



## Top three prescription drug questions from TRS-Care participants without Medicare

The 2018 TRS-Care Standard plan features an integrated medical and prescription deductible. This means that before the plan begins to pay its share of your health care costs, your combined medical and prescription drug expenses must reach the deductible. This is different from some previous TRS-Care plans, which had copays for prescription drugs. Since the plan has taken effect, TRS has seen a pattern of similar questions. Here are the top three we have received:

### *How can I save money on my prescription drugs?*

Certain generic “preventive” drugs are also available at no cost through TRS-Care Standard, so we encourage you to ask your doctor about switching to a generic brand of medication and check our prescription drug list to see if your medication is covered at no cost under the new plan. You can find the list on the TRS-Care Standard prescription drug website: [info.caremark.com/trscare-standard](http://info.caremark.com/trscare-standard). Not all types of drugs are on this no cost list so if there’s no generic preventive drug available to you, ask CVS for a preferred brand that you can present to your doctor. The drug cost tool can also show you therapeutic alternatives which may be less costly than non-preferred drugs.

If you receive your medications through the CVS Mail Order Pharmacy, you can split the payments for a 90-day supply into three payments over three months.

### *My drug is no longer covered. What do I do?*

The list of drugs (formulary) is not drastically different from the previous pharmacy benefits manager. However, if your drug is not covered, first ask CVS Caremark if they can help you identify a generic or more affordable therapeutic equivalent. Then, present that list to your doctor to see which one may work best to manage your condition.

### *I’m having trouble affording my insulin. What can I do to lower the cost?*

If you obtain your insulin through the CVS Mail Order Pharmacy, you can split the payments for a 90-day supply into three payments over the three months.

For diabetic supplies, you can get preferred test strips, lancets, alcohol prep pads, and needles at \$0 for a 90-day supply at Retail-Plus pharmacies or CVS Mail Order Pharmacy.

You may also qualify for a OneTouch® blood glucose meter at no cost to you. For more details, please contact the CVS Caremark® Member Services Diabetic Meter Team at 1-800-588-4456.

Different insulin drugs vary and have different prices. You save money by choosing a 90-day supply of a preferred brand drug.

### **Contact CVS Caremark**

Please contact CVS Caremark at 1-844-345-4577, 24/7 for payment options, drug costs and account information. You can also find more FAQs on the new prescription drug plan on our website:

[www.trs.texas.gov/Pages/healthcare\\_news\\_201802\\_rx\\_change\\_faqs.aspx](http://www.trs.texas.gov/Pages/healthcare_news_201802_rx_change_faqs.aspx)

# MEMO TO RETIREES FROM Executive Director Brian K. Guthrie

TRS is accepting nominations through May 31, 2018 for four of the seven positions on the TRS-Care Retirees Advisory Committee (RAC). The committee 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. Open positions include one active school administrator, one active teacher and two retired teachers. For information

on how to be nominated, please see the article on page six. Important reminder for participants of the TRS-Care Standard plan: The plan features an integrated medical and prescription deductible. This is different from some previous TRS-Care plans, which had copays for prescription drugs. Understanding your new prescription benefits can mean a significant difference when it comes to your budget. See page one for answers to the top three questions we're hearing from TRS-Care participants without Medicare.

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 located at [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 wel-

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comed about 1,000 participants. It included emerging managers across all asset classes, public and corporate pensions, endowments and foundations, asset allocators, and consultants, all engaged in the different sessions and panels. Read highlights about the conference on page seven.

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 retirees. Videos to be released later this spring include: *Welcome to Membership*, *Naming a Beneficiary* and *What Tier Am I?* Other videos that are planned to be released during 2018 include: *Employment after Retirement* and *Disability Retirement*. Completed videos will be posted on the [TRS website](#) and [TRS' YouTube page](#) as they become available. Stay tuned!

## 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.

***Cont. on page 3***

## Board of Trustees

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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 normal business hours.

## 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.

### Keep your address current with TRS - cont. from page 2

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.

## Annuity payment schedule

TRS annuity payments are issued on the last business day of each month. The following are the annuity issuance dates for the remainder of Fiscal Year 2018.

Annuity month	Payday
May 2018	May 31, 2018
June 2018	June 29, 2018
July 2018	July 31, 2018
August 2018	August 31, 2018

Payments sent electronically to your bank (direct deposit) will be available on payday (last working day of the month). Direct deposit allows your annuity payments to get to you faster and safer than paper check delivery. To sign up for direct deposit, complete form (TRS 278), Direct Deposit Request (pdf), and return the completed form to TRS.

If you receive your annuity check by mail, please allow five working days for mail service delivery. If you do not receive your check within five working days, call TRS toll-free at 1-800-223-8778.

If the check has been cashed, TRS will send you a copy of the cashed check. If the check has not been cashed, TRS will process a stop payment on the original check and request a replacement check. The replacement check will be mailed in seven to 10 days. If the original check then arrives in the mail, do not attempt to cash it, as it will be invalid.

In September 2018, we will post a new schedule for annuity payment dates for Fiscal Year 2019 on the TRS website.

# 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.

# Notice to retirees and beneficiaries about tax withholding preferences

At the start of each calendar year, TRS reminds retirees and beneficiaries, who receive monthly payments, that they can change their federal income tax withholding preferences. You are not required to change your withholding preference if you are satisfied with the amount currently being withheld.

If you wish to see your current withholding preference (such as married with one allowance) and your monthly withholding amount, you may log into your *MyTRS* account to view your current withholding.

If you wish to estimate a new withholding amount, TRS has two withholding calculators:

- You may log into your *MyTRS* account to use a calculator that automatically imports your current annuity and withholding preferences. You can modify your marital status, the number of exemptions and other deductions to estimate changes in your withholding.
- There is also a generic income tax withholding estimate calculator on the TRS website. This does not require you to log into your *MyTRS* account. Instead, you will need to enter the correct information from your pay statement.

To make changes to your withholding preference, log into *MyTRS* and select “Modify Withholding Preference.” You may also change your withholding preference by printing a copy of TRS 228A – *Federal Income Tax Withholding Preference and Tax Tables Form* from the TRS website. Click on the “Retirees and Beneficiaries” tab, then select “FORMS” located on the right side of the menu. Select TRS 228A – *Federal Income Tax Withholding Preference and Tax Tables Form* from the list, and print. For your convenience, the current tax tables are included with the form TRS 228A on the website. If you prefer, you may request the Federal

Tax Withholding Certificate by using our automated telephone system. To do this, call TRS’ Member Services phone number at 1-800-223-8778. Completed forms should be mailed to TRS at the following address:

Teacher Retirement System of Texas  
1000 Red River Street  
Austin, Texas 78701-2698

Any new preference for the amount of withholding applies to future payments only; TRS cannot apply a new preference to any payment already issued.

TRS will withhold federal income tax on monthly annuity payments to retirees and beneficiaries unless you elect not to have withholding apply. You have the right to elect not to have withholding apply to your monthly payments from TRS. Your preference will remain in effect until you revoke it. You may revoke a preference of no withholding at any time by following the instructions in this article.

If you elect not to have withholding apply to your TRS payments, or if you do not have enough federal income tax withheld from your TRS payments, you may be responsible for payment of estimated tax. You may incur penalties under the federal estimated tax rules if your withholding and estimated tax payments are not sufficient.

*Please note: If you are not a U.S. citizen or resident alien of the U.S., TRS is required to withhold 30 percent for federal income tax unless you qualify for benefits under a U.S. tax treaty. If so, you must notify TRS of your eligibility for reduced withholding or exemption from withholding and provide TRS with the required documentation.*

If you have questions regarding your tax withholding status, TRS suggests you contact a tax professional.

## ***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.

# 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/healthcare\\_news\\_2018\\_RAC\\_nominations.aspx](http://www.trs.texas.gov/Pages/healthcare_news_2018_RAC_nominations.aspx).

## Beware of imposters who want to visit you at your home or office

Some members and retirees have contacted TRS to ask whether TRS employees or representatives visit members' homes to discuss TRS benefits. The answer is **no** – TRS staff members and TRS representatives do not go to individual members' and retirees' homes. If someone asks to meet with you in your home, that person does not represent TRS.

Please note that some organizations use names that sound like TRS and solicit TRS members and retirees for the purpose of offering supplemental insurance or investment services. These vendors may send you postcards and email messages. They may also represent that they work with TRS benefits or can advise you regarding TRS benefits and the retirement process. These communications are often sent by private, for-profit groups that may wish to sell you something or promise print-outs containing tax or retirement information for those who respond.

Again, TRS does not initiate contact with you to offer retirement services or promise to advise you regarding the best retirement strategy for you. Please carefully review the materials these solicitors provide before responding. Respond to the solicitors only if you believe their information or services would be to your advantage and you do not mind receiving follow-up information. Information about your potential retirement benefits from TRS is available to you at no cost from TRS.

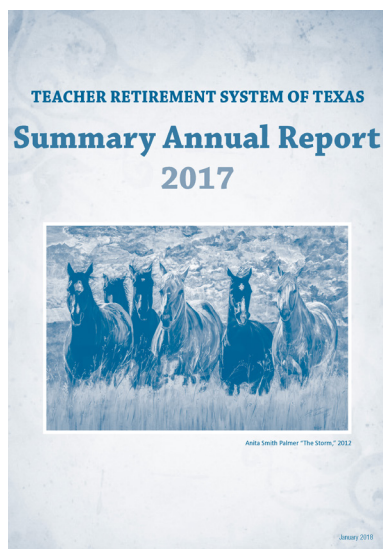
### Here are some common sense guidelines you may wish to follow with any unsolicited vendors:

Do not divulge personal or financial information unless you have an established business relationship with the requestor or are certain of the trustworthiness of the representative. Before clicking on a link in an unsolicited email or providing personal information to any requestor, consider how it may be used or misused, including what assurances you have received that your information will be confidentially maintained rather than sold. Some links embedded in emails from unknown senders are used to mine data from your personal computer. As with any unsolicited telephone calls, emails, or in-person contact, use caution providing information and/or access to your home.

## 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 located 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."

## 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!

## 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](#).