

TRS Update

IEA Representative Assembly
March 2025

Nick Stabler
TRS Outreach Coordinator

Teachers' Retirement System of the State of Illinois



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



Key TRS Stats

for the fiscal year ending June 30, 2024

➤ Membership

- Total – 456,101
- Active – 171,754
- Inactive – 151,445
- Benefit Recipients – 132,902
- Average Salary, all Actives - \$85,434
- Average Pension, all retirees - \$66,516

➤ Finances

- Investments - \$71.2 billion
- Revenue - \$13.27 billion (*earnings & contributions*)
- Benefits Paid - \$8.19 billion (*up 3.67%*)
- Investment Return – 8.8% *net of fees*

➤ Membership Breakdown

- Active Tier 1 – 97,427
✓ (*56.7% all active members*)
- Active Tier 2 – 74,327
✓ (*43.3% of all active members*)
- Average Age of a Retired Member – 73 years old
- Average Service Credit at Retirement – 26 years

➤ Long-Term Funded Status

- Total Liability - \$143.5 billion (*up 3.4%*)
- Unfunded Liability - \$81.9 billion (*up 1.6%*)
- Funded Ratio – 46.3%

Source: FY24 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>	<u>June 30, 2024</u>
	<i>Fiscal Year</i>	<i>Fiscal Year</i>	<i>Fiscal Year</i>	<i>Fiscal Year</i>
1 Year	+ 25.5%	- 1.2%	+ 7.2%	+8.8%
3 Years	+ 9.9%	+ 7.6%	+ 10.0%	+4.9%
5 Years	+ 10.1%	+ 7.3%	+ 7.1%	+7.8%
10 Years	+ 8.4%	+ 8.2%	+ 7.7%	+6.9%
30 Years	+ 8.3%	+ 7.9%	+ 7.8%	+7.9%



- 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 called for 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 exceeded \$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 – 46.3%***



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

The Role of TRS

The role of TRS is receive and manage contributions from our members and the State of Illinois to pay TRS members their retirement, disability, and death (survivor) benefits as outlined in the Illinois pension code.

TRS is not a lobbying entity, but operates based upon legislation:

- Legislative action in 2018 required that TRS, SURS & SERS must offer a Defined Contribution plan
- Potential changes to Tier 2 will be provided to TRS to implement
- Changes to TRIP/TRAIL are negotiated by Central Management Services. TRS' role is to determine members' eligibility for TRIP and to withhold premiums from their pension checks
- Changes to Social Security do not affect TRS pensions in any way. Those benefits are paid through Social Security and are strictly **federal** plans

Tier 2 Pending Legislation

- **What Happened:** SB3988 and HB5909 were filed Tuesday, November 12, 2024, aiming to reform Tier II pension policy in Illinois.
- **Who Filed the Bills:** The bills were introduced by the pension chairs in the Senate and House.
- **Current Status:** These are early initial drafts that span over 650 pages, and they are expected to undergo significant changes resulting from ongoing legislative discussions.
- **TRS's Role:** TRS is committed to being a reliable resource to legislators and stakeholders as they craft and revise legislation.

Social Security Fairness Act Signed Into Law

- On Sunday, January 5, 2025, President Biden signed H.R. 82, the Social Security Fairness Act, into law.
- This legislation, passed with bipartisan support, repeals the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO), which reduce or eliminate Social Security benefits for millions of Americans.
- H.R. 82 does not impact TRS retirement benefits; however, it may affect the Social Security benefits of some TRS members.
- For questions about your Social Security benefits, contact the Social Security Administration at www.ssa.gov or 1-800-772-1213 (Toll Free) 1-800-325-0778 (TTY).

Teachers' Retirement System and Voya Financial



The Teachers' Retirement System of the State of Illinois (TRS) provides a retirement pension, disability and death benefits through a defined benefit plan for certified teachers and administrators in public common and charter school districts located outside of Chicago.



The TRS Supplemental Savings Plan (SSP) is an optional 457(b) retirement savings plan offered by TRS through Voya Financial, the trusted third-party recordkeeper.

The SSP is the only deferred compensation plan sponsored and administered by TRS and is designed to supplement your existing TRS pension—it does not replace it. Voya representatives working on behalf of TRS are known as TRS SSP Retirement Education Specialists.



Plan administrative services are provided by Voya Institutional Plan Services, LLC (VIPS).

VIPS is a member of the Voya® family of companies and is not affiliated with TRS. CN2992613_0725

TRS Supplemental Savings Plan



- TRS implemented the SSP in 2022
- Nearly **9,961** participants, more than **\$40 million** in assets*
- **The SSP is a 457 (b) retirement savings account that:**
 - ✓ *Is optional for eligible TRS members*
 - ✓ *Is designed to supplement a member's TRS pension – not replace it*
 - ✓ *Offer both pre-tax or Roth savings options*
 - ✓ *Allows members to choose deferral amounts and make investment choices*
 - ✓ *Offers a competitive, cost-effective plan with a diverse investment array*
- **New, eligible TRS members hired after January 1, 2023 are automatically enrolled, as required by state law, but can opt out if they wish**
- **Since January 1, 2023, 7,955 members have been auto-enrolled**

*As of March 5, 2025

Contributing to the TRS SSP



Types of Contributions

- **Pre-tax contributions**
You do not pay taxes on your contributions now; earnings grow tax free; you pay taxes when you withdrawal your balance.
- **Roth (after tax) contributions**
You pay taxes on your contributions now; earnings grow tax free, qualified withdrawals are also tax free.
- **Rollover contributions**
Transfer balances from eligible retirement savings plans such as a previous employer's plan, your rollover IRA, Roth IRA, etc.

Contribution Limits

- Minimum contribution amount of **\$30 or 1% per pay period**.
- Maximum annual pre-tax and/or Roth contribution up to the IRS limit, **\$23,000 for 2024**. This limit applies to all 457(b) plans you may contribute to.
- Contribute an **additional \$7,500 for 2024** if you are age 50 or older, or
- Contribute up to an **additional \$23,000 for 2024** if you are three years prior to the year of normal retirement age.

Your pre-tax and Roth contribution elections will apply to all eligible compensation across all participating employers. If you work for multiple employers, please consider carefully the amount you want to contribute in total across all employers.



Local VOYA Education Representatives



To join a scheduled SSP webinar:
trs-ssp-webinar.timetap.com

To schedule an individual virtual appointment:
trsssp457b.timetap.com

TRS SSP Participant Website
trsilssp.voya.com

Northern Illinois

Tonya Coleman
(312) 342-5408
Tonya.Coleman@voyacom



Western Illinois

Stacey Russell
(217) 502-9711
Stacey.Russell@voyacom



Eastern Illinois

Terri Bailey
(217) 306-2455
Terri.Bailey@voyacom

How to Enroll in the TRS SSP



Who Can Enroll

- Active full-time or part-time contractual employees.
- You can enroll **anytime**.
- Visit the TRS SSP website to view the **Enrollment Guide** on the homepage.



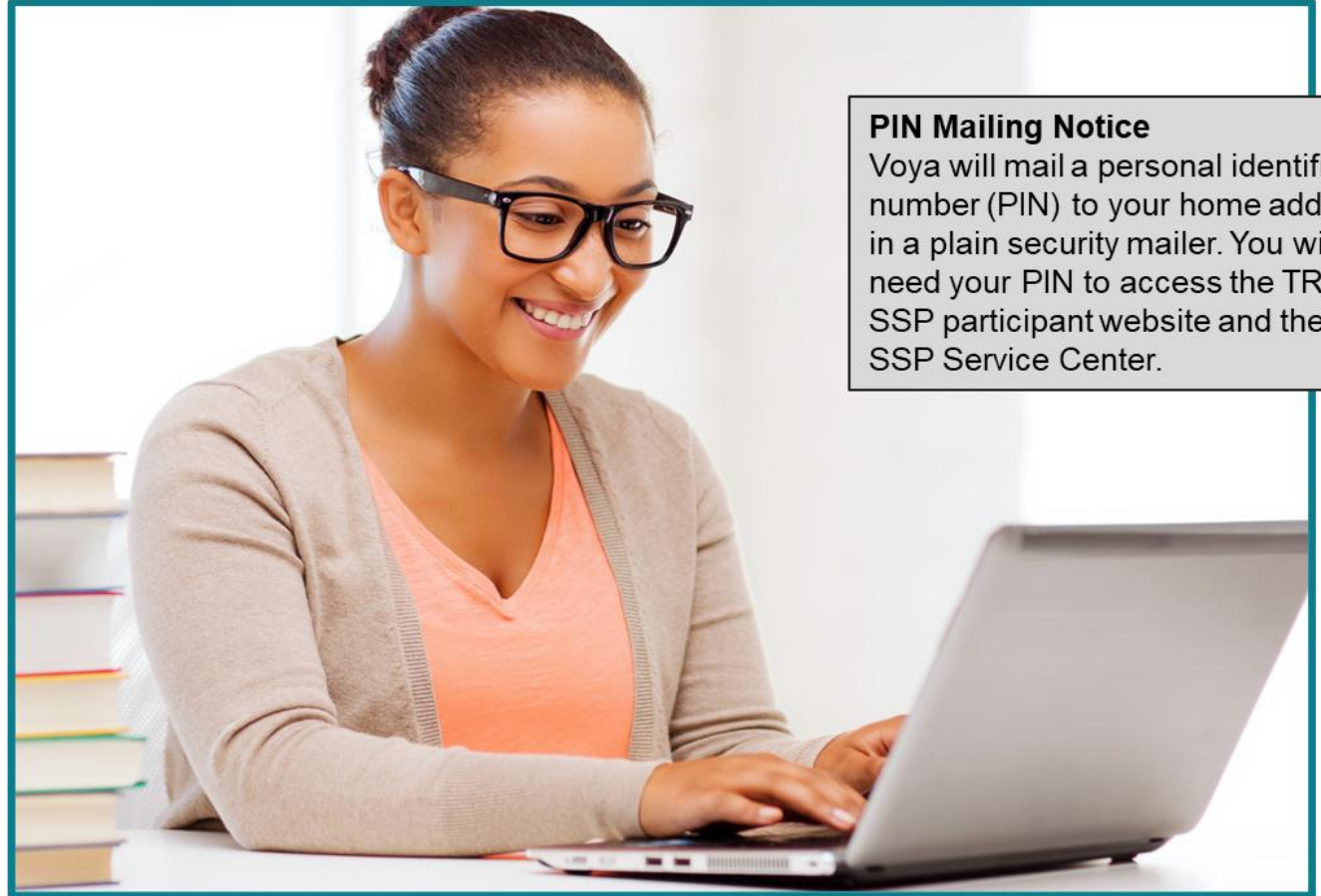
Trsilssp.voya.com

- Select **Register Now** to begin the enrollment process.
- You can view the **Account Access Guide**, located on the homepage of the website to help you navigate through the website.



Call TRS SSP

- Call the TRS SSP Service Center at 844-877-4572 (844-TRS-457B)
- TDD: 800-579-5708
- TRS SSP Service Associates are available Monday through Friday, 7 a.m. to 7 p.m. CT, except for stock market holidays.



PIN Mailing Notice

Voya will mail a personal identification number (PIN) to your home address in a plain security mailer. You will need your PIN to access the TRS SSP participant website and the TRS SSP Service Center.

Reaching Out to Members in a Variety of Ways

One-on-One Appointments (call to schedule)

In-person in Springfield and Lisle

Videoconferences or Teleconferences

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

In-person: Approximately 50 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 (by targeted email invite)

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

Specially-procured content for inactive members, substitute teachers, and newer members

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

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

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

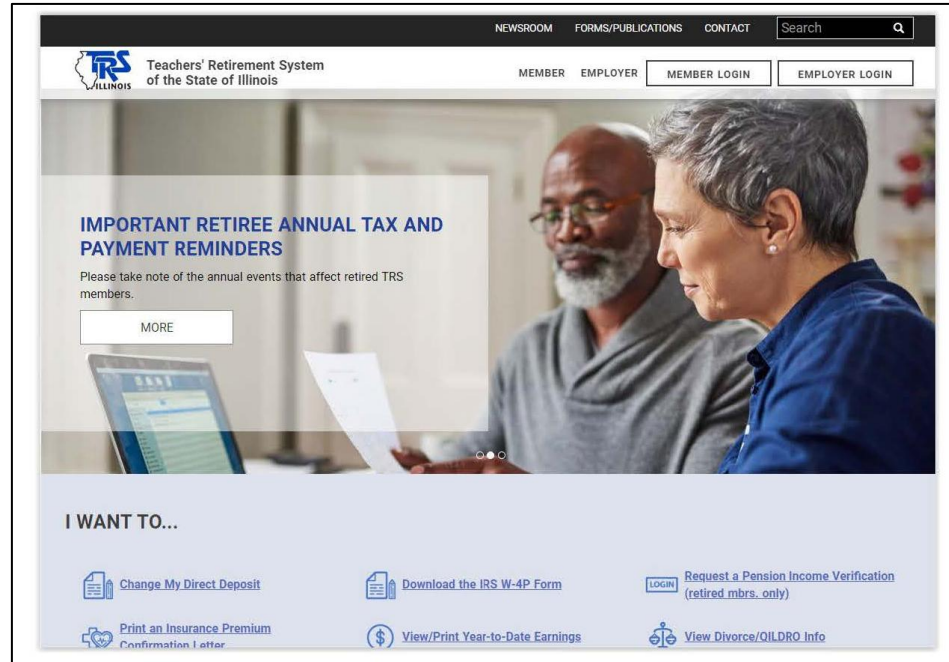


TRS Members – Most Amazing Lives

- The title of “oldest living TRS annuitant” still belongs to a retiree living in Pennsylvania - aged 106.721. She has been an annuitant since 1985.
- The oldest *full-time active* TRS member is 85.5 and lives in Olmstead.



Thank You! / Contact TRS



www.trsil.org



Like us on Facebook/TRSillinois



Follow us on Twitter: @ILLTRS



YouTube: @trsillinois

Member Services

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

(877) 927-5877

7:30 a.m. to 4:30 p.m. – Monday-Friday

members@trsil.org

Employer Services:

(888) 678-3675

employers@trsil.org

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.