



# **Deep South IEA Retired Teachers**

Makanda, IL

October 10, 2023

[www.trsil.org/DeepSouth](http://www.trsil.org/DeepSouth)

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# Topics

- TRS Funding and Investments
- TRIP/TRAIL
- Programs & Legislation
- COVID Closeout
- Questions

# 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

# Fiscal Year 2022 Key TRS Stats

## ➤ Finances

- Investments - \$63 billion (*down 2.1%*)
- Revenue - \$6.3 billion (*earnings & contributions*)
- Benefits Paid - \$7.6 billion (*up 3.9%*)
- Investment Return – (1.2%) *net of fees*

## ➤ Long-Term Funded Status

- Total Liability - \$143.5 billion (*up 3.3%*)
- Unfunded Liability - \$80.6 billion (*up 0.9%*)
- Funded Ratio – 43.8% (*up 1.3%*)

## ➤ Membership

- Total – 439,833 (*up 1.7%*)
- Active – 165,566 (*up 4.1%*)
- Inactive – 144,801 (*down 0.7%*)
- Benefit Recipients – 129,466 (*up 1.5%*)
- Average Pension, all retirees - \$63,276 (*up 2.3%*)

## ➤ Membership Breakdown

- Active Tier 1 – 103,163 (*down 1.8%*)  
✓ (*62.3% all active members*)
- Active Tier 2 – 62,403 (*up 15.6%*)  
✓ (*37.7% of all active members*)
- Average Age of a Retired Member – 73 years old
- Average Service Credit at Retirement – 27 years

Source: Fiscal Year 2022 TRS Annual Report

# TRS Investment Returns

## Total Portfolio Results

<u>Time Period</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>
	<i>Fiscal Year</i>	<i>Fiscal Year</i>	<i>Fiscal Year</i>
1 Year	+ 0.6%	+ 25.5%	-1.2%
3 Years	+ 4.7%	+ 9.9%	+7.6%
5 Years	+ 5.2%	+ 10.1%	+7.3%
10 Years	+ 8.3%	+ 8.4%	+8.2%
40 Years	+ 9.0%	+ 9.5%	+9.3%

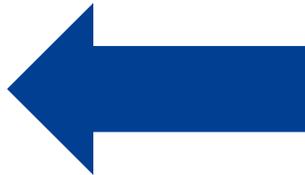


- TRS always focuses on long-term results more than on any one year because the System must be financially secure for *all members*, whether they're 85, 65, 45 or 25.
- The current TRS assumed *long-term* rate of return is 7%.

# Gov. Pritzker's "Extra" Pension Funding

*Stable State Contributions Help Move Funded Ratio in the Right Direction*

- **The Governor's FY 2024 budget commits \$230 million more in funding to state pension systems than required by law**
- **This is the third fiscal year in a row that total pension funding will total more than the statutory requirement**
- **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 – 44.9%*** (projected)
  - ✓ ***FY 2024 – 46.1%*** (projected)



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

# Russian Divestment

- In December, the General Assembly and Gov. Pritzker enacted Public Act 102-1108 requiring the Illinois Investment Policy Board to identify Russian companies for placement on a “no investment” list.
- Once the Policy Board adds a company to the list, TRS has 12 months to sell, redeem, divest or withdraw system assets from that Russian company if TRS holds any assets in that company.
- Currently, TRS assets in Russia total \$2.9 million, which is 0.004% of the total portfolio.



# TRIP/TRAIL Updates

- Eligible with 8.000 years of TRS service credit
- Coverage always starts on the first of a month
- Insurance/prescription ID cards issued by your selected carrier
- Premiums withheld from your TRS pension check in arrears
  - Call MyBenefits Service Center 1-844-251-1777
    - TRAIL carrier for 2024 – AETNA
    - TRAIL premiums significantly reduced from 2022
    - TRAIL Benefits Choice is in October 16 – November 15

# TRIP Premiums

## Monthly Contributions

The Teachers' Retirement Insurance Program (TRIP) shares the cost of health coverage with you. While TRIP covers the majority of the cost, you must make monthly contributions based upon the health plan you select.

Type of Participant	Type of Plan	Not Medicare Primary Under Age 26	Not Medicare Primary Age 26-64	Not Medicare Primary Age 65 and Older	Medicare Primary* All Ages
<b>Benefit Recipient</b>	Managed Care Plan (OAP and HMO)	\$106.45	\$330.67	\$450.52	\$130.68
	Teachers Choice Health Plan (TCHP)	\$276.27	\$771.71	\$1,172.71	\$309.86
	TCHP when managed care is not available in your county	\$138.13	\$385.85	\$586.37	\$154.94
<b>Dependent Beneficiary</b>	Managed Care Plan (OAP and HMO)	\$425.96	\$1,322.65	\$1,802.05	\$450.24**
	Teachers Choice Health Plan (TCHP)	\$552.55	\$1,543.41	\$2,345.44	\$619.72
	TCHP when managed care is not available in your county	\$552.55	\$1,543.41	\$2,345.44	\$464.80**

\* You must enroll in both Medicare Parts A and B to qualify for the lower premiums. Send a copy of your Medicare card to TRS. If you or your dependent is actively working and eligible for Medicare, or you have additional questions about this requirement, contact the CMS Group Insurance Division, Medicare Coordination of Benefits (COB) Unit (see page 7).

\*\* Medicare Primary Dependent Beneficiaries enrolled in a managed care plan, or in TCHP when no managed care plan is available, receive a premium subsidy.

# 2024 TRAIL Premiums

Aetna MAPD PPO (Effective Jan. 1, 2023)			
Monthly Contributions	Member Rate	\$2.06	\$2.16
	Dependent Rate	\$6.18	\$6.50



# Switching from TRIP to TRAIL

- Must enroll in Medicare Parts A & B
- Once your Medicare card is received, submit copy to TRS
- 1 month prior to the effective date, contact the MyBenefits Service Center to enroll in your TRAIL Medicare Advantage plan
- Medicare checklist available online: [TRSil.org](https://www.trsil.org)



## 3 Months Before Your 65th Birth Month

- Contact the Social Security Administration (SSA) and apply for Medicare Parts A and B online by visiting [www.ssa.gov/benefits/medicare](https://www.ssa.gov/benefits/medicare) or by phone at (800) 772-1213. Use the chart on the right to know when to apply.
- Establish how your Medicare Part B premium will be paid to the SSA. This premium is separate from your retirement insurance premium and cannot be deducted from your monthly benefit check.

Birth Month	Month to Apply for Medicare
January	October
February	November
March	December
April	January
May	February
June	March
July	April
August	May
September	June
October	July
November	August
December	September

## If the SSA determines that you are not eligible for Medicare coverage:

- Request a statement of Medicare ineligibility from the SSA.

## 2 Months Before Your 65th Birth Month\*

- Receive your Medicare Card or Statement of Medicare Ineligibility from SSA.
- Make a legible copy of the front side of your Medicare card or ineligibility statement and send to TRS. If you are not currently enrolled, you also need to send TRS the Participation Election Form. **See reverse for submission instructions.**

**\*Important:** If your birthdate is on the 1st of any month, you must elect coverage two months before your 65th birth month to avoid an interruption in coverage. See below on how to complete the enrollment process.

## 1 Month Before Your 65th Birth Month

- Review the TRAIL Medicare Advantage Initial Enrollment Guide mailed to you from the State of Illinois Department of Central Management Services and MyBenefits. You can also review the materials online at [MyBenefits.illinois.gov](https://www.mybenefits.illinois.gov), select the TRAIL MAPD Enrollment Information tile located on the home page.
- Review the TRAIL Medicare Advantage Enrollment materials mailed to you from the TRAIL insurance carriers available in your residential area.
- Choose a TRAIL MAPD plan.** You may elect your plan by visiting the website at [MyBenefits.illinois.gov](https://www.mybenefits.illinois.gov) or by calling MyBenefits Service Center toll free at (844) 251-1777.

**Note:** The TRAIL MAPD plan you choose will replace your current retirement insurance plan.

# TRS Member “Buyout” Programs

## Accelerated Annual Increase Program

- Retiring Tier 1 members only
- Started in January 2019, current sunset at the end of FY 2026
- TRS asks retiring Tier 1 members if they want to participate. Once made, the decision is irrevocable
  - *Give up the current Tier 1 annual increase – 3% compounded for 1.5% not-compounded*
  - *Receive a lump-sum “accelerated pension benefit payment” – 70% of the monetary difference between the lifetime value of the 3% increase and the 1.5% raise*
- **Since 2019, more than 3,389 Tier 1 members have elected an accelerated payment under the AAI**
  - *20% out of 16,863 retirees have elected to participate*
  - *\$467.7 million in payments; average payment of nearly \$138,000*

# TRS Member “Buyout” Programs

## Accelerated Pension Benefit Program

- Eligible inactive members only
- Started in January 2019, current sunset at the end of FY 2026
- TRS asks members if they want to participate. Once made, the decision is irrevocable
  - *Give up all right to a life-long TRS pension*
  - *Receive a lump-sum payment – 60% of the current monetary value of the member’s expected life-long pension*
- **Since 2019, more than 1,915 inactive members have elected an accelerated payment under the APB**
  - *10.6% out of 18,042 inactive members have elected to participate*
  - *Average payment of \$124,468*

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# New Legislation

- **Public Act 103-0088 (SB1468) – Post-retirement employment**
- Through **June 30, 2026, 120 paid days or 600 hours**
- Not more than 100 paid days in the same classroom
- TRS does not monitor the 100 days/same classroom portion

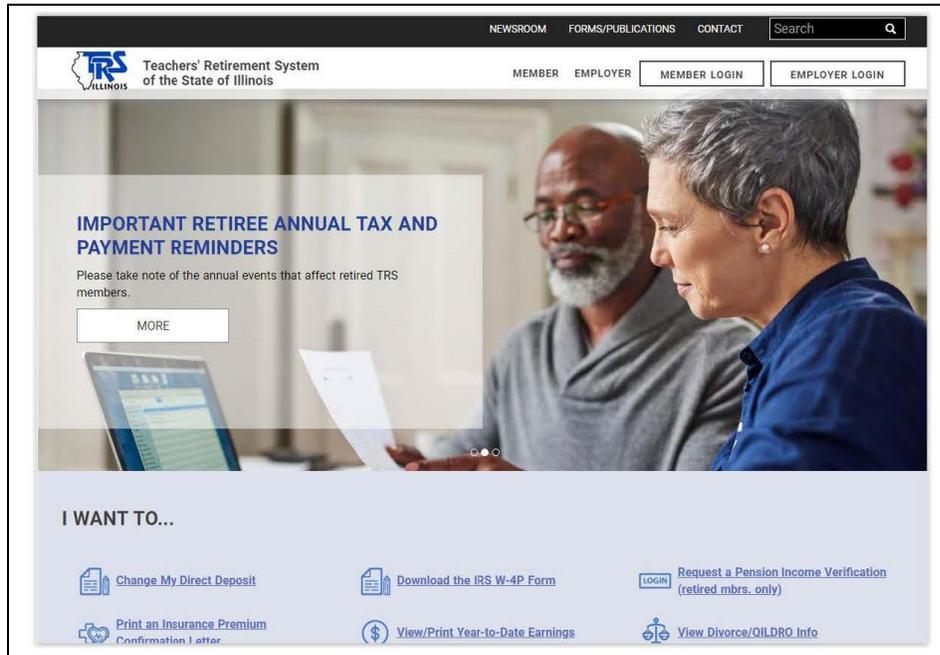
# TRS Members - Lights That Never Stop Glowing

## Their Legacies Live Forever

- To date, 600 TRS members have died because of COVID-19 or complications related to the virus.
- *Each of them represents the loss of a bright and shining light to their families, friends and communities, as well as their profession.*
- In January, the System's oldest member – 108 years young from Rushville – passed on.
- The mantle of “oldest TRS member” now belongs to a retiree in Dwight, IL aged 106. She has been an annuitant since 1983.
- The oldest *full-time active* TRS member is 83 and lives in Olmstead.



# Thank You! / Contact TRS



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YouTube: @trsillinois

## 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@trsil.org](mailto:members@trsil.org)**

**Nicholas Stabler**

Ext. 2161

**[nstabler@trsil.org](mailto:nstabler@trsil.org)**

**[www.trsil.org/DeepSouth](http://www.trsil.org/DeepSouth)**

This presentation is only a brief summary of selected educational topics presented by TRS to the IEA 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](http://www.trsil.org).