

# BEFORE WE BEGIN



<https://www.trsil.org/ExpressTier2>



- 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 2 Members**



# TRS OVERVIEW

- TRS Basics
  - Your TRS Pension Benefits
- 
- TRS-SSP Option
  - Disability & Death Benefits
  - Retirement Readiness
  - Post Retirement Increases & Work Limits

Q/A



# 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

JANUARY 2011						
SUN	MON	TUES	WED	THURS	FRI	SAT
30	31					1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

# 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
- Optional Defined Contribution (DC) component available through TRS - TRS Supplement Savings Plan (SSP)

# Retirement Eligibility

## Tier 2

- Age 62 with a minimum of 10 years of service
- Age 67 with a minimum of 10 years of service

\*Early retirement -- the benefit will be reduced by 6% for each year the member is under the age of 67



# 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



# Final Average Salary

Service Credit x Formula Factor x FAS = Pension

## Tier 2

- Average of highest EIGHT (8) \*consecutive salaries out of last 10 years of service
- FY 26 Salary Cap: \$127,283.01

"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

$$\begin{aligned} &30 \text{ years of service} \\ &\quad \times 2.2\% \\ &= 66.0\% \\ &\quad \times \$85,000 \end{aligned}$$

## Example

Member:

- Age 67 (Tier 2)
- Years of Service: 30
- Average Salary: \$85,000



= \$56,100 Annual Pension Benefit  
= \$4,675 Monthly Pension Benefit



# Reduced Retirement Example

30 years of service

x 2.2%

= 66.0%

x \$85,000

= \$56,100 Annual Pension Benefit

-30% Age Reduction

= \$39,270 Annual Pension Benefit

- A reduced pension is permanently reduced.
- If you stop working at any age and defer retirement until age 67 for Tier 2, your pension will be unreduced.

## Example

Member:

- Age 62 (Tier 2)
- Years of Service: 30
- Average Salary: \$85,000



# Maximize Your Pension

Service Credit x Formula Factor x FAS = Pension

Maximum Benefit is  
75% of the Final Average Salary

## Tier 2

- 34 years of service = 75% (age 67 and over)

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



# 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



# 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, **\$23,500 for 2025**. This limit applies to all 457(b) plans you may contribute to.
- Contribute an **additional \$7,500 for 2025** if you are age 50 or older, or
- Contribute up to an **additional \$23,500 for 2025** 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.

# Compare your savings opportunities



## TRS 457(b)

- Eligibility (TRS active member)
- Distribution (no 10% penalty)
- 3-year special catch-up
- Unforeseen emergency

## 403(b)

- Eligibility (check with district)
- Distribution (10% penalty)
- 15-year special catch-up
- Hardship/loan

# TRS SSP Investments – Do it Myself

## Do it Myself

### If you like:

- To be in control
- To select your own individual investment mix
- To actively manage your account

### Consider Core Funds

You pick the funds and create a strategy that you think will best fit your time horizon and risk tolerance, and then manage your portfolio of funds over time. These funds include stock, bond and cash investment options. Tools and resources will be available online to help educate you on options for managing your portfolio.

Visit the TRS SSP website at [trsilssp.voya.com](https://trsilssp.voya.com) to learn more about your investment options, including performance history and fund expense.

Core Funds	Investment Category	Expense Ratio <sup>1</sup>
Mission Square Plus Fund, R10	Stability of Principal	0.52%
Vanguard Federal Money Market	Stability of Principal	0.11%
PIMCO Income Fund, Instl	Bonds	0.51% <sup>2</sup>
BlackRock U.S. Debt Index Fund, F	Bonds	0.04%
PGIM High Yield Fund, R6	Bonds	0.38%
Garcia Hamilton ESG Core Bond Fund	Bonds	0.36%
BlackRock Equity Index Fund, F	Large Blend	0.03%
BlackRock Mid Capitalization Equity Index Fund, F	Small/Mid/Specialty	0.03%
BlackRock Russell 2000® Index Fund, F	Small/Mid/Specialty	0.03%
Vanguard Real Estate Index Fund, Admiral	Small/Mid/Specialty	0.12%
BlackRock MSCI ACWI ex-U.S. Index Fund, F	Global/International	0.06%
BlackRock MSCI ACWI ESG Focus Index Fund, F	Global/International	0.07%

<sup>1</sup>As of February 29, 2024.

<sup>2</sup>This is the adjusted expense ratio which represents the portion of fees investors pay directly to the fund manager for investment management services. This fee excludes other investment expenses (i.e., interest expense from borrowing) incurred through investment transactions.

There is no guarantee that any investment option will achieve its stated objective. Principal value fluctuates and there is no guarantee of value at any time. You should consider the investment objectives, risks, performance, charges and expenses of the investment options carefully before investing. You choose how to invest your SSP account and are responsible for any losses that result from your investment choices

# TRS SSP Investments – Do it for Me

## Do it for Me

### If you like:

- To be hands-off
- To have your investment mix selected for you
- To have your investments automatically become more conservative the closer you get to retirement

### Consider Target Date Funds\*

These “one-stop-shopping” funds are a pre-diversified mix of investments managed by a professional fund manager who automatically adjusts the risk/ return exposure of the fund as you get closer to retirement.

Visit the TRS SSP website at [trsilssp.voya.com](https://trsilssp.voya.com) to learn more about your investment options, including performance history and fund expense.

Birth Year	Target Date Retirement Fund	Expense Ratio <sup>1</sup>
Before 1958	BlackRock Life Path® Index Ret	0.04%
1/1/1958 – 12/31/1962	BlackRock Life Path® Index 2025	0.04%
1/1/1963 – 12/31/1967	BlackRock Life Path® Index 2030	0.04%
1/1/1968 -- 12/31/1972	BlackRock Life Path® Index 2035	0.04%
1/1/1973 – 12/31/1977	BlackRock Life Path® Index 2040	0.04%
1/1/1978 – 12/31/1982	BlackRock Life Path® Index 2045	0.04%
1/1/1983 – 12/31/1987	BlackRock Life Path® Index 2050	0.04%
1/1/1988 – 12/31/1992	BlackRock Life Path® Index 2055	0.04%
1/1/1993 – 12/31/1997	BlackRock Life Path® Index 2060	0.04%
After 12/31/1997	BlackRock Life Path® Index 2065	0.04%

<sup>1</sup>As of February 29, 2024.

There is no guarantee that any investment option will achieve its stated objective. Principal value fluctuates and there is no guarantee of value at any time, including the target date. Investments in Target Retirement Funds are subject to the risks of their underlying funds. The year in the Fund name refers to the approximate year (the target date) when an investor in the Fund would retire and leave the work force. The Fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in the Target Retirement Fund is not guaranteed at any time, including on or after the target date.

# 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.



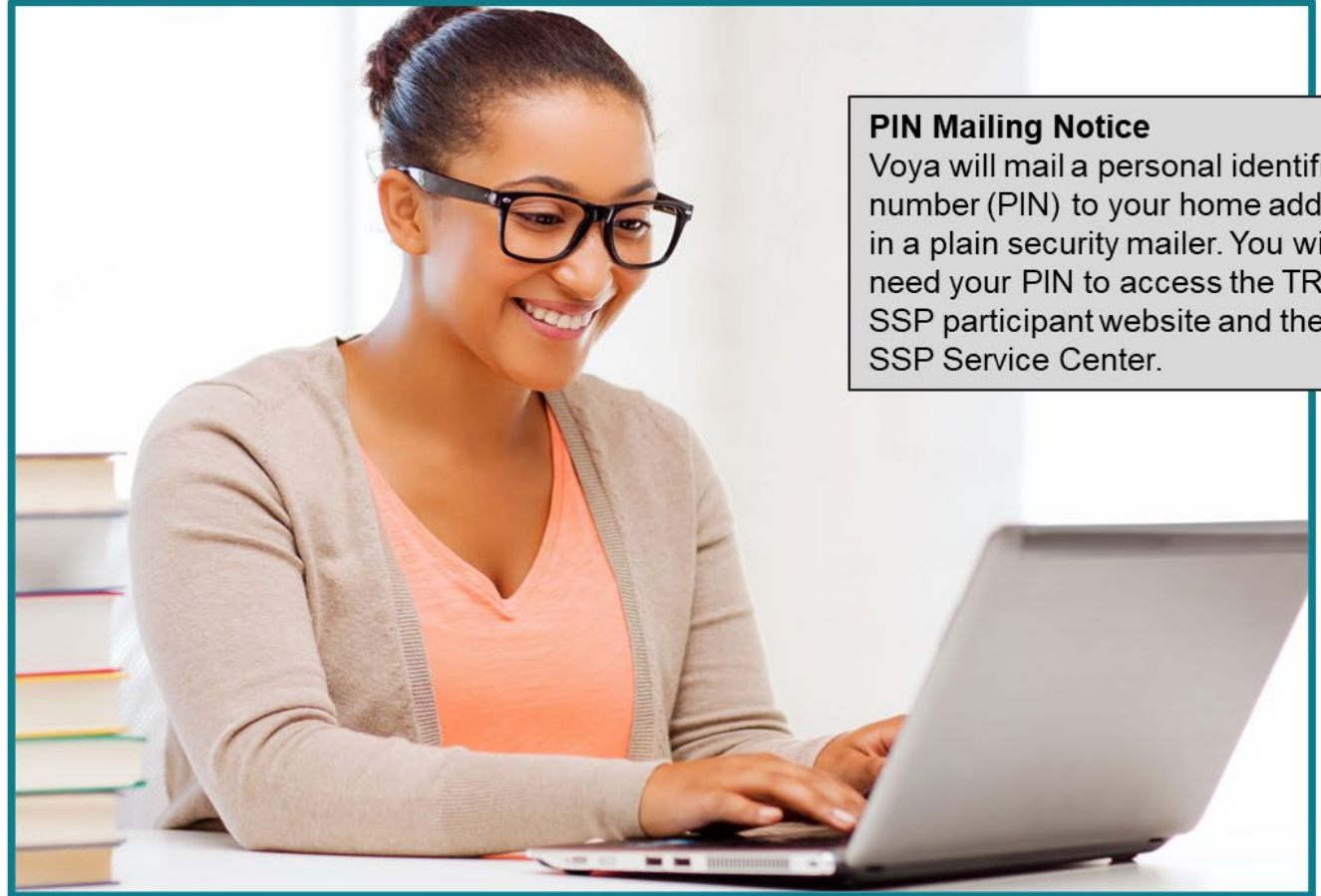
## Trsilssp.voya.com

- 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.

# 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> 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:
<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> <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 2 -- 67% of monthly benefit to a spouse; 50% of monthly benefit to other 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
- 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...



## 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
- Cannot work full time in another Illinois pension system

## Standard Annual Benefit Increases

- Available to members who have been retired for one full year AND
  - Are at least age 67 for Tier 2 (1/2 CPI or 3% non-compounded annually)
- Increases occur each January 1 (reflected in the February 1 benefit payment)

# Contact Information

## TRS Phone & Hours



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



Visit us  
<https://trsil.org>



TRS slideshow download



TRS-SSP Information



Email Address  
[members@trsil.org](mailto:members@trsil.org)



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[www.youtube.com/c/trsillinois](http://www.youtube.com/c/trsillinois)

## Supplemental Savings Plan Contact:



[trsilssp.voya.com](http://trsilssp.voya.com)

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

To schedule appointment or reserve time to ask questions:

<https://trssp457B.timetap.com>

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