

NOVEMBER 2020

TRS NEWS



THE NEWSLETTER of the TEACHER RETIREMENT SYSTEM of TEXAS

TRS-Care in 2021: Care You Can Count On



TRS is excited about new changes coming to TRS-Care in 2021. On Jan. 1, Blue Cross and Blue Shield of Texas (BCBSTX) will be the new medical plan administrator for TRS-Care Standard and UnitedHealthcare (UHC) will be the new medical insurer for TRS-Care Medicare Advantage. **Remember that the current rates and benefits will stay the same through 2021.**

We're committed to supporting you and keeping you informed about vendor changes to the TRS-Care plans. As we look toward the 2021 plan year, we want you to be aware of some upcoming dates and things to look for in the mail:

December 2020: All participants will receive new medical and pharmacy ID cards. Information about transition of care will also be sent to participants.

Jan. 1, 2021: The new plan year begins, which means that each participant's deductible and maximum-out-of-pocket costs will reset back to \$0. Participants will need to use their new ID cards when accessing care and will now have access to their online member account.

If you have any questions about your new coverage or the transition process, you can reach out to TRS or the new vendors directly.

TRS Health & Insurance Benefits Department: 1-888-237-6762, Monday – Friday, 7 a.m. – 6 p.m. CT

BCBSTX Customer Service: 1-866-355-5999, 24 hours a day, 7 days a week

UHC Customer Service: 1-866-347-9507, Monday – Friday, 7 a.m. – 6 p.m. CT

1099-R Forms to be Mailed in Early 2021

In late January 2021, TRS will send 1099-R forms to those who have received one or more payments from TRS during calendar year 2020.

The 1099-R is an Internal Revenue Service (IRS) form that the recipient uses to report to the IRS any distributions paid by TRS during the prior calendar year. If you are not a U.S. citizen or resident alien of the U.S., TRS will provide you with and report your payment(s) to the IRS on a 1042-S form instead of on a 1099-R form.

From the time the 1099-R and 1042-S forms are distributed in January until April 15, TRS receives numerous requests for duplicate copies. Due to confidentiality requirements, TRS cannot provide the information over the phone or by fax. **The duplicate copies must be mailed.**

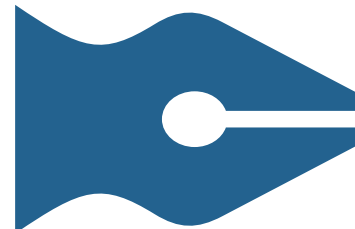
However, if you wish, there is a way you can access 1099-R information any time you want it – online! If you are a retiree or payment beneficiary and have registered for *MyTRS*, you can view and print an electronic copy of your 1099-R form. At this time, 1042-S forms are not available online.

Please refer to the [1099-R and 1042-S information and FAQs](#) on the TRS website for additional information.



Memo to Retirees

from
Executive Director
Brian K. Guthrie



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Greetings to our retirees,

For all of us, 2020 has been an unprecedented year. We imagine this year has presented challenges for you and your families as well. To keep all our members and employees safe, we've been conducting all meetings virtually for the past several months. In late October, TRS started allowing on-site member visits in a limited capacity based on advance reservation. See **page 7** for more information on this limited reopening. As we enter the new year, we're looking forward to the day we can start seeing all our members in person again.

If you have not already done so, we highly encourage our retirees to enroll in direct deposit. Direct deposit allows your annuity payments to get to you faster and safer than paper check delivery. This can help eliminate any worries associated with receiving your annuity payments when unexpected events occur. Learn how to enroll on **page 3**.

Make sure to watch your mailbox – in late January 2021, TRS will mail 1099-R forms to those who have received one or more payments from TRS during calendar year 2020. Also, retirees participating in TRS-Care who are not eligible for Medicare will receive a Form 1095-B from TRS. Find more information on these forms inside this edition.

As a reminder, the 87th Texas Legislature will convene on Jan. 12, 2021. We don't yet know what legislation will be considered, but it's always possible that proposed bills may affect TRS programs and operations. While the final status of many bills may not be known until June, we understand many of you are very interested in any legislation involving TRS programs. To learn how to stay informed, please refer to our article on **page 8**.

TRS is also excited to unveil new changes coming to TRS-Care in 2021! Retirees enrolled in the TRS-Care Standard and TRS-Care Medicare Advantage plans will have new medical plan administrators starting Jan. 1. To stay informed, check out the article on **page 1**. It includes important information on upcoming dates and things to look for in the mail.

You're probably aware that the COVID-19 pandemic gave financial markets a good rattle beginning in late February. Now, most public stock and bond markets have rallied and regained much of their value, and the same is true for your TRS pension fund. Find out how your investment division works for you on **page 4**.

At this time, the majority of TRS staff are still working remotely. Those who have returned to the office are taking all safety precautions and guidance given by public health officials. We're continuing to assess the current situation and move beyond limited, appointment-only in-person meetings with members once it is safe to do so. Please check the TRS website at www.trs.texas.gov and TRS social media channels for future updates.

Finally, from all of us here at TRS, we wish you continued good health and a safe holiday season.

Brian



Stay Prepared, Enroll in Direct Deposit

We've all had to make some adjustments to keep up with the challenges brought to us by the current pandemic. Although you can't predict or stop an emergency from happening, you can plan ahead to make sure you're prepared.

One step we highly encourage you to take is to enroll in direct deposit. This can help eliminate any worries associated with receiving your annuity payments when unexpected events occur.

Direct deposit allows your monthly annuity payments to be sent electronically straight into your bank account. This method is much safer and faster than receiving a paper check by mail.

All you need to do is complete [Direct Deposit Request form \(TRS 278\)](#) and send it to TRS. You can also use this form to update your bank account information, if needed. It can take up to 45 days for the new banking information to take effect. Your first annuity payment after making the change may be a paper check.

Once you enroll, your payments will be deposited on payday, which is the last working day of each month. Payday dates for fiscal year 2021 can be found on the [Annuity Payment Schedule](#) page on the TRS website.

Together, we can ensure you receive your annuity payments in the safest and most reliable way.

Form 1095-B: Proof of Medical Coverage in 2020

In January 2021, retirees participating in TRS-Care who are not eligible for Medicare (e.g. younger than 65) should watch the mail for Form 1095-B. This form verifies that you had medical coverage for all or part of last year.

If you became eligible for Medicare any time during 2020, you will only get a Form 1095-B from TRS reflecting the months you were *not* eligible for Medicare. When you file your taxes, you must report to the federal government that you and your eligible dependents had medical coverage for all or part of calendar year 2020.

All TRS health plans meet the minimum essential coverage requirements of employer-sponsored coverage.

You will not need to attach Form 1095-B to your tax return. You will only need to keep it for your records. The information on the form may help you in preparing your tax return, but you don't need to wait for it to file your taxes.

Please watch for this important mailing containing Form 1095-B. For more information, view our FAQs on Form 1095-B in the Retiree & Beneficiary section of the [TRS website FAQs](#) page.



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

What Does Your Investment Division Do?

By: Jase Auby, TRS Chief Investment Officer



What is the IMD?

TRS' Investment Management Division, also called 'IMD' for short, manages the investments that drive the trust fund's growth year after year. Contributions from the state, your employer and the regular contributions we all make as TRS members are invested and those investment returns make up about two thirds of what the trust uses to pay retirees' annuities. Last year, as of August 2019, TRS paid almost \$11.4 billion in annuities to more than 434,000 retirees and their beneficiaries (Source: [2019 CAFR](#)).

The long-term challenge for the IMD is to keep the pension trust fund performing well so it will fund members' retirement plans. Every year, TRS needs to bring in that \$11 billion amount, plus enough to sustain the trust well into the future.

Today, our trust fund has a value of around \$160 billion. While the COVID-19 health crisis diminished returns somewhat this spring, compared with last summer, the overall value of the fund is recovering and remains *nearly twice the asset value from just ten years ago*. It is critical that the investments perform as well as possible for the long term. This is a big responsibility and one that I take seriously. Our financial goals are based around what is called the assumed rate of return. The TRS Board of Trustees has set this return at an annual rate of 7.25%, which is in line with other U.S. public pension funds. That means, on average over the long term, we strive to earn above that target. It is important to note that "on average" implies that about half the years we will exceed the target and other years, it will be lower. In the last 3-, 5- and 10-year periods, we have returned 5.8%, 6.3% and 8.5%, respectively, as of June 30, 2020.

How do We Invest Your Contributions?

Today, the IMD invests in a dozen different asset types. This practice is known as diversification, or said more simply, not putting all your eggs in one basket. Those asset types include publicly-traded stocks and bonds as well as privately-held investments such as real estate. Every five years, your board of trustees reviews the strategic asset allocation to see if any changes are warranted. Last fall, the board refined the asset allocation by increasing the amount allocated to higher-returning private assets, increasing the allocation to safer, fixed income assets (bonds) and introducing a modest amount of leverage (4%).

Earning your trust every day, the IMD is solely focused on increasing value for you, our members. We prioritize transparency to the board and to you. You can see this transparency in action as each IMD business group presents a detailed annual review of its strategy to the board. I encourage you to view some of the materials from prior meetings of the Board's Investment Management Committee in the Board of Trustees section of the [TRS website](#).

Staying Competitive

Your investment team works hard to keep a competitive advantage over the many other pension plans and investors around the U.S. and the world. Like any good sports team, we want the best strategies and talent to produce a high level of performance for you that no one else can match. Therefore, we work extensively with both internal and external experts to develop effective strategies. Additionally, we have staff who spend much of their time finding new opportunities that can produce the most return for the risk taken.

Our mission every day is to invest well in order to maximize the value of **your** retirement.

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.

Marriage After Retirement

Changing Your Retirement Payment Plan and Designating a New Spouse as Beneficiary

If you're receiving a standard annuity benefit and you marry after retirement, you may have the option to change your retirement payment plan to a joint and survivor annuity and designate your new spouse as your beneficiary. This allows your new spouse to receive an annuity payment for the remainder of their life if you die before them.

Your application must be received by TRS before the second anniversary date of your marriage. The selection takes effect two years after you file your application with TRS. Both you and your spouse must survive for the two years until the effective date of the change.

You are also eligible to use the marriage after retirement law if:

- You are receiving a standard annuity benefit after the death of your original beneficiary under a joint and survivor plan; or
- You have changed your retirement payment plan from a joint and survivor annuity to the standard annuity benefit.

To make this change, please contact TRS for the *Application to Change Retirement Plans and Beneficiary After Retirement* form (TRS 30A). Benefit estimates under the joint and survivor (Option One, Two and Five) retirement plans are calculated based on the current spouse's date of birth and will be provided by TRS.



Watch Today: *TRS Virtual Counseling Sessions Video*

Need to meet with a benefit counselor? We're here to help! Our virtual counseling sessions provide a safe and easy way to "meet" with us through the internet. This video shares the simple methods of scheduling a secure and private virtual appointment. We look forward to "seeing" you soon!

TRS Virtual Counseling Sessions

Where to Watch

[TRS.TV](#) on TRS Website

[TRSoTexas](#) YouTube Channel

Flu Shots Are Available at No Cost to You

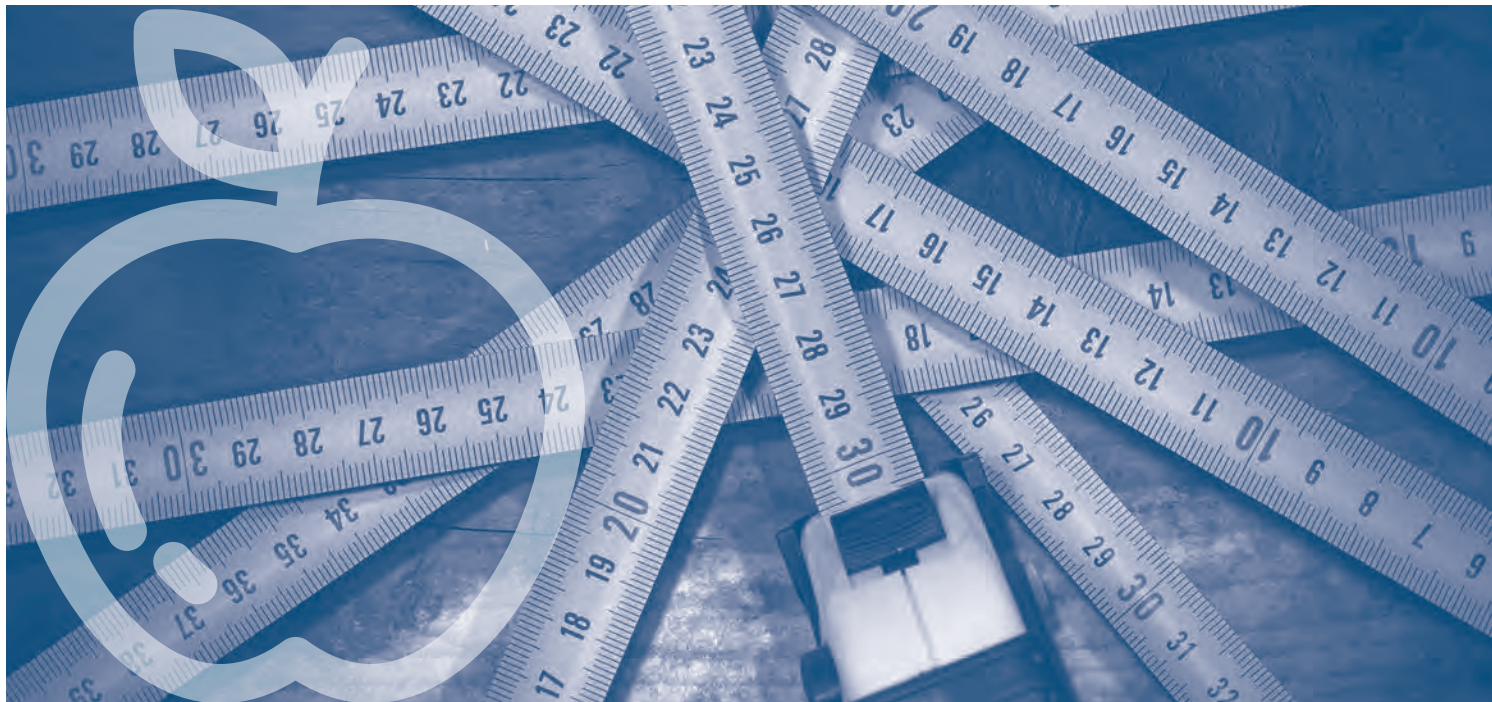
It's flu season and this year, getting your annual flu shot is more important than ever as COVID-19 cases continue to rise.

Many symptoms of the common flu overlap with COVID-19 symptoms. Protecting yourself from the flu will help prevent COVID-related health scares and keep your immune system strong when your body needs it most.

Flu shots are covered at 100% by your TRS-Care plan. To get a flu shot, call your primary care provider (PCP) or check to see if your local pharmacies are administering them.



The Latest News on Long-Term Space Planning



TRS continues to work on identifying an appropriate generational solution for its long-term facility needs. As the state of Texas grows, TRS membership grows. In order to meet our growing membership and business needs, we've added staff over the years and are running out of space in our current locations. Population projections indicate continued growth throughout Texas. Therefore, TRS continues to look for a solution that will be beneficial to 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. The idea also takes into account the expressed desire of members to meet with TRS staff in person as well as the abilities and successes of staff working from home and at the office.

A long-term facilities discussion will take place at the upcoming December board meeting. Tune in to the webcasts to follow the discussion. You can find links to webcasts and all meeting materials at www.trs.texas.gov.

TRS-Care COVID-19 Coverage

TRS works to bring predictability to your medical costs during this unpredictable time. We'll continue to provide \$0 COVID-19 testing, telemedicine and hospital stays through 2020 in addition to your current TRS-Care plan benefits. This specifically includes:

- \$0 medical copays for all diagnostic testing relating to COVID-19
- \$0 for inpatient hospital stays for treatment of COVID-19
- \$0 telemedicine visits through 1) TRS Virtual Health visits through MDLive or Teladoc and 2) any in-network provider who delivers virtual care, such as live video conferencing
- For TRS-Care Medicare Advantage, specialized support from Humana to help you with specific COVID-19 questions and concerns, including live assistance with telemedicine. Call 1-800-320-9566 for more information

We're closely monitoring the impact of COVID-19 on the financial position of health plans and balancing that with the goal of providing coverage that brings our participants peace of mind. We'll continue to rely on public health officials and work with our vendors to find the best long-term solution for additional COVID-19 coverage in the future.

For the most up-to-date information on COVID-19 coverage, visit www.trs.texas.gov/covid-19.

TRS Resumes Limited In-Person Office Visits



In addition to phone and virtual counseling sessions, we are now offering limited in-person office visits at our Austin headquarters. To ensure the safest experience possible, visits must be scheduled in advance.

Here is what you can expect if you'll be coming to Austin to see us:

- Prior to entering the building, you'll answer a simple COVID-19 symptom screening questionnaire, and your temperature will be checked with a touchless thermometer.
- Members can be accompanied by a maximum of one other person.
- In accordance with CDC guidelines, face coverings will be required while inside the building. Masks will be available for members who do not bring their own.
- Throughout the building, you'll notice several safety enhancements including increased signage, hand sanitation stations, plexiglass, and socially distanced furniture.
- Office visits will be held in conference rooms that allow for social distancing with plexiglass between you and the counselor.
- Conference rooms will be sanitized between meetings, and hand sanitizer will be readily available.

While we have resumed limited onsite appointments, our offices remain closed to walk-in visitors. TRS leadership will continue to closely monitor the latest guidelines from public health officials to ensure we can safely continue to meet with our members face to face. To schedule a virtual or in-person appointment, please call us at 1-800-223-8778.

2020 *Comprehensive Annual Financial Report*

In late November, TRS will publish its 2020 *Comprehensive Annual Financial Report* (CAFR). The report will provide stakeholders with a complete picture of the system's operations for the past year. Look for it on the [What's New](#) and [Publications](#) pages of the TRS website.



Sunset Advisory Commission Review Continues

Last fall, the Sunset Advisory Commission began reviewing the mission and performance of the Teacher Retirement System of Texas (TRS). If you'd like to learn more about the Sunset process and timeline or opportunities for engagement, please visit the Sunset Advisory Commission Invites Public Input page on the TRS website. This can be found by going to www.trs.texas.gov and clicking on the appropriate link located on the homepage.



1000 Red River Street
Austin, Texas 78701-2698

CHANGE SERVICE REQUESTED

Next Legislative Session Begins in January



The 87th Texas Legislature will convene on Jan. 12, 2021. As in the past, bills under consideration may affect TRS programs and operations. While the final status of many bills may not be known until June, TRS members planning to retire in 2021 may want to know about proposed legislation.

After the session begins, detailed information on bills may be obtained by calling the Legislative Reference Library's Bill Status Information Office at its toll-free number (1-877-824-7038). Please have the number or specific topic of the bill that interests you. This will help library staff members locate the information you are seeking. You will also be able to view proposed legislation through the library's website at www.lrl.texas.gov or by visiting Texas Legislature Online at www.capitol.texas.gov.

Following each legislative session, TRS informs members of significant changes and new laws that may impact their TRS benefits or eligibility for benefits. Watch for updates published in future *TRS News* editions located on the TRS website, www.trs.texas.gov. Be sure to also like us on Facebook so that you can be reminded in early June of important information after the session concludes. Please know that while TRS strives to keep you informed of the impact of adopted legislation on TRS and the benefits administered by TRS, TRS is not allowed to advocate regarding legislative changes.