

TRS NEWS

MARCH 2016

TEACHER RETIREMENT SYSTEM OF TEXAS

TRS Board of Trustees appoints new members to Retiree Advisory Committee

TRS' Board of Trustees appointed individuals to six of the seven vacant positions on the Retirees Advisory Committee at its meeting on Nov. 19. The trustees appointed members of the committee based on recommendations of the Benefits Committee of the board. All terms began on Feb. 1, 2016.

TRS is pleased to welcome the following new committee members in the following positions:

- Dr. Celeste Cardenas as an active teacher, term expiring Jan. 31, 2018;
- Teresa Koehler as an active teacher, term expiring Jan. 31, 2020;
- Dr. Bruce Gearing as an active school administrator, term expiring Jan. 31, 2018;
- Grace Mueller as a retired teacher, term expiring Jan. 31, 2020;
- Dr. H. John Fuller as a retired school administrator, term expiring Jan. 31, 2020; and,
- Jesus H. Soto as a retired school auxiliary staff, term expiring Jan. 31, 2018.

The active school auxiliary staff position is vacant and that term expires Jan. 31, 2020. TRS is still accepting nominations of eligible candidates for this position. If you wish to be considered for the vacant position, please send a cover letter and résumé to TRS to the attention of Edward Esquivel, Assistant Director of the Health and Insurance Benefits Department.

The newly appointed committee members are scheduled to convene for their first meeting of 2016 on March 8.

Group retirement sessions planned

Beginning in March 2016 and continuing through July 2016, TRS will conduct **group** retirement sessions at the TRS building in Austin. The sessions will be conducted at 9 a.m. and 2 p.m. on Tuesday, Wednesday and Thursdays. Scheduled presentation dates may be found on the TRS website, www.trs.texas.gov. Each session will be limited to 10 members considering retirement on or before Jan. 31, 2017.

Additionally, there will be two sessions conducted simultaneously at 9 a.m. on the Saturdays listed on the TRS website. Each Saturday session will be limited to 20 members considering retirement on or before Jan. 31, 2017.

Members may register online through *MyTRS* or by calling TRS at 1-800-223-8778 and speaking with a benefit counselor.

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Change in beneficiary?

Members and retirees should submit a new *Designation of Beneficiary* form (TRS 15) whenever relevant circumstances change. The form is available on the TRS website and by using the Automated Telephone System.

We are pleased to send you this spring 2016 issue of *TRS News*. This issue contains articles that will update you on a variety of matters relating to your pension and health care benefits.

Last November, the TRS Board appointed six individuals to fill vacant positions on the TRS Retirees Advisory Committee (RAC). The Texas Insurance Code requires that this advisory committee for TRS-Care be comprised of nine members with staggered four-year terms.

RAC responsibilities include holding public meetings on group coverage, recommending minimum standards and plan features, and recommending changes to rules and legislation affecting TRS-Care.

The six new committee members began their terms on Feb. 1. However, the active school auxiliary staff position on the committee is vacant, and TRS is still accepting nominations

of eligible candidates. For details on how to be considered for this position, please read the article on page 1.

Those who are considering retirement this year should begin the process of planning ahead now if they haven't already done so. The article on page 7 of this issue provides valuable assistance in understanding TRS retirement options so that you can select the plan best for you. The article also addresses things to do before retirement, a retirement deadlines chart, a checklist for retiring members and more. Please take a moment to familiarize yourself with this information.

Some of you may have heard about an important multi-year TRS initiative called the TRS Enterprise Application Modernization (TEAM) Program. TEAM will enable us to update the business processes and core technologies that we use to deliver member benefits. As a result, members and retirees will be able to apply for benefits, receive notices and receive approvals online as well as securely manage their TRS member accounts. We will continue to update you in future *TRS News* issues.

TRS is publishing a summary of its fiscal year 2015 *Comprehensive Annual Financial Report* (CAFR) to help members who do not wish to read the entire 200-page document but would like to know the highlights. The summary features easy-to-read charts, graphs and other key information relating to our pension fund and health care programs. We invite you to view this new publication in March on our website.

Over the next few months, the Texas A&M Public Policy Research Institute will conduct a member satisfaction survey to help TRS learn how we can better serve you. If you are asked to participate in this survey, we would appreciate your doing so. Your input is valuable in helping us better meet your needs.

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The Teacher Retirement System of Texas does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services. A copy of the complete TRS plan is available at the above address during regular business hours.

Upcoming changes to *MyTRS*

In the not too distant future, TRS members and retirees will be able to apply for benefits, receive notices and receive approvals online as well as manage their TRS member accounts in a secure, Web-based environment. These improvements will be a direct result of the TRS Enterprise Application Modernization (TEAM) Program, a multi-year initiative now underway to update business processes and core technologies used by TRS to deliver benefits.

Due to the project, beginning in September 2016, members will experience some temporary and minimal reductions in the functionality of *MyTRS*, the password-protected section of the TRS website:

- Member account balance forms will not be available
- Account information such as the account balance, years of service, and top salaries will remain static as of Aug. 31, 2016
- Phone numbers will no longer be captured or displayed unless it is needed as part of a request
- Field Office Visit and Group Retirement Session registration will be removed (still available by contacting TRS directly)
- The 2016 annual statements will be the last annual statements posted in the current version of *MyTRS*. The posting of annual statements to *MyTRS* will resume when TRS goes live with the new updated *MyTRS*.

We apologize for the inconvenience that these changes may cause. The changes are necessary as we develop a new system that will serve our members for many years to come. Members can learn about progress being made through the TEAM Program by visiting the TRS website and checking the latest issues of *TRS News* and other TRS publications.

TRS member satisfaction survey planned for March, April

Beginning in March, the Texas A&M Public Policy Research Institute will conduct a member satisfaction survey to help TRS learn how we can better serve our members and retirees. While TRS is prohibited by law from advocating for legislative changes to member benefits, we strive to continuously improve how we deliver legislatively approved benefits to you. We want your interactions with us to be timely, accurate, and as convenient as possible whether you contact us by phone, visit our website, apply for benefits by mail, meet in person with a benefits counselor, receive information by mail or electronically, or attend a benefit presentation. If you are asked to participate in this survey, please do so because your input is valuable in helping us better serve you.

Register for *MyTRS*!

Although functionality of *MyTRS* may be temporarily reduced this fall, it's never too late to register for the password-protected section of the TRS website. You can use *MyTRS* to help plan for retirement, keep track of your personal account, and access important announcements and other communications from TRS. *MyTRS* is available to eligible TRS members and annuitants who have completed the registration process.

To get started with *MyTRS*, you must register for a User ID and Password. Registering is secure and easy. Create your *MyTRS* Profile in just three easy steps.

Step 1: Read and agree to our security agreement

Step 2: Identify yourself as a TRS member

Step 3: Create your *MyTRS* profile

Another advantage of registering for *MyTRS* is the opportunity to enroll in *MyTRS* Email Subscriptions. Through this service, members may receive notification of TRS publications and announcements in a quick and convenient way. Once you have enrolled in *MyTRS* Email Subscriptions, you should receive an email message from TRS within a short time asking you to "activate" the address by clicking a link within the message and following the directions that appear on the screen.

For more information and instructions, visit the TRS website (www.trs.texas.gov) and click on *MyTRS* in the Quicklinks section.

Important deadlines for verification of unreported service and unreported compensation and service reported by your employer but not credited on your annual statement

Changes to TRS laws that took effect on Sept. 1, 2011, established a new **five-year time limit** for you to notify TRS and provide verification to TRS of service reported to TRS but not credited on your annual statement and to provide verification to TRS of **any** unreported service, unreported compensation, and substitute service that you may wish to purchase for service credit. All unreported service that you rendered prior to Sept. 1, 2011, unreported compensation that you were paid prior to Sept. 1, 2011, and any service that was reported to TRS but not credited on your annual statement for any year prior to the 2011-12 school year, must be verified to TRS no later than **Aug. 31, 2016**. Unreported service, unreported compensation, substitute service, and service that was reported by your employer but not credited on your annual statement that is not verified within the required timeframe will not be eligible for purchase or credit and cannot be used to determine eligibility for, or the amount of, any of your benefits.

What is service reported by your employer but not credited on your annual statement? In most instances, TRS does not have a record of your service or compensation because your employer did not report your employment or compensation to TRS. For example, your employer may not know that you are working for more than one employer and your employment with the nonreporting employer is not membership eligible so it is not reported to TRS. Your employer could also be mistaken about whether certain compensation is creditable with TRS and fail to report it. However, in some instances your employer reports your service to TRS but TRS does not credit the service to you. For example, if you begin employment in May in a membership eligible position, there is usually not sufficient time between May 1 and Aug. 31 to earn a year of service credit. However, if your work schedule required that you work more days than a normal work schedule, it is possible that you worked 90 days in that period, but TRS did not credit you with a year of service credit. Having your employer verify the exact number of days you worked will allow you to establish the year of service credit.

PRIOR SCHOOL YEAR ERROR. If the unreported service was rendered or the unreported compensation was paid in the 2014-15 school year and not reported by your employer due to a technological

error, you may be able to correct the error without paying more than the member contributions that would have been due but you must notify TRS by **May 31, 2016**. If you are still employed with the same employer and you have additional compensation that is due to you, your employer may request and receive a waiver of the reporting deadline and submit the corrected reports reflecting your missing service and/or compensation. Your employer must withhold member contributions that are due on the unreported service and/or compensation from any remaining compensation due to you using the same deduction process used for collecting member contributions. That is why it is important that you are still due compensation by the same employer. If you can't correct the error in this manner or you miss the deadline for correcting an error that occurred in the prior year, you may still verify the unreported service and/or compensation by the end of the fifth school year following the school year in which the error occurred and purchase the additional service and/or compensation at a significantly higher, actuarial cost. Forms for verifying unreported service, unreported compensation, substitute service and service reported by the employer but not credited on the annual statement, are: *Verification of Service and Salary* (TRS 22I); *Verification of Substitute Service and Salary* (TRS 22S); and *Verification of Worker's Compensation Payments* (TRS 22W). Select and print the appropriate form from the TRS website (www.trs.texas.gov). Have your employer complete the form and return it to you; then sign and date the "Instructions for Member" section and send the form to TRS so that it is received by the applicable deadline.

Note: *Temporary wage replacement pay that is paid as a worker's compensation benefit may also be verified to TRS for service or compensation credit provided the replacement pay is verified to TRS by the end of the school year following the school year in which it is received and the required contributions are paid in a lump sum to TRS by that same deadline. If the verification and payment are not received by the end of the school year following the school year in which the worker's compensation benefits are paid, the member may still verify the benefits by the end of the fifth school year following the year the workers' compensation benefit was paid and purchase the service credit and/or compensation at actuarial cost.*

Verification Deadlines

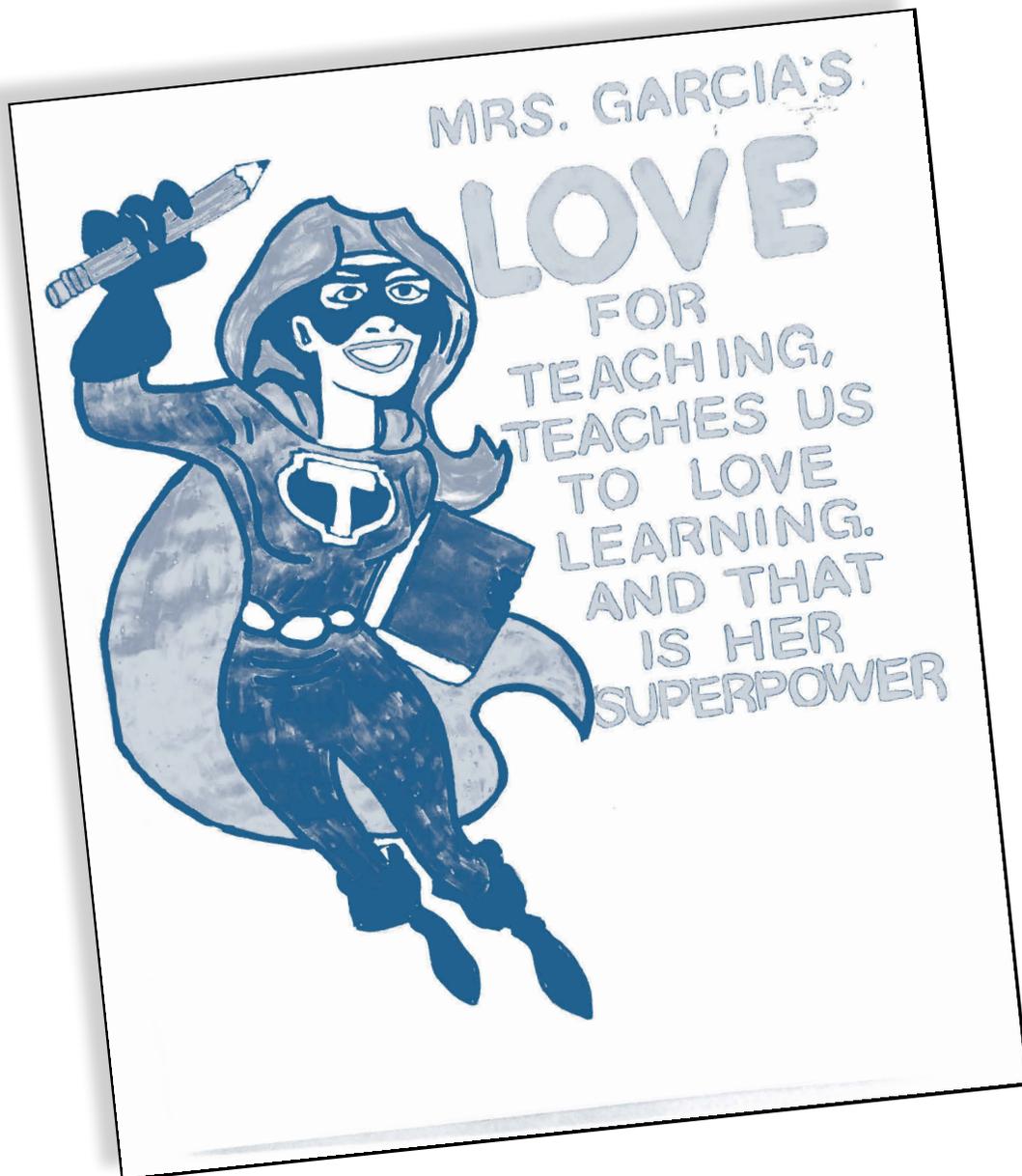
Deadline Dates	Type of Service
<p>May 31, 2016 – Date by which TRS must be notified of unreported service that was rendered and/or unreported compensation that was paid in the 2014-2015 school year and not reported by your employer due to a technological error so that the employer can request and receive a waiver of the reporting deadline and the error can be corrected without the member paying more than the member contributions that would have been due.</p>	<p>Unreported Service and/or Unreported Compensation</p>
<p>Aug. 31, 2016 – Date by which unreported service, unreported compensation, and substitute service, rendered or paid prior to Sept. 1, 2011, must be verified on the appropriate TRS 22 form (see page 4) in order to be eligible for purchase.</p>	<p>Unreported Service, Unreported Compensation, and Substitute Service</p>
<p>Aug. 31, 2016 – Date by which member must notify TRS in writing, and provide verification on the appropriate TRS 22 form (see page 4) if eligible membership service rendered prior to Sept. 1, 2011, was reported by the employer but not credited on the member’s annual statement.</p>	<p>Service Reported by the Employer but not Credited on Member’s Annual Statement</p>
<p>Five years from the end of the school year in which the service was rendered or compensation was paid – Deadline by which unreported service, unreported compensation, and substitute service, rendered or paid on or after Sept. 1, 2011, must be verified in order to be eligible for purchase. For example, if a member had eligible service and/or compensation in the 2011-2012 school year that was not reported to TRS, the member must submit verification on the appropriate TRS 22 form (see page 4) no later than Aug. 31, 2017, to be eligible to purchase the service credit.</p>	<p>Unreported Service, Unreported Compensation, and Substitute Service</p>
<p>Five years from the end of the school year in which the service was rendered – Deadline by which member must notify TRS in writing if eligible membership service rendered on or after Sept. 1, 2011, is reported by the employer but not credited on the member’s annual statement. For example, service not credited on your annual statement for the year ending Aug. 31, 2012, requires notice and verification on the appropriate TRS 22 form (see page 4) no later than Aug. 31, 2017.</p>	<p>Service Reported by the Employer but not Credited on Member’s Annual Statement</p>

TRS publishes summary of 2015 TRS financial report

In early March, TRS will publish a summary of its fiscal year 2015 *Comprehensive Annual Financial Report* (CAFR) to help members who do not wish to read the entire 200-page document but would like to know the highlights. “We know not everyone has time to sit down and study a 200-page financial document,” said Executive Director Brian Guthrie. “So, beginning this year, we are publishing a brief supplemental summary of the CAFR which showcases the agency’s financial highlights.”

The 2015 CAFR summary features a message from Guthrie as well as easy-to-read charts, graphs and other key information relating to the TRS pension fund and health care programs. To view the CAFR summary, please visit the TRS website in March at www.trs.texas.gov.

Special thanks go to the K-5 students throughout Texas who participated in last year’s “My Superhero Teacher” art contest. Contest winners are featured in the 2015 CAFR. Artwork submitted for the contest is available for viewing on the TRS website’s [art contest page](#).



“My Superhero Teacher” art contest winning poster by Natalie Martinez, third-grader from Clark Elementary School in Laredo.

Planning ahead makes your retirement process easier

Retiring can be an easier process if you plan ahead. To assist you, TRS has included information on our website that not only helps you determine when you are eligible to retire, but also assists you in understanding the retirement options so that you may select the option that best serves your needs.

The TRS website is divided into four sections for active members, retirees and beneficiaries, employers, and general information. To view information that will help you plan your retirement, visit the “Active Members” section of the site. Then click on “Planning Your Retirement,” which may be found on the left-hand side of the page. There you will find the following information:

Eligibility Requirements – Describes TRS retirement eligibility requirements for normal-age and early-age service retirements, and disability retirements.

Things to Do Before Retirement – If you are a member nearing retirement, this information will help you prepare for a smooth transition to retirement.

Annuity Payment Options – Describes the TRS standard annuity as well as five optional forms of annuity available from TRS.

Checklist for Retiring Members – After you have requested and received your retirement packet, this checklist may be useful to ensure that you have completed the retirement application and all the required forms for retiring.

Retirement Deadlines Chart – Provides information regarding the date your employment must be terminated, the deadline for filing your retirement application, and the deadline for purchase of additional service credit.

Retirement Estimate Calculator – This page contains a calculator to help you estimate your retirement annuity. The TRS Online Calculator, which requires a *MyTRS* User ID and password, automatically imports current data from your TRS records such as your years of service credit, highest reported salaries, etc. Keep in mind that the salary and service credit information used in producing the retirement estimate is based on information reported by your employer and is subject to review and adjustment by TRS when your application is processed.

Withholding Calculator – This calculator is for estimating the federal income tax to be withheld from your annuity. You can enter the amount of your gross annuity, select your marital status, and enter the number of exemptions and other deductions you’d like used in calculating your withholding. This calculator **does not require a *MyTRS* User ID or password.**

If you have a *MyTR-S* User ID and password and are currently receiving an annuity, you may log in to use its withholding calculator, which automatically imports the current annuity and federal income tax withholding elections from your TRS account. You can modify your information for tax withholding purposes such as your marital status, the number of exemptions, and other deductions to estimate changes in your withholding.

Request for Estimate of Retirement Benefits – Allows you to electronically submit your information to have TRS prepare a retirement estimate. It can be used as an alternative to filing the *Request for Estimate of Retirement Benefits* form (TRS 18).

For additional information on the retirement process, please refer to the December 2015 *TRS Benefits Handbook*, which is located on the TRS website’s home page, www.trs.texas.gov.



TRS Counselor Al Huebel (right) assists a member with her retirement from TRS.



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Beware of imposters !

Some members have contacted TRS to ask whether individuals wishing to visit them at home to discuss TRS benefits are affiliated with TRS. The answer is: NO! **TRS staff members do not make visits to individual members' homes.** If someone contacts you and asks to meet in your home, make sure that you know who that person is because the person does NOT represent TRS. These individuals often use organization names or initials that sound very much like TRS; however, if you listen closely, you will realize the distinction.

If you belong to a professional association whose membership consists of TRS members or retirees, it is possible that the association may share its membership list externally, including to sales people. Don't confuse persons representing such organizations or offering financial products with TRS employees. TRS guards the confidential information of its members and retirees and does not release names, addresses, or other information to professional associations or other external parties and TRS staff members do not make home visits.

Certain organizations have also sent postcards and email messages to members asking for personal information so they can prepare retirement estimates for you. These communications, again often sent by groups with names similar to TRS, promise information on taxes and TRS retirement benefits for those who respond. Please keep in mind that retirement estimates and information about your member account, obtained directly from TRS will reflect the information maintained in TRS' records and is provided by TRS at no cost to you.

These types of solicitations are usually sent by private, for-profit groups wishing to sell you something. You should respond to these requests for home visits, postcards and messages only if you believe such information would be to your advantage and you do not mind receiving follow-up information. Before divulging personal information, you should consider how it may be used, including what assurances you have that your personal information will be confidentially maintained rather than shared or sold to other vendors.