

TRSnews

SUMMER 2023 ★ THE NEWSLETTER of the TEACHER RETIREMENT SYSTEM of TEXAS ★ RETIREE EDITION

TRS Legislative Update

Legislation passed during the 88th Regular Legislative Session that impacts TRS active members and retirees.



See benefit enhancements information on page 3.

GENERAL

STATE CONTRIBUTION INCREASE FROM 8.00% TO 8.25% TO PENSION FUND: HB 1
House Bill (HB) 1 provides funding for the last phase of contribution rate increases established during the 2019 legislative session in SB 12. As a reminder to our active members and public education employers, contribution rates to the TRS Pension Trust Fund are set to increase on Sept. 1 this year. Please see below for the current and upcoming rates.

Calendar Date	State	Public Education Employer	Active Employee
Sept. 1, 2022	8.00%	1.80%	8.00%
Sept. 1, 2023	8.25%	1.90%	8.25%
Sept. 1, 2024	8.25%	2.00%	8.25%

ADDITIONAL REGIONAL OFFICE: HB 1
HB 1 authorized TRS to expend funds for an additional regional office in Texas. The TRS Board of Trustees shall notify the Legislative Budget Board (LBB) and the governor of any decision to open an additional regional office. While TRS administrative operations, including the pilot offices, do not receive general revenue funding, administrative operations are funded with pension assets. A regional office will only open to better serve our members and reach them closer to where they live. The El Paso Regional Office officially opened for business on Nov. 15, 2022. As of May 31, 2023, the office has served almost 3,000 members and has conducted three retirement presentations.

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From the Desk of
Executive Director
Brian K. Guthrie



Dear Retirees:

Every new school year brings a burst of energy and excitement at TRS. We're pleased to share with you this important edition of *TRS News*, which includes the always-anticipated summary of legislation impacting TRS and you along with lots of other news you can use as the new school year starts.

We are also spotlighting public education employees and the impact they have on the lives of youth in our TRS Talks video series. I invite you to read about and watch our most recent TRS Talks video featuring a Grammy award-winning Texas teacher who hits all the right notes when it comes to inspiring students.

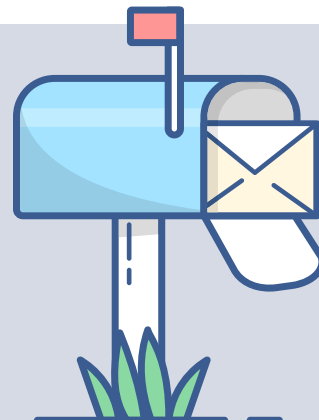
This video series has special resonance for me because I would not be the person I am today (and may never have gone to college) had it not been for my 10th grade history teacher, who also moonlighted as the baseball coach. He took a special interest in me from the start, and pushed me to apply myself, study harder, and practice with purpose, both in the classroom and on the field. Thanks to him, I threw myself into academics, graduated second in my class, earned scholarships, and became the first member of my family to go to college.

The story does not end there. In 2015, my mother passed and I arranged a small service for her in Maryland, where I grew up. She led an isolated life and less than a dozen people (including my family of five) stopped to pay their respects. Among those who did attend was my former teacher, coach and mentor, now retired, but never one to miss an opportunity to teach and inspire. Not only did he tell me that he was watching what I was doing in Texas, but he also took my son aside, gave him a few baseball pointers, and told him to work and study hard, and listen to his teachers – better than his father did. THAT is what making a difference is all about, and that's why I and everyone at TRS are proud to serve you every day.

Thank you as always for all you do! You make a difference.

Brian

If you requested a print copy of this newsletter be mailed to you in addition to receiving it by email, know it is on its way to your mailbox.



TRS Legislative Update *(continued from page 1)*

ACTIVE EMPLOYEES

TRS-ACTIVECARE CONTRIBUTION OF \$588.5 MILLION: HB 1

Every year, the cost of medical services across the country increases, and Texas is not immune from that trend. The Texas Legislature has taken action to lessen the impact of that reality on TRS-ActiveCare rates with a one-time contribution of \$588.5 million. The legislative contribution, along with TRS' aggressive cost containment measures, will keep costs lower than state and national average cost trends this upcoming plan year. TRS will continue to manage TRS-ActiveCare with a relentless focus on controlling costs while protecting benefits for educators. We remain the highest-quality option for the lowest cost for public education employers. For more information about these rates, please visit: <https://www.trs.texas.gov/Pages/healthcare-trsactivecare-2023-24-plans.aspx>.

REMINDER: EMPLOYEE CONTRIBUTION TO TRS PENSION FUND RATE INCREASE FROM SB 12 (2019)

In 2019, SB 12 passed that gradually increased active employees' contribution to the pension fund. The first phase of employee increases took effect on Sept. 1, 2022. It will now increase from the current 8.00% of salary to 8.25% on Sept. 1, 2023 and will remain at 8.25% on Sept. 1, 2024.

Calendar Date	Active Employee
Sept. 1, 2022	8.00%
Sept. 1, 2023	8.25%

RETIREES

BENEFIT ENHANCEMENTS FOR ELIGIBLE TRS RETIREES: SB 10 AND HJR 2

Senate Bill (SB) 10 and House Joint Resolution (HJR) 2 were passed to provide two types of benefit enhancements to eligible annuitants.

STIPENDS

Stipends, regardless of annuity amount, to be paid in Sept. 2023:

- A one-time \$7,500 stipend to eligible annuitants who are 75 years of age and older.
- A one-time \$2,400 stipend to eligible annuitants age 70 to 74.

Annuity must be eligible to receive a TRS annuity in August 2023 and meet the qualifying age on or before Aug. 31, 2023.

COST-OF-LIVING ADJUSTMENTS (COLA)

COLAs to be paid in Jan. 2024 if HJR 2 is approved by Texas voters in the November 2023 election:

- 2% COLA for eligible retirees who retired between Sept. 1, 2013 through Aug. 31, 2020.
- 4% COLA for eligible retirees who retired between Sept. 1, 2001 through Aug. 31, 2013.
- 6% COLA for eligible retirees who retired on or before Aug. 31, 2001.

BENEFIT ENHANCEMENT FUNDING OF \$5 BILLION: HB 1

- \$1.645 billion to pay for the stipends in SB 10
- \$3.355 billion to pay for the COLAs in SB 10, contingent upon voter approval of HJR 2 on Nov. 7, 2023.

Visit the [2023 TRS Retiree Benefit Enhancements](#) webpage for FAQs, important dates and helpful links to additional resources. There, you can also sign up to receive email updates on this topic.

OPTIONAL VISION AND DENTAL PLANS: SB 1854

Legislation creating a new section in Chapter 1575 of Insurance Code (TRS-Care), requires TRS to offer optional vision and dental benefits for TRS retirees who are eligible for TRS-Care; retirees do not have to be currently enrolled in TRS-Care. Premiums paid by participants will cover costs of benefits and administration with no impact on the TRS-Care Fund. There will be an annual enrollment for retirees to elect coverage. It does not present a special enrollment event for retirees to return to TRS-Care health plans if they previously terminated that coverage. TRS will competitively procure contracts for these plans and anticipates offering coverage by Jan. 1, 2025. TRS will communicate with retirees eligible for coverage in advance of the coverage start date.

STATE CONTRIBUTIONS TO TRS-CARE: HB 1

The state budget continues to provide funding for TRS-Care, health care benefits for TRS retirees. TRS-Care consists of TRS-Care Standard for non-Medicare retirees and TRS-Care Medicare Advantage. For more information about these plans, please visit: https://www.trs.texas.gov/Pages/healthcare_benefits.aspx.

(TRS Legislative Update continued on page 4)

TRS Legislative Update (continued from page 3)

EMPLOYERS

REMINDER: CONTRIBUTION TO TRS PENSION FUND FROM SB 12 (2019)

In 2019, SB 12 passed that gradually increased public employer contributions by school districts, charter schools and regional education service centers to the TRS Pension Fund.

The next phase of increases will take effect this year. It will increase from the current 1.80% of salary to 1.90% on Sept. 1, 2023 and finally 2.00% on Sept. 1, 2024.

Calendar Date	Public Education Employer
Sept. 1, 2022	1.80%
Sept. 1, 2023	1.90%
Sept. 1, 2024	2.00%

TRS HEALTH CARE

HEARING AIDS: HB 109

Provides that certain TRS health plans cannot deny coverage for hearing aids solely because the cost of the hearing aid is more than the benefit available. Applies to plans beginning next year, on Jan. 1, 2024 for TRS-Care and on Sept. 1, 2024 for TRS-ActiveCare.

CONTRACEPTIVE DRUGS: HB 916

Requires certain TRS health plans to provide coverage for a 12-month supply of contraceptive drugs. Applies to plans beginning next year, on Jan. 1, 2024 for TRS-Care and on Sept. 1, 2024 for TRS-ActiveCare.

BIOMARKERS: SB 989

Requires TRS-Care Standard and TRS-ActiveCare (non-high deductible) plans to provide coverage for biomarker testing for diagnosis, treatment, appropriate management, or ongoing monitoring of disease or condition to guide treatment. Coverage must be available for biomarker testing only when it provides clinical utility because use of the test for the condition meets certain criteria as outlined in the bill. Applies to plans beginning next year, on Jan. 1, 2024 for TRS-Care and on Sept. 1, 2024 for TRS-ActiveCare.

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TRS-Care with a Wink and a Smile!

The 88th Texas Legislature passed Senate Bill 1854, which authorizes the Teacher Retirement System of Texas (TRS) to provide optional dental and vision care coverage for TRS retirees. This includes their dependents, surviving spouses and surviving dependent children.

TRS will provide more information on eligibility and enrollment time frames over the next year.

Just like your medical and pharmacy benefits, TRS will contract with third-party vendors to administer the new plans.

We'll research the latest market trends on dental and vision plans to ensure we provide the best value benefits for our retirees. We'll update our website with more information as we have it, and announce updates in our health care newsletter, *The Pulse*. Visit <https://www.trs.texas.gov/Pages/subscribe.aspx> to subscribe.

We anticipate TRS retirees may enroll in plans in mid-2024 for an effective coverage start date of Jan. 1, 2025. More information coming soon.



Get Ready for the 2024 TRS-Care Plan Year

TRS-Care Health Fairs

TRS-Care is the care you can count on in your retirement years. And this fall, we'll be on the road again with 21 different TRS-Care Health Fairs!

From the Panhandle to the Gulf, we're hitting the pavement with your TRS-Care health vendors: Blue Cross and Blue Shield of Texas (BCBSTX), UnitedHealthcare, and Express Scripts (ESI), along with some local vendors.

At each, you can expect to:

- Learn about changes for the upcoming year
- Connect in person with TRS and your health care administrators
- Explore wellness programs
- Discover your no-cost, added benefits
- Meet fellow retirees!

Visit [TRS Health Care Events](#) for dates, times, locations, registration, and more.

TRS-Care Information Sessions

Get ready for another round of TRS-Care Information Sessions this fall! These virtual sessions walk through the details of your plan, included benefits, and upcoming changes. They also give you the chance to connect with TRS and your health plan vendors.



Participants Eligible for Medicare	Date	Time
TRS-Care Medicare Information Session	Friday, Oct. 6, 2023	10 a.m. – 12 p.m.
Returning to TRS-Care? Your One-Time Reenrollment Opportunity ends Dec. 31, 2023!	Thursday, Oct. 12, 2023	11 a.m. – 12 p.m.
TRS-Care Medicare Information Session	Thursday, Oct. 19, 2023	10 a.m. – 12 p.m.
TRS-Care Medicare Information Session	Wednesday, Nov. 1, 2023	10 a.m. – 12 p.m.
Participants NOT Eligible for Medicare	Date	Time
TRS-Care Standard Information Session	Monday, Oct. 16, 2023	10 a.m. – 12 p.m.
TRS-Care Standard Information Session	Tuesday, Oct. 31, 2023	10 a.m. – 12 p.m.

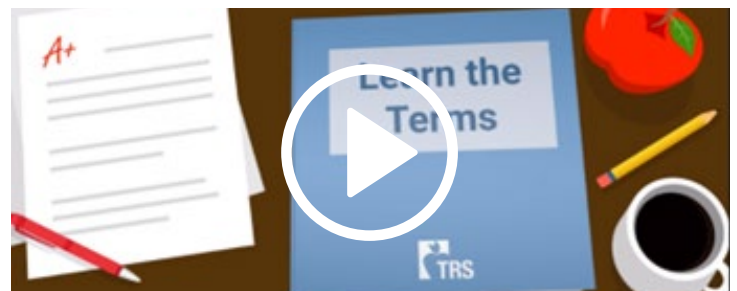
Register for one of the dates shown at left by visiting https://www.trs.texas.gov/Pages/healthcare/benefits_events.aspx.

NEW VIDEO! LEARN THE TERMS: Health Care Edition

Health care can be complicated. But when you understand the jargon, it's easier to make the best decisions for your health. TRS is here to help you untangle the terms in our new video, [Learn the Terms: Health Care Edition](#).

Watch the full video or skip around if you know some terms and not others. Do this by picking specific chapters in the video description.

No matter what TRS health plan you're enrolled in, these terms apply! Watch today.



Navigating Life Events with Ease

From retiring and employment after retirement, to turning 65 and even moving into a new home, TRS has the information you need for your personal and career life-changing events. Explore the [Life Event Resource Kit](#) where we help you navigate life's toughest – and sometimes sweetest – moments. No matter what change you face or milestone you reach, TRS is also right there. The impact of these events can be significant, and we want to ensure you're making the most of your benefits – in all ways possible – with each step forward.



Summary of Rule Changes

The TRS Board of Trustees (board) adopted amendments to existing rules in **Chapter 25 – Membership Credit** at the April 2023 meeting. Ten rules – **§§ 25.4, 25.6, 25.25, 25.31, 25.35, 25.36, 25.123, 25.131, 25.152, and 25.172** – were all recommended for amendment during TRS' recently completed rule review process. The amendments to these rules are primarily reference and terminology updates, deletions of outdated provisions, and other non-substantive changes. An eleventh rule, **§ 25.113**, was amended to conform with changes made to the laws relating to service credit transfers between the Employees Retirement System of Texas (ERS) and TRS. Descriptions of the adopted amendments are provided below.

§25.4. Substitutes – Clarified that the deadlines for verifying substitute service are the same as the deadlines to verify unreported service.

§25.6. Part-time or Temporary Employment – Deleted the former standard for part-time and temporary employment and how part-time employment can be combined to qualify as eligible TRS employment.

§25.25. Required Deposits – Deleted the reference to specific member contribution rates in the rule and replaced it with a reference to all applicable rates for member contributions under Section 825.402, Government Code to incorporate any future changes to member contribution rates under that section.

§25.31. Percentage Limits on Compensation Increases – Deleted outdated provisions regarding documentation of compensation increases and exceptions for compensation increases that no longer apply to current school years.

§25.35. Employer Payments for New Members – Updated the reference to the deadline under Government Code §830.102 for electing to participate in the Optional Retirement Program (ORP).

§25.36. Employer Payments for Members Not Covered under the Federal Old-Age, Survivors, and Disability Insurance Program (OASDI) – Changed the title “Employer Payments for Certain Employed Members” as this contribution type now applies to all public schools, not only employers that do not participate in the federal OASDI program. The exceptions are institutions of higher education and regional education service centers.

§25.113. Transfer of Credit between TRS and ERS – Conformed with recent legislative changes to the ERS retirement plan that impact TRS members. Senate Bill 321, which was passed in 2021 during the 87th legislative session, created a mandatory cash-balance plan for ERS members who began their membership on or after Sept. 1, 2022. ERS members who participate in this cash-balance plan are no longer eligible to transfer their ERS service to TRS or their TRS service to ERS. In addition, TRS members who have not maintained an ERS membership established prior to Sept. 1, 2022 will no longer be able to reinstate withdrawn service for the purpose of transfer to TRS.

§25.123. Certification – Deleted the notarization requirement from this certification in anticipation of moving this functionality to the Teacher Retirement Unified System for Technology (TRUST) system and updated a reference to a Texas Education Agency rule.

§25.131. Required Service – Updated the reference to the process for verifying substitute service to conform with the clarifying changes to TRS Rule § 25.4 as described above.

§25.152. Eligibility, Cost, and Payment for Developmental Leave Credit – Deleted reference to the process of purchasing developmental leave credit at the prior cost before actuarial cost was implemented in 2011.

§25.172. ORP and TRS – Updated terminology relating to certain optional retirement program requirements, including when an individual who elected to participate in ORP must return to membership in TRS or remain in ORP.

(Summary of Rule Changes continued on page 7)

Summary of Rule Changes *(continued from page 6)*

The board also recently adopted amendments to existing rules at the July board meeting. Amendments to rules **25.162, 25.302, 25.303, 29.11, 29.21, 29.71, and 47.17** incorporate updated actuarial tables.

The updated actuarial tables were prepared by the TRS actuary of record, Gabriel, Roeder, Smith & Company. The tables have been updated based on the board's most recently approved mortality assumptions and new investment return assumption. The tables become effective on Sept. 1, 2023.

Chapter 25, Membership Credit

§25.162 State Personal and/or Sick Leave Credit – The amendment updates the actuarial table for the purchase of one year of service credit based on accumulated state personal or sick leave.

§25.302 Calculation of Actuarial Costs of Service Credit – The amendment updates several actuarial tables relating to the purchase of service credit that must be purchased based on the actuarial present value of the credit (e.g., unreported service or out-of-state service).

§25.303 Calculation of Actuarial Costs for Purchase of Compensation Credit – The amendment updates several actuarial tables relating to the purchase of compensation credit that must be purchased based on the actuarial present value of the compensation.

Please refer to the [TRS Service Credit brochure](#) for more detailed information regarding the calculation of service.

Chapter 29, Benefits

§29.11 Actuarial Tables – The amendment updates several actuarial tables relating to early-age retirement reduction factors, reduction factors for service and disability retirement options and reserve transfer factors.

§29.21 Beneficiary Tables – The amendment updates the tables for unisex joint beneficiary life expectancy that are used when calculating life expectancy for certain option beneficiary changes.

§29.71 Tables – The amendment updates the actuarial table relating to the reduction factors to be applied to the annuity payments of retirees that elect to receive a partial lump-sum option (PLSO) payment at the time of retirement.

Chapter 47, Qualified Domestic Relations Orders

§47.17 Calculation for Alternate Payee Benefits Before a Member's Benefits Begins – The amendment incorporates a new actuarial table used to calculate distributions made to an alternate payee under Government Code §804.005.

Notice of Summary of Benefits and Coverage

Summary of Benefits and Coverage (SBC) Now Available

An SBC provides an overview of the benefits and services your health plan covers and what you can expect to pay for these services by the end of the year. The SBCs are available for TRS-ActiveCare and TRS-Care Standard (excluding Medicare Advantage plans).

TRS-ActiveCare Participants: SBCs for the TRS-ActiveCare 2023-24 plan year through Blue Cross and Blue Shield of Texas (BCBSTX) are at <https://www.bcbstx.com/trsactivecare/coverage>.

TRS-Care Standard Participants: SBCs for the 2023 TRS-Care Standard plan year are at <https://www.bcbstx.com/trscarestandard/coverage>. 2024 TRS-Care Standard SBCs through BCBSTX will be available by the end of 2023.

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

- TRS-ActiveCare (BCBSTX) Customer Service: 1-866-355-5999
- TRS-Care Standard (BCBSTX) Customer Service: 1-866-355-5999
- Hearing-impaired people should dial Relay 711

Have Other Questions? For more information on TRS-Care enrollment and eligibility, please contact the TRS Health Department at 1-888-237-6762.

For more information on TRS-ActiveCare enrollment and eligibility, please contact your Benefits Administrator.

Notice of Privacy Practices (NPP)

Federal law requires TRS to maintain and protect the privacy of your health information. Your protected health information is individually identifiable health information, including genetic information and demographic information, collected from you or created or received by TRS.

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.

The NPP includes companies that may assist TRS with the operations of TRS-Care and TRS-ActiveCare.

Visit the NPP at https://www.trs.texas.gov/TRS%20Documents/notice_privacy_practices.pdf.



Students Sing Grammy Winner's Praises



Before taking home the 2023 Grammy Educator of The Year Award, Pamela Dawson spent many years teaching music in public schools. In this TRS Talks feature, we travel to DeSoto High School to capture a behind-the-scenes look at Ms. Dawson's heart for kids. As this Texas teacher continues to touch young lives, she also looks forward to her next chapter as a TRS retiree. Watch the video [here](#).

You can also meet other interesting peers, including 106-year old retiree "[Weezie](#)" [Carruthers](#) and "high-fiving" member [Mike Shaw](#) on our YouTube channel [@TRSoFTexas](#).

Finally, if you know of an active member or retiree who would make a great feature subject for our series, email us at communications@trs.texas.gov.

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

We provide access to on-demand viewing of TRS 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.

For key discussion highlights, you may also wish to read our board summaries, available after each meeting, at https://www.trs.texas.gov/Pages/board_meeting_summary.aspx.