

# TRS NEWS

APRIL 2018

MEMBER EDITION



TEACHER RETIREMENT SYSTEM OF TEXAS

## TRS Board of Trustees adopts benefit changes to TRS-ActiveCare

Every year, TRS reviews TRS-ActiveCare funding needed for the coming year to determine if any benefit and/or premium adjustments are needed to maintain the program. Based on this recent analysis, TRS staff recommended benefit and premium changes for TRS-ActiveCare, which the TRS Board of Trustees adopted to take effect Sept. 1, 2018. Changes to the premiums are below. The state and your district make contributions toward the premium; therefore, your actual premium may vary.

For detailed information about the changes to TRS-ActiveCare plans, visit the TRS-ActiveCare section of the TRS website at: [www.trs.texas.gov/Pages/healthcare\\_trs\\_activecare.aspx](http://www.trs.texas.gov/Pages/healthcare_trs_activecare.aspx).

### TRS-ActiveCare Premium Changes New 2018-19 Premiums

TRS-ActiveCare monthly premium	TRS-ActiveCare 1-HD		TRS-ActiveCare Select/ ActiveCare Select Whole Health		TRS-ActiveCare 2	
	Full monthly premium*	Cost after state/ district contribution**	Full monthly premium*	Cost after state/ district contribution**	Full monthly premium*	Cost after state/ district contribution**
Individual	\$367	\$142	\$540	\$315	\$782	\$557
+Spouse	\$1,035	\$810	\$1,327	\$1,102	\$1,855	\$1,630
+Children	\$701	\$476	\$876	\$651	\$1,163	\$938
+Family	\$1,374	\$1,149	\$1,668	\$1,443	\$2,194	\$1,969

### HMO Premium Changes New 2018-19 Premiums

TRS-ActiveCare monthly premium	BCBSTX		FirstCare		Scott and White	
	Full monthly premium*	Cost after state/ district contribution**	Full monthly premium*	Cost after state/ district contribution**	Full monthly premium*	Cost after state/ district contribution**
Individual	\$474.02	\$249.02	\$534.04	\$309.04	\$578.36	\$353.36
+Spouse	\$1,146.83	\$921.83	\$1,348.92	\$1,123.92	\$1,353.40	\$1,128.40
+Children	\$742.19	\$517.19	\$849.76	\$624.76	\$908.06	\$683.06
+Family	\$1,216.42	\$991.42	\$1,385.36	\$1,160.36	\$1,509.56	\$1,284.56

\*If you are not eligible for the state/district subsidy, you will pay the full monthly premium. Contact your benefits administrator for your monthly premium.

\*\*The cost after state, \$75, and district, \$150, contribution is the maximum you may pay per month. Ask your benefits administrator for your monthly cost. (This is the amount you will owe each month after all available subsidies are applied to your premium.)

# MEMO TO MEMBERS FROM Executive Director Brian K. Guthrie

The spring season always seems to bring a time of new and positive changes – and here at TRS, that’s holding true. Our newest trustees, Chairman Jarvis V. Hollingsworth, James Dick Nance and Nanette Sissney held the Feb. 14-16 board meeting/work session in a new location, The Rio Grande Valley, instead of Austin. The February meeting, in a non-legislative year, is traditionally held near a fellow board member’s hometown.

This year, that honor went to Vice Chair Dolores Ramirez,



## Board of Trustees

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**BRIAN K. GUTHRIE**, Executive Director

who teaches in San Benito. Unfortunately for all of us at TRS, especially our active members, Ms. Ramirez’s term of service will end next year and her seat will be up for election. Additional information can be found in our 2019 election preview article, which contains some exciting news, on page three.

In this issue, you’ll also read about a new directive of Chairman Hollingsworth to update TRS’ Compact with Texans site. TRS is adding a number of new features such as a new email address and fillable forms for members to easily use when reporting concerns and customer service issues. These additions are another way in which we are enhancing our commitment to achieve the highest levels of customer satisfaction. We encourage you to read TRS’ Compact with Texans in the “About TRS” section of the TRS website ([www.trs.texas.gov](http://www.trs.texas.gov)). TRS’ Investment Management Division (IMD) is celebrating another successful Emerging Manager Conference. The conference attracts stakeholders

from across the country. This year’s event was TRS’ 12<sup>th</sup> Emerging Manager Conference held in Austin and welcomed about 1,000 participants. It included emerging managers across all asset classes, public and corporate pensions, endowments and foundations, asset

*TRS News* is published by  
Teacher Retirement System of Texas  
1000 Red River Street  
Austin, Texas 78701-2698  
1-800-223-8778  
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allocators, and consultants, all engaged in the different sessions and panels. Read more about the conference on page seven. A reminder to our members, Annual Enrollment for TRS-ActiveCare participants will begin on July 1, 2018 and end on Aug. 24, 2018. Specific enrollment dates will vary by district, so check with your benefits administrator to find out when you can enroll. Also in this issue, read about benefit changes to TRS-ActiveCare, taking effect on Sept. 1, 2018.

Finally, TRS is pleased to introduce a new series of videos designed to explain your TRS benefits. The videos will answer our members’ and retirees’ most common questions. They will feature Chief Benefit Officer Barbie Pearson, Benefit Services employees and TRS members. Videos to be released later this spring include: *Welcome to Membership*, *Naming a Beneficiary* and *What Tier Am I?* Completed videos will be posted on the [TRS website](http://www.trs.texas.gov) and [TRS’ YouTube page](#) as they become available. Stay tuned!

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 normal business hours.

# TRS announces new way to nominate candidates for the 2019 board election

While online voting has been an option for TRS board elections in the past, for the first time ever, you'll now be able to nominate candidates online by providing an electronic signature.

Beginning this summer, active members will be able to visit our designated online petition site and enter in identifying information. Then, you'll be able to select the candidate you support. Paper petitions will still be available to print from the TRS website ([www.trs.texas.gov](http://www.trs.texas.gov)) or be sent through regular mail upon request. A nominee wishing to use the online petition site can sign up beginning in June.

In the spring of 2019, TRS will hold an election to determine the top three nominees who are eligible for appointment by the governor to fill the public school district employee position on the board. The term of the position is six years, beginning as early as Sept. 1, 2019.

Members of the system who are currently employed in a TRS-eligible position by a public school district, charter school or regional education service center, may have their names listed on the official ballot as candidates by filing an official petition.

Petitions must be signed by at least 250 public school district employees who are TRS members and whose most recent credited service is or was performed for a public school district, charter school or regional education service center. Retirees are not eligible to sign active member election nominating petition forms.

TRS continues to look for ways to improve service for our members. We look forward to your participation in the upcoming election and will have more details in our next issue.

## Alert: Keeping your address current with TRS

TRS is no longer accepting member address changes from your TRS-covered employer. This means you will need to update your address with your employer **and** with TRS.

Your address of record is the address TRS uses to mail confidential information regarding your account and, if you don't opt for direct deposit, TRS uses this address to mail payments owed to you. For security reasons, TRS requires that you notify us of a change of address in one of three ways:

1. Written notice. This letter must contain your social security number or your TRS Participant ID number **and** your signature.
2. *Change of Address Notification* form (TRS 358). You may print this from the [Forms page](#) of the TRS website.
3. Online as a registered user of [MyTRS](#).

**Please note:** If you were not a TRS member prior to the start of the 2017-18 school year, you cannot register for a *MyTRS* account until further enhancements to the self-service portal are complete. We apologize for any inconvenience. We'll have more information on these improvements in future *TRS News* editions.

## TRS-ActiveCare Annual Enrollment for plan year 2018-19 is scheduled for late summer

Annual Enrollment for TRS-ActiveCare participants will begin on July 1, 2018 and end on Aug. 24, 2018. Specific enrollment dates will vary by district, so check with your benefits administrator to find out when you can enroll. This is your annual opportunity to make changes to your health benefits without experiencing a special enrollment event. Please be sure to take the time to consider all your options.

# New federal income tax withholding tables issued by the Internal Revenue Service

The Tax Cuts and Jobs Act (TCJA) enacted by the U.S. Congress and signed by President Trump in December 2017 made certain changes to the Internal Revenue Code provisions affecting individuals for the 2018 through 2025 tax years. The changes could impact the amount of federal income tax withholding for TRS annuitants receiving monthly annuity payments and TRS active members receiving compensation for work performed for their employers:

The TCJA restructured individual federal income tax rates into the following seven brackets and income ranges:

Tax rate	Married filing jointly and surviving spouses	Married filing separately	Head of household	Single individuals (other than surviving spouse and head of household)
10%	Taxable income not over \$19,050	Taxable income not over \$9,525	Taxable income not over \$13,600	Taxable income not over \$9,525
12%	Over \$19,050 but not over \$77,400	Over \$9,525 but not over \$38,700	Over \$13,600 but not over \$51,800	Over \$9,525 but not over \$38,700
22%	Over \$77,400 but not over \$165,000	Over \$38,700 but not over \$82,500	Over \$51,800 but not over \$82,500	Over \$38,700 but not over \$82,500
24%	Over \$165,000 but not over \$315,000	Over \$82,500 but not over \$157,500	Over \$82,500 but not over \$157,500	Over \$82,500 but not over \$157,500
32%	Over \$315,000 but not over \$400,000	Over \$157,500 but not over \$200,000	Over \$157,500 but not over \$200,000	Over \$157,500 but not over \$200,000
35%	Over \$400,000 but not over 600,000	Over \$200,000 but not over \$300,000	Over \$200,000 but not over \$500,000	Over \$200,000 but not over \$500,000
37%	Over \$600,000	Over \$300,000	Over \$500,000	Over \$500,000

The TCJA also increased the standard deduction for taxpayers who don't itemize deductions:

Filing status	Standard deduction
Married filing jointly and surviving spouses	\$24,000
Married filing separately	\$12,000
Head of household	\$18,000
Single individuals (other than surviving spouse and head of household)	\$12,000

The TCJA also eliminated the personal exemptions that taxpayers previously could claim for themselves, their spouses and their dependents.

On Jan. 11, 2018, the Internal Revenue Service (IRS) issued new federal income tax withholding tables for the 2018 tax year reflecting the changes in tax rates and brackets, increase in standard deduction, and elimination of personal exemptions. TRS implemented the new withholding tables for annuitants beginning with the monthly annuity payment for February 2018 and notified annuitants about any changes to their net annuity payments. Active members with questions about when their employers implemented the new tax withholding tables and the resulting impact on their net paychecks should contact their employers' payroll offices.

The IRS also updated the federal income tax withholding calculator on its website and the IRS Employee's *Withholding Allowance Certificate* (Form W-4) and released them on Feb. 28, 2018. The IRS encourages taxpayers to use the updated withholding calculator to estimate appropriate tax withholding for the 2018 tax year, which may help minimize the risk of having too little or too much federal income taxes withheld.

## New federal income tax withholding tables - cont. from page 4

The IRS' updated withholding calculator can be found on the IRS website at <https://www.irs.gov/individuals/irs-withholding-calculator> and the new IRS Form W-4 is available on the IRS website at <https://www.irs.gov/pub/irs-pdf/fw4.pdf>.

TRS annuitants who wish to change their federal income tax withholding elections for their monthly annuity payments may submit the change online by logging into their *MyTRS* accounts, or completing and submitting either a TRS *Federal Income Tax Withholding Preference and Tax Tables Form* (TRS228A) available on the TRS website at [https://www.trs.texas.gov/TRS%20Documents/form\\_228a.pdf](https://www.trs.texas.gov/TRS%20Documents/form_228a.pdf) or the IRS *Withholding Certificate for Pension or Annuity Payments* (Form W-4P) available on the IRS website at <https://www.irs.gov/pub/irs-pdf/fw4p.pdf>. Active members who wish to change their federal income tax withholding for their paychecks should work with their employers' payroll offices to make the desired changes.

## Member education videos coming soon

TRS is pleased to introduce a new series of videos designed to generally explain your TRS pension plan benefits. The videos will answer our members' and retirees' most common questions. They will feature Chief Benefit Officer Barbie Pearson, Benefit Services employees and TRS members. Videos to be released later this spring include: *Welcome to Membership*, *Naming a Beneficiary* and *What Tier Am I?* The following videos are planned to be released during 2018:

- *Employment after Retirement*
- *Selecting a Retirement Benefit Option*
- *Purchasing Service Credit*
- *Disability Retirement*

Completed videos will be posted on the [TRS website](#) and [TRS' YouTube page](#) as they become available. Stay tuned!

## Group retirement sessions planned in Austin

TRS is offering **group** retirement sessions at TRS headquarters in Austin through July 2018. Tuesday, Wednesday and Thursday sessions will be at 9 a.m. and 2 p.m. on the dates listed below. Each session will be limited to 10 members considering retirement on or before Jan. 31, 2019.

Additionally, we are offering two sessions simultaneously each Saturday listed below. Saturday sessions will be limited to 20 members considering retirement on or before Jan. 31, 2019. The Saturday sessions will be conducted **only** at 9 a.m.

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

May	
Tuesday	May 8, 2018
Wednesday	May 9, 2018
Thursday	May 10, 2018
Saturday	May 12, 2018
Tuesday	May 15, 2018
Wednesday	May 16, 2018
Thursday	May 17, 2018
Saturday	May 19, 2018
June	
Tuesday	June 5, 2018
Wednesday	June 6, 2018
Thursday	June 7, 2018
Saturday	June 9, 2018
Tuesday	June 12, 2018
Wednesday	June 13, 2018
Thursday	June 14, 2018
Tuesday	June 19, 2018
Wednesday	June 20, 2018
Thursday	June 21, 2018
Saturday	June 23, 2018
July	
Tuesday	July 10, 2018
Wednesday	July 11, 2018
Thursday	July 12, 2018
Saturday	July 14, 2018
Tuesday	July 17, 2018
Wednesday	July 18, 2018
Thursday	July 19, 2018
Saturday	July 21, 2018

# New and improved: TRS Compact with Texans

TRS is committed to achieving the highest levels of customer satisfaction by delivering services consistent with our mission and in a manner that actively encourages honesty, integrity and ethical behavior among our employees.

At the direction of Jarvis V. Hollingsworth, Chairman of TRS' Board of Trustees, the agency has updated and improved its Compact with Texans located on the [TRS website](#). Chairman Hollingsworth wants TRS' members and retirees to have an easier way to communicate with TRS regarding the quality of services they receive from us.

Below are a number of improvements made to the Compact with Texans:

- 1) The development of a new email address: [customer.relations@trs.texas.gov](mailto:customer.relations@trs.texas.gov). Members and retirees can send their concerns directly to this address.
- 2) The development of a customer communications fillable form so that members and retirees can directly and immediately share their concerns and submit to TRS without ever leaving the site.
- 3) There is now a Compact with Texans link at the bottom of the home page on the TRS website ([www.trs.texas.gov](http://www.trs.texas.gov)). Locate the link and you will be taken directly to the Compact with Texans site with just one click.

Customer communications, including both complaints and concerns, are received by a knowledgeable representative who will respond to you by telephone, letter or email in a timely manner. The Customer Relations unit coordinates, assists with and follows up on complaint resolution within the agency. We consider a complaint as a communication that involves a dissatisfaction with TRS' actions or inaction in service. **Most importantly, TRS strives to acknowledge all communications within five business days of receipt.** Our response and resolution of your concerns remain a top priority here at TRS.

## TRS seeks nominations for TRS-Care Retirees Advisory Committee

*Appointment planned for August 2018*

The TRS-Care Retirees Advisory Committee (RAC) holds public meetings on group coverage, recommends to TRS minimum standards and plan features, and recommends to TRS changes to rules and legislation affecting TRS-Care. The committee meets at least twice a year in Austin.

TRS is accepting nominations through May 31, 2018 for four of the seven positions on the RAC:

- one active school administrator,
- one active teacher, and
- two retired teachers.

Terms for these positions will end Feb. 1, 2022.

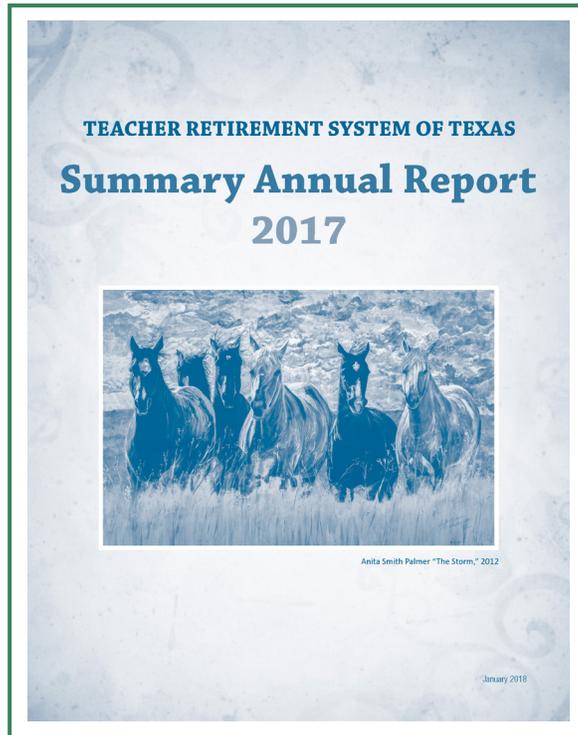
Anyone required to register as a lobbyist under Chapter 305 of the Texas Government Code is ineligible for appointment.

To be nominated, please submit your resume and cover letter to TRS, 1000 Red River Street, Austin, TX 78701, attention Manager of Health and Insurance Benefits Department by **May 31, 2018**. In your cover letter, please explain why you should be considered for the committee and which of the four positions you are seeking.

TRS Trustees will select new RAC members from the list of qualified nominees at their July 26-27 meeting in Austin.

For more information, including the criteria TRS considers when evaluating nominations, visit [www.trs.texas.gov/Pages/health-care\\_news\\_2018\\_RAC\\_nominations.aspx](http://www.trs.texas.gov/Pages/health-care_news_2018_RAC_nominations.aspx).

## Summary Annual Report available on TRS website



TRS' summary of its 2017 *Comprehensive Annual Financial Report* (CAFR) is now available on the agency's website. The summary will help members and retirees who do not wish to read the entire document, but who would like to know the financial highlights that are of greatest importance to them.

The 2017 *Summary Annual Report* features easy-to-read charts, graphs and other key information related to the agency's pension fund and health care programs. With fondness and gratitude, TRS dedicated the 2017 CAFR in honor of former TRS Trustee Anita Smith Palmer. We also wanted to share her beautiful artwork with you throughout the summary report as well.

To view the CAFR summary, visit the TRS website at [www.trs.texas.gov](http://www.trs.texas.gov), select the "About TRS" tab, then click on "Publications," and you will be able to locate the 2017 *Summary Annual Report* under "Financial Reports."

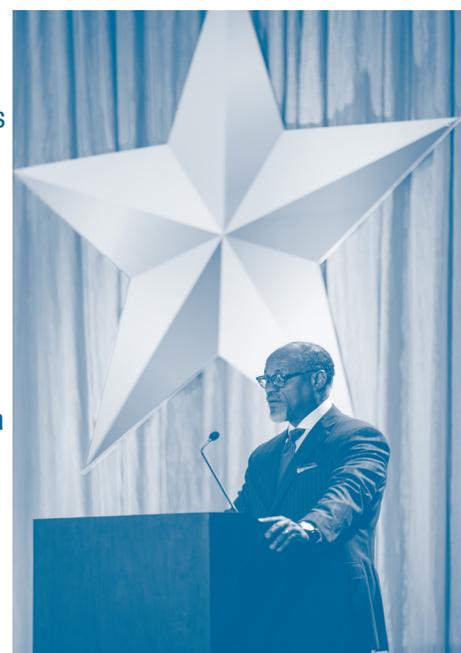
## 2018 Emerging Manager Conference summary

TRS' Investment Management Division (IMD) hosted its 12<sup>th</sup> annual Emerging Manager Conference in Austin on Feb. 2, 2018 and welcomed stakeholders from across the country. About 1,000 participants engaged in the different sessions and panels. Attendees included emerging managers across all asset classes, public and corporate pensions, endowments and foundations, asset allocators, and consultants. The objective of the conference was to provide industry-leading insights and best practices for the small and diverse emerging manager community. It was also a forum for emerging managers to meet investors and industry leaders from across the country.

TRS Board Chairman Jarvis V. Hollingsworth gave a warm welcome to the conference attendees before the sessions began. He also praised the innovative ideas generated by TRS' Emerging Manager Program. This year's conference was anchored by powerful keynote speakers along with three breakout sessions that covered a variety of topics by influential subject matter experts. Following the sessions, there was a networking reception where attendees were able to meet peers, institutional investors and consultants.

President and CEO of the Federal Reserve Bank of Dallas Rob Kaplan offered insights into the current state of the U.S. economy as well as the challenges and considerations that will guide future policy decisions with a specific emphasis on technology-enabled disruption and globalization.

Research suggests that emerging managers are outperforming some of their larger counterparts, making them a great contender for allocation for pension plans as well as family offices, endowments and other institutional investors.



*TRS Board Chairman Jarvis V. Hollingsworth, pictured above, welcomes conference attendees at the recent Emerging Manager Conference.*



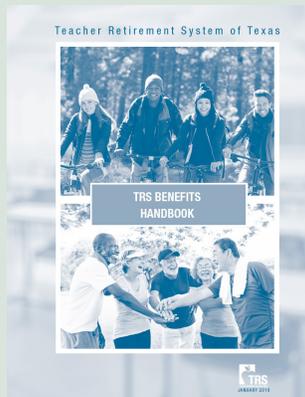
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## TRS website features updated *TRS Benefits Handbook*

TRS recently published an updated version of the *TRS Benefits Handbook*. Members and retirees can view and print a copy of the handbook by visiting the TRS website at [www.trs.texas.gov](http://www.trs.texas.gov). This edition is based upon TRS plan terms in effect as of December 2017 and is designed to help you understand your retirement plan benefits. Changes in the retirement plan, as a result of 2017 legislation or recent TRS rule changes, are easily noted by a star symbol next to the information. This handbook focuses primarily on your retirement plan



benefits but also includes a brief summary of eligibility for the health benefit programs. It is organized chronologically to reflect the sequence of events that you may experience while participating in the retirement plan, from establishing membership in TRS until the time you become ready to retire.

## Best ways to contact TRS

TRS is experiencing a higher-than-normal call volume due to the changes in the TRS-Care health program for retirees and the launching of our new Pension Line of Business system. We apologize for any inconvenience this may cause you. We assure you that our member service representatives are handling each call in the order in which it's received and as quickly as they can.

In order to serve you better, please note that if you are calling about your pension benefits, please call 1-800-223-8778. Our service hours are Monday – Friday, 7 a.m. – 6 p.m.

If you are calling about your TRS-Care health plan, please call 1-888-237-6762. Our service hours are currently Monday – Friday, 8 a.m. – 5 p.m. Beginning June 1, 2018, we will extend our hours to be Monday – Friday, 7 a.m. – 6 p.m.

For other helpful numbers, see the [Contact Us](#) section of the [TRS website](#).