

# BEFORE WE BEGIN



<https://www.trsil.org/State1>



- This presentation will begin shortly and is scheduled to last approximately 45 minutes
- All virtual attendees are muted throughout the presentation
- Questions will be addressed after each section and at the end of the presentation as time permits



This presentation is intended to provide basic information summarizing TRS benefits and services and your responsibilities as a TRS member. TRS must comply with all applicable federal and state laws, rules, and regulations. If there is any conflict between the information contained in this presentation and the applicable law, rule, or regulation, the law, rule, or regulation takes precedence. No TRS employee has authority to bind the System to any statement or action contrary to law. Laws are subject to change. TRS must correct errors upon discovery even if payment has begun. Any information is for the specific purpose provided and does not represent tax, legal, or other professional advice. Seek personal professional advice as needed.

# Teachers' Retirement System of the State of Illinois

## **TRS Express!**

Tier 1 Members – FY25



# TRS OVERVIEW

- TRS Basics
- Your TRS Pension Benefits

Q/A

- Disability & Death Benefits
- Retirement Readiness
- Post Retirement Increases & Work Limits

Q/A



# TRS Basics



## Contributions

- All members (Tiers 1 & 2) contribute 9% of gross earning to TRS
- Contributions are invested by TRS to pay retirement, disability, and death benefits



## TRS is a Defined Benefit (DB) Plan

- Benefits are determined by a formula set out in the Illinois Pension Code
- Benefits are paid through the month of death

# 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 the age of 60 if fewer than 35 years OR meets **Rule of 85**



# Retirement Formula

Service Credit  
x Formula Factor  
= Percentage

Percentage  
x Final Average Salary (FAS)  
= Annual Pension Benefit





Service Credit x Formula Factor x FAS = Pension

## **Earned Service Through TRS-Covered Work**

- 170 paid days equal 1 year of service credit
  - Full-time, part time, and substitute teaching
- Only 1 year of service can be earned per school year
- School year runs July 1 through June 30

## **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 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
- 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 (4) \*consecutive salaries out of last 10 years of service

"Salary" includes regular pay, extra duty stipends, 9% contribution to TRS. Increases up to 20% with same employer can be included

\*See Appendix for additional information on Final Average Salary

# Unreduced Retirement Example

29 years of service

x 2.2%

= 63.8%

x \$85,000

= \$54,230 Annual Pension Benefit

= \$4,519 Monthly Pension Benefit



## Example

Member:

- Age 60 (Tier 1)
- Years of Service: 29
- Average Salary:  
\$85,000

# Unreduced Retirement Example

$$\begin{aligned} &29 \text{ years of service} \\ &\quad \times 2.2\% \\ &= 63.8\% \\ &\quad \times \$85,000 \end{aligned}$$

## Example

Member:

- Age 56 (Tier 1)
- Years of Service: 29
- Average Salary: \$85,000



= \$54,230 Annual Pension Benefit  
= \$4,519 Monthly Pension Benefit





# Reduced Retirement Example

29 years of service

x 2.2%

= 63.8%

x \$85,000

= **\$54,230** Annual Pension Benefit

-30% Age Reduction

= **\$37,961** Annual Pension Benefit

- A reduced pension is permanently reduced.
- If you stop working at any age and defer retirement until age 60 for Tier I, your pension will be unreduced.

## Example

Member:

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



# 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

## Tier 1

- 34 years of service = 75% (age 60 and over)
- 35 years of service = 75% (under the age of 60 and don't meet Rule of 85)

Years over 34 may continue to build Final Average Salary

# TRS 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 <https://trsil.org>

- You must contact TRS to include reciprocal service in estimate



# 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 work (only one physician is required for pregnancy)
- Must use up all sick leave days
- Benefit is equal to **40%** of member's contract rate
- You earn service credit while receiving the disability benefit

# Death Benefits



# Death Benefits



1%

Survivor Benefits



8%

Retirement

# What is Automatic Designation?

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| <b>Section 1: Personal Information</b><br>Member First Middle Last Name:<br>Member Address 1:<br>Member Address 2:<br>City State Zip:                                                                                                                                                                                                                                                                                                                                                            | Member ID:<br>Home telephone number:<br>Work telephone number:<br>Cell phone number:<br>Email address: |
| <b>Section 2: Marital Status</b> <input type="checkbox"/> Single <input type="checkbox"/> Married/civil union <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed   Spouse's name:                                                                                                                                                                                                                                                                                                |                                                                                                        |
| <b>Section 3: Automatic Designation</b> <i>(commonly selected by members with a spouse or civil union partner and/or minor children)</i><br><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. <b>If the automatic designation is selected, do not complete the Survivor Benefit or Beneficiary Refund sections.</b> |                                                                                                        |

- Commonly selected by members who have a spouse and/or minor children
- Death benefit is automatically paid to surviving dependents, or to your estate if you have no dependents
- If this option is selected, DO NOT list beneficiary names. Simply check the box.



# 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: _____        |



1%

Survivor Benefits

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

# Beneficiary Refund



8%

Retirement

| 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 unrecovered pension contributions (8% of salary plus interest earned)
- Paid only if you pass away before recovering entire pension contribution (usually within the first few years of retirement)



# 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 (includes "AAI" program if Tier 1 and retiring by 6/30/2026)
- Meet with a TRS Counselor 12-18 months before retirement
- Plan to attend an "It's Time to Retire!" webinar in your retirement year
- Check in with your financial planner
  - Monitor DC plan performance
  - Make changes as needed (plan limits change as you age)





# In Retirement...



## Standard Annual Benefit Increases



- Available to members who:
  - Have been retired one full year AND
  - Are at least age 61 (3% compounded annually)
- Increases occur each January 1
- Benefits are paid through the month of your death

## Post Retirement Employment

- Must have received first pension check
- TRS-covered work limited to 120 days/600 hours per school year thru 6/30/26
- No limit on earnings

# Contact Information



TRSIL.ORG/State1

## TRS Phone & Hours



Toll-free:  
(877) 927-5877  
M-F: 8:30 am to 4:30 pm



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