

TRS FINANCIAL AWARENESS VIDEO SERIES

VIDEO #1: WHAT DOES TRS DO FOR ME?

Transcript

Meet Carlos. Carlos is a second-grade teacher. He's been a TRS member for 12 years, but he's never really had much time to learn about his TRS pension plan. Actually, Carlos was under the impression that employer-sponsored pension plans - sometimes called defined benefit or DB plans - were becoming a thing of the past. Not so fast, Carlos. While it's true that pension plans are increasingly rare, they're not extinct. In fact, Carlos's TRS pension is one of his most reliable sources of retirement income - and yours, too.

Since the Jurassic Period - well, maybe not that long ago - TRS has been receiving contributions from Texas public school employees, their employers and the state, and pooling them into one big retirement trust fund managed by the TRS Board of Trustees. How big is the TRS trust fund? Over 100 billion dollars big. In fact, in the state of Texas, the size of the fund is only rivaled by AT&T and ExxonMobil. Sounds out of this world, right? That's because direct contributions only represent a fraction of the TRS pension fund's value. The rest of the funds come from investments managed by TRS's team of top investment professionals, who track down large, long-term, low-fee investment opportunities. The result is a mammoth-sized pension fund!

So what does this mean for you and Carlos? Well, if you're vested - meaning you have at least five years of TRS service credit - then you're eligible to receive monthly payments out of the TRS pension fund when you retire. These payments are interchangeably referred to as your pension, annuity or benefit. And dig this - your monthly TRS pension is guaranteed for life. That means no matter how long you live, you'll never have to worry about running out of your pension income!

Let's say Carlos retires at age 63 and chooses a standard annuity. Based on his years of service credit and final average salary, Carlos's monthly annuity is calculated to be \$3,450. That means Carlos will receive \$3,450 each month from TRS as long as he lives. Your TRS annuity will differ based on your own years of service credit and final average salary. It will also vary depending on the annuity payment option you choose. While the standard annuity is the maximum amount of retirement benefit you can receive and is payable for life, a different payment option may be better for you based on family considerations.

With your TRS pension, you can count on a steady, reliable stream of retirement income - the bedrock for a healthy retirement. But keep in mind that your pension is only one component of your retirement plan. You'll almost certainly need to build on your pension with personal savings in order to maintain your standard of living in retirement. Watch the "Will My TRS Pension Be Enough?" video for more information about how much money you'll need to live comfortably in retirement.

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TRS does not explicitly or implicitly endorse or approve any individual type of retirement plan and/or investment product offered by other retirement plans. All investing is subject to risk, including the possible loss of all the money you invest. Before investing, consider your investment objectives, risks, charges and expenses.