

# Benefit Information Meeting



**Tier I**



# Benefit Information Meeting



**Tier I**



**What will be covered...**

**Preparing for retirement**

**Retirement process**

**Post-retirement**

# Tier 1 or Tier 2?

## Tier 1

- *First contributed to TRS prior to **Jan. 1, 2011**, or teachers and administrators who had any previous reciprocal service credit*

## Tier 2

- *First contributed to TRS **on or after Jan. 1, 2011** and without any previous reciprocal service credit*

# Pending Legislation

The screenshot shows the TRS Illinois website with the URL <http://trs.illinois.gov> and the title "TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS". The navigation menu includes "Member Account Access", "TRS Business", "News Room", "Publications", "Home", and "Search". The "News Room" menu is expanded, showing "Press Releases", "Outreach", "Legislation & Issues", "TRS Speak! (Newsprint responses)", and "Meetings". A blue arrow points to the "Legislation & Issues" link. The main content area features a large image of three people and a sidebar with "Annual Member Meetings" information. The footer contains contact information for TRS Illinois and social media icons.

# Member Account Access

Member Account Access   TRS Business   Publications   Contact Us   Search here   Search

TRs ILLINOIS <http://trs.illinois.gov>  
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Member Account Access   Login   Create Account

**ABOUT TRS**  
**EMPLOYER**  
**MEMBERS**

TRs Pension Payments Unaffected by State Budget Dispute  
A Cook County Circuit Court ruled on July 7 that all TRS pensions and benefits must be paid even if Illinois State Government does not have a comprehensive state budget in place. For more information, please read the TRS Statement.

2013 Illinois Pension Overhaul Ruled Unconstitutional  
The Illinois Supreme Court ruled unanimously on May 8, 2015 that the 2013 state law overhauling Teachers' Retirement System benefits was unconstitutional. The high court decided that changes in the law violated the Pension Protection Clause of the Illinois Constitution.

Annual Member Meetings  
TRS hosts state-wide meetings for Tier I members from September to November that are designed to explain the retirement process and to provide you with information about disability, death and insurance benefits. For meeting dates and locations, please see the Member Meeting Schedule.

Illinois Pensions Boost Illinois Economy  
TRS pensions and benefits paid in Illinois create a \$5.58 billion economic stimulus annually, according to the latest study by Teachers' Retirement System. The study revealed that TRS-paid pensions and benefits support 41,725 Illinois

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BACK TO TOP

TRs ID# request

# Member Account Access

Account Access   TRS ILLINOIS   TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS   trs.illinois.gov   Welcome to TRS!

TRS Links  
TRs Main Page  
Member Account Access

Secure Account Access Area  
Member Account Access » Secure Sign In

**Need to Create an Account?**  
New User

The secure session will automatically end after 20 minutes of inactivity.

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# Member Account Access

**Account Access** **TRS ILLINOIS** **TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS** [trs.illinois.gov](http://trs.illinois.gov)  
Welcome to TRS!

**TRS Links**  
[TRS Main Page](#)  
[Member Account Access](#)

**Secure Account Access Area**  
 Member Account Access > New User Setup

**New User Setup**  
 \*Required information

Page 1 of 5

If you are a TRS member, you may view your personalized information online. Please supply the following information to start an online account.

Social Security Number\*:  
 Birth Date\*:  -  -  (YYYY)  
 Member ID\*:  
 [What's This?](#)

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# Member Account Access

**Member Information**

- Sign Out
- My Account
- Contact Information
- Beneficiary Information
- TRS Service Record
- Active Service
- Optional Service
- Refunded Service
- Sick Leave Service
- Reciprocal Service
- 2.2 Upgrade Information
- Retirement Contributions
- TRS Benefits Report
- Monthly Benefits
- Earnings Statements

**Member Services**

- Retirement Application
- Benefit Estimate
- Forms & Reports

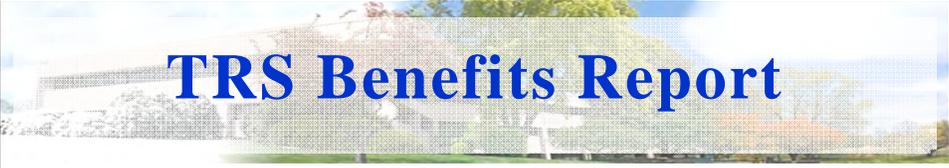
View beneficiaries

Update personal information (change of address, phone numbers & email address)

View Benefits Reports

View monthly & YTD pay stubs once retired

Complete Benefit Estimates



## **TRS Benefits Report**

- Active and inactive members only
- Benefit Reports available online in late November
- Email notification when reports are available
- Access your online account to see and print your personal report
- Your member ID number is necessary to set up your online account
  - Contact TRS Member Services to obtain member ID number at (800) 877-7896



## **Basics of TRS Benefit**

TRS provides ...

Retirement Benefits  
Disability Benefits  
Survivor Benefits



### **Tier I Retirement Benefits**

- Age 62 – at least 5 years of service
- Age 60 – at least 10 years of service
- Age 55 – at least 20 years of service

*“Early” retirement if you are under age 60 with fewer than 35 years*

## Regular Retirement Formula

$$\begin{aligned} & \text{Service Credit} \\ & \times \frac{\text{Formula Factor}}{\text{Percentage}} \\ & \text{Percentage} \\ & \times \frac{\text{Final Average Salary}}{\text{Annual Benefit}} \end{aligned}$$

## Service Credit

- 170 paid days = 1 year of service credit
- Unused, uncompensated sick days up to 340 days (2 years)
- Optional Service Credit
  - Out-of-system teaching
  - Pregnancy or adoption - prior to 1983
  - Leaves of absence
  - Substitute teaching, homebound, part-time - prior to 1990
  - Military service
  - Refunded service
- Reciprocal Service
  - IMRF, SURS, SERS, CTRF
  - Others

## Graduated vs 2.2 Formula

### Graduated Formula

Pre July 1, 1998

<u>Years of Service</u>	<u>Rate</u>
1-10	1.67%
11-20	1.9%
21-30	2.1%
31+	2.3%

38 years of service = 75%

### 2.2 Formula

All years earn 2.2%

\* Pre 1998 years can be upgraded to 2.2% by paying upgrade cost.

\* Cost is unique to each member. Call TRS Member Service to find out if upgrading will benefit you.

34 years of service = 75% (age 60)

35 years of service = 75% (under age 60)

## Final Average Salary

- Average of four highest 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 pays a cost for increases in excess of 6%.

# Retirement Calculation Example

## Example – Age 60

$$\begin{array}{r} 30 \text{ years of service} \\ \times 2.2\% \\ \hline = 66.0\% \\ \times \$85,652.36 \text{ (FAS – final average salary)} \\ \hline = \$56,530.56 \text{ Annual Benefit} \end{array}$$

# Benefit Estimate Example

## Benefit Estimate

Member Example

Age 60

### Retirement Benefits

Retirement Type	Annual Benefit	Monthly Benefit	Cost
Actuarial	48,000.00	4,000.00	
Non Discounted	52,130.64	4,344.22	
<b>Non Discounted 2.2</b>	<b>56,530.56</b>	<b>4,710.88</b>	<b>6,675.91</b>

Your 2.2 cost

The actuarial benefit is paid **only** if it provides a greater monthly benefit at the time of retirement. It is based on contributions, interest, and mortality tables. The interest and mortality tables are subject to change.

The 2.2 upgrade cost is calculated as of **08/03/2015**.

If you do not retire under the ERO, you will receive a refund of your ERO contributions in the amount of **\$3,948.96**. The amount is calculated through **06/30/2015**.

Your TRS benefit may impact any Social Security benefits you can receive. Please check with your local Social Security office.

This estimate does not address employer contributions which may be due to TRS under 40ILCS 5/16 - 128 (d-10) or 40ILCS 5/16 - 158(f).

If you do not use ERO, then it will be refunded to you as an Excess Contribution Refund



## “Early” Retirement

- Benefit is reduced by 6% for each year retiree is under age 60 – “Discount Annuity”
- Early Retirement Option (ERO) allows member and employer to pay a cost to avoid reduction of earned benefit.
- Districts have the option to limit the use of ERO
- Currently expires June 30, 2016



## Benefit Estimates

- TRS can prepare a benefit estimate if **YOU** can provide us with:
  - Total reportable salary for current and future years
  - Total sick leave that will be reported at retirement
  - Information about district retirement incentives

**YOU** can also prepare estimates using your online account access at

<http://trs.illinois.gov>

# Benefit Estimate Example

## Benefit Estimate

Member Example

Under Age 60

### Retirement Benefits

12

Retirement Type	Annual Benefit	Monthly Benefit	Cost
Actuarial	48,000.00	4,000.00	
Discounted	51,225.24	4,268.77	
Discounted 2.2	56,530.56	4,710.88	6,675.91
ERO	63,905.28	5,325.44	52,111.75
ERO & 2.2	70,523.88	5,876.99	58,787.66

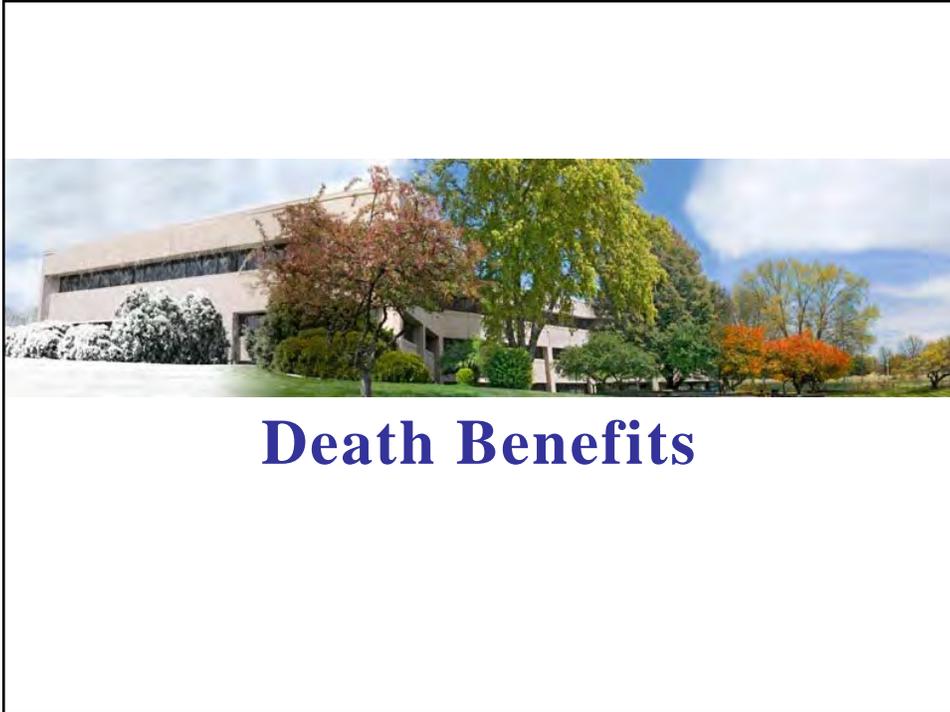
1 The actuarial benefit is paid **only** if it provides a greater monthly benefit at the time of retirement. It is based on contributions, interest, and mortality tables. The interest and mortality tables are subject to change.

The 2.2 upgrade cost is calculated as of **08/03/2015**.



## **Disability Benefits**

- TRS offers occupational and non-occupational (temporary) disability benefits to ill and injured members (prior to retirement).
- You earn service credit while receiving occupational and/or non-occupational disability.
- Call TRS Member Services for information if you feel you may need this benefit.



## Death Benefits

- **Beneficiary Refund**
  - Also known as accumulated contributions
  - Lump-sum refund of unrecovered pension contributions
  - Declining balance account, paid only if you pass away before retirement or within first few years of retirement
- **Survivor Benefits**
  - ½ of monthly benefit to a dependent beneficiary, OR
  - Lump sum to any beneficiary

# Beneficiary Designation Form

**Automatic Designation** (commonly selected by members with spouses and/or minor children)  
 In lieu of designating specific beneficiaries, I elect that my dependent beneficiaries, as determined at my death, receive a beneficiary refund and/or survivor benefits. If no dependent beneficiary survives, benefits will be paid to my estate.

If automatic designation is **not selected**, you must complete the Beneficiary Refund *and* Survivor Benefits sections.

Beneficiary Refund				Survivor Benefits			
Primary Beneficiaries				Primary Beneficiaries			
First name	Last	Date of birth	Relationship	First name	Last	Date of birth	Relationship
Alternate Beneficiaries				Alternate Beneficiaries			
First name	Last	Date of birth	Relationship	First name	Last	Date of birth	Relationship

name beneficiary(ies) - eligible for return of unrecovered contributions

spouse - half the pension the rest of his/her life  
dependents - half the pension based on age

# Beneficiary Designation Form

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Beneficiary Refund				Survivor Benefits			
Primary Beneficiaries				Primary Beneficiaries			
First name	Last	Date of birth	Relationship	First name	Last	Date of birth	Relationship
Alternate Beneficiaries				Alternate Beneficiaries			
First name	Last	Date of birth	Relationship	First name	Last	Date of birth	Relationship

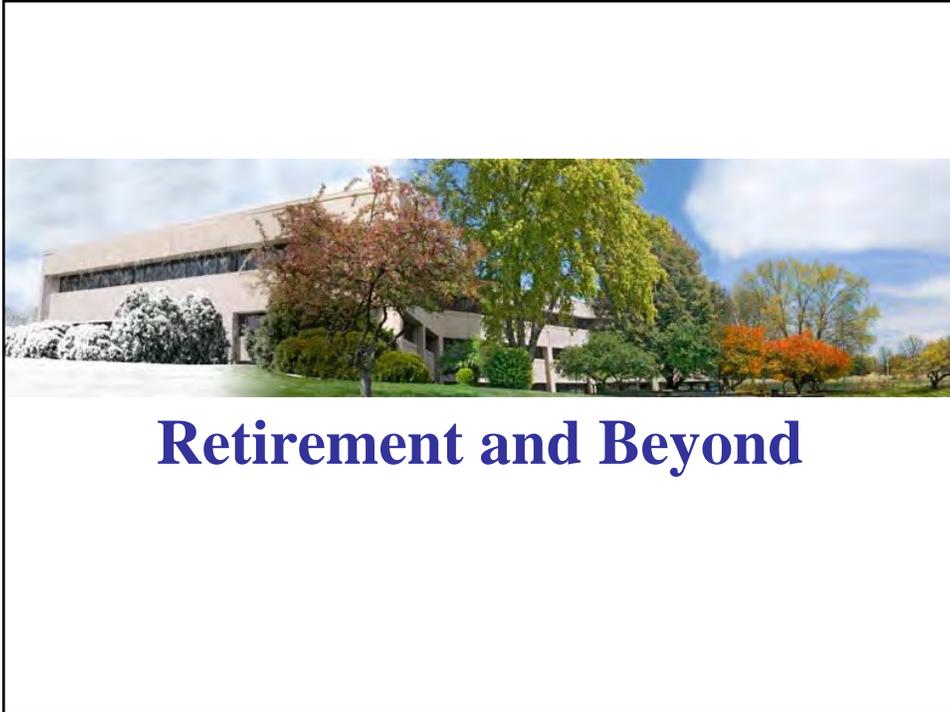
Non-dependent - eligible for return of unrecovered contributions

Non-dependent - no monthly benefit but the lump sum no less than 1/6<sup>th</sup> of high salary



## Common Mistakes

- Waiting until your last year of service to buy optional service, talk about 2.2 upgrade or verify eligibility
- Assuming that your friend's retirement situation also applies to you
- Assuming your district will "take care of things"
- Thinking that it's too early to start talking about your retirement benefits with TRS
- Leaving your district email account and phone number as your contact email and phone number after retiring



## **TRS Retirement Process**

- Call TRS 3 months prior to your retirement date
  - Personalized Retirement Interview
- Annuity types
  - Standard life annuity
  - Reversionary annuity
- Forms to return to TRS
  - Retirement application (mandatory)
  - Depository Agreement form (optional)
  - Health Insurance (TRIP) Enrollment form (optional)
- District forms are sent electronically to the districts and cannot be returned until after last day of service
  - Can be kept private until you return your retirement application



## Retirement Process (cont.)

- ERO, optional service and 2.2 balances must be paid before TRS will process your retirement claim
  - Personal check
  - Rollovers
  - Pension reduction (2.2 only)
- First retirement check issued 60-90 days after last required form or payment is received
- Monthly benefits will continue for your lifetime



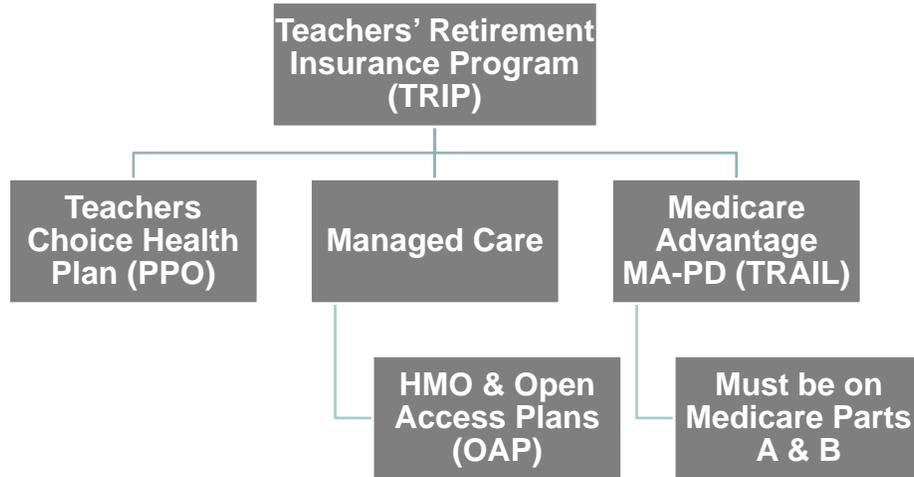
## Excess Contribution Refunds

- Refunds
  - 2.2 Upgrade overpayment
  - ERO contribution refund
  - 1% Survivor Benefit Refund (if eligible)
    - Forfeits any Survivor Benefit
- Refunds are paid after retirement benefit is calculated
- Taxable refunds are eligible for rollover

## TRIP Enrollment

- When you retire with 8.000 years of TRS service credit
  - Must enroll within 30 days of last day
- **Benefit Choice Period**
  - Month of May with coverage starting July 1
- Involuntary termination of previous insurance coverage
- At age 65 or when Medicare becomes available
- Dependents may enroll at same opportunities
- Coverage always starts on the first of a month

## Teachers' Retirement Insurance Program (TRIP)



## Teachers' Retirement Insurance Program (TRIP)

### PPO

- Teachers' Choice Health Plan (TCHP)
- In-network and out-of-network benefits
- Available anywhere in US

### Managed Care

- HMO or OAP
- OAP (in-network and out-of-network benefits)
- HMO available in IL and some states surrounding IL
- OAP available in IL and some states surrounding IL

## TRIP Premiums

July 1, 2015 – June 30, 2016

Type of Participant	Type of Plan	Not Medicare Primary Under Age 26	Not Medicare Primary Age 26-64	Not Medicare Primary Age 65 and Above	Medicare Primary*
Benefit Recipient	Managed Care Plan	\$72.05	\$223.81	\$304.93	\$88.45
	TCHP	\$186.99	\$527.77	\$793.75	\$217.27
	TCHP when managed care is not available in your county	\$93.49	\$263.90	\$396.88	\$108.64
Dependent Beneficiary	Managed Care Plan	\$288.31	\$895.22	\$1,219.69	\$306.41**
	TCHP	\$373.98	\$1,055.55	\$1,587.48	\$434.55
	TCHP when managed care is not available in your county	\$373.98	\$1,055.55	\$1,587.48	\$325.91**



## Post-retirement Employment

- No restrictions on non-TRS employment
  - If reciprocal, check limitations for other reciprocal retirement system
- TRS covered-employment restricted to 100 days/500 hours per school year
- No work until July 1 of new school year
- Must wait 30 days from the effective date of your resignation with same employer
- Do **NOT** pre-arrange post-retirement employment



## Social Security

- IL teachers do not contribute on TRS-covered employment
- Earned SSA benefits may be reduced under Windfall Elimination Provision and/or Governmental Pension Offset
- Social Security (800) 772-1213
- [www.socialsecurity.gov](http://www.socialsecurity.gov)



## Medicare

- Qualify through spouse
- New employment after March 1, 1986
- Medicare election in 2004
- Medicare (800) 633-4227
- [www.medicare.gov](http://www.medicare.gov)



# Other Frequently Asked Questions

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## *Is it true that an Illinois teacher cannot collect Social Security?*

No. If you have earned a Social Security benefit based upon your own work record, you may draw both Social Security and TRS benefits. However, your Social Security benefit may be reduced if you are also receiving a retirement benefit from TRS. TRS cannot provide you information regarding your Social Security eligibility or benefits. Please contact Social Security for more information on your particular retirement scenario. Additional information about the Windfall Elimination Provision (WEP) can be found at [www.socialsecurity.gov](http://www.socialsecurity.gov) or by calling Social Security at (800) 772-1213.

## *How can I maximize my pension?*

You can increase the factors used to calculate your retirement benefit in several ways. You may increase your service credit through the conversion of unused sick leave days, purchase of optional service credit, or by using reciprocal service (service with another Illinois public pension system). Types of optional service available for purchase are substitute or part-time service completed prior to July 1, 1990, military service, board-approved leaves of absence or involuntary layoffs, or service that you may have previously forfeited due to a refund of TRS contributions. If you have service credit prior to July 1, 1998, you may upgrade this service using the 2.2 upgrade program. You may also increase the salaries used to calculate your final average salary by accepting extra duties that offer a stipend or by taking advantage of any district retirement incentives.

## *How can I get a Benefit Estimate?*

You may also create a personalized benefit estimate online (<https://trs.illinois.gov/subsections/secureaccountaccess/security/signin.aspx>) to determine your retirement income. To begin the estimate, you need to know your retirement date or dates that you are considering, your current salary, projected salaries and unused sick leave days available to you upon retirement. TRS needs the salary that your employer will report to TRS. This might not be the amount on your contract or pay stub. Some districts pay all or part of the member's TRS contribution while others do not. TRS does not have this information. Please remember that salaries are reported to TRS based on the fiscal year July 1 through June 30. Tax returns use the calendar year Jan. 1 through Dec. 31.

Salary listed on your tax return actually involves two school years that will not show reportable earnings for TRS purposes. You may need to contact your bookkeeper or personnel department to determine what salary information you should provide for a benefit estimate. Remember to include any retirement incentives, extra duties or severance payments that count as salary.

## *Should I schedule an appointment?*

A common misconception is you should make an appointment to see a counselor at retirement. The reality is that everything can be handled by phone. We don't want to talk you out of making an appointment, but we also don't want you to make a special trip and feel like it was unnecessary. A TRS representative can help you determine if an office appointment is necessary for you.

Please contact TRS toll-free at (800) 877-7896 to schedule an appointment. Our call center hours are Monday through Friday 7:30 a.m. to 4:30 p.m., with extended hours on Tuesdays and Thursdays until 5 p.m. When scheduling an appointment, be certain to notify TRS if you have reciprocal service with

another Illinois public pension system. This will allow TRS to research your reciprocal service in advance of your scheduled appointment. TRS recommends that you do your TRS "homework" and become familiar with the basic benefit structure prior to your appointment date. If you are not familiar with the system, you will not get the most out of your scheduled appointment.

***If necessary, what do I need to bring to my TRS appointment?***

You will need to bring current salary information, as well as salaries up through the anticipated date of retirement. You will also need to provide TRS with the total number of unused, uncompensated sick leave days that you will have with your current employer at retirement time. Salaries should include your base salary, extra-duty pay, stipends, retirement incentives, and TRS contributions. You may need to get this information from your school district. A salary schedule or paycheck stub may not give TRS all of the information we need to prepare a benefit estimate.

***Can I teach after I retire?***

Yes. A retired teacher may be employed in a TRS-covered position for up to 100 days or 500 paid hours per school year, beginning with the July 1 following your TRS retirement date. A member must also be inactive for at least 30 calendar days from your last day of work before performing any post-retirement TRS employment for the same employer. You may be employed in a position not covered by TRS without restriction. You may also perform extra duties, such as coaching, that do not require certification without restriction.

***Does TRS offer dental and vision coverage?***

The Teacher's Retirement Insurance Program (TRIP) provides health and prescription drug insurance to TRS retirees and their dependents, but does not offer dental or vision coverage.

***Are there any pre-existing conditions?***

TRIP enrollment is offered without regard to pre-existing conditions.

***Can I enroll in the TRIP program at any time after I retire?***

You may enroll in the TRIP program during specific enrollment opportunities. If you do not enroll in TRIP at the time of retirement, you may still enroll during the annual Benefit Choice Period (typically held each year during the month of May), when you are involuntarily terminated by another insurance carrier, or when you turn 65. Dependents can be added to your coverage during these same enrollment opportunities (refer to page 2 in the *TRIP Summary* also inside this booklet).

***Does TRIP offer a supplement to Medicare?***

Yes, the TRIP program offers supplemental coverage to Medicare at the age of 65 for a reduced premium. All TRIP supplemental plans include prescription drug coverage, eliminating the need to purchase Medicare Part D coverage if you are using TRIP as a supplement.

***What do I have to do to make the switch to the Medicare supplement when I turn 65?***

First, you should apply for Medicare with the Social Security Administration no more than three months before your eligibility date. You will receive a form from TRS about three months prior to your 65th birthday. Complete and return this form along with a copy of your Medicare card and you will automatically be switched to the supplemental coverage when your Medicare coverage takes effect.



members@trs.illinois.gov



http://trs.illinois.gov



https://plus.google.com/+trsillinois/



Facebook.com/TRSillinois



@ILLTRS



## Phone & Hours

Toll free: (800) 877-7896

M/W/F: 7:30 a.m. to 4:30 p.m.

T/TH: 7:30 a.m. to 5:00 p.m.

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

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