


EXPRESS!



For Tier 1 Members

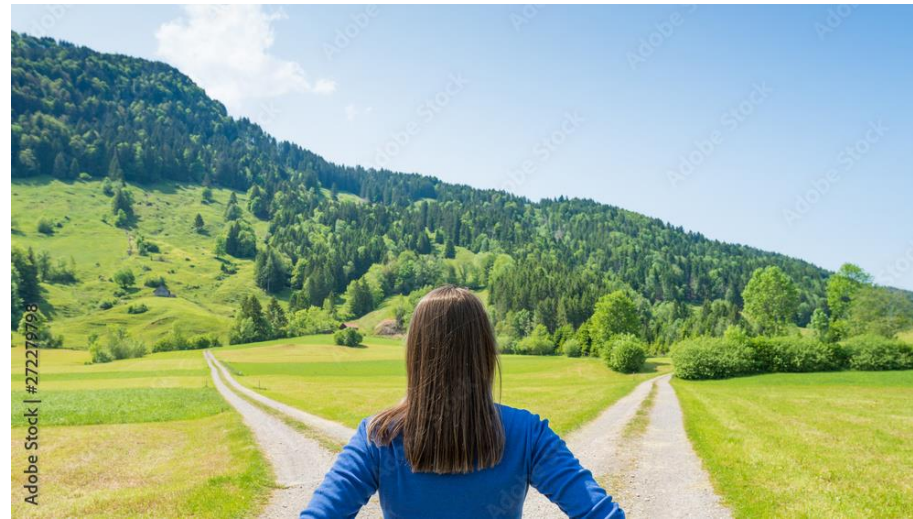
Tier 1 or Tier 2?

Tier 1

- First contributed to TRS or reciprocal retirement system **prior to January 1, 2011**

• Tier 2

- First contributed to TRS or reciprocal retirement system **on or after January 1, 2011**



TRS Demographics ...

Where do you fit in?

Teachers' Retirement System – A State of Illinois Agency

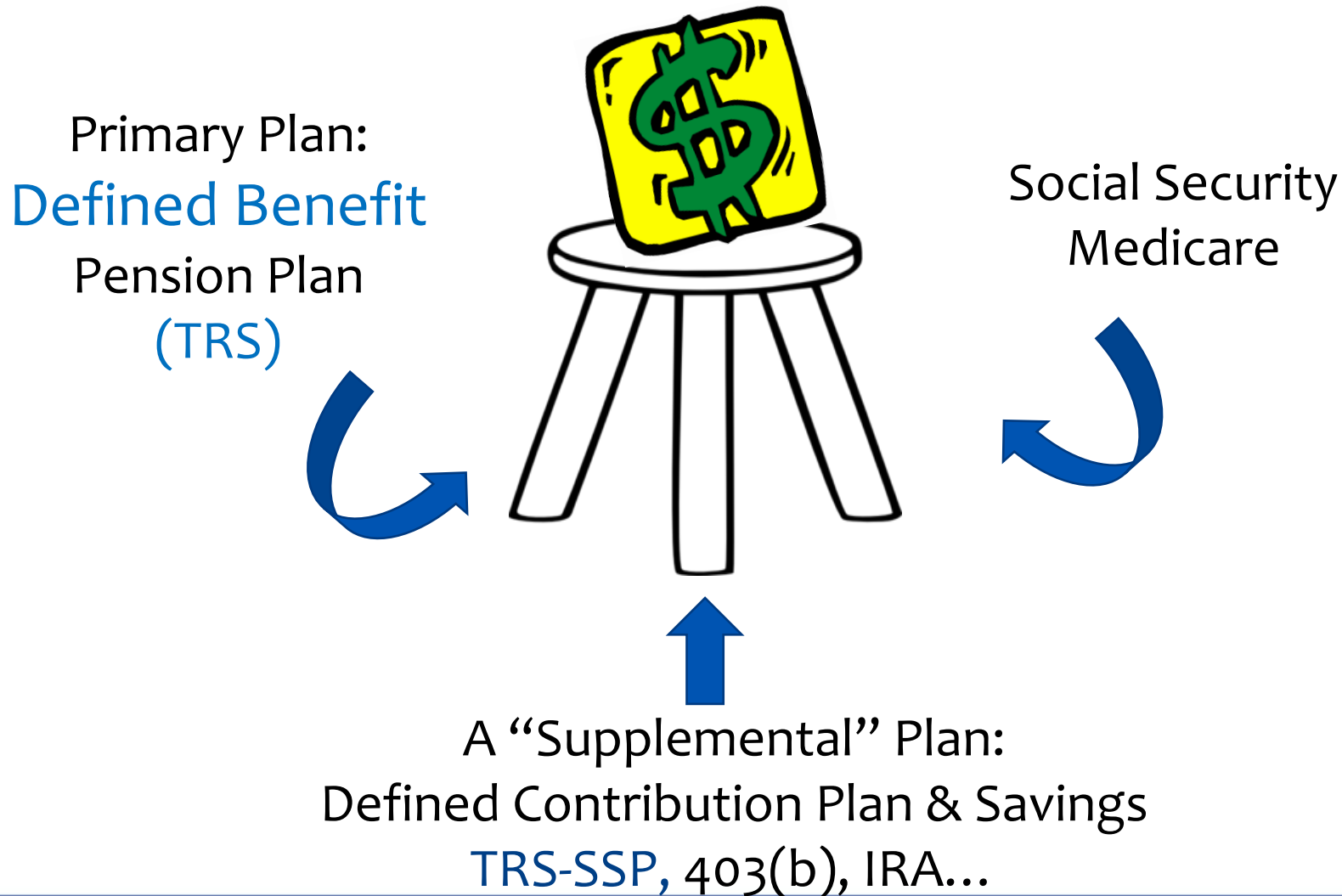
- Created by legislative act in 1939
- THE pension fund for K-12 public school educators (outside of Chicago)
- TRS provides its members with retirement, disability, and death benefits

FY 2022 Membership

- Total - 439,833
- **Active - 165,566 (37% Tier 2)**
- Inactive - 144,801
- Benefit Recipients - 129,466
- Average Pension, all retirees - \$63,276
- Oldest Retiree - ??? yrs old: retired since ???
- Oldest Active Full-time Teacher - 84 years old



Retirement Basics: A Model Plan



TRS Basics

Contributions

- All members contribute 9% of gross earnings to TRS
- Contributions are invested by TRS to pay retirement and death benefits, but

Defined Benefit (DB) Plan

- Account balance and market performance do not determine benefit amount
- Benefit is determined by a formula set out in the Illinois Pension Code
- Benefits are paid through the month of death
- You cannot outlive the benefit



Retirement benefits



Retirement Eligibility

Tier 1

- Age 62 with a minimum of 5 years of service
- Age 60 with a minimum of 10 years of service
- Age 55 with a minimum of 20 years of service*

* Early retirement – the benefit will be reduced by 6% for each year the member is under age 60 if fewer than 35 years



Retirement Formula

Service Credit

x Formula Factor

= Percentage

Percentage

x Final Average Salary

= Annual Pension Benefit



SERVICE CREDIT

Service Credit x **Formula Factor** x **FAS** = **Pension**

- **Earned service through teaching**
 - 170 paid days = 1 year of service
 - Maximum 1 year of service per school year (July 1-June 30)
 - Fewer than 170 days earns partial year (0.006 per day)
- **Unused, uncompensated sick leave days**
 - Same 170-day standard as earned service
 - Maximum creditable days = 340 (2 years)
 - Sick leave from former employers should be on your record
 - Contact TRS for a Former Employee Sick Leave Certification if you do not see all former employers listed



SERVICE CREDIT

Service Credit x Formula Factor x FAS = Pension

- **Service Purchase** (optional service)
 - Out-of-state teaching (max. 10 years)
 - Leave of Absence/RIF (max 3 years)
 - Military Service (max 2 years)
 - Previously refunded TRS service
 - **PAID** Student Teaching after August 7, 2019
 - Illinois Private School Credit (**must apply by 6/30/2028**)
- **Reciprocal Service**
 - Service with another public pension system in Illinois (IMRF, SURS, SERS, CTPF, others)
 - Must have at least one year (unless service is as teacher's aide under IMRF)
 - Service must be non-concurrent



Formula Factor - 2.2 Upgrade

Service Credit x **Formula Factor** x **FAS** = **Pension**

The Formula Factor is the percentage of your final average salary you earn for each year of service credit

- Since 7/1/1998, 2.2% has been the only formula factor used
- Did you have service before 1998?
- If you are not sure your years have been upgraded:

Call TRS to ask if you have a cost. Your 2.2 upgrade cost is specific to YOU.



FINAL AVERAGE SALARY

Service Credit x **Formula Factor** x **FAS** = **Pension**

Tier 1

- Average of highest **FOUR consecutive*** salaries out of last 10 years of service

- “Salary” includes regular pay, extra-duty stipends, and TRS contributions paid by the employer
- Salary increases up to 20% with same employer will count towards average
- Employer bears a cost for year-to-year increases over 6%
- See Appendix for more info about Final Average Salary



Maximize Your Pension With 2.2

Service Credit x **Formula Factor** x **FAS** = **Pension**

**Maximum Benefit (with 2.2 upgrade)
is 75% of the Final Average Salary**

- 34.000 years of service = 75% (age 60 and over)
- 35.000 years of service = 75% (under the age of 60)

Years over 34 may continue to build Final Average Salary



Retirement Formula

Service Credit

x Formula Factor

= Percentage

Percentage

x Final Average Salary

= Annual Pension Benefit



“Non-reduced” Retirement Calculation Example

Member:

- Age 60 (Tier 1)
- Years of Service : 30
- Average Salary:
\$85,000

30 years of service

x 2.2%

= 66.0%

x \$85,000

= \$56,100 Annual Pension Benefit

= \$4,675 Monthly Pension Benefit



Reduced “Early” Retirement Calculation Example

Member:

- Age 55 (Tier 1)
- Years of Service : 30
- Average Salary: \$85,000

Age reduction: 30%

- 6% for each year under age 60

30 years of service

x 2.2%

= 66.0%

x \$85,000

= \$56,100

- 30% (age reduction)

= \$39,270 Reduced Annual Pension

= \$3,272.50 Reduced Monthly Pension



Benefit Estimates

TRS can prepare a benefit estimate if **YOU** can provide us with:

- Anticipated date of retirement
- Total reportable salary for current and future years
- Total sick leave that will be reported at retirement
- Information about district retirement incentives
- Reciprocal service (if applicable)

YOU can also prepare your own TRS estimate using your online account access at

<http://trsil.org>



In Retirement. . .

- Annual increases
 - Begin the January 1 after turning 61 (if retired 1 full year)
 - Subsequent increases each January
 - Tier 1 members retiring by June 30, 2026 have multiple annual increase options (see appendix)
- Teachers' Retirement Insurance Program (TRIP)
 - Available first of month following retirement
 - Works as a primary coverage before age 65, secondary coverage to Medicare
 - Subsidized by the THIS fund
 - Also available to dependents while you retired and after your death



In Retirement. . .

- Post-retirement Employment

1. Limited to 120 days/600 hours in a TRS-covered position (subject to change)
3. No limit on non-TRS positions
4. No limit on earnings

- Benefits are paid monthly, through the month of your death

- You cannot outlive your pension
- Current oldest retiree is 106.655 (retired in 1983)



Disability Benefits



Disability Benefits

TRS offers temporary disability benefits to ill/injured ACTIVE members prior to retirement.

- Eligibility
 - Must have at least **3 years** of non-concurrent service credit (TRS, SURS, SERS, and IMRF)
 - **Two** state-licensed physicians must certify the disability existed within 90 days of last day of teaching (only one physician is required for pregnancy)
 - Must use up all sick leave days
- Benefit is equal to 40% of member's contract rate or salary rate
- You earn service credit while receiving the disability benefit
- No cost/premium for this benefit
- **Call TRS Member Services for information if you feel you may need this benefit**



DEATH Benefits



What is Automatic Designation?

| | |
|--|--|
| Section 1: Personal Information Member First Middle Last Name: Member Address 1: Member Address 2: City State Zip: | Member ID: Home telephone number: Work telephone number: Cell phone number: Email address: |
| Section 2: Marital Status <input type="checkbox"/> Single <input type="checkbox"/> Married/civil union <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed Spouse's name: | |
| Section 3: Automatic Designation <i>(commonly selected by members with a spouse or civil union partner and/or minor children)</i> <input type="checkbox"/> I elect that my dependent beneficiaries, as determined at my death, receive a survivor benefit and/or a beneficiary refund. If no dependent beneficiary survives, benefits will be paid to my estate. If the automatic designation is selected, do not complete the Survivor Benefit or Beneficiary Refund sections. | |

- Commonly selected by members who have a spouse and/or minor children
- No need to list any names
- Death benefit is automatically paid to a surviving spouse and/or minor children



Survivor Benefits

| Section 4: Survivor Benefit* | | | | |
|---|----------|-------------|------------|---------------|
| Primary Beneficiary(ies) - receive survivor benefits first | | | | |
| 1 | Name: | | | SSN: _____ |
| | Address: | | | Birth date: |
| | City: | State: | Zip: | Relationship: |
| 2 | Name: | | | SSN: _____ |
| | Address: | | | Birth date: |
| | City: | State: | Zip: | Relationship: |
| 3 | Name: | | | SSN: _____ |
| | Address: | | | Birth date: |
| | City: | State: | Zip: | Relationship: |
| Alternate Beneficiary(ies) - receive survivor benefits if no primary beneficiary survives | | | | |
| 1 | Name: | Birth date: | SSN: _____ | |
| 2 | Name: | Birth date: | SSN: _____ | |
| 3 | Name: | Birth date: | SSN: _____ | |



- Funded through survivor benefit contributions made while teaching (1% of annual salary)
- Tier I – 50% of monthly benefit to a dependent beneficiary
- Lump sum to any beneficiary
- Refundable in retirement if no dependent beneficiary

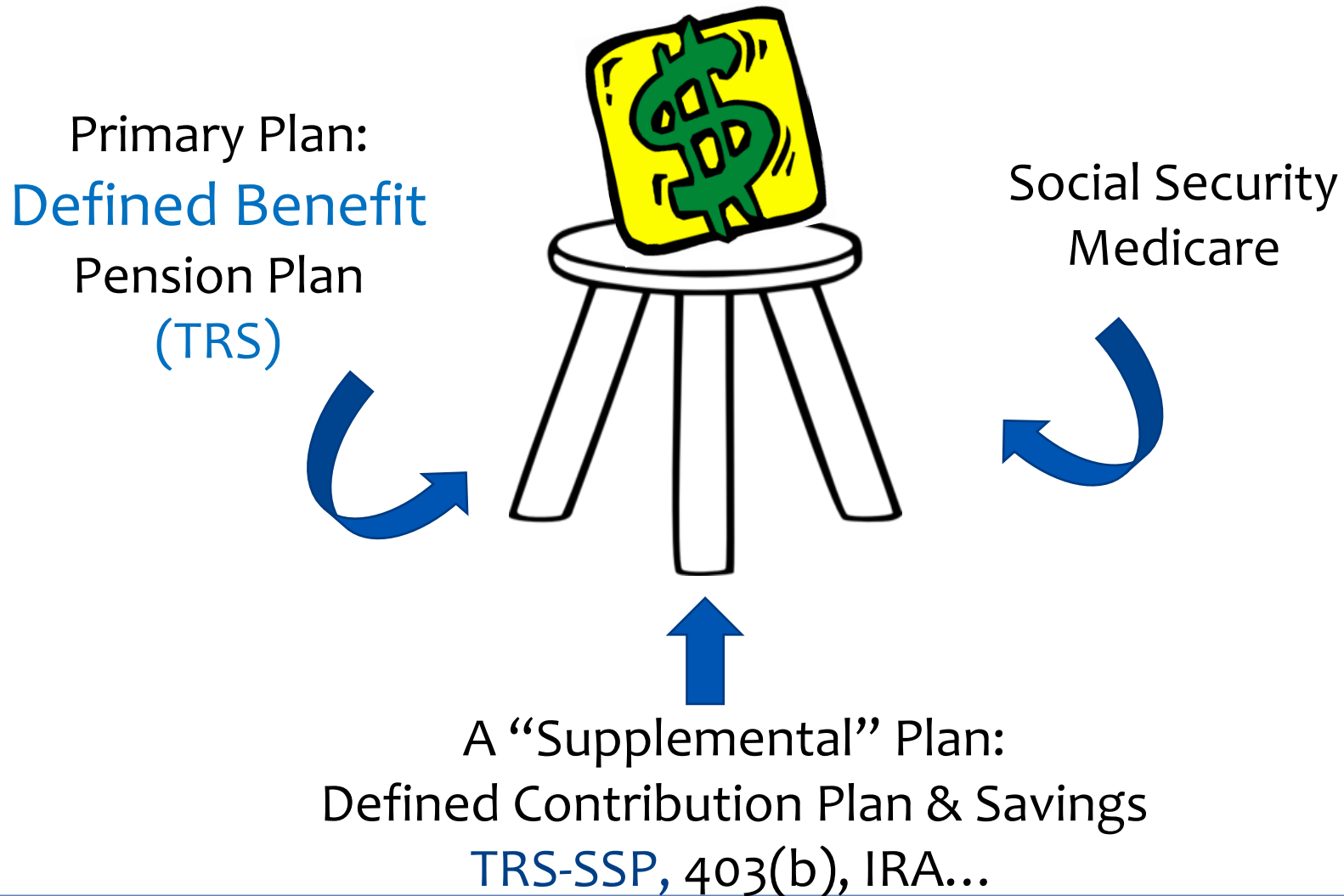
Beneficiary Refund



| Section 5: Beneficiary Refund* | | | |
|---|----------|-------------|-----------------------------|
| Primary Beneficiary(ies) - receive beneficiary refund benefits first | | | |
| 1 | Name: | | SSN: _____ |
| | Address: | | Birth date: _____ |
| | City: | State: | Zip: _____ Relationship: |
| 2 | Name: | | SSN: _____ |
| | Address: | | Birth date: _____ |
| | City: | State: | Zip: _____ Relationship: |
| 3 | Name: | | SSN: _____ |
| | Address: | | Birth date: _____ |
| | City: | State: | Zip: _____ Relationship: |
| Alternate Beneficiary(ies) - receive beneficiary refund benefits if no primary beneficiary survives | | | |
| 1 | Name: | Birth date: | SSN: _____ |
| 2 | Name: | Birth date: | SSN: _____ |
| 3 | Name: | Birth date: | SSN: _____ |

- Lump-sum refund of 8% unrecovered **pension** contributions
- Paid only if you pass away before retirement or before recovering entire contribution

Retirement Basics: A Model Plan



You can “*Bring More*” to your retirement with a separate savings plan to supplement your TRS pension.

The TRS-Supplemental Savings Plan (SSP) is an optional Defined Contribution component available to all full-time and part-time contractual TRS members.

- ▶ 457(b) plan administered by TRS and VOYA Financial
- ▶ Pre-tax and Roth (post-tax) savings options in low cost funds
- ▶ New TRS members will be auto-enrolled at 3% of gross pay starting January 1, 2023 (opt-out available)
- ▶ Existing TRS members can enroll any time!
- ▶ Your TRS-SSP account can travel with you to any TRS employer
- ▶ For complete information about the TRS SSP, go to: trsillssp.voya.com
- ▶ **1-844-877-4572 (1-844-TRS-457B)**
- ▶ **More SSP information is available in the Appendix**



Social Security and Medicare

- Illinois teachers do not contribute on TRS-covered employment
- Earned SSA benefits may be reduced under Windfall Elimination Provision (WEP) and/or Government Pension Offset (GPO)
- Check for FICA deduction on your paycheck or contact Social Security to confirm eligibility for Medicare (typically at age 65)
- Medicare ID cards are sent by the Social Security Administration
- Social Security (800) 772-1213

www.ssa.gov



Retirement Timeline



Throughout Your Career

Regularly: Review your status

- Review your annual TRS statement online
- Verify beneficiaries
- Upload Proof of Birth
- Prepare updated benefit estimates (often!)
- Meet with a TRS Counselor
- Check in with your financial planner
 - Monitor DC plan performance
 - Make changes as needed (plan limits change as you age)



6-12 Weeks from Retirement

Contact TRS for Personalized Retirement Interview (PRI)

- Takes about 10 minutes and does not require an appointment

Questions

1. Are you interested in AAI lump sum, if retiring by 6/30/2026 (yes or no)?
2. Do you want a Standard or Reversionary Retirement?
3. What would you like for your federal tax withholding status?
4. Are you receiving or are you eligible to receive a public pension from another state?
5. Does your district know you are retiring this year?

*** If you retire reciprocally, you must contact each system and start retirement process with them as well.**



Contact Information

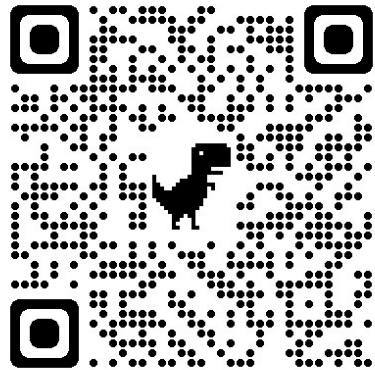
TRS Phone & Hours

Toll free: (877) 927-5877

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



members@trsil.org



Presentation Handout:

<https://www.trsil.org/ExpressTier1>



<https://trsil.org>



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



@ILLTRS



www.youtube.com/c/trsillinois



Supplemental Savings Plan:

trsilssp.voya.com

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



Questions

Appendix

2021 Legislation Affecting FAS

For TRS Member

- Salaries used in the calculation of Final Average Salary (FAS) do not need to be consecutive if:
 1. The 2020-2021 salary is included in the last 10 years of service, AND
 2. A higher final average salary results from using non-consecutive years' salaries

• For TRS Employers

Employer bears a cost for year-to-year increases over 6%*

- New legislation allows an exemption to the additional fee if:
 1. In 20-21 the district was unable to offer or allow overload stipend work due to an emergency declaration limiting such service
Or
 2. If the increase was due to summer school service during the 21-22 year. Exemption runs from May 2021 to September 15, 2022



TRS Supplemental Savings Plan



- **The SSP is a supplemental retirement account that can:**
 - *Provide an additional income source in retirement*
 - *Provide an income bridge if retiring early*
 - *Work in tandem with a 403(b) plan, allowing you to put even more aside for retirement*
- **SSP offers:**
 - Self-directed funds for those who want more control over investment strategy
 - Target date funds that balance risk based on proximity to retirement
- **New TRS members are automatically enrolled at 3% of pre-tax compensation, but can opt out or change contribution amount and type at any time.**
- **Existing TRS members can enroll any time!**

To learn more or enroll: trsilssp.voya.com
1-844-877-4572 (1-844-TRS-457B)



Reciprocal Retirement Systems

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

