

MARCH 2021



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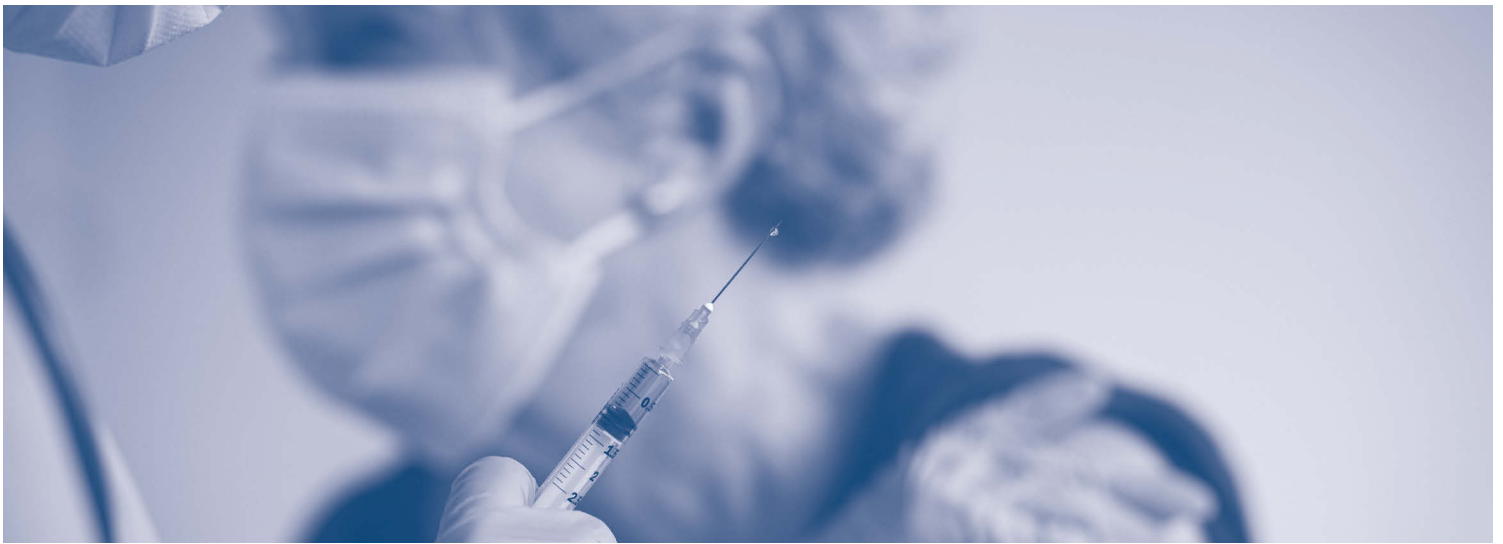


TRS NEWS



THE NEWSLETTER of the TEACHER RETIREMENT SYSTEM of TEXAS

TRS Health Plans Cover COVID-19 Vaccinations at 100%



As the U.S. Food and Drug Administration (FDA) approves COVID-19 vaccines and they get distributed, we want you to know that all TRS health plans will pay 100% for the vaccine which is part of your preventive health care.

State and federal guidelines determine when different groups of people are eligible to receive the vaccine. [The Texas Department of State Health Services \(DSHS\)](#) will update their website as they offer the vaccine to more recipients. TRS has also created a [resource hub on TRS' website](#) that will be updated as we receive information.

Here are some important things to know:

- **TRS-Care Standard participants** have coverage under both medical and prescription benefits. Bring both your Blue Cross and Blue Shield of Texas (BCBSTX) ID card and CVS Caremark ID card as proof of coverage.
- **TRS-Care Medicare Advantage** participants have coverage under medical benefits. Present your UnitedHealthcare ID card as proof of coverage.
- DSHS has an [interactive map of locations and providers](#) distributing the vaccine.
- There's a limited supply of vaccines during the initial release*. After you identify a [local provider or clinic](#), be sure to call ahead and ask about availability.
- If you have a high-risk condition, check with the provider or clinic about what, if any, proof of condition they may require.

Please visit our website for more detailed information.

If you have further questions, we encourage you to visit the [Texas Department of State Health Services FAQ](#) page. **TRS does not administer vaccines, therefore calling your provider with more specific questions is the fastest way to get answers.**

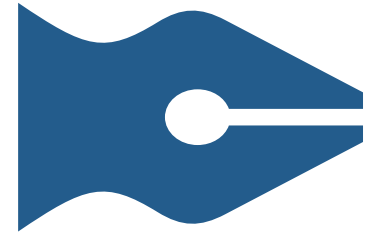
We're here to be your partner in staying healthy and safe throughout the pandemic. You can also stay [up to date on your COVID-19 health plan coverage by visiting our website](#).

**This article was written during the initial release in January 2021. Supply and demand may change by the newsletter publishing date.*



Memo to Retirees

from
Executive Director
Brian K. Guthrie



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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.

Greetings to our retirees,

As you may know, the 87th Texas Legislature is well underway. Our staff is vigilantly monitoring which proposed bills may affect TRS programs and operations. While TRS isn't allowed to advocate regarding legislative changes, we'll keep you informed of adopted legislation that could impact TRS benefits or health care plans. Watch for our next issue of *TRS News* later this summer as it will include key takeaways from the session.

As health concerns are probably still top of mind, you can feel more at ease knowing all TRS health plans will cover the COVID-19 vaccine at no cost. We're here to help you stay safe and healthy throughout the pandemic. One thing the pandemic hasn't changed is the opportunity to take part in your retirement system. I hope you find this newsletter to be helpful as it includes resources and ways to stay active and informed.

As spring begins, I look forward to the warmer weather and spending time outdoors. With the start of a new season also comes time for reflection. We've all come a long way since this time last year and learned inventive ways to adapt to changing conditions. We thank you for your patience during this time of change. And as always, we thank you for your commitment in allowing us to serve you each day.

Continue to stay in touch with TRS and take care,
Brian

Get Ready for RAC Nominations

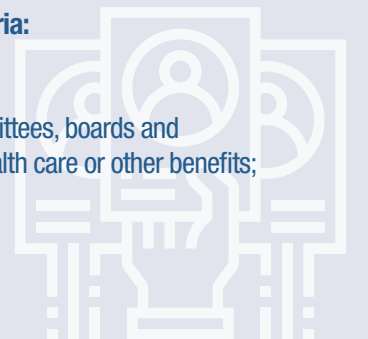
Looking to make more of an impact at TRS? The TRS Board of Trustees will appoint four new members to the **Retiree Advisory Committee (RAC)** in September 2021. These four seats will be held by positions like a retired school administrator, an active teacher and a retired teacher.

The committee meets twice a year in Austin and is responsible for holding public meetings on group coverage, recommending minimum standard and plan features, and recommending changes to rules and legislation affecting TRS-Care.

If you or someone you know would be a good fit for a position, **TRS will accept nominations from May 1 through Aug. 15.**

TRS evaluates nominees based on the following criteria:

- Length of experience as a TRS member and/or retiree;
- Participation in education-related volunteer programs;
- Professional activities and experience serving on committees, boards and decision-making organizations, especially related to health care or other benefits;
- Credentials, awards or other meritorious recognition;
- Participation in TRS-Care (for retired nominees);
- Geographic diversity; and
- Experience in health care benefits or a related field.



Looking Ahead: Working to Better Keep Your Online Information Safe and Secure

In the coming months, a new security enhancement will be coming to *MyTRS*, the online access part of the TRS website.

The security enhancement is called two-factor authentication. This is another way to verify your identity upon logging in to your *MyTRS* account. The security measure will require you to enter a unique code, that TRS will send you, each time you log in. Two-factor authentication will add another layer of protection to make sure only you can access your online account.

Watch for more detailed information in future newsletters, on our website and TRS social media channels. Thank you for your patience as we work to better keep your member account information safe and secure online.



Learn More about TRS-Care Medicare

If you're enrolled in TRS-Care and will soon be eligible for Medicare, TRS has the resources to prepare you for this upcoming milestone. On the [Turning 65 TRS webpage](#), you'll find information such as:

- What is Medicare?
- Enrolling in Medicare
- [Medicare Comparison Checklist](#)
- How to Enroll in TRS-Care Medicare Advantage
- What to do After You Enroll in Medicare
- Details about the TRS-Care Medicare Advantage & Medicare Rx Plans

You can also watch TRS' [Turning 65 Soon?](#) video or watch a recording of the recent webinar, [TRS-Care Medicare & You](#).

The *TRS-Care Medicare & You* webinar is a new quarterly webinar that TRS participants can attend to learn the ins-and-outs of the TRS-Care Medicare plans. Attending a live webinar gives you an opportunity to ask TRS, UnitedHealthcare and SilverScript staff specific questions about the plan.



The next live webinar will be held on **Friday, May 7 from 1-3:30 p.m.** You can sign up or find the next date on our [Health Care Events webpage](#).

Notice to Retirees and Beneficiaries About Tax Withholding



Are you receiving monthly payments from TRS? If so, it's a good time to review and consider changing your federal income tax withholding preferences.

You are not required to change your withholding preference if the current withholding meets your needs. This article provides instruction on how to check your current withholding preference and how to change it **only if you wish to do so**. If you are satisfied with your current withholding amount, you **do not** need to take any action.

You can **view** your current withholding preference and monthly withholding amount through [MyTRS](#).

You can **estimate** a new withholding amount using two TRS calculators.

- **[MyTRS Withholding Calculator](#)**

This calculator is located in [MyTRS](#). Log in and select the link to the Withholding Calculator in the left-hand menu. The calculator will display your current annuity and withholding preferences. Simply follow the instructions. You can change your marital status, the number of exemptions and other deductions.

- **[Generic Withholding Calculator](#)**

This calculator is located on the TRS website; you do not have to log in to [MyTRS](#). It does not import any data; you enter your data to perform the estimate.

If you wish, you may **change** your withholding preference through [MyTRS](#). Log in and select "Modify Withholding Preference." If you prefer to submit a paper form instead, you may print a copy of the [Federal Income Tax Withholding Certificate](#) form (TRS 228A) from the TRS website. Then, prepare, print and sign. The form provides a link to the current tax tables. Alternatively, you may call TRS at 1-800-223-8778 and use our automated telephone system to request the form. Mail your completed form to TRS at 1000 Red River St., Austin, TX 78701 or fax to 512-542-6597.

New withholding preferences apply to future payments only. TRS cannot apply a new preference to payments already made.

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. 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.

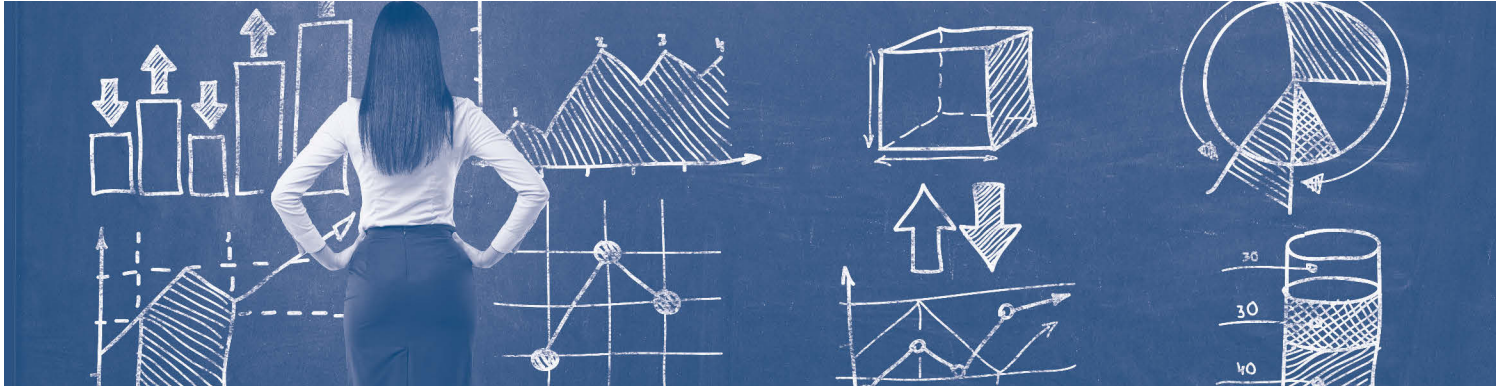
Please note: If you are not a U.S. citizen or resident alien of the U.S., you may not forgo having withholding apply to your TRS payments. TRS is required to withhold 30% for federal income tax unless you qualify for benefits under a U.S. tax treaty. If so, you must notify TRS of your eligibility for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

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

Inside the IMD: A Series of Articles about TRS' Investment Management Division

What is the Difference Between Public and Private Markets?

By: Jase Auby, TRS Chief Investment Officer



Investing is an activity that can be very simple. For example, an investor can simply purchase equity and bond mutual funds. Or, it can be complex with many decisions regarding the mix of investment types (stocks, bonds, real estate) and investment styles (active, passive, quantitative, fundamental). As you might imagine, running a \$170+ billion pension fund tends to be more complex. Part of that complexity involves how your pension fund is diversified, or said another way, how investment dollars are placed into the mix of investment types.

One of the decisions we make is whether to invest in public markets or private markets.

- **Public Markets** – As nearly any investor can do, TRS buys equity shares in publicly traded companies. We can profit by selling shares for more than we paid or by receiving stock dividends that a company might provide shareholders from time to time.
- **Private Markets** – Alternatively, TRS can use external managers or directly purchase stakes in privately managed assets. These assets do not trade on the stock market and are not generally available to the general public. These private assets include businesses, real estate, energy, agriculture or infrastructure. Some of the assets are built from the ground up. External managers have skill in managing these assets and often benefit from having a long-term focus away from the quarter-to-quarter public eye. By committing to the long term, TRS can earn a premium in excess of where similar assets perform in the public markets.

TRS invests 35% of its assets in private markets. This is allocated in the trust’s benchmark to private equity (14%), real estate (15%) and energy, natural resources and infrastructure (6%).

Our portfolios within the private markets group have performed quite well in recent years, well in excess of the trust’s assumed rate of return of 7.25%:

External Private Markets Portfolio	5-Year Internal Rate of Return
Private Equity	11.6%
Real Estate	10.7%
Energy, Natural Resources and Infrastructure (ENRI)	5.7%
Total	10.4%

Source: https://www.trs.texas.gov/TRS%20Documents/imc_committee_book_july2020.pdf p. 49

The largest factor behind our ability to commit to the private markets is the long-term focus of our fund. The average dollar in the fund will not be needed to pay benefits for many years. Accordingly, we can be patient with our investments and allow them to accrue return in the private markets while we hold them through dynamic economic and market cycles.

I am proud of the efforts of our External Private Markets Team who invests your assets in these important asset classes. Thank you for the opportunity to earn your trust every day!

TRS encourages members to submit questions about your Investment Management Division for future *TRS News* articles. Contact TRS Communications with your ideas: rob.maxwell@trs.texas.gov.

Accessing Opportunity Virtually – Annual TRS Emerging Manager Conference Held Despite Pandemic

The ongoing effects of the global COVID-19 pandemic did little to dissuade investment professionals from gathering and lining up opportunities at the 16th annual TRS/ERS Texas Emerging Manager Conference. Total participation at this year’s conference, held virtually for the first time, surpassed prior-year numbers. The virtual environment drew around 3,800 participants, according to organizers within TRS’ Investment Management Division.

We are really proud that TRS and our conference partner Employees Retirement System of Texas continue to be such a networking draw year after year for small & diverse investors and capital providers. It shows the value we bring to all parties.

Program Head Kirk Sims

Historically, Austin’s Convention Center has been the venue for the event which, in 2020 drew around 1,800 people. For this year’s event held Jan. 26, organizers recreated the event via video conference technology. A well-attended draw called the Allocator Hall, first introduced in 2020 was reimagined online this year. The Hall allowed those from small investment firms seeking capital to make introductions one-on-one with large institutional allocators, such as TRS. The Hall was extremely productive, with more than 1,800 meetings set during the six-hour period.

This year’s keynote speaker was retired four-star general **Colin Powell** who served as the 65th U.S. Secretary of State from 2001 to 2005. Powell shared a virtual stage and talked with TRS **Board of Trustees’ Chair Jarvis Hollingsworth**.

TRS’ Emerging Manager Program is one of the world’s most established. Since 2005, it has formed alliances with firms representing all major asset classes, more than half of which are minority- or woman-owned. To date, TRS has committed \$4.5 billion dollars to 190 managers across 323 investments. Seven of those money managers have performed so well, they have ‘graduated’ to full portfolio manager status and now manage a collective \$3.0 billion for our educators’ pension fund in Texas.

“TRS members benefit from this program over the long term,” said Hollingsworth. “Typically, when TRS investment teams first form a relationship with a talented individual in this space, their firm is small. But over time, as the firm grows in size and grows its successes, the pension fund shares in those successes in the form of investment returns.”



Conference organizers this year digitally recreated the look and feel of a major convention center including a main hall and break-out ‘rooms.’

Miss a TRS Board Meeting? We’ve Got You Covered

Did you miss a previous TRS board meeting or do you want to revisit a specific discussion?

We provide access to on-demand viewing of board meeting webcasts. This allows you to watch previous presentations whenever you want!

Find references, website links and webcast archives that provide more information on board decisions at https://www.trs.texas.gov/Pages/board_meeting_webcasts.aspx.

Follow Along: Long-Term Space Planning Discussions Continue in 2021

TRS continues to work on identifying an appropriate generational solution for its long-term facility needs.

As the state of Texas' population grows, TRS membership grows. To meet our increasing membership and business needs, we've added staff over the years and are running out of space in our current locations. For that reason, TRS continues to look for a space solution that will benefit the agency and its members for many years to come.

In addition to determining where TRS can best serve you for the next 20-30 years, the solution for long-term facilities must also be: cost effective; consider all stakeholders; and support the goal of consolidating all Austin headquarters staff into TRS-owned facilities. Our board members and executive leadership will take into account the expressed desire of members to meet with TRS counselors in person, as well as the abilities and successes of staff working from home and at the office.

We will keep assessing long-term impacts of the pandemic on business operations over the upcoming months. Long-term facilities discussions will take place at upcoming board meetings this year. Tune in to the webcasts to follow the discussion. You can find links to webcasts and all meeting materials at www.trs.texas.gov.



Using Your TRS-Care 2021 Health Plan

On Jan. 1, TRS began a new coverage year for TRS-Care with two new health plan administrators – Blue Cross and Blue Shield of Texas (BCBSTX) for TRS-Care Standard and UnitedHealthcare for TRS-Care Medicare Advantage.

Both plans have the same rates and benefits as the 2020 plan year. But with the new vendors also comes new programs and wellness initiatives.

TRS-Care Standard

- 24/7 access to Personal Health Guides at 1-866-355-5999
- 24/7 access to nurses through NurseLine at 1-833-968-1770
- Health advisors to help manage chronic conditions and post-hospitalization care
- [Well onTarget virtual portal](#) that keeps track of your health conditions and wellness goals in one place

Visit www.bcbstx.com/trscarestandard to learn more about your coverage and all of the benefits that come with it.

TRS-Care Medicare Advantage

- 24/7 access to nurses at 1-877-365-7949
- UnitedHealthcare House Calls
- Meal deliveries after hospitalizations
- Discount programs for over-the-counter products

UnitedHealthcare has created a virtual education center on their website that participants can use to explore their plan and wellness options. Visit www.uhcvirtualretiree.com/TRS-CareMA.

You can also find all of your TRS-Care 2021 plan information in one spot on TRS' website. Visit www.trs.texas.gov/pages/trs-care2021.



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2020 *Popular Annual Financial Report (PAFR)* Available on TRS Website

TRS' summary of its 2020 *Comprehensive Annual Financial Report (CAFR)* is now available online.

The summary has been renamed the *Popular Annual Financial Report (PAFR)*. The PAFR presents financial information in a very easy-to-understand format and will help members who do not wish to read the full CAFR. It features easy-to-read charts, graphs and other key information relating to the TRS pension fund and health care programs.

To view the [2020 PAFR](#), visit the TRS website at www.trs.texas.gov, select the "About TRS" tab, then click on "Publications," and then "Financial Reports."

2020 *Actuarial Valuation Report* Available Online

The [2020 Actuarial Valuation Report](#) for the pension fund is now available.

The report describes the current financial condition of TRS. It also includes an analysis of changes in the system's funded status. Valuations are prepared annually, as of Aug. 31 of each year.

You can find the report on the Publications page of the TRS website.

TRS Board Adopts Member Engagement Policy

TRS is always looking for ways to improve how we communicate with and provide information to you, our members.

At the December board meeting, the TRS Board of Trustees adopted a member engagement policy. The policy will enhance and build on the ways we receive feedback and communicate with members.

You can learn about the new policy by visiting the [December 2020 board meeting archives](#) on the TRS website.