the 12-month period immediately prior to your death.

For an adopted child to be an eligible dependent beneficiary, the adoption proceedings must have been finalized prior to the member's death and while the child was a minor. For purposes of determining dependency, "disability" is defined as an inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to last for a continuous period of 12 months or more.

Children, unless named as a beneficiary on the MIBD form, are only eligible for benefits if they are the children of the surviving parent who will receive monthly benefits. In the case of a divorce, if the member names the new spouse or civil union partner and had children with the prior spouse or civil union partner, those children are not eligible for monthly survivor benefits.

A parent may be an eligible dependent beneficiary only if there is no other dependent beneficiary.

A nondependent beneficiary is any other designated person or entity that is not a dependent beneficiary.

You may designate a primary beneficiary on the MIBD form to receive survivor benefits. If this individual is a dependent beneficiary, he or she may select either monthly benefits or a lump-sum benefit. Only a lump-sum benefit is payable if you designate both a dependent and a nondependent primary beneficiary.

Alternate beneficiaries named on your MIBD form will receive benefits only if all designated primary beneficiaries are deceased. If your beneficiary designation includes more than one person, the benefits are divided equally among the living beneficiaries of that class (primary or alternate).

The automatic designation option on the MIBD form is an alternative to naming specific individuals. Automatic designation names all eligible dependents as beneficiaries. If no dependent beneficiaries survive, the benefits are paid to your estate.

Designating a Trust

A trust can receive monthly survivor benefits on behalf of a minor child or a disabled dependent beneficiary. A trust cannot receive monthly survivor benefits on behalf of an adult dependent who is not disabled.

To pay a monthly survivor benefit to a trust, the following language is required in the trust.

> *"The trust is authorized to receive TRS monthly survivor benefits on behalf of (insert beneficiary name). The trustee will use the monthly TRS survivor benefit solely for the care and benefit of (beneficiary name) and will not divert (beneficiary name)'s benefits to some other purpose inconsistent with Article 1 or Article 16 of the Illinois Pension Code."*

Beneficiary Refund

Accumulated contributions are refunded as a lump-sum payment.

If you are an active or an inactive member, your beneficiaries will receive a return of all of your retirement contributions, plus interest, and the portion paid towards the annual increase in annuity. Refer to your TRS Benefits Report for the contributions and interest that are refundable after your death.

If you are an annuitant, your beneficiaries will receive excess accumulated contributions minus the amount you received as a retirement annuity.

Survivor benefits

Two types of survivor benefits exist: lump-sum and monthly.

Eligibility

Nondependent and dependent beneficiaries are eligible for a lump-sum survivor benefit if your death occurs:

- while you are an annuitant;
- while you are employed as a teacher;
- within the first 12 months following your last day of earnings as a teacher;
- while you are on an approved leave of absence;
- while you are receiving a nonoccupational or an occupational disability benefit; or
- while you are an inactive member and you have 20 or more years of service. For the purpose of determining eligibility for a benefit, service credit under the State Employees' Retirement System of Illinois, the State Universities Retirement System, and the Public School Teachers' Pension and Retirement Fund of Chicago is considered.

Nondependent beneficiaries are not eligible for monthly survivor benefits.

Dependent beneficiaries are eligible for monthly survivor benefits if:

- you had 1.5 years of TRS service credit; **and**
- you had at least 60 days of creditable service during the 18 months preceding your death.

If you are an annuitant and had at least one year of service after July 24, 1959, your beneficiaries are eligible for survivor benefits, provided that you had not taken a refund of those contributions prior to your death. If you are an annuitant, did not have service after July 24, 1959, and die after January 1, 1982, your surviving dependent beneficiaries are eligible for survivor benefits to a maximum of $200 per month plus a $1,000 one-time, lump-sum payment.

When Survivor Benefits Begin for Dependents

Dependents	Member status at time of death: Active or Inactive	Member status at time of death: Annuitant*
Spouse or civil union partner with minor children or Spouse or civil union partner age 50 or Dependent parent age 55	On the date of member's death	First of the month following the date of member's death
Spouse or civil union partner not age 50 at time of member's death	When spouse or civil union partner turns age 50 if married at least one year	
Dependent parent not age 55 at time of member's death	When parent turns age 55	

* *Your retirement annuity is payable through the month of your death.*

Duration of monthly benefits

Monthly survivor benefits will continue for the life of your spouse or civil union partner. A minor child will receive benefits until he or she reaches age 18 (or age 22 if he or she is a full-time student), marries, or dies, whichever is earlier. An adult child who is

dependent by reason of a physical or mental disability may receive monthly survivor benefits for his or her lifetime if:

- he or she does not marry;
- he or she is not capable of substantial gainful employment; and
- we periodically receive a physician certification verifying his or her continuing disability.

Survivor benefits are payable through the end of the month in which the beneficiary's death occurs. No further benefits are payable.

Teachers' Retirement Insurance Program (TRIP) coverage

Dependent insurance coverage is terminated at midnight on the day of the member's death. Dependents who are eligible for a monthly survivor benefit may re-enroll in TRIP and coverage will be reinstated retroactively to the date of cancellation.

Annual increases in benefits

Recipients of monthly survivor benefits are eligible for a 3 percent increase of the current benefit distributed as follows:

- For beneficiaries of annuitants, benefit increases are applied on Jan. 1 after the survivor benefit has been granted.
- For all other beneficiaries, benefit increases are applied on Jan. 1 following the first anniversary of receiving the survivor benefit.

Death notification

Upon death, a family member should provide the deceased member's name, Social Security number, and date of death. We will forward a letter and the appropriate forms to the member's designated beneficiaries for completion. The application requires that beneficiaries provide a certified copy of the member's death certificate as well as copies of a marriage or civil union certificate and a birth certificate for a surviving spouse or civil union partner.

Dependents may also receive a Survivor Benefits Election form to select either a monthly benefit or a lump-sum payment. This form will be accompanied by information regarding direct deposit of payments, federal income tax withholding, the Teachers' Retirement Insurance Program (TRIP), and the taxability of survivor benefits. Once we receive the completed application and all required documents, benefits will be processed and then issued by the Office of the Comptroller.

An annuitant's retirement benefits are payable through the end of the month in which his or her death occurs. The final payment to a deceased annuitant would be issued the first of the month following the date of death. Any payments issued to the annuitant beyond the final payment must be returned to TRS.

Determining survivor benefits

TRS disbursements are not subject to Illinois individual income taxes. However, they are subject to federal taxes (with the exception of occupational disability benefits).

	Types of Beneficiaries	
Time of Death	**Dependents**	**Nondependents**
While employed or employed within 12 months of last day of credit	Lump sum up to the highest salary rate in the last four years or $1,000 and a monthly benefit[1] generally not less than $400[2] or $600 with minor children[3]	Lump sum up to the highest salary rate in the last four years
Annuitant or inactive member with 20 or more years of service[5]	Lump sum of $3,000 or ⅙ of the highest salary rate in the last four years[4] **or** $1,000 and a monthly benefit generally 50% of member's earned benefit at time of death	Lump sum of $3,000 or ⅙ of the highest salary rate in the last four years[4]

1 *Dependent beneficiaries are eligible for monthly survivor benefits if you had 1.5 years of TRS service credit and at least 60 days of creditable service during the 18 months preceding death.*

2 *Certain circumstances might provide a monthly annuity less than $400 per month for an active member.*

3 *TRS will pay 50 percent of the member's earned retirement annuity at death if it is greater than the above amounts.*

4 *Certain lump sums may be greater if the annuitant or inactive member has been in retirement or out of service for less than five years.*

5 *Beneficiaries of inactive members with less than 20 years of service are not eligible for survivor benefits.*

Chapter 15: Refund of Retirement Contributions

If you cease teaching, you may receive a refund of your retirement contributions.

A refund of contributions should be carefully considered because it terminates your benefits and will be costly to repay if you return to teaching service.

If you terminate teaching with a TRS employer, you may apply for a refund of your retirement contributions. This refund consists of the portions used to pay the retirement annuity and the annual increases in the annuity.

If you receive a refund of retirement contributions, you are not entitled to any other refunds. The contributions for the Teachers' Retirement Insurance Program and the 1 percent survivor benefit contribution are not refundable.

Refund of retirement contributions

You may request a refund of your TRS contributions. The amount refunded is at the rate of 7 percent of creditable earnings prior to July 1, 1998, and 8 percent of creditable earnings thereafter without interest.

Eligibility

If you have terminated your teaching duties with a TRS employer, you may apply for a refund of the retirement contributions. If you are on sick leave, a sabbatical leave, or an unpaid leave of absence, or have accepted TRS employment service with a new employer, you are not considered to have terminated service and are not eligible for a refund.

No hardship loans

The law prohibits borrowing from your retirement contributions. A loan from TRS is prohibited even if you are in a state of financial distress.

Effect of receiving a refund

When you accept a refund, you forfeit all rights to TRS benefits. If you are considering a refund, you may want to contact us for an estimate of potential retirement and survivor benefits forfeited by accepting the refund. If you choose not to receive a refund, your contributions will remain with us and will eventually provide a retirement benefit. If you have fewer than five years of service credit, you may receive a lump-sum retirement benefit at age 65 **(see "Single-sum Retirement Benefit" in Chapter 8)**. If you have five or more years of service, you may receive a retirement annuity **(see Chapter 8: "Retirement Benefits")**.

Transfer of credit

We cannot transfer creditable service directly to a retirement system in another state. However, many retirement systems permit the purchase of out-of-system service. We will provide the other system with verification of Illinois teaching service if you accept a refund and send us a written request. You may then make payment for service directly to the other system if this is required or request a rollover of refundable contributions.

Application procedure

A refund of your TRS contributions can be requested via email at **members@trsil.org**.

Please include: your full name, current address, contact phone number, the last four digits of your Social Security number, last employer(s) and the month and year you last worked in a TRS position (or expected if still working).

TRS will send you the application by regular mail. The application can be returned any time after you have formally resigned from your TRS-covered position. We will process your refund and forward it to the Office of the Comptroller for payment when four months have passed since your final day of teaching.

Refunds eligible for rollovers

Payments of refunds for retirement or survivor benefit contributions may be either made directly to you or directly rolled over to an eligible retirement plan

that you specify. In a direct rollover, the eligible rollover distribution (the taxable portion) is paid directly from us to an individual retirement account (IRA) or another qualified retirement plan that accepts rollovers. By using a direct rollover, you avoid a 20 percent federal withholding deduction on direct payments. Also, if you choose a direct rollover, the distribution is not taxed until it is withdrawn from the IRA or other qualified retirement plan.

Taxability of refunds

Refunds are not subject to the Illinois individual income tax. However, any portion of the refund attributable to contributions made by either you or your employer that were excluded from taxable income in the years the contributions were made is subject to federal income tax.

For tax planning purposes, if your correct and complete application is received by the close of business on Dec. 5, it will be processed in the current tax year. If your application is received after Dec. 5, it will be processed in the next tax year.

We will notify you of the taxable portion of your refund. We also will report the refund payment to the Internal Revenue Service on IRS Form 1099-R and will send you a copy of this form in January in the year after the refund is taken.

Special tax consequences and penalties may apply to refund payments. You should consult a professional tax consultant for details of the taxability of refunds. Additional information is also contained in Internal Revenue Service Publication 575, *Pension and Annuity Income* online at **http://www.irs.gov/file_source/pub/irs-pdf/p575.pdf**.

Repayment of refunds

Refunds of retirement contributions may be repaid with interest from the date of the refund to the date of the repayment. However, service credit previously forfeited may not be used as a basis for payment of benefits prior to completion of one year of TRS-covered service following the refund.

If you have resumed service in a reciprocal system, the Illinois Retirement Systems Reciprocal Act requires you to complete two years of creditable service before service credit can be reinstated through repayment of a refund.

Assignment of contributions and loans

By law, you are protected from creditors placing a lien on, garnishing, or confiscating contributions you have made to TRS. This provision does not extend to federal tax levies and state of Illinois involuntary withholding. You may not assign your TRS contributions to a creditor or borrow against your account funds.

Chapter 16: Our Website: http://www.trsil.org

We are meeting your needs on the web 24 hours a day, seven days a week.

Your information source

Publications, videos, and more are at your fingertips.

Read or print out brochures, newsletters and booklets for your reference under the publications section of the Member Services area. We have videos on retirement, disability, and death and survivor benefits so you can view the information you need at your convenience. You'll also find driving directions, TRS contact information and forms. A site search engine will also help you locate what you need quickly.

TRS also has areas with current information about investments, the TRS Board of Trustees, an online press room, pension issues, vendor information, TRS careers, general information, and employer services.

Secure Member Account Access

In the secure member area, you may:

- receive a personalized benefit estimate,
- update your address and telephone information,
- provide your email address for faster response time from TRS,
- view your TRS Benefits Report online, and
- complete your Personal Retirement Interview (PRI).

Additional personalized sign-in screens are a security feature to make it difficult for anyone other than members to log on to the member area. Immediate access to your user ID and password is available with the proper information. For your protection, an email is automatically sent to you if any changes are made to your online account.

If you forget your user ID or password, you will need to know your member ID to gain access to your account. This number has been previously mailed or emailed to you. Please call us if you cannot locate it.

Personalized benefit estimate

The calculator will take information from your TRS record and use it to help you estimate your retirement income. Please have your retirement date, current salary, projected salary, and eligible sick leave days ready so you can complete the estimate.

Web estimates are in exactly the same format as estimates received from TRS Counseling Services. If you have questions about your web estimate, we can view your estimate to help you.

Address and phone updates

The contact information we have on file for you will be shown on the first screen when you log on and are accepted into Member Account Access. You may update your address and phone numbers with us online. You no longer need to pick up the phone or have to fill out a form to let us know if your contact information changes.

Email Notification

Provide us with your email address to electronically receive the *Topics & Report* newsletter (a printed copy is not mailed). Emails are also sent to keep you informed of the progress of a retirement benefit claim or for the purchase of optional service. We also occasionally send email notifications to members for new web features, legislative changes or TRS press releases.

We need your email address and some personal details to match your email address to your TRS record. Send an email to members@trsil.org with "Add email to record" in the subject line. Next, type your full name, zip code, the last four digits of your Social Security number, and your email address. We will match your email address to your record upon receipt. You may also submit your email address in the secure Member Account Access area or by calling us.

Your email address will always remain confidential. Additionally, we will never send confidential information online. You can discontinue receiving the emails at any time.

TRS Benefits Report

The TRS Benefit Report is available only through your online TRS member account. We annually prepare a TRS Benefits Report for each active member. This report will be available in late November and you will be notified via email when it is ready for viewing. The statement covers the previous fiscal year, July 1 through June 30.

The statement provides information about service credit, contributions, and beneficiaries. It also lists your earnings history and outlines pending and most types of terminated service credit.

When you receive your statement, review it carefully and contact us immediately if you suspect that any information has been omitted or incorrectly stated. Additionally, you may want to update your beneficiary designation by filing a new Member Information and Beneficiary Designation form.

Correcting errors

If you have a change to your name, address, birth date, or beneficiaries, please call us at 877-927-5877 (877-9-ASK-TRS).

Your employer provides TRS with the service credit and earnings information that appears on your statement. Please discuss any errors with your employer before contacting us.

Employers must send us corrections for reporting errors that occurred in the last four years. If additional contributions are due, your employer must pay the amount due; however, your employer may require reimbursement from you. Similarly, if contributions have been overpaid, we will issue a refund to your employer who is responsible for providing refunded amounts to you.

Personalized Retirement Interview

Your online Personalized Retirement Interview (PRI) will help you make choices while providing us with the information we need to personalize your retirement application forms and ready them for your signature. Please use this online service only when you are within six months of retirement and know when your last day of work will be or your last paid day. Plan on the process taking 30 minutes.

Chapter 17: Important Reminders

It is important that you contact us when your mailing address changes and that you periodically review your beneficiary designation.

Mailing address

You should keep a current home address on file with us so that we can mail correspondence and other information to the correct location. If your address changes, please call us at 877-927-5877 (877-9-ASK-TRS) or change it online in the secure Member Account Access area of our website.

Member Information and Beneficiary Designation

The Member Information and Beneficiary Designation (MIBD) form allows you to designate beneficiaries to whom death benefits will be distributed. You initially completed this form when you became a TRS member. For information about the types of beneficiaries you may designate and the benefits they may receive, **see Chapter 14: "Death Benefits."**

Periodically review your beneficiary designation and be sure to change it whenever necessary. Some events that may require a beneficiary update include: marriage, divorce, births, deaths, or dependents reaching adulthood.

To update your beneficiary designation, you must complete a new MIBD form. These forms are available from your employer and our website.

You can verify your beneficiary designation by calling us at 877-927-5877 (877-9-ASK-TRS). If you are an active member, your TRS Benefits Report contains your designated beneficiaries. Due to confidentiality rules, we can provide this information only to members.

Taxability of TRS Benefits

TRS disbursements are not subject to Illinois individual income taxes. However, they are subject to federal taxes (with the exception of occupational disability benefits).

Chapter 18: How to Reach Us

Have a question? We have answers.

Member Services

Phone number

For Springfield and Lisle:
877-927-5877 (877-9-ASK-TRS)

Illinois Relay: 800-526-0844 TTY or 711

Phone hours

7:30 a.m. to 4:30 p.m., Monday, Wednesday, Friday;
7:30 a.m. to 5:00 p.m., Tuesday and Thursday (central standard time)

Email

members@trsil.org

Fax

Springfield: 217-787-2269

Lisle: 630-505-9607

Teachers' Retirement Insurance Program (TRIP)

http://www.MyBenefits.illinois.gov
MyBenefits Marketplace Service Center:
844-251-1777 or 844-251-1778 (TDD/TTY)
8 a.m. – 6 p.m., Monday – Friday (central standard time)

EEO/ADA Issues

217-814-2149

director_of_human_resources@trsil.org

Administration

217-814-2000

administration@trsil.org

Employer Services

888-678-3675

employers@trsil.org

Investments

217-814-2001

investments@trsil.org

Press Contact

217-814-2177

public_information_officer@trsil.org

Chapter 19: Springfield Office Map

TRS Street Address:
2815 West Washington
Springfield, Illinois
62702-3397

For driving with a GPS

Latitude: 39.801371
Longitude: -89.706917

From the North - (Mason City):

Take Route 29 south past the airport to Route 4 (Veterans Parkway). Turn right on Veterans Parkway to Washington Street. Turn right on Washington Street. The TRS building is on the right.

From the South - (Alton/Belleville):

Take I-55 north to Interstate 72 west. Take I-72 to Exit 93 (Route 4 Springfield/Chatham). Turn right off of the ramp. Continue north on Veterans Parkway past White Oaks Mall to Washington Street. Turn left on Washington Street. The TRS building is on the right.

From the North/North East - (Peoria/Bloomington/Normal):

Take I-55 south to Business 55 (Sherman exit). Take Business 55 to Veterans Parkway. Continue southwest on Veterans Parkway to Washington Street. Turn right on Washington Street. The TRS building is on the right.

From the East - (Urbana/Champaign):

Take I-72 west to I-55 south. Take I-55 to I-72 west. Take I-72 to Exit 93 (Route 4 Springfield/Chatham). Turn right off of the ramp. Continue north on Veterans Parkway past White Oaks Mall to Washington Street. Turn left on Washington Street. The TRS building is on the right.

From the West - (Quincy/Jacksonville)

Take I-72 east to Route 4 (Springfield/Chatham exit). Turn left. Continue north on Veterans Parkway past White Oaks Mall to Washington Street. Turn left on Washington Street. The TRS building is on the right.

From the North West - (Galesburg)

Take I-74 east toward Peoria. Take exit 101 to merge onto I-155 south toward Lincoln. Merge onto I-55 south. Take the Sherman exit (105) to business 55 south. Business 55 becomes IL-4 south (Veterans Parkway). Continue south to Washington Street. Turn right on Washington Street. The TRS building is on the right.

Springfield
Teachers' Retirement System
2815 West Washington
To Mason City
To Chicago
To Clinton
To Decatur
To Taylorville
To Jacksonville
To Petersburg
To Chatham
To St. Louis
Abraham Lincoln Capital Airport
J. David Jones Pkwy.
Veterans Pkwy.
Taintor
Peoria Rd.
Browning
Sangamon
Madison
North Grand
Dirksen Pkwy.
Bruns Ln.
Jefferson
Clearlake Ave.
Bradforton
Washington
Walnut
South Grand
Old Jacksonville Rd.
Monroe
Chatham Rd.
MacArthur Blvd.
5th St.
6th St.
Taylor Ave.
Iles Ave.
Koke Mill Rd.
Veterans Pkwy.
White Oaks Mall
Stanford
Wabash Ave.
Wabash Ave.
Adlai Stevenson
2nd St.
W. Lake Shore
Lake Springfield
UIS
LLCC
Toronto Rd.
Spaulding Orchard Rd.
Woodside Rd.
Veterans Pkwy.
N

Chapter 20: Lisle Office Map

TRS Street Address:
4200 Commerce Court
Suite 101
Lisle, Illinois 60532-3611

For driving with a GPS

Latitude: 41.808123
Longitude: -88.107542

From Chicago:

Take the Eisenhower Expressway west to the East-West Tollway (I-88). Go approximately 10 miles to the Route 53 exit. Go left (south) on Route 53 about 1/4 mile to Warrenville Road. Turn right and go approximately 1 1/2 miles to the stop light at the entrance to the Hilton Hotel (Navistar Drive). Turn left and at the first street, turn left again. The first building east of the Hilton is the TRS building. The TRS logo is on the top of the building. Turn right into the parking lot. Suite 101 is located on the first floor, southeast corner.

From the Southern Suburbs:

Take the Tri-State (I-294) North to the East-West Tollway (I-88). Go approximately 10 miles to the Route 53 exit. Go left (south) on Route 53 about 1/4 mile to Warrenville Road. Turn right and go approximately 1 1/2 miles to the stop light at the entrance to the Hilton Hotel (Navistar Drive). Turn left and at the first street, turn left again. The first building east of the Hilton is the TRS building. The TRS logo is on the top of the building. Turn right into the parking lot. Suite 101 is located on the first floor, southeast corner.

From the Northern Suburbs:

Take the Tri-State (I-294) South to the East-West Tollway (I-88). Go approximately 10 miles to the Route 53 exit. Go left (south) on Route 53 about 1/4 mile to Warrenville Road. Turn right and go approximately 1 1/2 miles to the stop light at the entrance to the Hilton Hotel (Navistar Drive). Turn left and at the first street, turn left again. The first building east of the Hilton is the TRS building. The TRS logo is on the top of the building. Turn right into the parking lot. Suite 101 is located on the first floor, southeast corner.

From Aurora:

Take the East-West Tollway (I-88) east to the Naperville Road exit. This exit brings you to Freedom Drive. Turn left and continue approximately 200 yards to Warrenville Road and turn right. Go east about 3/4 mile to the light at the entrance to the Hilton Hotel (Navistar Drive) and turn right. At the first street, turn left. The TRS building is just east of the Hilton Hotel. The TRS logo is on the top of the building. Turn right into the parking lot. Suite 101 is located on the first floor, southeast corner.

From the Northwest:

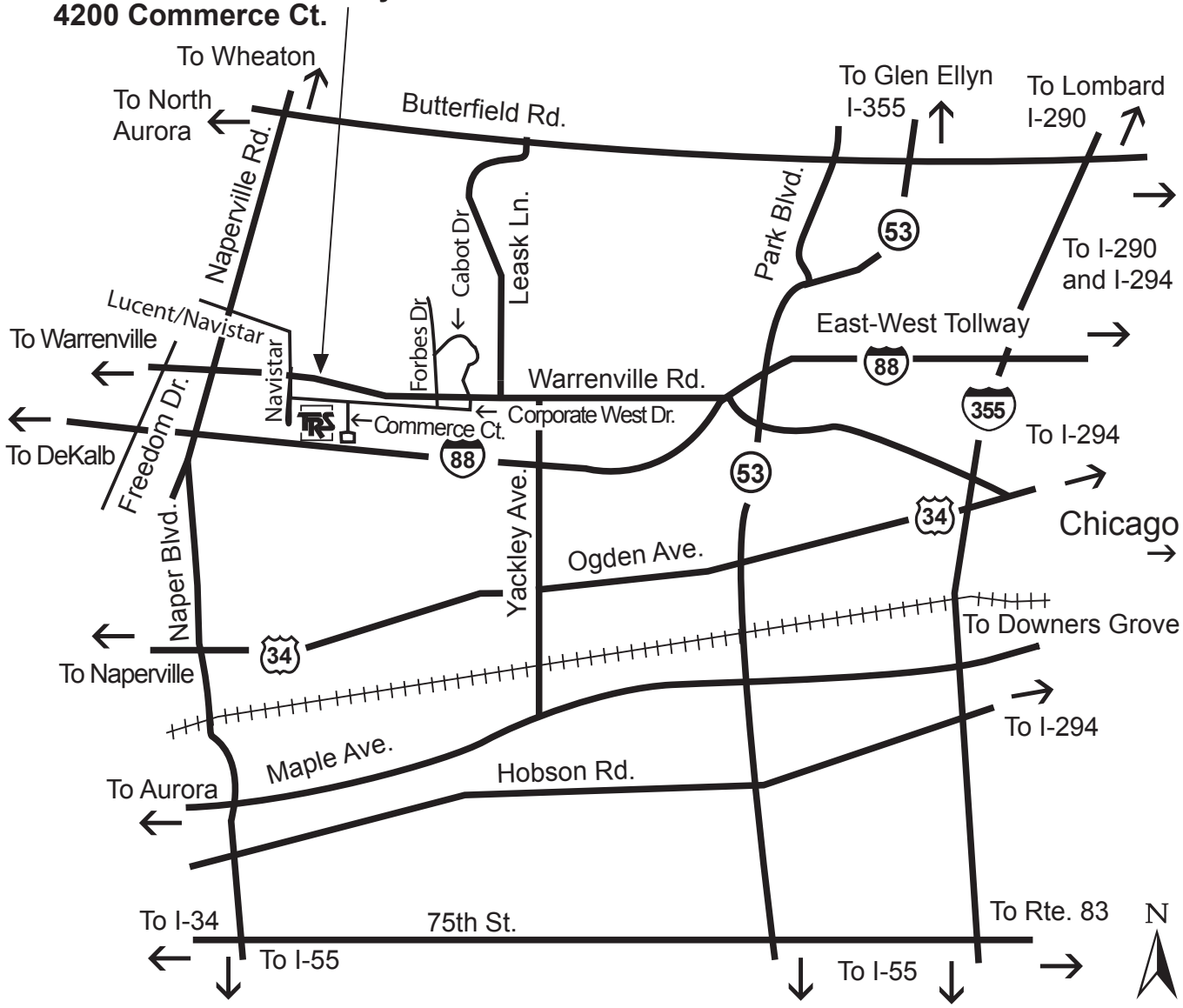
Take the Northwest Tollway East to I-290. Go south and exit at I-355. Continue south to the East-West Tollway (I-88) exit to Aurora. Take the Route 53 exit. Go left (south) on Route 53 about 1/4 mile to Warrenville Road. Turn right and go approximately 1 1/2 miles to the stop light at the entrance to the Hilton Hotel (Navistar Drive). Turn left and at the first street, turn left again. The first building east of the Hilton is the TRS building. The TRS logo is on the top of the building. Turn right into the parking lot. Suite 101 is located on the first floor, southeast corner.

From the Southwest:

Take I-55 north towards Chicago. Exit at I-355 North. Take the East-West Tollway (I-88) exit to Aurora. Take the Route 53 exit. Go left (south) on Route 53 about 1/4 mile to Warrenville Road. Turn right and go approximately 1 1/2 miles to the stop light at the entrance to the Hilton Hotel (Navistar Drive). Turn left and at the first street, turn left again. The first building east of the Hilton is the TRS building. The TRS logo is on the top of the building. Turn right into the parking lot. Suite 101 is located on the first floor, southeast corner.

Lisle

Teachers' Retirement System
4200 Commerce Ct.



TRSIllinois @ILLTRS +trsillinois www.youtube.com/c/trsillinois

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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members@trsil.org | http://www.trsil.org
877-927-5877 (877-9-ASK-TRS)

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