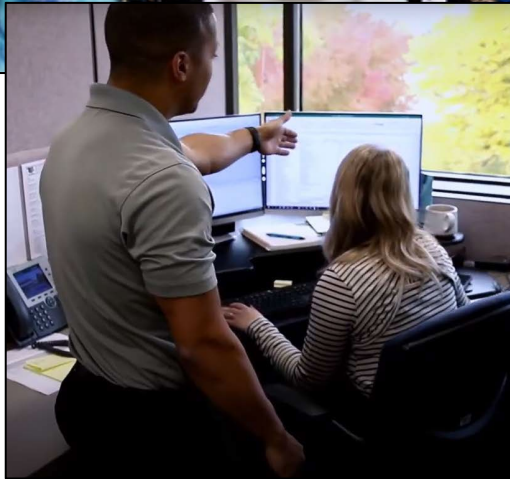




TRS Update

Illinois Association of School Business Officials

April 2024



Sandie Benhart & Nick Stabler, TRS Outreach Coordinators
Shiloah Tubbs, Deferred Compensation Manager
Kimberly Hahn, Employer Services Trainer
Deron Bertolo, Chief Financial Officer

Teachers' Retirement System of the State of Illinois



Key TRS Stats

for the fiscal year ending June 30, 2023

➤ Membership

- Total – 448,235
- Active – 169,889
- Inactive – 147,329
- Benefit Recipients – 131,017
- Average Salary, all Actives - \$81,274
- Average Pension, all retirees - \$64,884

➤ Finances

- Investments - \$66.5 billion
- Revenue - \$11.6 billion (*earnings & contributions*)
- Benefits Paid - \$7.9 billion (*up 3.9%*)
- Investment Return – 7.2% *net of fees*

➤ Membership Breakdown

- Active Tier 1 – 101,097
 - ✓ (*59.5% all active members*)
- Active Tier 2 – 68,792
 - ✓ (*40.5% of all active members*)
- Average Age of a Retired Member – 73 years old
- Average Service Credit at Retirement – 26 years

➤ Number of TRS Employers: 995

➤ Long-Term Funded Status

- Total Liability - \$143.5 billion (*up 3.4%*)
- Unfunded Liability - \$81.9 billion (*up 1.6%*)
- Funded Ratio – 44.8% (*up 1.0%*)

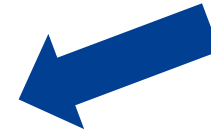
Source: FY23 TRS Annual Comprehensive Financial Report



TRS Investment Returns

Total Portfolio Results

<u>Time Period</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>
	<i>Fiscal Year</i>	<i>Fiscal Year</i>	<i>Fiscal Year</i>
1 Year	+ 25.5%	- 1.2%	+ 7.2%
3 Years	+ 9.9%	+ 7.6%	+ 10.0%
5 Years	+ 10.1%	+ 7.3%	+ 7.1%
10 Years	+ 8.4%	+ 8.2%	+ 7.7%
40 Years	+ 9.5%	+ 9.3%	+ 8.8%



- TRS always focuses on *long-term* results more than on any one year because the System must be financially secure for *all members*, whether they're 85, 65, 45 or 25.
- The current TRS assumed *long-term* rate of return is 7%.

TRS Funding Update

Actuarial Funding vs. Actual State Funding

➤ **FY 2022**

Actuarial Payment	\$8.9 billion	Normal Cost	\$1.2 billion
Actual Statutory Payment	\$5.7 billion	Interest on the Debt	\$4.6 billion

➤ **FY 2023**

Actuarial Payment	\$9.1 billion	Normal Cost	\$1.2 billion
Actual Statutory Payment	\$5.9 billion	Interest on the Debt	\$4.8 billion

➤ **FY 2024**

Actuarial Payment	\$9.6 billion	Normal Cost	\$1.3 billion
TRS Certified Statutory Payment	\$6.0 billion	Interest on the Debt	\$4.9 billion

➤ *Every \$1 not paid to TRS now requires \$3 in the future to make up for the lost earnings.*

Source: TRS actuarial valuation reports



Pension Funding Outlook

FY 2025 and Beyond

- **The Governor's FY 2025 budget proposal full funding of the State's statutorily-required contribution to TRS**
- **Plans have been introduced that would expand current funding plans to 100% by June 30, 2048**
- **Total state pension funding to TRS will exceed \$18 billion in FY 2022, 2023 & 2024**
- **After five years of hovering at 40%, the TRS Funded Ratio is inching up**
 - ✓ ***FY 2020 – 40.5%***
 - ✓ ***FY 2021 – 42.5%***
 - ✓ ***FY 2022 – 43.8%***
 - ✓ ***FY 2023 – 44.8%***
 - ✓ ***FY 2024 – 46.1% (projected)***



Source: Illinois State Budget – Fiscal Year 2023 and Fiscal Year 2024



GEMINI - EMPLOYER REPORTING

EMPLOYER SERVICES



Gemini – Employer Reporting

Fiscal Year Reporting Cycle



➤ Monthly Pay Period Reports and DB Contributions

10th of the following month



➤ Summer Payrolls / All FY Reports / All FY Contributions

July 10th



➤ Annual Roll-up & Certification filing deadline

August 15th

Training and Gemini Releases



➤ Creating Payroll Schedules for new fiscal year
- Enhancements for creating and editing

Late April / Early May



➤ Summer Payroll Training
- Lessons learned from prior fiscal year

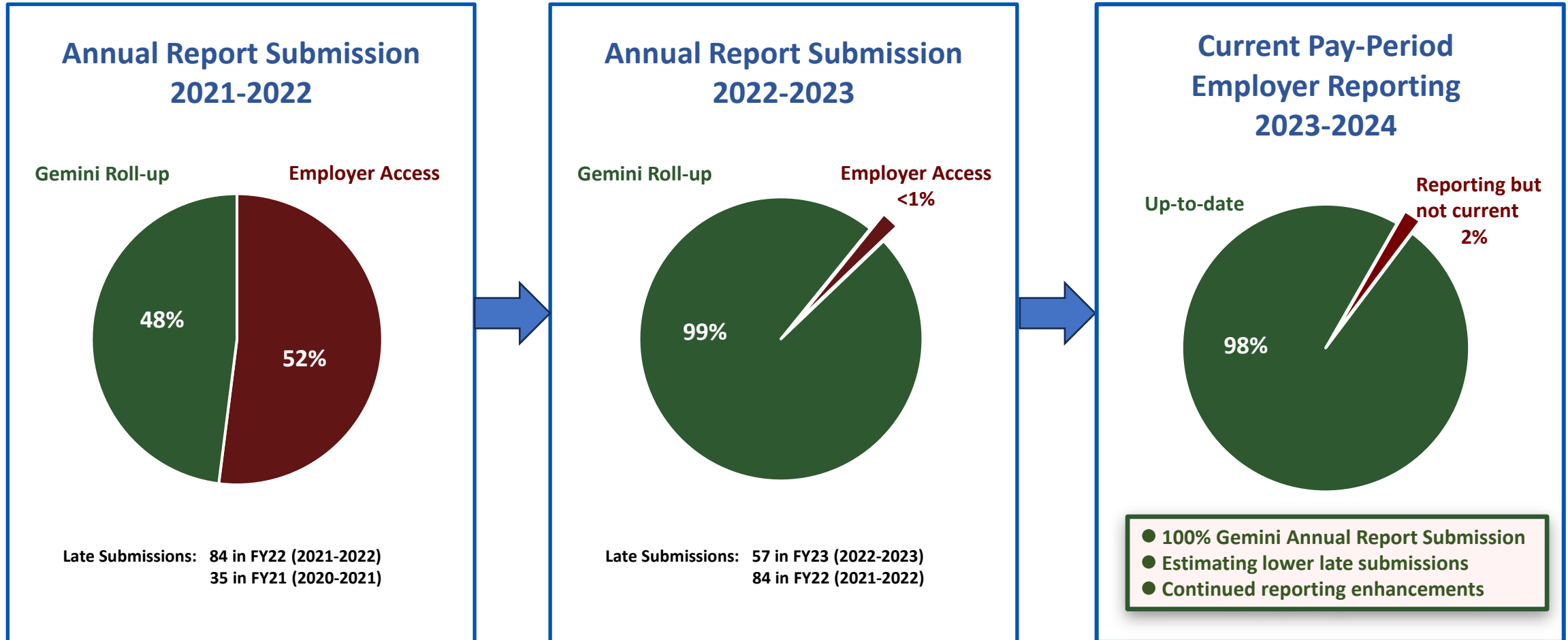
Mid to Late May



➤ Annual Roll-up and Certification
- Enhancements for editing, analysis and navigation

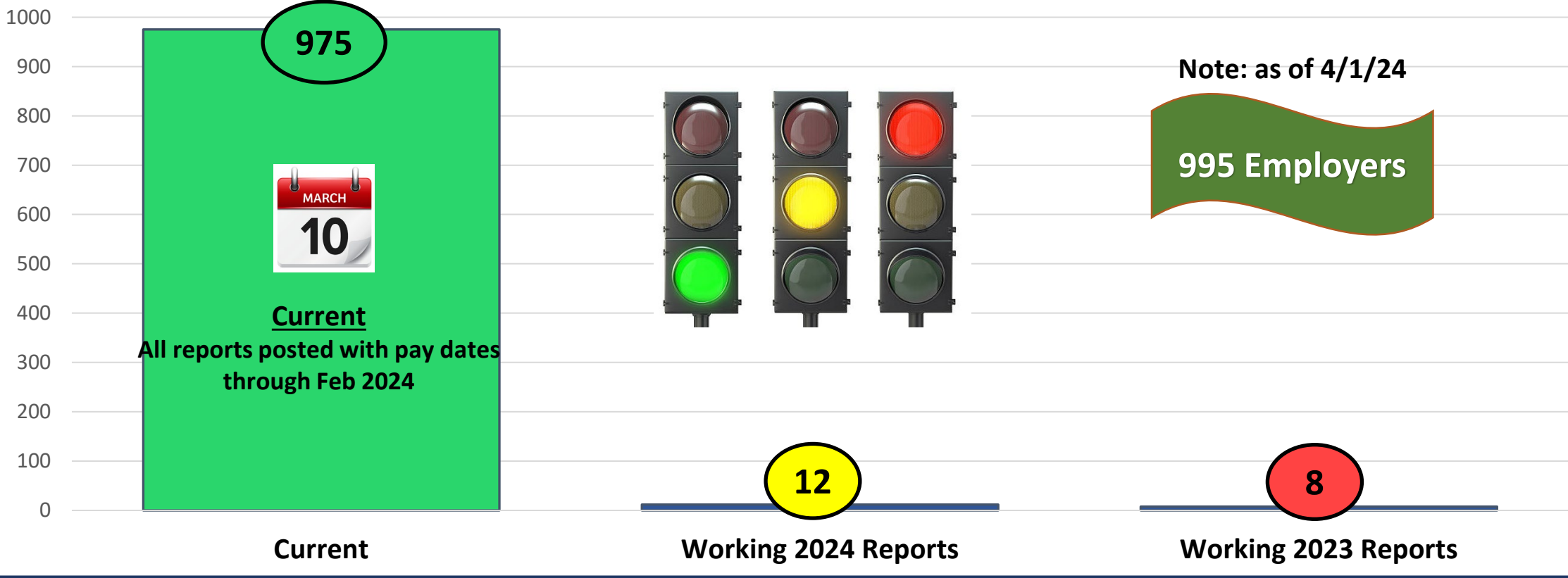
Late May / June

Employer Annual Report Submission

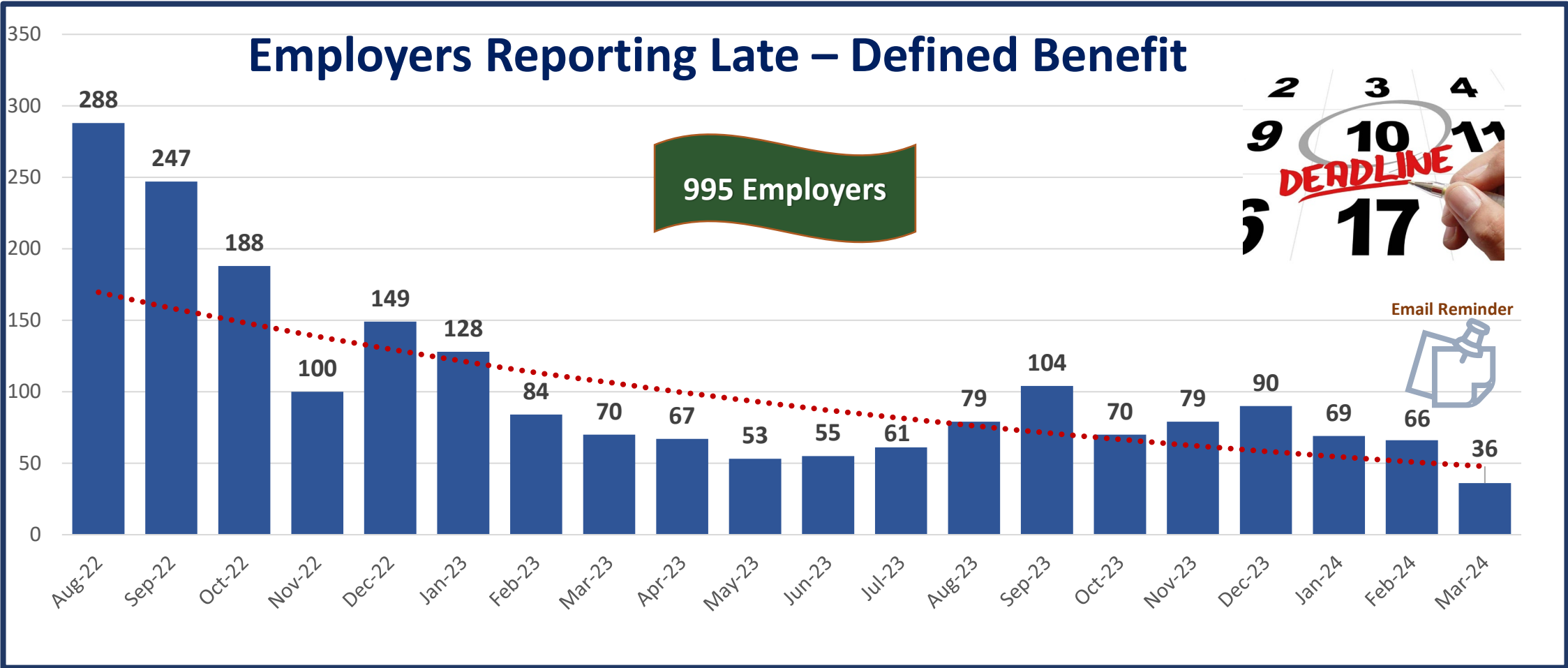


Employer Reporting

Employers Reporting Status – Defined Benefit



Employer Reporting



SUPPLEMENTAL SAVINGS PLAN (SSP)

DEFERRED COMPENSATION (DC)

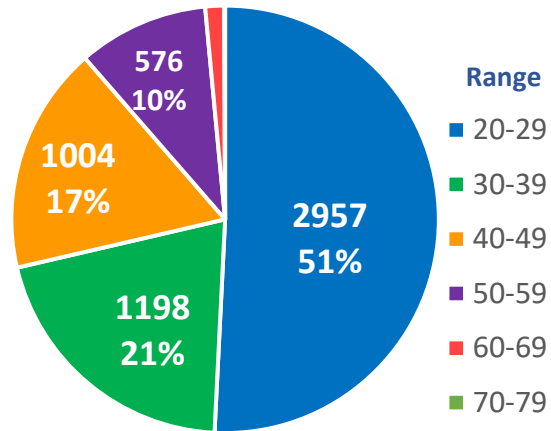


SSP – Key Facts and Benefits

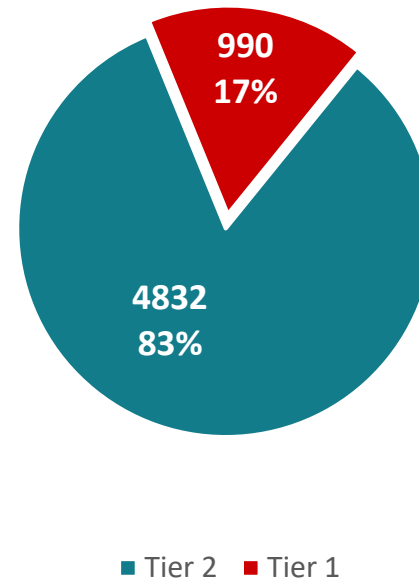
- Launched in 2022, in accordance with [40 ILCS 5/16-204](#).
- Designed by TRS to offer a competitive, cost-effective 457(b) retirement savings plan with pre-tax or Roth contributions and an array of diverse investments.
- Offers participants the ability to:
 - Provide an additional income source in retirement, and/or
 - Provide an income bridge if retiring early.
- Automatically enrolls new members first employed in a TRS-covered position on or after January 1, 2023 at 3% of pre-tax compensation, but can opt out or change contribution amount and type at any time.
- Allows existing TRS members to enroll at any time!

SSP Enrollment Demographics

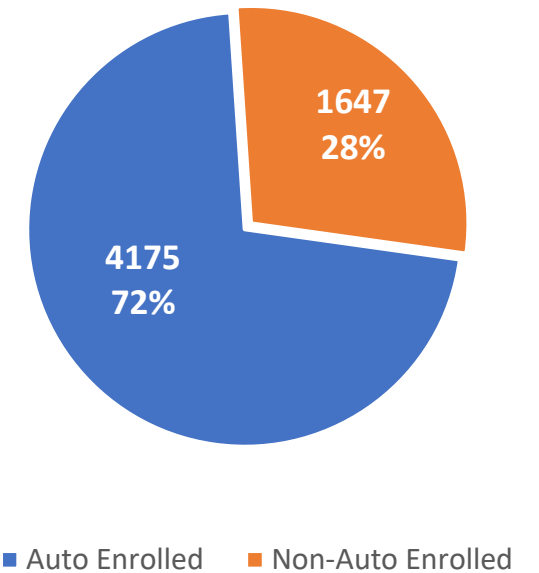
SSP Enrollees by Age Group



SSP Enrollees by Tier

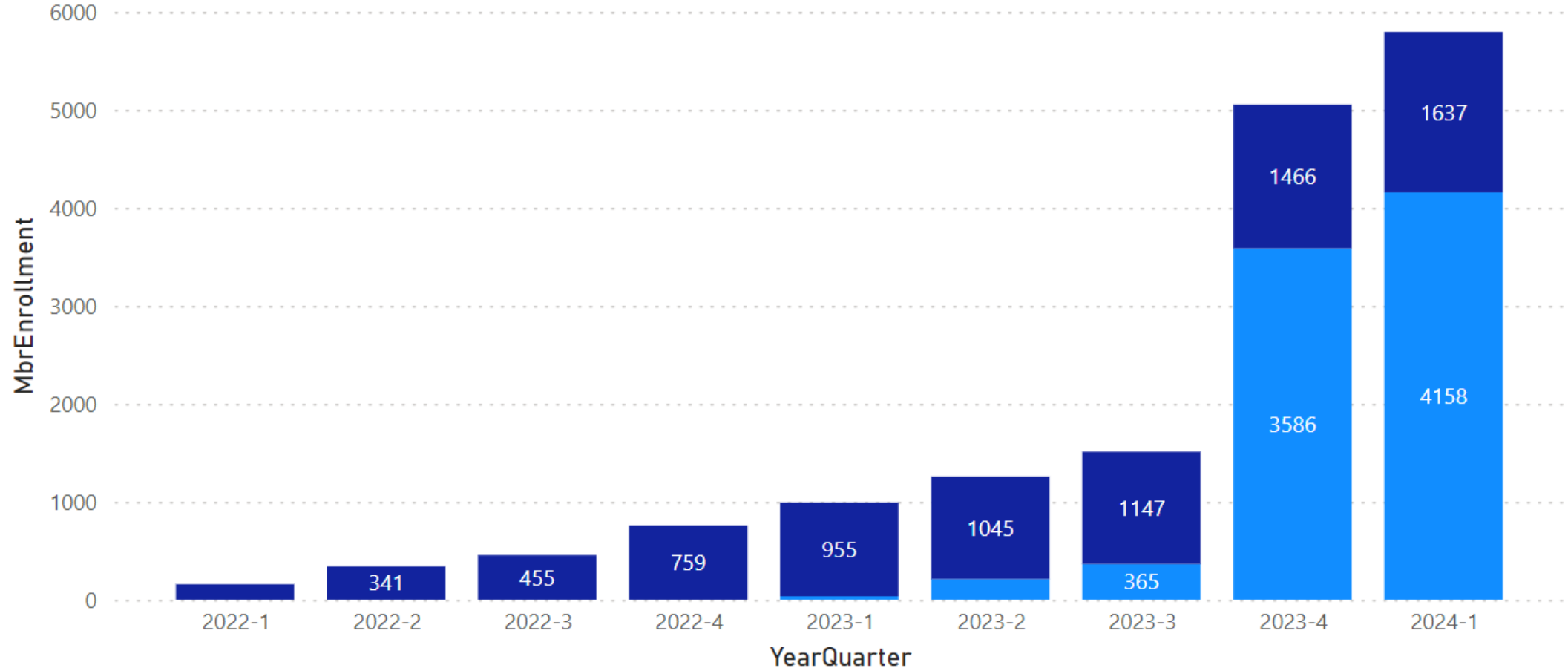


SSP Enrollees by Enrollment Type

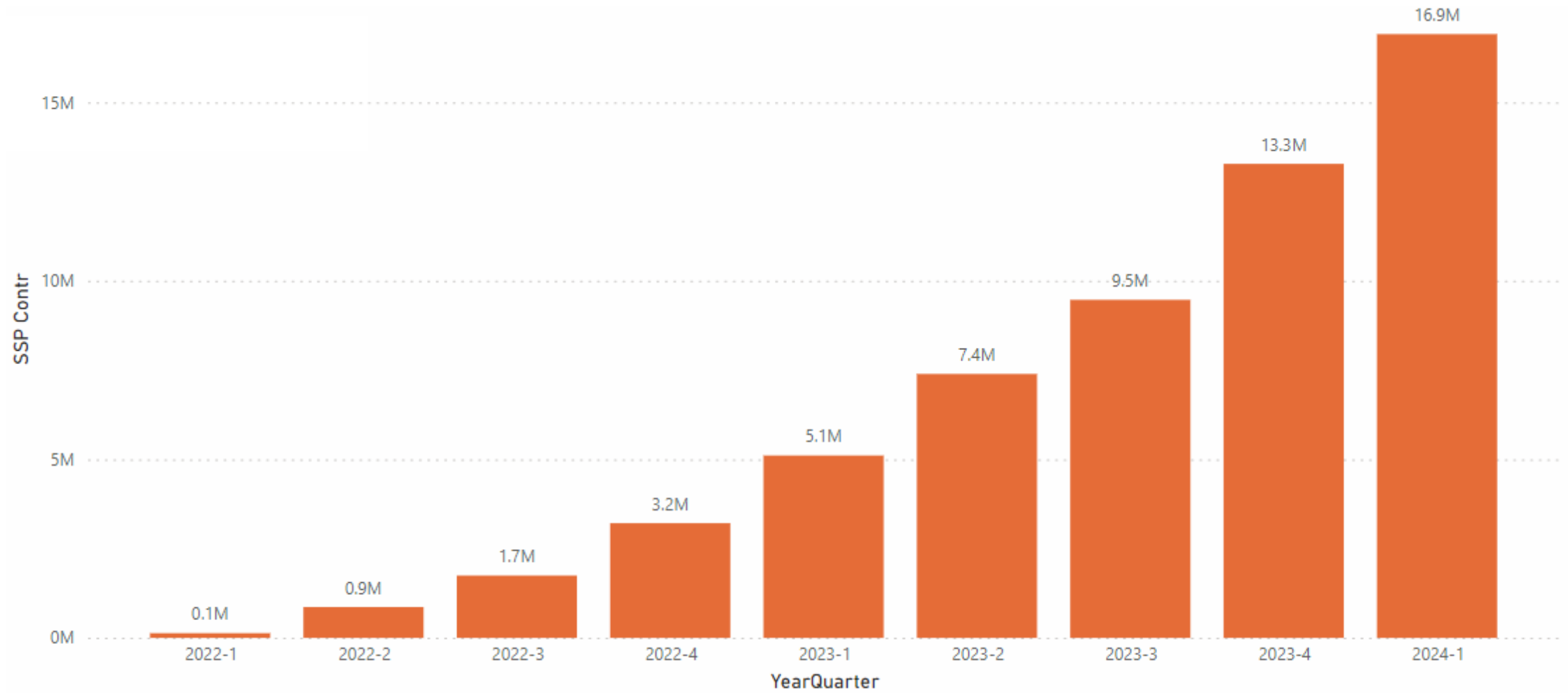


SSP Enrollment Trend

Auto Enrollment ● Auto ● Non-Auto



SSP Payroll Contribution Trend



SSP – Employer Reporting

Calendar

Year Reporting Cycle



➤ **Pay Period Reports and DC Contributions**

As Close to Pay Date as Possible*



➤ **Summer Payrolls and DC Contributions**

When Paid to the Member



➤ **IRS 457(b) Contribution Limit Monitoring**

Calendar Year based on Pay Date

Gemini Processes and Tools



➤ **SSP Delinquent Contributions Emails**
- Sent to Reporting & Accounting Contacts

7 Days Past Pay Date



➤ **Reporting Edits, IRS Limit Met Column, DC Calendar Year To Date Report**

Ongoing, as Reported in Gemini

* As soon as administratively feasible, but no later than fifteen (15) business days following the end of the month in which such amount is withheld from the Compensation of the Participant.

Thank You! / Contact TRS

Member Services

To speak to a TRS representative, or to schedule a telephone, in-office or virtual counseling session:

(877) 927-5877

8:30 a.m. to 4:30 p.m. – Monday-Friday

members@trsillinois.org

TRS Outreach:

To arrange an in-person or virtual group presentation
Outreach@trsillinois.org

www.trsil.org



Like us on Facebook/TRSillinois



Follow us on Twitter: @ILLTRS



YouTube: @trsillinois

Employer Services

Employer Reporting

(888) 678-3675 Option 1

employers@trsillinois.org

Accounting Department

Remittances or the Employer Bill

(888) 678-3675 Option 2

accounting@trsillinois.org



TRS-SSP

SSP@trsillinois.org

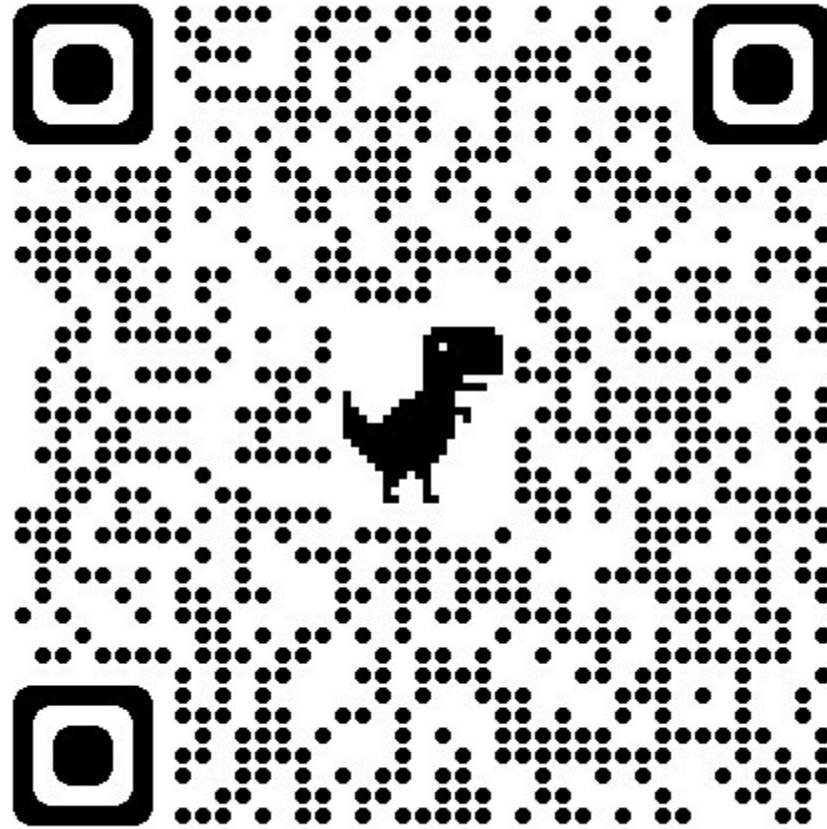
Voya

Individual virtual appointments can be scheduled at:

<https://trsssp457b.timetap.com>

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

This presentation is only a brief summary of selected educational topics presented by TRS to IASBO and is believed accurate as of the presentation date. However, in the event of inaccuracy or discrepancy, the applicable law or original source of information prevails. For more detailed information, please consult the applicable law and/or the TRS Website: www.trsil.org.



Survey

Appendix: Resources

TRS Board of Trustees



Tony Sanders
*State Supt. **
Elgin

Kevin Blackburn
Joliet

Michael Goetz
Springfield

Maria Jazo-Harris
Bloomington

Maureen Mena
Bolingbrook

David Miller
Lynwood

Vacant

Appointed by the Governor

Elected by TRS Members



Matthew Hunt
President
Glen Ellyn

Andrew Hirshman
Vice President
Oak Park

Beth Anderson
Kankakee

Joseph Blomquist
St. Charles

Marsha Byas
Marion

Fred Peronto
Elmhurst

Larry Pfeiffer
Carlinville

Doug Strand
East Moline



* By statute, the state superintendent of schools always sits on the Board



TRS Counseling Resources



Reaching Out to Members in a Variety of Ways

One-on-One Appointments (call 877-927-5877 to schedule)

In-person in Springfield and Lisle

Videoconferences or Teleconferences

Fall Benefit Information Meetings (published on trsil.org in August)

In-person: Approximately 35 throughout the State

Virtual: Approximately 15

It's Time to Retire: Throughout February for "current year" retirees (by email invite)

What's Next: Mid-June to Early-July for newly retired educators (by email invite)

Webinar Wednesdays (not always Wednesdays!) (by targeted email invite)

45-minute presentations for Tier 1 and Tier 2 members to best prepare for retirement options

Outreach Institute Day, Back-to-School, or After School presentations (request at Outreach@trsill.org)

IEA, IRTA, IFT Presentations for both active and retired TRS Members (request at Outreach@trsill.org)

Retiree Webinars: Review W-4Ps, Permission to speak to others, Death Benefits, TRIP to TRAIL process (by email invite)

HR Manager Webinars: Review what TRS does and does not do; provide resources for various questions (by email invite)





TRS-SSP Resources



Local Voya Education Representatives

Local TRS SSP representatives* are available to provide ongoing educational support to help meet eligible TRS members' retirement needs, including:

- Plan information and enrollment assistance
- Information on consolidation of retirement accounts
- Financial wellness education
- Individual meetings
- Group education meetings and seminars

To schedule an individual virtual appointment,
go to <https://trssp457b.timetap.com>.

Access the Local Representative Flyer at trsilssp.voya.com.

*Information from registered Plan Service Representatives is for educational purposes only and is not legal, tax or investment advice. Local Plan Service Representatives are registered representatives of Voya Financial Advisors, Inc., member SIPC.



Northern Illinois

Tonya Coleman
(312) 342-5408
Tonya.Coleman@voya.com

Western/Metro East Illinois

Stacey Russell
(217) 502-9711
Stacey.Russell@voya.com



Eastern/Southern Illinois

Terri Bailey
(217) 306-2455
Terri.Bailey@voya.com

