

APRIL 2020

# TRS NEWS



MEMBER  
EDITION



THE NEWSLETTER of the TEACHER RETIREMENT SYSTEM of TEXAS

## Member FAQs: COVID-19



As the COVID-19 situation has evolved, TRS has received a number of questions from members regarding operations and member services. Please find a list of these frequently asked questions and answers below. *Please note: FAQs are current as of the publishing/print date, mid-April 2020. For updates to this information, as they occur, please visit [www.trs.texas.gov](http://www.trs.texas.gov). You may also want to view [TRS' COVID-19 Answers for TRS Members](#) video on our TRSofTexas YouTube channel.*

### Is the TRS Pension Fund safe since there are so many stock market upheavals?

Yes, the fund is invested for the long term and is designed to withstand market upheavals. On your behalf, we invest in a variety of asset classes. That includes stocks, bonds, real estate, alternative assets, and cash.

And know that there is plenty of cash available to keep paying your monthly benefits well into the future.

### I want to retire in May. Will TRS be able to process my paperwork?

Yes, staff are continuing to process all retirement paperwork as quickly as they can.

We encourage you to submit all paperwork early instead of waiting for the deadlines. Please refer to our [Retirement Deadlines Chart](#) and [Planning for Retirement](#) timeline online for more information on what to do before you retire so that the process is as smooth as possible.

(continued on page 3)

## TRS Selects New Medical Plan Administrator for TRS-ActiveCare

*Starting Sept. 1, 2020, Blue Cross and Blue Shield of Texas (BCBSTX) will serve as the medical plan administrator for TRS-ActiveCare, serving nearly 1,100 school districts plus half a million employees and their families across Texas.*

At the Feb. 21, 2020 meeting, the TRS Board of Trustees selected BCBSTX as the new health plan administrator for TRS-ActiveCare medical benefits. **The contract will take effect on Sept. 1, 2020.** TRS strives to maximize the value of every health care dollar spent by its members and this includes competitively bidding our contracts to ensure you and your family receive the highest value health benefits. BCBSTX's competitive financial offer is projected to save the program up to \$300 million over three years.

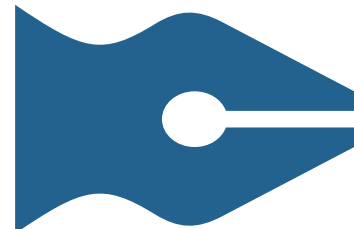
(continued on page 6)





# Memo to Members

from  
Executive Director  
Brian K. Guthrie



## Board of Trustees

### JARVIS V. HOLLINGSWORTH

Chair, Missouri City

### CHRISTOPHER MOSS

Lufkin

### NANETTE SISSNEY

Vice Chair, Whitesboro

### DAVID CORPUS

Humble

### JOHN ELLIOTT

Austin

### DR. GREG GIBSON

Schertz

### JAMES "DICK" NANCE

Hallettsville

### MICHAEL BALL

Argyle

### ROBERT "ROB" H. WALLS, JR.

San Antonio

### BRIAN K. GUTHRIE

Executive Director

TRS News is published by  
Teacher Retirement System of Texas  
1000 Red River Street  
Austin, Texas 78701-2698  
1-800-223-8778  
[www.trs.texas.gov](http://www.trs.texas.gov)

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 active members,

We know you may have questions and concerns about how TRS has been operating the last few weeks given the uncertainties of COVID-19. At TRS, the health and safety of our members and employees are our top priority. As Texas and the nation grapple with the impact of COVID-19, I want to assure you that TRS is here to continue providing pension and health care benefits and services to members; working diligently on core business activities; and ensuring that the TRS Trust Fund is managed prudently. While the stock market has been volatile, the trust fund is well-positioned to meet the demands of these market upheavals. The TRS portfolio is structured on a 30-year time horizon to ensure TRS investments can pay member benefits for decades to come. Retirees' annuity payments are safe and will be delivered on schedule. To stay up to date on how we're continuing to serve you during this time and how we're responding to the changes demanded by public health best practices, continue to frequently check the TRS website at [www.trs.texas.gov](http://www.trs.texas.gov) and TRS social media channels. For answers to some of the frequently asked questions we've received from members, see [page 1](#).

Many of you have questions about TRS' long-term space planning, especially in regard to a location for our investment staff. We provide the latest information on [page 4](#). Also, at the February board meeting, trustees selected Blue Cross and Blue Shield of Texas (BCBSTX) as the new administrator for TRS-ActiveCare medical benefits. Read more about this significant change on [page 1](#).

As we continue to work each day toward the completion of modernizing the agency's business processes and core technologies, we're also working hard to fulfill your member requests. All members of TRS have the option to create a *MyTRS* online account. Among other things, this helpful resource allows you to view the latest information, from our records, related to your TRS member account. We have developed an automated process to keep your online information as current as possible. For an update and a number of enhancements you can find in *MyTRS*, read the article on [page 5](#).

Last fall, the Sunset Advisory Commission began reviewing the mission and performance of TRS. If you'd like to learn more about the Sunset process and timeline or opportunities for engagement, read more on [page 6](#).

Whether you're a brand new educator or one with a decade of experience, it's never too early to start planning for retirement and learning about your benefits. TRS stands ready to help you in a number of ways. Learn about our planning for retirement timeline and resources available to help you plan your retirement on [page 8](#).

Now, something for those of you nearing the retirement milestone. TRS will be holding benefit sessions for those planning to retire on or before Jan. 31, 2021. For session dates and details, go to [page 5](#).

Take care,  
Brian

## Member FAQs: COVID-19 *continued from page 1*

### Are employees in the office to receive my forms?

Yes, we have a number of employees onsite to receive, process, and mail out member benefit forms. We can assure you that all forms will be processed as quickly as possible.

### What do I need to do if I want to set up an appointment with a benefit counselor?

Please call 1-800-223-8778. To help keep members and staff safe and healthy during this time, a counselor can set you up for a telephone counseling appointment or a live video conference.

### When will I be able to meet with someone in person?

Please monitor our website for updates. TRS is not currently offering in-person scheduled or walk-in counseling appointments. The TRS Board and executive leadership will continually assess the situation and will actively update the TRS website and social media feeds as information becomes available.

### How long will TRS continue to conduct business in this regard?

Due to the rapidly unfolding COVID-19 situation, TRS has moved to remote work for the majority of TRS employees. A number of TRS staff remain at TRS' headquarters to ensure employees have access to specific resources if required. The TRS Board and executive leadership will continually assess the situation and will actively update the TRS website and social media feeds as information becomes available.

### What impact will school closures have on TRS service credit?

To earn a year of membership service credit, you must work in a TRS-eligible position or receive paid leave from a TRS-eligible position at least 90 days in a school year (Sept. 1 through Aug. 31). Your TRS-covered employer reports the number of days worked, to TRS, on a monthly basis. Your member account is updated with a year of service credit once 90 days have been reported. If you continue to work or receive paid leave during the school closures, your employer will continue to report work and paid leave days to TRS.

### I am a substitute teacher. How will the school closures impact my TRS account?

Service as a substitute is not eligible for membership in TRS. Member contributions are not deducted from your pay and you do not earn TRS service credit.

If you work as a substitute for a minimum of 90 workdays in a school year (Sept. 1 through Aug. 31), you may qualify to purchase this service. You must verify your substitute service with your employer by completing a [Verification of Substitute Service and Salary form \(TRS 22S\)](#). This form **must** be received by TRS by the end of the fifth year after the year in which the service was rendered.

For example, if you work as a substitute between Sept. 1, 2019 and Aug. 31, 2020, you must file the completed TRS 22S by Aug. 31, 2025. Once the TRS 22S is received, we will send you a cost statement so that you can purchase the service credit.

If your school is closed and you are not working, those days are not eligible to be verified on the form (TRS 22S). Substitute service requires rendered services.

### I am planning to retire soon. My employer's office is currently closed. Is the *Notice of Final Deposit before Retirement and School Official Certification of Salaries form (TRS 7)* still required?

Yes. The TRS 7 is an important document for the retirement process. It confirms your date of termination and final salary. TRS is working with TRS employers to ensure that they can complete needed paperwork including adding the TRS 7 to the TRS forms menu on our website. You will need to contact your employer to let them know that a TRS 7 is needed.

### I need to withdraw my money. Can TRS still handle this request?

Yes, Benefit Services staff members are processing refund requests. Nothing has changed with this process.

### I have applied for a refund of my TRS account. My employer's office is currently closed. Will this delay my refund?

Once TRS receives a refund application, we will contact your employer to confirm your employment termination.

For example, if March 2020 is your final deposit to your TRS account, your employer should report this deposit to TRS by April 6. With school closures and office staff working remotely, submitting of the report may be delayed. If we do not receive the report and deposit by April 15, we will begin processing a refund for your current account balance. Once we receive the final deposit, we will issue a second refund.

*Please note: Each refund situation is different and processing times may vary. TRS processes refund requests as they are received. We will contact you if additional information is needed to process your request.*

### Am I able to withdraw a portion of my TRS Account Balance?

Please see the FAQs in our [Requesting a Refund Brochure](#), available on the TRS website.

# Update on Long-Term Space Planning

Many of you have expressed concerns regarding TRS' long-term space planning, including the Indeed Tower lease. I want you to know that the TRS Board of Trustees and I hear your concerns and are committed to providing open and transparent communications as TRS continues to address long-term space planning issues.

After considerable input from our members and the public, and a full discussion at our Feb. 20 board meeting, TRS trustees decided that the agency would not move the Investment Management Division (IMD) into Indeed Tower and to sublease the space. We will negotiate a lease renewal and expansion at our existing downtown lease space, 816 Congress Ave.

While our investment team has been in leased space on Congress Ave. for almost 11 years, the majority of TRS staff who provide member services have worked at the TRS headquarters building at 1000 Red River Street since 1973. Since then, our membership has grown from 390,000 to more than 1.6 million. As we've added staff to meet our growing customer service needs, we are nearly out of space in our current locations. As we determine where best to serve you for the next 50 years, any solution must prove favorable and prudent to the trust. The final decision will be based on member and business needs; cost of a new headquarters outside of downtown; value of the existing Red River campus (including possibly leasing the building) to offset cost of a new headquarters; and an analysis of renovating and expanding our Red River campus.



We are always committed to improving our service to you, our members. In addition to space planning efforts in Austin, TRS is also reviewing an option to pilot a regional office well outside of Austin so that it's easier to stay in contact with members throughout the course of their careers. I want to assure you that should we move forward with opening a regional office, this initiative would not involve the construction of new buildings. TRS is looking for ways to co-locate in state-owned properties and hire local employees. The regional office proposal will be evaluated throughout 2020-21 with the potential to open our first regional office in 2022. I would also like to thank those of you who participated in our regional offices survey. Your feedback helped us to better understand your needs and preferences.

Long-term space planning is complex, with many moving parts. It is my hope that the information provided here has been informative and helpful in understanding the space challenges faced by TRS. Please know that we care about you. Your comments and criticisms are important to us — I have shared them with my entire executive team and the TRS Board of Trustees. I will continue to thoroughly evaluate all options for TRS' future space needs and engage you and the TRS Board of Trustees every step of the way.

Best,  
Brian Guthrie

# TEAM Program Update

As a reminder, TRS is modernizing its line of business systems, better known as the **TRS Enterprise Application Modernization (TEAM)** Program, to ensure that we continue to provide the best possible service to our members. As the project continues to evolve and we get closer to completion, ensuring the highest quality is our ultimate goal. In the coming months, in-house TRS staff will continue to work on enhancements to better serve our members.

In addition to continuously working each day to accomplish this larger initiative, staff are working to fulfill your member requests. Please note that no functionality has been removed but that we have been able to make a number of visible enhancements to the current *MyTRS* environment that are sure to be helpful to active members until the future launch of the new *MyTRS*. *MyTRS* online accounts have been updated with the latest information from TRS records to show:



TRS staff have developed an automated process to keep that information as current as possible.

Don't have an online account? Register for one today! Visit our website at [www.trs.texas.gov](http://www.trs.texas.gov); click on the *MyTRS* button located at the top of the page; and follow the instructions for registering. We have processes in place to update your information more frequently and improve your experience with *MyTRS*.

Thank you for your patience as we work toward developing the most modern, efficient technology solutions to better serve you.

## Spring and Summer Group Sessions at TRS

Beginning this spring, and continuing through July 2020, TRS will conduct Group Retirement Sessions at the TRS building in Austin for members **considering retirement on or before Jan. 31, 2021**.

Group Retirement Sessions are counseling sessions conducted for a small group of members considering retirement on or before January of the following year.

- There will be two sessions conducted simultaneously each Saturday listed below.
- Each session will be limited to 20 members.
- All sessions will be conducted at 9 a.m.

Members may register by calling TRS at **1-800-223-8778** and speaking with a Benefit Counselor.

Upcoming Sessions	TRS Building 1000 Red River St. Austin, TX 78701		Saturday, May 16, 2020	9 – 11 a.m.
			Saturday, July 18, 2020	9 – 11 a.m.

**Note:** The health and safety of our members and employees is our highest priority. We are closely monitoring the COVID-19 situation and following the precautions recommended by federal and state health authorities.

In the event that we would need to notify members, or they choose, not to travel to Austin for a session listed above, we will be able to offer a [remote counseling session](#) or possibly a group video session as an alternative. We would encourage any member who has already registered but is not feeling well to call TRS at 1-800-223-8778 and convert their scheduled appointment to a remote counseling session. This will avoid the risk of exposure to TRS staff and other members visiting TRS headquarters.

Please be assured that we are taking this situation with the utmost seriousness and will actively update our website and social media feeds as the situation evolves.

# Sunset Advisory Commission Review Underway

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](http://www.trs.texas.gov) and clicking on the appropriate link located on the homepage.



## TRS Selects New Medical Plan Administrator for TRS-ActiveCare *continued from page 1*

BCBSTX previously administered the program at its start in 2004 through 2014; Aetna was then selected for the contract. Aetna will serve TRS-ActiveCare through Aug. 31, 2020. Aetna has worked for TRS members and retirees at different points over 30 years, and we thank them for their service and partnership. Even with our long-standing relationship, our members' health care is our top priority and re-establishing with BCBSTX allows us to offer greater value to our members while sustaining TRS-ActiveCare.

BCBSTX made a strong commitment to support TRS in building primary care-based health care delivery and increasing the value of TRS-ActiveCare. Their negotiated provider rates offer greater savings to the program and its participants, and they have a broader network, thereby improving access to health care services for public school employees and their families. Not only does BCBSTX's robust provider network have deep roots in the Texas health market, most TRS-ActiveCare participants' current providers are in the new network, which you'll be able to verify on BCBSTX's provider search tool by annual enrollment this summer.

We recognize that affordability is a concern for TRS-ActiveCare, and we're committed to improving the program so that it offers the highest value to school districts and families across Texas who access health care each day. We know that school districts use benefits to recruit top talent in education and that the cost of coverage is at the forefront of their minds. Through strategies such as re-procuring health care services, our goal is to make TRS-ActiveCare the clear choice of health program for Texas school districts, their employees and families.

### What does this mean for you?

- **ID Cards:** You can continue to use your Aetna medical ID cards through Aug. 31, 2020. BCBSTX will issue you a new one for the plan year 2020-21.
- **Providers:** You'll be able to check BCBSTX's online provider search tool around the annual enrollment period this summer.
- **Undergoing Care:** If you or someone on your plan will be undergoing care or will be pregnant over this change, we'll coordinate with them on a personalized transition of care plan.
- **Health Maintenance Organizations (HMOs):** The TRS board will consider contract changes to the HMOs serving certain regions of the state at the April 2020 board meeting.
- **2020-21 Rates and Benefits:** With the new contract, we're developing rates and benefits for the upcoming school year and will present them to the TRS board for approval at the April 2020 meeting.
- **Prescription Drugs:** You'll still have access to prescription drugs through CVS Caremark.

### Where can I find more information?

We'll communicate updates through our [TRS Health Plan Transition webpage](#) and digital health newsletter, *The Pulse for TRS-ActiveCare*. Visit our email subscription webpage, [Subscribe!](#), for instructions on how to sign up.

# With New Changes to 403(b) Certification & Registration, How Do I Find an Investment Product?

In 2019, the 86th legislature made significant changes to TRS' 403(b) program. As a result of HB 2820, TRS ceased its program of certifying 403(b) companies and registering their investment products. As a member of TRS, what does this mean for your financial plans?

## First off, what is a 403(b) plan?

A 403(b) plan is a tax-deferred retirement savings plan, meaning you will not have to pay income taxes on the money in your account until you begin withdrawing funds. A 403(b) savings plan can be used to supplement the TRS defined benefit pension plan. A 403(b) savings plan is similar to a 401(k) plan. Plan owners have the option to purchase investment products such as annuities (monthly payments upon retirement that are determined in advance) or mutual funds.

## What was TRS' role prior to the 2019 legislation?

TRS certified 403(b) investment companies and registered their products. Financial product sellers, such as insurance firms and mutual fund companies, would apply for certification with TRS. TRS would review and approve applications based on a company's ability to meet certain criteria established in state law and TRS rule.

Once certified, companies could then register their 403(b) products with TRS. Similar to the certification of 403(b) investment companies, a product would qualify for registration if it met certain criteria established in state law and TRS rule, such as certain fee caps. The fee caps varied by fee type, including loan fees, account maintenance fees, surrender/withdrawal fees, and annual asset-based fees. TRS maintained a list of certified companies and registered products online. If a TRS member wanted to compare investment products offered by TRS-certified companies or research the different types of 403(b) fees, they could visit and search through TRS' 403(b) Product List (<https://oapi.trs.state.tx.us/FOTB/do/memberWebListByCompany>).

**PLEASE NOTE:** While the 403(b) Product List will be available online for another year as a courtesy for those who invested prior to Sept. 1, 2019, if you are looking to open a new account, you will need to look elsewhere for up-to-date comparative data.

## What has changed?

Per HB 2820, financial firms are no longer required to register their 403(b) products with TRS, and the law removed the requirement for the TRS board to set fee caps on 403(b) products. As of Sept. 1, 2019, the TRS 403(b) Certification & Registration program ceased operations and the TRS rules governing the program, which included the fee caps, are no longer in effect.

## Where can I find additional information about 403(b) programs?

### 1. Understand how fees affect your returns

The fees for your investment products can add up over time and eat away at your investment earnings. Visit the Security and Exchange Commission's website (<https://www.investor.gov/research-before-you-invest/research/understanding-fees>) to learn about the common fee types. Before entering into a 403(b) contract, ask questions so that you understand what, when and why you will be charged.

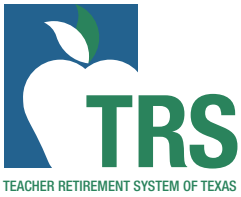
### 2. Check licenses with other state agencies

The 403(b) financial product sellers will continue to be regulated by the Texas Department of Insurance (<https://www.tdi.texas.gov/consumer/company-profiles-and-agents-for-service-of-process.html>) and the Texas State Securities Board (<https://www.ssb.texas.gov/investors/registration-checks>) so you can check their licensing and registration information online.

### 3. Visit other sources

Aside from state websites, there are also national sources to check. You can use BrokerCheck (<https://brokercheck.finra.org/>) to check if a firm is registered to sell investment products. For advocacy and general information on 403(b) plans, visit 403bwise (<https://403bwise.org/>).

**Disclaimer:** This article is provided for informational purposes only and should not be considered as legal or financial advice.



PRSR STD  
U.S. POSTAGE PAID  
Austin, Texas  
PERMIT # 2603

1000 Red River Street  
Austin, Texas 78701-2698










**CHANGE SERVICE REQUESTED**

## Planning for Retirement

The TRS retirement plan is a defined benefit plan for eligible employees of public school employers. Upon eligibility, you can receive a monthly annuity payment for life. As a member, understanding your benefits and planning for retirement are some of the most important things that you can do to secure your future.

Remember, it's never too soon to begin planning and understanding your benefits. Not sure where to start? Take a look at our [Planning for Retirement timeline](#)! It will help you create an action plan; then you'll be able to mark your calendar for important deadlines. Once you've determined your retirement date, follow the steps in the timeline to ensure a successful transition to retirement. You may also find an interactive version of the Planning for Retirement timeline by visiting the TRS website ([www.trs.texas.gov](http://www.trs.texas.gov)), clicking the Active Members tab, and then "Planning for Retirement."

### Some resources available to you as a member of TRS:

								
TRS Annual Statement	MyTRS Retirement Estimate Calculator	Benefit Presentations Across the State	Field Counseling Appointments	Group Retirement Sessions (conducted in Austin)	Office Visits (conducted in Austin)	Remote Office Visits (conducted through a computer or tablet from the convenience of your home)	Member Education Videos	Financial Awareness Videos