

## **TRS Member Education Video Series**

### **Understanding Your Member Statement**

Your annual statement is one of the most important documents you will receive from TRS.

It includes valuable information about your membership as of August 31st which will help you plan for your retirement.

It is very important to review it thoroughly and file it with other important records.

This video will guide you through your statement section by section.

Have your previous year's statement handy to compare it to your current statement.

Depending on your membership, your statement may be slightly different from what you see in this video.

Let's take a look.

Your name, address, statement date, and your TRS Participant ID are located at the top of the statement.

The first section includes your Date of Birth, Tier and Years of Service Credit as of August 31st.

If you earned an additional year of service credit during the last school year, you should see this reflected on your statement.

Just below is a summary of your account balance.

Your Beginning Account Balance will match your Account Balance as of August 31st of the previous year.

Total Annual Deposits reflects your member contributions that were deducted from your pay checks.

Interest Credited is also reflected.

If you choose to end your membership by refunding your balance, interest is calculated and paid through the month prior to the issue date of your refund.

Your current Account Balance is the total of these combined. If you purchased service credit, this is also reflected in the total.

Your account balance does not impact your benefit when you retire.

As a defined benefit plan, TRS uses a formula based on your years of service credit and highest salaries to calculate your lifetime retirement benefits.

This section also shows you if contributions withheld from your salary were withheld before or after federal income tax withholding.

If an amount shows as Non-Taxable Dollars in Your Account, this means taxes were already taken out.

Usually, your contributions are pre-tax dollars, which means taxes have not been taken out and will be subject to income tax when they are paid to you.

On the right side of the statement, you'll see your salary from the most recent school year.

Depending on your membership tier, you'll also see your highest three or five salaries.

These salaries are used to provide a retirement estimate.

Your salary includes all eligible pay that you received in the previous school year.

For TRS purposes, a school year is from September 1st through August 31st of the following year and is *not* based on your contract.

For this reason, your salary listed on your statement may not exactly match your salary from your previous year's contract.

Since your employer reports your salary to TRS, review the information on your statement carefully and contact your employer if any corrections are needed.

You must also report any errors to TRS as soon as possible, but no later than five years after the school year in which you *should* have been credited with the service or salary.

If you have at least five years of service credit, you will find *unaudited* estimates of your possible retirement benefits in the section called Estimated Service Retirement Benefits.

Unaudited means that the estimate is subject to correction of salary and service credit at the time of retirement, when a thorough review of salary and service credit is performed.

The estimates are based on your current years of service without earning additional service.

If you are currently working in a TRS-eligible position, you will also find estimates assuming you will continue to work and earn additional service credit each year.

In your statement, you will find an explanation of the three pillars of retirement savings – TRS retirement pension, personal savings and social security.

Since most Texas public school employees do not pay into social security, personal savings becomes more important to plan your future retirement income.

This gives you the opportunity for you to take account of what you expect to earn in retirement.

The following pages provide additional information on current member contribution rates, TRS eligibility requirements and how to plan for your retirement.

Your annual statement provides an overview of your TRS account and can help you make well-informed decisions throughout your life as a TRS member.

Stay updated on TRS news and benefits through our publications, member education videos, social media channels and other TRS resources.

Whether you're a new member or you're ready to retire, we're here to guide you through the process. We are happy to help!