

AUGUST 2018



RETIREE
EDITION



TRS NEWS



THE NEWSLETTER of the TEACHER RETIREMENT SYSTEM of TEXAS

TRS Board adopts new Investment Return Assumption

After careful evaluation and deliberation, the TRS Board of Trustees voted to lower the Investment Return Assumption (IRA) for the TRS Pension Trust Fund from 8 to 7.25 percent at their July meeting. This action is the result of a recent **experience study**.

The experience study determined that while most of the actuarial assumptions were accurate, the IRA needed to be adjusted due to changes in the global economic outlook. TRS examined 11 different economic outlooks from nine independent investment advisors. The data showed the average expected IRA ranged from 7.07 to 7.32 percent.

EXPERIENCE STUDY



The purpose of an experience study is to determine if actual behavior, plan provisions, and investment returns have matched assumptions, or if adjustments are necessary. The study also examines whether certain assumptions match anticipated future experience and observable economic data.

FUNDING PERIOD



The number of years required to pay off or eliminate the unfunded actuarial accrued liability.

So what does this mean for you?

First, the action taken by the TRS Board of Trustees will not change your annuity benefit payment. Only the Texas Legislature can make annuity benefit changes.

Second, lowering the IRA increased the TRS Pension Trust Fund's **funding period**, a measure used to determine actuarial soundness. Benefit enhancements, such as cost of living adjustments, may only be considered when the funding period is less than 31 years.

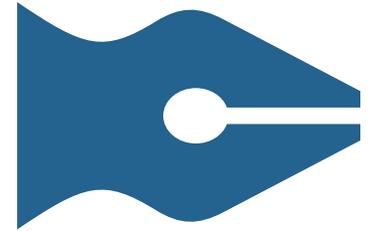
As a result of lowering the IRA, TRS will request a contribution rate increase between 1.5 and 2 percent in the budget request to the Texas Legislature. A contribution rate increase in this range would significantly improve the funding period. Whether the increase will come from active members, the state, school districts, or some combination of these is a decision for the Texas Legislature. The next legislative session begins in January 2019.

More information about the IRA can be found on the [TRS website](#).



Memo to Retirees

from
Executive Director
Brian K. Guthrie



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Executive Director

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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.

Although every edition of the *TRS News* is filled with important news, I hope you will carefully read the article in this newsletter about the TRS Board of Trustees' action at July's meeting regarding the Investment Return Assumption (IRA). The board voted to lower the current 8 IRA to 7.25 percent. We believe the decision is in the best interest of the TRS Pension Trust Fund due to the changes in the global economic outlook, but we understand many of you may have questions.

Please find out the facts behind the IRA change on page one.

In a continuous effort to improve customer service, we are pleased to announce that we are issuing an official TRS Membership Card to participants. We began mailing the cards, along with an informational letter, late this summer. Your new membership card is unique to you and can be a handy resource to use when communicating with us.

Read more about how the card will benefit you on pages four and five.

Knowing details about your medical coverage is very important when it comes to what's covered and what's not. This is especially true when it comes to having diabetes and needing medical supplies. In this issue, we provide important information for both TRS-Care participants with Medicare and TRS-Care participants without Medicare.

Read more on page three.

For the twenty-eighth consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) has awarded TRS a certificate of achievement for its *Comprehensive Annual Financial Report (CAFR)* for the year ending Aug. 31, 2017.

Please see page eight on where to view the 2017 CAFR.

Here at TRS, we're constantly looking for ways to provide useful information to our active members and retirees. One of those ways is our new Member Education video series. Earlier this spring, TRS kicked off the series with two videos – *Welcome to Membership* and *Naming a Beneficiary*. The videos are designed to provide answers and information to the most commonly asked questions about TRS' member pension benefits. If you're a retiree who's thinking about returning to work, you'll especially be interested in one of our upcoming videos on employment after retirement.

To find out when the new videos will be released, read the article on page six.

After a typically hot summer, all of us at TRS wish you a wonderful, cooler fall season!

Know your diabetes coverage and save money



If you have diabetes, save money by knowing which supplies are covered under your medical benefit and which are under your prescription coverage. Use these charts as a guide when purchasing supplies to manage diabetes for the lowest possible cost.

TRS-Care participants without Medicare

Medication/Supply	Participants without Medicare
Insulin	CVS Caremark
Test strips, lancets	CVS Caremark (You pay \$0 if you choose the preferred brand – One-Touch.)
Monitor	CVS Caremark (You pay \$0 if you choose the preferred brand – One-Touch.)
Insulin pumps	Aetna
Insulin syringes, insulin needles, alcohol swabs, gauze	CVS Caremark (You pay \$0 for 31-day supply of needles and syringes if you fill insulin first and on the same day.)

TRS-Care participants with Medicare

Medication/Supply	Participants with Medicare
Insulin	SilverScript
Test strips, lancets	Humana (SilverScript can also cover your supplies but you will pay a copay, instead of \$0.)
Monitor	Humana (You pay \$0 for a preferred brand: Roche Accu-Chek Nano®, Roche Accu-Chek Aviva Connect®, Roche Accu-Chek Aviva Plus®, and Humana Pharmacy® TRUE METRIX® AIR.)
Insulin pumps	Humana
Insulin syringes, insulin needles, alcohol swabs, gauze	SilverScript (You pay a copay.)

* Alcohol swabs, lancets, test strips, needles, and syringes are at no cost to participants if a 90-day supply is filled at a Retail-Plus pharmacy or through mail order. Gauze is NOT included.

New TRS membership cards mailed





In a continuous effort to improve service to our members, we are pleased to announce that we are issuing official TRS Membership Cards to participants. You can expect to receive your new card this summer. Your membership card is unique to you and can be a handy resource to use when communicating with us. It includes information that will be helpful when contacting our Telephone Counseling Center and using the automated telephone system or speaking with a Benefit Counselor. Please note that your name and unique Participant Identification Number (PID) are printed on the front of the card. The back of the card includes important information about our operating hours and toll-free numbers. **For questions related to your new TRS Membership Card, please call 1-844-203-5280.**

Along with issuing this card, we are launching a new automated telephone system in September.

Here's what to expect:

- When you call TRS, please be ready to provide personal information such as your PID (found on your membership card), social security number, and date of birth.
- If you call from a telephone number that is currently on file with TRS, you will be able to easily authenticate your identity by providing your social security number.
- If you call from a telephone number that is not currently on file with TRS, you will be asked to provide personal information, including your PID, to authenticate your identity.
- There will no longer be a need to set up and maintain a Personal Identification Number (PIN).

Helpful tips:

- Keep this card in your wallet or another safe, convenient place.
- File this helpful information with your other important TRS records.
- Please note: This card is not related to your health insurance card and cannot be used in place of your health insurance card.

STAY UPDATED!



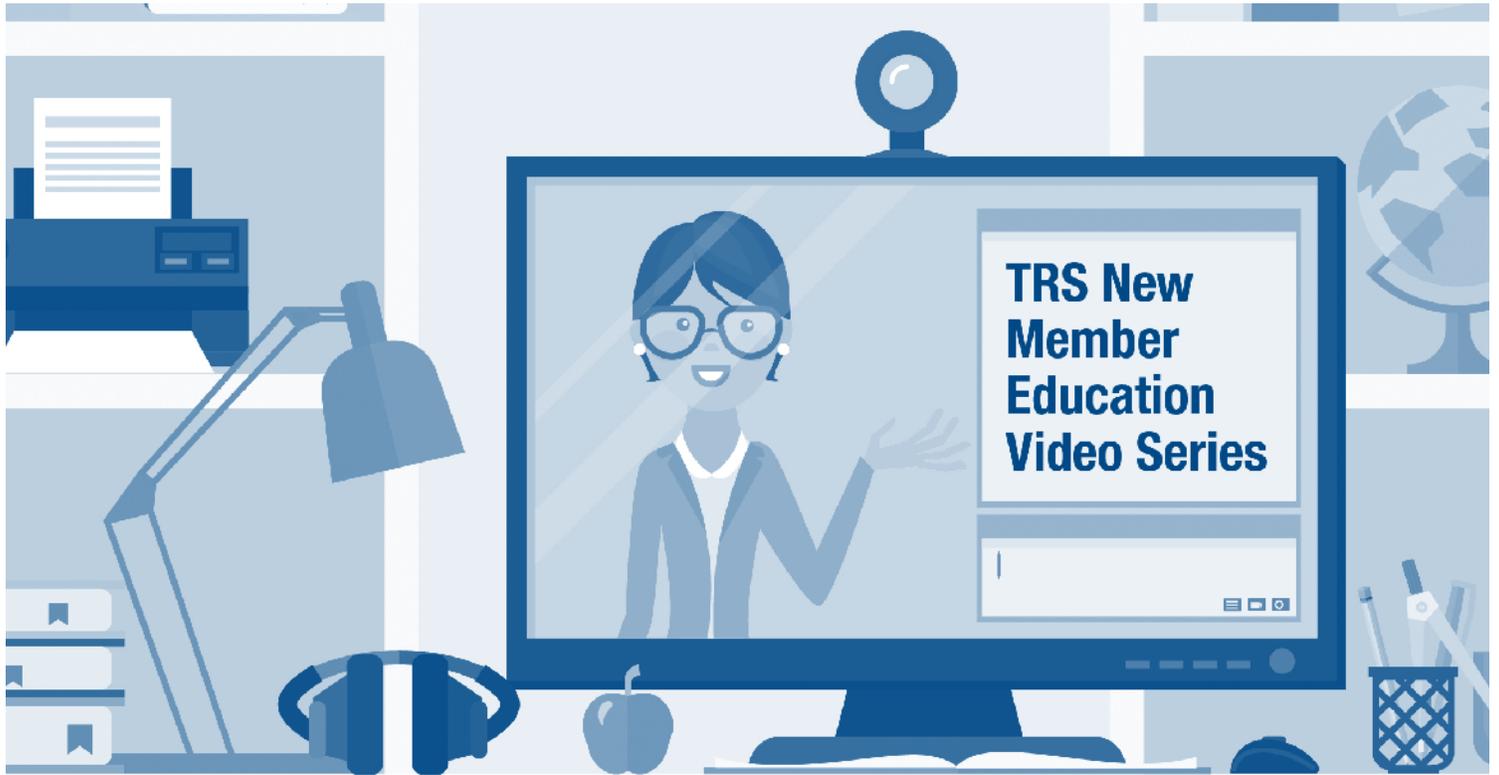
Need answers fast? Our automated call system is convenient to use at any time of the day! No need to remember a PIN!



Check out our new **Member Education videos** by following us on YouTube at [TRSoftexas](https://www.youtube.com/TRSofTexas).



Need general information? Visit our website at www.trs.texas.gov.



New member education videos released



Earlier this spring, TRS kicked off our new Member Education video series with two videos – *Welcome to Membership* and *Naming a Beneficiary*. The videos in this series are designed to provide information and answers to the most commonly asked questions about TRS member pension benefits. If you are a new, mid-career, late-career, or a retired member, you'll find something useful in each video. During the course of your career and into retirement, it's important to know about your benefits. Staying in touch with TRS and understanding your benefits will pay off in the long run.

More recently, TRS released the third video in our Member Education video series, *What Tier Am I?* Your membership tier is dependent on a number of factors, but with the help and guidance of a TRS Benefit Counselor narrating this video, you'll be able to quickly learn what tier you are as well as the associated benefits.

The next videos in the series, *Working After Service Retirement*, will answer some of our members' and retirees' most common questions about returning to work after a service retirement.

Other future videos will include:

- *What Every Named Beneficiary Needs to Know*
- *Selecting a Retirement Benefit Option*
- *Purchasing Service Credit*
- *Disability Retirement*

To watch complete videos as they are released, visit the [TRS Member Videos](#) page on the TRS website or subscribe to our YouTube channel [TRSoftexas](#).

A Summary of Benefits and Coverage (SBC) is available for each health plan offered under both TRS-Care (excluding Medicare Advantage plans) and TRS-ActiveCare.

Each SBC provides an overview of the benefits and services the health plan covers and what you can expect to pay for such services for the plan year. The SBCs for the TRS-ActiveCare 2017-18 plan year and for the 2018 TRS-Care plan year are currently available. The SBCs for the 2018-19 TRS-ActiveCare plan year will be available after Sept. 1, 2018; the SBCs for the 2019 TRS-Care plan year will be available after Jan. 1, 2019.



NOTICE OF

✓ **Summary of Benefits and Coverage**

✓ **Privacy Practices**

• **TRS-ActiveCare participants:**
Locate the SBCs by visiting your plan's website at www.trsactivecareetna.com and click on the Documents & Forms tab located at the top of the webpage.

• **TRS-Care participants:**
Locate the SBCs by visiting your plan's website at www.trscarestandardaetna.com and click "Non-Medicare retiree" and then the Documents & Forms tab located at the top of the webpage.

If you have questions about your benefits or would like to request a paper copy of an SBC, free of charge, please call:

- TRS-ActiveCare Customer Service: **1-800-222-9205**
- TRS-Care Customer Service: **1-800-367-3636**
- Hearing-impaired individuals should dial **Relay 711**.

A Notice of Privacy Practices (NPP) is available to you. The NPP explains how TRS may use and disclose your protected health information, as well as your rights and the obligations of TRS with respect to that information. You can locate the NPP by visiting the Publications page on the TRS website: www.trs.texas.gov.

TRS has recently added language to its NPP which clarifies that under certain circumstances, you will have an opportunity to either agree or object to the use or disclosure of your protected health information by TRS.

For more information regarding TRS-Care enrollment and eligibility, please contact the TRS Health and Insurance Benefits Department: **1-888-237-6762**.

For more information regarding TRS-Active Care enrollment and eligibility, please contact your Benefit Administrator.

1000 Red River Street
Austin, Texas 78701-2698

CHANGE SERVICE REQUESTED

TRS receives award for financial reporting



For the twenty-eighth consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) has awarded TRS a certificate of achievement for its *Comprehensive Annual Financial Report* (CAFR) for the year ending Aug. 31, 2017. The award is the highest form of recognition presented to a public employee retirement system for high standards in government accounting and financial reporting. We take great pride in receiving this important award for 28 years in a row and thank the combined efforts of TRS staff members throughout the agency, Gabriel, Roeder, Smith & Company (the system's actuary consultant), and the Texas State Auditor. **To view the 2017 CAFR, please find it located on the Publications page of the TRS website www.trs.texas.gov.**