

# Retirement Readiness :

## TRS info for those retiring in the next five years

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The presentation will begin shortly and is scheduled to last approximately 60 minutes

- Please silence cell phones during the presentation.
- Please hold your questions until the Q'n'A session at the end

Presentation download:

<https://www.trsil.org/READY>





2024  
TRS  
Retirement  
Readiness  
Training

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MAY 2, 2024



## What will be covered . . .

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Pre-retirement Timeline

The Retirement Claim

Health Insurance

Post-retirement employment

# Member Account Access

The screenshot displays the homepage of the Teachers' Retirement System of the State of Illinois. At the top left is the TRS logo with the text "Teachers' Retirement System of the State of Illinois". To the right are navigation buttons for "MEMBER", "EMPLOYER", "MEMBER LOGIN", and "EMPLOYER LOGIN". A blue arrow points to the "MEMBER LOGIN" button. The main content area features a central graphic of stylized figures in a circle, surrounded by six value statements: "Our Values", "Integrity", "Accountability", "Service", "Teamwork", and "Continuous Improvement". On the left, a section titled "STRENGTHENING OUR FOUNDATION FOR THE FUTURE" includes a paragraph about the Strategic Plan and an "EXPLORE THE PLAN" button. At the bottom center, there are two small white circles.

**Teachers' Retirement System of the State of Illinois**

MEMBER EMPLOYER **MEMBER LOGIN** EMPLOYER LOGIN

**Our Values**

**Integrity**  
We are tenaciously honest and ethical.

**Accountability**  
We openly set high standards and confidently own our actions and results.

**Service**  
We genuinely care for our members and each other by being kind and helpful.

**Teamwork**  
We proudly collaborate as one TRS.

**Continuous Improvement**  
We challenge ourselves to embrace learning, new ideas, and growth.

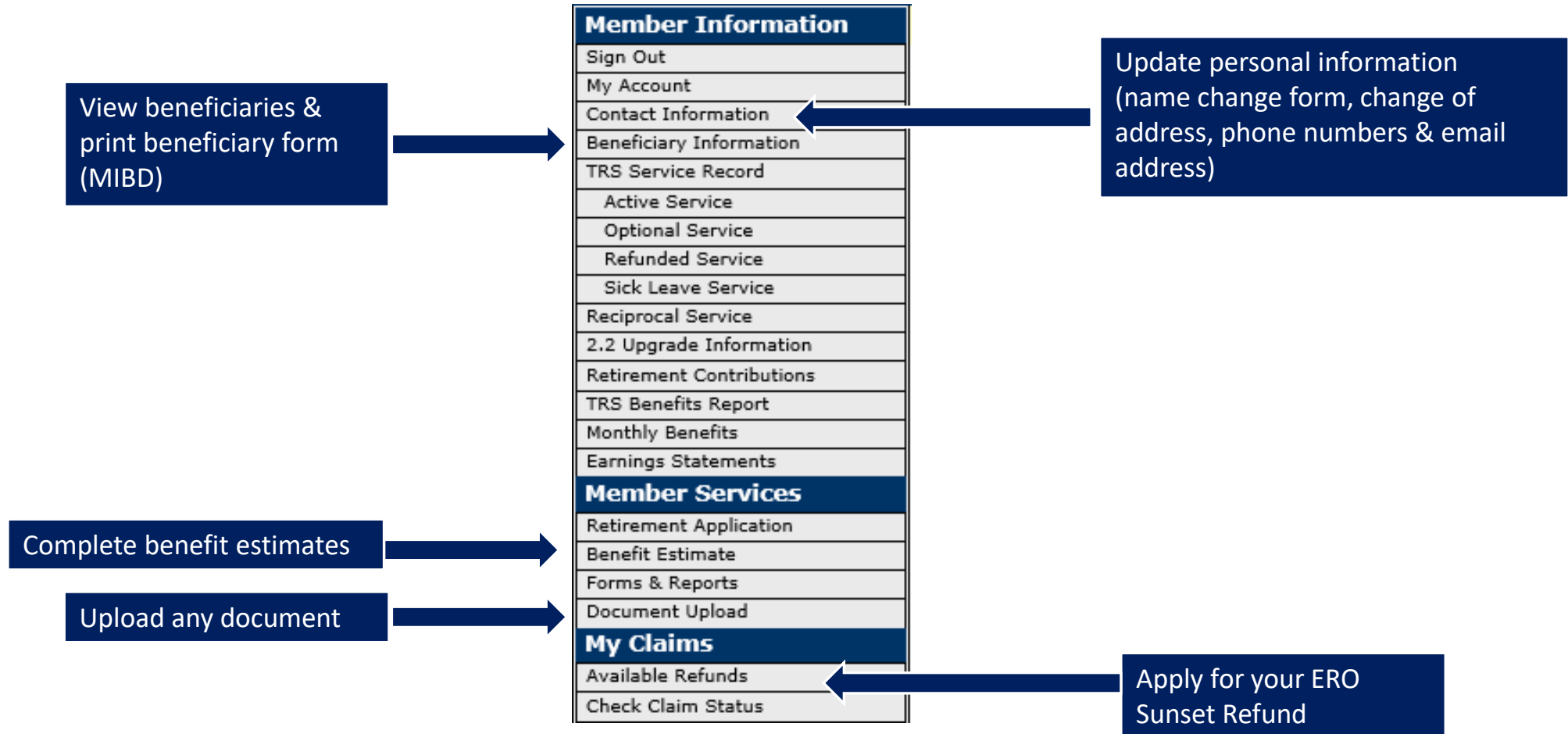
**Diversity**  
We are inclusive and persistently embrace our differences to empower our success.

**STRENGTHENING OUR FOUNDATION FOR THE FUTURE**

TRS's new five-year Strategic Plan is designed to strengthen our foundation for the future while upholding our unwavering commitment to acting in your best interests and serving you, our members.

[EXPLORE THE PLAN](#)

# Member Account Access



# PRE-RETIREMENT TIMELINE

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As soon as possible...

## Make sure that your service credit is up to date

- Out-of-system teaching
- Substitute/Part-time/Homebound service before 7/1/1990
- Military Service
- Leaves of Absence (pregnancy, adoption, other)
- Involuntary Layoff/RIF
- Repayment of prior refund
- Illinois Private School Service (must verify by 6/30/2028)

## Reciprocal Service

IMRF, SURS, SERS, CTPF, etc.

Repay previous refunds if you plan to include the service

Request a reciprocal service audit from TRS

4-5 years from retirement. . .

## Attend a TRS Pre-Retirement Meeting

- Held throughout Illinois and virtually each fall
- Meeting schedule at TRSIL.org each fall

## Determine if your employer offers a RETIREMENT INCENTIVE

- Salary and/or sick leave enhancement
- Often requires irrevocable declaration
- Required date of election



4-5 years from  
retirement. . .

- **Contact TRS for a BENEFIT ESTIMATE**
  - In Person
  - Virtually
  - By Phone
  - Confirms date of eligibility and benefit amount
  - TRS will need current/future salaries and estimate of sick leave days

2 years from  
retirement. . .

## Contact TRS for an UPDATED Benefit Estimate

- Verify reported earnings
- Update available sick leave
- Ask about new programs/options (example: AAI)

## Finish Paying for Optional and Reciprocal Service

- Balances continue to accrue interest
- Remove any excess optional service from your pending record

3 months from  
retirement. . .

Personalized Retirement Interview (PRI)

Contact TRS by phone (can also be completed online)

TRS representative will:

- Verify demographic information
- Verify beneficiary information
- Establish a claim date, typically either:
  - Day after your last day of service, or
  - A later date if you are waiting to attain a particular age
- Gather information to pre-complete your retirement application

# PRI Questions

## 1. Are you interested in the Accelerated Annual Increase (AAI) program?

- Only **Tier I** members retiring on/before June 30, 2024 (Started Illinois public service before January 1, 2011)
- AAI is an **OPTIONAL** program that replaces the standard 3% compounded annual benefit increase (age 61) with an up-front lump-sum payment and a lower annual increase (1.5% non-compounded at age 67)
- If you have not already requested/received a benefit estimate that includes AAI info, you **MUST** do this before calling for your Personalized Retirement Interview (PRI)

# PRI Questions

## 2. Do you want a **STANDARD** annuity or a **REVERSIONARY** annuity?

- Standard Annuity – pays you your full earned benefit each month for life, **AND** provides a monthly survivor benefit for a dependent beneficiary equal to 50% of your pension (66.67% for Tier 2).
- Reversionary Annuity – reduces your pension each month while you are living to provide more than the standard survivor benefit

# PRI Questions

## 3. Verify your last employing school district(s)

- TRS will request current-year salary and sick leave information from current-year employer(s) as part of the claim process
- If you have not notified your employer(s) of your intent to retire, TRS will not request this information until you have submitted your signed retirement application
- If you have service with another public pension fund in Illinois, TRS will ask you if you plan to include this RECIPROCAL service in the calculation of your pension
  - If you are unsure, please request a reciprocal benefit estimate and contact TRS when you know the answer.
- If you will receive a public pension benefit from another state, TRS needs to know this.

# PRI Questions

## 4. Would you like TRS to withhold income tax from your pension?

- Your TRS pension is taxable by the federal government.
  - You are not required to have tax withheld from your pension
  - IF you elect to have federal tax withheld, You will be asked for your marital/withholding status
- The State of Illinois does not assess a tax on retirement income
- TRS can withhold state tax for Illinois, Wisconsin, Iowa, Kentucky, Indiana, and Michigan
- If you will reside in another state, you will need to determine how much to set aside for state tax

# Retirement Packet

## Retirement Application

- REQUIRED form – this is your written election to begin receiving a pension
- Pre-completed with info provided during the PRI
- Verify information, SIGN, and return to TRS

## Depository Agreement (Direct Deposit/EFT form)

- Must be signed by **both** retiree, any joint account holder (if applicable) and the financial institution
- Should be returned to TRS prior to your retirement date



# Retirement Packet

## TRIP/TRAIL Participation Election Form

- Members with at least 8 years of TRS service are eligible to use TRIP/TRAIL health insurance in retirement
- This form must be completed and returned to TRS to enroll in:
  - TRIP – Teachers' Retirement Insurance Program – for retired members not yet on Medicare
  - TRAIL – Medicare Advantage plan for members over age 65 who qualify for Medicare
- Once you have returned your TRIP/TRAIL Participation Election, you must contact the **MyBenefits Service Center** to select an insurance carrier within 60 days of the effective date of your coverage.

More info about TRIP/TRAIL is coming up!

# Employer's Responsibility

## Supplementary Report

- A supplement to the employer's Annual Report
- Provides TRS with essential information:
  - Official last paid day
  - Total number of paid days worked during final year
  - Total compensation paid during final year
  - Total unused, uncompensated sick leave days as of last paid day
- Submitted electronically to TRS by the employer AFTER your last day of service

## Sick Leave Granting Certification

- Reports whether or not any sick leave was granted in excess of the normal annual allotment during the last four years of employment
- Submitted electronically to TRS by the employer AFTER your last day of service

# CLAIM PROCESSING

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# Claim Processing

Claim processing begins once all required forms have been received, AND all unpaid balances (2.2 upgrade, optional service, and previous benefit overpayment) have been paid in full.

If you have elected the AAI program, an official AAI Election form will be mailed to you once your retirement benefit has been calculated. You must complete and return the form before your retirement claim can be finalized.

TRS takes 60-90 days to process your retirement claim.

Initial pension payment pays retroactively to retirement claim date.

# Monthly Pension Payments

TRS benefit payments are issued on the first day of each month and are paid **through the month of your death.**

Electronically deposited funds are deposited in your bank account on the first BANKING day of the month.

Benefits are paid one month in arrears. Your September 1 deposit represents your pension for August.

TRIP/TRAIL premiums are deducted from your pension payments, also one month in arrears

# Accelerated Annual Increase (AAI)

If you elect the AAI option, TRS will send you an AAI Application (Tier I members only)

- Elect to accept the AAI lump sum as a check payable to you (less 20% tax), or
- Elect to have AAI lump sum rolled over to another qualified plan, or
- A combination (%) of taxed distribution and rollover

AAI payments are issued as a paper check by US Mail

AAI election is irrevocable

If AAI has been elected, pension increases will begin January 1 after 67<sup>th</sup> birthday

# Excess Contribution Refunds

At retirement, TRS will determine if you are eligible for a refund of:

- Excess contributions to the 2.2 Upgrade program
- Excess contributions to the Early Retirement Options fund
- Contributions made to your Survivor Benefit account

If you are eligible for an Excess Contribution Refund (ECR), TRS will mail you a refund/rollover application for each balance.

Most ECR refunds are taxable, and are therefore eligible for rollover to another qualified plan.

ECR refunds are paid through paper checks and issued through US Mail to the retiree (after tax) or your other plan's administrator (rollover).

# TRIP/TRAIL

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# HEALTH INSURANCE



## TRIP Health Insurance (under 65)

### Teachers' Retirement Insurance Program (TRIP)

- Must have at least 8 years of service credit with TRS to be eligible
- Available first of the month following retirement (can defer up to 4 months)
- Can also enroll when losing other coverage, at 65 (Medicare), or during annual Benefit Choice Period
  - May 1-31 for TRIP
  - October 15-November 15 for TRAIL
- Insurance carriers determined by county of residence (HMO, OAP & PPO)
- TRIP acts as primary coverage before age 65
- All plans includes prescription drug coverage
- Subsidized by the THIS fund
- Also available to dependents

## TRIP Health Insurance (65 +)

### Total Retiree Advantage Illinois (TRAIL) Medicare Advantage

- Must have at least 8 years of service credit with TRS to be eligible
- Must be enrolled for Medicare Parts A & B
- Available first of the month following retirement (can defer up to 4 months)
- Can also enroll when losing other coverage, at 65 (Medicare), or during annual Open Enrollment Period
  - October 15 through November 15
- Insurance carriers determined by county of residence (HMO, PPO)
- All plans includes prescription drug coverage
- Subsidized by the THIS fund
- Also available to Medicare-eligible dependents

# TRIP/TRAIL Health Insurance

## Most new retirees enroll when employer coverage terminates

- Check with employer to determine termination date
- TRIP/TRAIL will take effect the 1<sup>st</sup> of the month following your retirement date
- You may indicate to defer your effective date up to 4 months
- Participation Election Form should be submitted as soon as possible after receiving it

## Who administers TRIP/TRAIL?

- TRS determines eligibility for TRIP/TRAIL
- State of Illinois (Central Management Services – CMS) is the plan administrator
- MyBenefits Service Center (MBSC), also known as Morneau Shepell, handles enrollment (844) 251-1777
- TRS withholds monthly insurance premiums from your pension payments

# TRIP Premiums

## through June 30, 2025

Type of Participant	Type of Plan	Not Medicare Primary	Not Medicare Primary	Not Medicare Primary	Medicare Primary*
		Under Age 26	Age 26-64	Age 65 and above	All Ages
<b>Benefit Recipient</b>	Managed Care Plan (OAP and HMO)	\$111.77	\$347.20	\$473.05	\$137.21
	Teachers Choice Health Plan (TCHP)	\$290.08	\$810.30	\$1,231.35	\$325.35
	TCHP when managed care is not available in your county	\$145.04	\$405.14	\$615.69	\$162.69
<b>Dependent Beneficiary</b>	Managed Care Plan (OAP and HMO)	\$447.26	\$1,388.78	\$1,892.15	\$472.75 **
	Teachers Choice Health Plan (TCHP)	\$580.18	\$1,620.58	\$2,462.71	\$650.71
	TCHP when managed care is not available in your county	\$580.18	\$1,620.58	\$2,462.71	\$488.04 **

# TRAIL Premiums

through December 31, 2024

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## 2024 TRAIL MAPD Health Plan Monthly Contributions Effective January 1, 2024

### Aetna MAPD PPO Plan

**Member Rate**

**\$2.16**

**Dependent Rate**

**\$6.49**



## Dental and Vision Coverage

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Dental and Vision coverage is NOT included in TRIP/TRAIL

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Check with employer to determine if you can stay on their dental/vision plan (COBRA)

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Check with retired teacher organizations to ask about plans they offer.

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TRS can withhold premiums for some retired teacher plans as a courtesy

# POST-RETIREMENT EMPLOYMENT

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# Post- Retirement Employment

## TRS-covered employment:

- **Must have received first pension check**
- May not work until July 1 of new school year
- May not return to last employer for 30 days
- 100 days/500 hours per school year (July 1-June 30)\*
- Reciprocal limitations, if retiring reciprocally
- No limit on earnings
- Tier II member are prohibited from accepting full-time employment in a position covered by another state of Illinois pension system that has reciprocal rights with TRS.
- School districts will track/report post-retirement work as of 7/1/2021

## Non-TRS-covered employment:

- No limit on service or earnings in private sector employment
- Determine post-retirement limits with reciprocal system if retired reciprocally with IMRF, SURS, SERS, CTPF, etc.
- Public school teaching/administration in other states does not apply to TRS post-retirement limits



# Post-retirement Employment

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- 100 paid days or 500 paid hours in each school year (July 1 through June 30)\*
- 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.

**\*New legislation may impact the 100-day/500-hour limit. Watch TRS website and emails for updates!**

# SOCIAL SECURITY

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# MEDICARE

# Social Security

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Illinois teachers do not contribute on TRS-covered employment

Earned SSA benefits may be reduced under Windfall Elimination Provision and/or Government Pension Offset

TRS pension will NEVER be reduced

Social Security (800) 772-1213

[www.socialsecurity.gov](http://www.socialsecurity.gov)



# Medicare

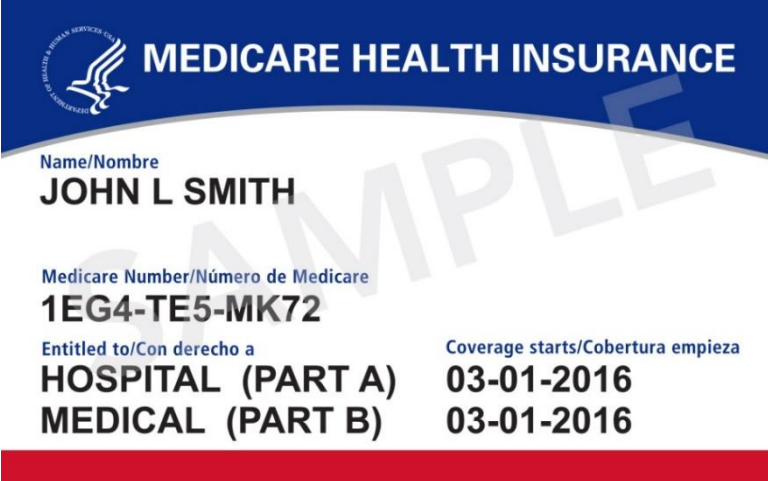
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Medicare eligibility at age 65

Contact Medicare to confirm eligibility

Medicare (800) 633-4227

[www.medicare.gov](http://www.medicare.gov)



The image shows a Medicare Health Insurance card for John L. Smith. The card has a blue header with the Medicare logo and the text "MEDICARE HEALTH INSURANCE". Below the header, the cardholder's name is listed as "JOHN L SMITH". The Medicare Number is "1EG4-TE5-MK72". The card also lists the types of coverage and their start dates: "HOSPITAL (PART A)" and "MEDICAL (PART B)", both starting on "03-01-2016". A large, semi-transparent "SAMPLE" watermark is overlaid on the card. The card is bordered by a red bar at the bottom.

<b>MEDICARE HEALTH INSURANCE</b>	
Name/Nombre <b>JOHN L SMITH</b>	
Medicare Number/Número de Medicare <b>1EG4-TE5-MK72</b>	
Entitled to/Con derecho a	Coverage starts/Cobertura empieza
<b>HOSPITAL (PART A)</b>	<b>03-01-2016</b>
<b>MEDICAL (PART B)</b>	<b>03-01-2016</b>

# Contact TRS

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## Social Media



[members@trsill.org](mailto:members@trsill.org)



<https://trsill.org>



[Facebook.com/TRSillinois](https://www.facebook.com/TRSillinois)



[@ILLTRS](https://twitter.com/ILLTRS)

## Call Center Hours

(877) 927-5877

M-F 8:30 am - 4:30 pm

Presentation Download:

<https://www.trsil.org/READY>

# QUESTIONS

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# Appendix

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# Other contact numbers:

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MyBenefits Service Center (TRIP/TRAIL): (844) 251-1777

Illinois Retired Teachers Association: (800) 728-4782

Illinois Education Association (Retired): (800) 264-1887

Illinois State Board of Education (Licensure): (866) 262-6663



# Reciprocal Retirement Systems

CEABF	County Employees' Annuity & Benefit Fund of Cook County	<a href="http://www.CookCountyPension.com">www.CookCountyPension.com</a>	(312) 603-1200
CTPF	Chicago Teachers' Pension Fund	<a href="http://www.CTPF.org">www.CTPF.org</a>	(312) 641-4464
FPEABF	Forest Preserve District Employee's Annuity Benefit Fund of Cook County	<a href="http://www.CookCountyPension.com">www.CookCountyPension.com</a>	(312) 603-1200
IMRF	Illinois Municipal Retirement Fund	<a href="http://www.IMRF.org">www.IMRF.org</a>	(630) 368-1010
JRS/GARS	Judges' & General Assembly Retirement System	<a href="http://www.srs.Illinois.gov">www.srs.Illinois.gov</a>	(217) 782-8500
LABF	Laborers' Annuity & Benefit Fund	<a href="http://www.labfChicago.org">www.labfChicago.org</a>	(312) 236-2065
MEABF	Municipal Employees' Annuity & Benefit Fund	<a href="http://www.MEABF.org">www.MEABF.org</a>	(312) 236-4700
MWRD	Metropolitan Water Reclamation District	<a href="http://www.MWRDRF.org">www.MWRDRF.org</a>	(312) 751-3222
PEABF	Park Employees' Annuity & Benefit Fund of Chicago	<a href="http://www.ChicagoParkPension.org">www.ChicagoParkPension.org</a>	(312) 553-9265
SRS	State Employees' Retirement System	<a href="http://www.srs.Illinois.gov">www.srs.Illinois.gov</a>	(217) 785-7444
SURS	State Universities Retirement System	<a href="http://www.SURS.org">www.SURS.org</a>	(800) 275-7877
TRS	Teachers' Retirement System (of Illinois)	<a href="http://www.trsil.org">www.trsil.org</a>	(877) 927-5877

# Retirement Process Responsibilities

## TRS MEMBER

- Contact TRS 6-12 weeks prior to your last day of work (by phone or online)
- Complete and submit all necessary retirement forms
- Contact each reciprocal system for retirement application, if applicable
- Submit retirement application to reciprocal system(s), if applicable
- Pay off all optional service and 2.2 balances

## EMPLOYER

- Submit the supplementary report on or after the last day of work (electronically)
- Submit the sick leave certification on or after the last day of work (electronically)

# AAI Program

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## 1.5% NON-COMPOUNDED ANNUAL INCREASE

- 1.5% increase effective January 1 following age 67, or the first anniversary of the member's retirement, whichever is later
- Receive a lump-sum “accelerated pension benefit payment” that equals 70% of the Present Value difference of the 3% and 1.5% annual increase.
- Lump-sum can be in the form of “roll-over” to a qualified retirement plan and/or cash payout
- Lump sum payment reduces beneficiary refund
- Monthly survivor benefits would continue to receive 1.5% increases