

AUGUST 2018

# TRS NEWS



MEMBER  
EDITION



THE NEWSLETTER of the TEACHER RETIREMENT SYSTEM of TEXAS

## TRS Board adopts new Investment Return Assumption

After careful evaluation and deliberation, the TRS Board of Trustees voted to lower the Investment Return Assumption (IRA) for the TRS Pension Trust Fund from 8 to 7.25 percent at their July meeting. This action is the result of a recent **experience study**.

The experience study determined that while most of the actuarial assumptions were accurate, the IRA needed to be adjusted due to changes in the global economic outlook. TRS examined 11 different economic outlooks from nine independent investment advisors. The data showed the average expected IRA ranged from 7.07 to 7.32 percent.

### EXPERIENCE STUDY



The purpose of an experience study is to determine if actual behavior, plan provisions, and investment returns have matched assumptions, or if adjustments are necessary. The study also examines whether certain assumptions match anticipated future experience and observable economic data.

### FUNDING PERIOD



The number of years required to pay off or eliminate the unfunded actuarial accrued liability.

*Whether the increase will come from active members, the state, school districts, or some combination of these is a decision for the Texas Legislature.*

### So what does this mean for you?

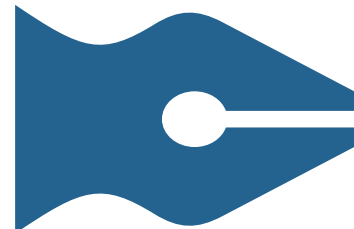
As a result of lowering the IRA, TRS will request a contribution rate increase between 1.5 and 2 percent in the budget request to the Texas Legislature. Whether the increase will come from active members, the state, school districts, or some combination of these is a decision for the Texas Legislature. The next legislative session begins in January 2019.

More information about the investment return assumption can be found on the [TRS website](#).



# Memo to Members

from  
Executive Director  
Brian K. Guthrie



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Executive Director

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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.

Although every edition of the *TRS News* is filled with important news, I hope you will carefully read the article in this newsletter about the TRS Board of Trustees' action at July's meeting regarding the Investment Return Assumption (IRA). The board voted to lower the current 8 IRA to 7.25 percent. We believe the decision is in the best interest of the TRS Pension Trust Fund due to changes in the global economic outlook, but we understand many of you may have questions.

**Please find out the facts behind the IRA change on page one.**

In a continuous effort to improve customer service, we are pleased to announce that we are issuing an official TRS Membership Card to participants. We began mailing the cards, along with an informational letter, late this summer. Your new membership card is unique to you and can be a handy resource to use when communicating with us.

**Read more about how the card will benefit you on page three.**

TRS is now accepting nominations for eligible members to qualify as candidates for the election of the Public School District Employee position on the TRS Board of Trustees. For the first time, TRS is offering two ways in which a nominee may collect the required 250 signatures of eligible members for nomination. A nominee may collect the 250 signatures electronically by declaring his/her interest to be a nominee to the [Secretary to the Board of Trustees](#). Once the member's eligibility is validated, the member's name will be posted on the [nomination site](#) where the nominee may direct eligible members to sign the nominee's electronic petition. TRS will continue to allow nominees to collect 250 signatures with paper petitions which are available on the TRS website.

**Read the full article on page five.**

No matter where you are in your career, we encourage you to stay abreast of TRS news. An interesting way to do that is by watching our new Member Education video series. Earlier this spring, TRS kicked off the series with two videos – *Welcome to Membership* and *Naming a Beneficiary*. The videos are designed to provide answers and information to the most commonly asked questions about TRS' member pension benefits.

**To find out when new videos will be released, read the article on page eight.**

**Finally, all of us at TRS wish you a great start to the school year!**

# New TRS membership cards mailed



In a continuous effort to improve service to our members, we are pleased to announce that we are issuing official TRS Membership Cards to participants. You can expect to receive your new card this summer. Your membership card is unique to you and can be a handy resource to use when communicating with us. It includes information that will be helpful when contacting our Telephone Counseling Center and using the automated telephone system or speaking with a Benefit Counselor. Please note that your name and unique Participant Identification Number (PID) are printed on the front of the card. The back of the card includes important information about our operating hours and toll-free numbers. **For questions related to your new TRS Membership Card, please call 1-844-203-5280.**

Along with issuing this card, we are launching a new automated telephone system in September.

## Here's what to expect:

- When you call TRS, please be ready to provide personal information such as your PID (found on your membership card), social security number, and date of birth.
- If you call from a telephone number that is currently on file with TRS, you will be able to easily authenticate your identity by providing your social security number.
- If you call from a telephone number that is not currently on file with TRS, you will be asked to provide personal information, including your PID, to authenticate your identity.
- There will no longer be a need to set up and maintain a Personal Identification Number (PIN).

## Helpful tips:

- Keep this card in your wallet or another safe, convenient place.
- File this helpful information with your other important TRS records.
- **Please note:** This card is **not** related to your health insurance card and **cannot** be used in place of your health insurance card.

# STAY UPDATED!



**Need answers fast?** Our automated call system is convenient to use at any time of the day! No need to remember a PIN!



Check out our new **Member Education videos** by following us on YouTube at [TRSoftexas](https://www.youtube.com/TRSoftexas).



**Need general information?** Visit our website at [www.trs.texas.gov](http://www.trs.texas.gov).

## Active member group presentations planned statewide

**Beginning in October**, TRS will conduct group benefit presentations in 28 cities throughout Texas. Presenters will review TRS benefits available to active members and those considering retirement during the 2018-19 school year. **Presentation times and locations will be listed on the [What's New](#) page of the TRS website.**

**Beginning Aug. 22, 2018** active members who have a *MyTRS* account may register for group presentations online. If you haven't registered for *MyTRS* and were a member prior to Sept. 1, 2017, set up an account today and you will be able to register for a presentation. If you cannot register for *MyTRS*, you may sign up for a presentation by calling TRS at **1-800-223-8778** and speaking with a TRS Benefit Counselor. Reservations will be taken on a first-come, first-served basis. Members will receive a confirmation email with their scheduled date and time. TRS schedules these meetings. **Please do not call the location for information.**

**From October 2018 through May 2018** there will also be a limited number of individual counseling sessions available. Members who register for group presentations are not automatically scheduled for individual appointments. Individual counseling appointments must be scheduled separately by calling a TRS Benefit Counselor at **1-800-223-8778**. We will begin **scheduling individual appointments on Aug. 27, 2018**. Members who make individual appointments do not need to attend a group presentation.

## Active member one-on-one counseling appointments planned across Texas; scheduling begins Aug. 27

**Beginning in October**, and continuing throughout the 2018-19 school year, TRS will once again conduct one-on-one counseling appointments for pension benefits in 10 cities throughout Texas. One-on-one counseling appointment locations and dates will be listed on the [What's New](#) page of the TRS website.

Thirty individual counseling appointments will be available on each trip. These one-hour appointments are designed for active members who are eligible to retire and who are considering retirement in the 2018-19 school year. These individual appointments will be offered to members on a first-come, first-served basis and only with a prearranged appointment. This year, there will be no online member registration for these one-on-one counseling appointments outside of Austin.

**Beginning on Aug. 27, 2018**, active members may schedule one-on-one appointments by calling TRS at **1-800-223-8778**. All appointments must be made by the deadlines listed on the TRS website. These deadlines allow TRS to prepare and send retirement packets to members ahead of time.

Members will receive a confirmation email with their appointment date and time. TRS schedules these meetings. **Please do not call the location for information.**

Members who make individual appointments do not need to attend a group presentation. *Please note:* Members who register for group presentations are not automatically registered for individual appointments.

**Individual office visits in Austin are not available for online registration. To schedule an office visit in Austin, please call 1-800-223-8778. A counselor will be happy to assist you.**

## TRS RECEIVES AWARD FOR FINANCIAL REPORTING

For the twenty-eighth consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) has awarded TRS a certificate of achievement for its *Comprehensive Annual Financial Report* (CAFR) for the year ending Aug. 31, 2017. The award is the highest form of recognition presented to a public employee retirement system for high standards in government accounting and financial reporting. We take great pride in receiving this important award for 28 years in a row and thank the combined efforts of TRS staff members throughout the agency, Gabriel, Roeder, Smith & Company (the system's actuary consultant), and the Texas State Auditor. **To view the 2017 CAFR, please find it located on the Publications page of the TRS website [www.trs.texas.gov](http://www.trs.texas.gov).**



# Nominations sought for TRS Board of Trustees Public School District Employee position

**TRS is now accepting nominations for eligible members to qualify as candidates for the election of the Public School District Employee position on the TRS Board of Trustees.** The term begins as early as Sept. 1, 2019 and ends Aug. 31, 2025.

For the first time, TRS is offering two ways in which a nominee may collect the required 250 signatures of eligible members for nomination. An eligible member for this election is a current employee of a public school district, charter school, or regional education service center.

A nominee may collect the 250 signatures electronically by declaring his/her interest to be a nominee to the [Secretary to the Board of Trustees](#). Once the member's eligibility is validated, the member's name will be posted on the nomination site where the nominee may direct eligible members to sign the nominee's electronic petition. The names of nominees will be listed on a first-come, first-listed basis. To sign the electronic petition, eligible members will need to provide identifying information in order to verify their eligibility to sign the petition. The process is easy and only takes a few minutes. For an electronic petition, the nominee does not need to submit anything further to TRS but must have 250 eligible member signatures by Jan. 21, 2019 to be considered a candidate.

TRS will also continue to allow nominees to collect 250 signatures of eligible members with paper petitions. TRS must receive the nominee's paper petitions **no later** than Jan. 21, 2019. You may download a [petition \(pdf\)](#) from the Resources section on the Nominations for TRS Board of Trustees Public School District Employee position page on the [TRS website](#); or if you do not have access to a printer, please contact the [Secretary to the Board of Trustees](#) to request a petition be mailed to you.

## NOMINATION TIMELINE



**Friday, June 1, 2018**  
Online nomination site and hard copy petitions are available



**Monday, Jan. 21, 2019**  
Deadline for submitting nominating petitions to TRS

*A drawing is only held if there are more than three candidates.*

*If there are fewer than four candidates, names will be listed on the ballot in last-name alphabetical order.*



**Monday, Jan. 28, 2019 – Friday, Feb. 1, 2019**

Drawing held to determine the order of candidates' names on the ballot

## ELECTION TIMELINE



**Friday, March 15, 2019**  
Ballots mailed out on or before this date with the March *TRS News* containing candidate biographical information



**Monday, May 6, 2019**  
Deadline for receiving returned completed ballots – electronic or hard copy



**Friday, May 24, 2019**  
Independent committee reviews the election procedures and ballot count, including a visual inspection of ballots, to attest to the election results



**Monday, May 27, 2019 – Friday, May 31, 2019**  
Names of up to three candidates who received the most votes in election, certified and sent to the Governor



**Sunday, Sept. 1, 2019**  
Earliest date that new board members will take office



# Your money funds TRS-ActiveCare, and together we make it go further

**TRS-ActiveCare provides health coverage for more than 440,000 people, and it funds that coverage through a self-funded health plan model.** We've recently received some questions regarding how this health insurance plan is structured. Many are surprised to find out that TRS health care works differently than health insurance available for purchase on the individual market.

The premiums paid by public school employees are combined with district funds (a minimum of \$150 per employee per month) and state funds (\$75 per employee per month) into a pool that makes up TRS-ActiveCare. The money in this fund is what pays for claims.

Each week, Aetna and CVS Caremark—who are paid to administer the plan but do not otherwise receive TRS money—send TRS the medical and prescription drug claims for our members' care. TRS then pays the claims from the TRS-ActiveCare Fund.

Let's contrast that with a private, or commercial insurance product. Individuals and companies pay a commercial insurance company to administer health care claims and assume risk. In the private market, health insurance companies are responsible for profit and loss. In a self-funded health plan like TRS-ActiveCare, the plan administrator (Aetna) gets a fixed administrative fee but carries none of the risk.

Educators, public school employees, and districts are our critical partners in running TRS-ActiveCare. Together, we are stewards of the TRS-ActiveCare plan. It's your money and we must protect it. This duty requires special diligence as we all face the challenge of rising prices in the U.S. health care sector.

## These are just a few ways we take action to preserve the TRS-ActiveCare plan:

- **Encourage** use of in-network providers and generic prescription drugs, when possible
- **Help members** find lower-cost health settings like the doctor's office or urgent care instead of the emergency room
- **Offer** flexible and convenient options like Teladoc and the Informed Health Line
- **Make** health care information easily accessible through *The Pulse* newsletter
- **Offer** high-quality, value-packed health care models like Accountable Care Organizations

You help us control costs and strengthen the TRS-ActiveCare Fund by being an active participant in your health care decisions and choosing options like those listed above.

Your medical spending is just like any other spending. Always consider the services you really need and take into account what they will cost versus alternative measures. Emergencies are when your life or limb is threatened. For instances when this is not the case, money can be saved by taking the appropriate course of action.

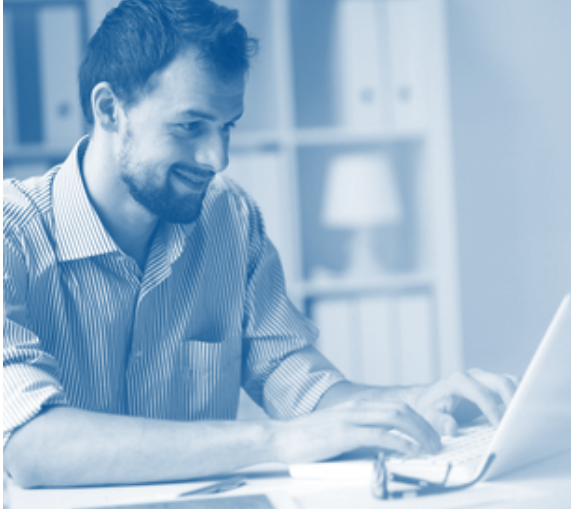
You can also take advantage of free, preventive programs and wellness visits, which may help you avoid costly medical conditions in the future.

If you're receiving treatment for a chronic condition, you can save money by regularly meeting with your physician or care staff and taking medications as directed. Compliance has been shown to lower episodes of acute care and provide a better quality of life.

**Together, we can make sure that the TRS-ActiveCare Fund is preserved for the future.**

**A Summary of Benefits and Coverage (SBC) is available for each health plan offered under both TRS-Care (excluding Medicare Advantage plans) and TRS-ActiveCare.**

Each SBC provides an overview of the benefits and services the health plan covers and what you can expect to pay for such services for the plan year. The SBCs for the TRS-ActiveCare 2017-18 plan year and for the 2018 TRS-Care plan year are currently available. The SBCs for the 2018-19 TRS-ActiveCare plan year will be available after Sept. 1, 2018; the SBCs for the 2019 TRS-Care plan year will be available after Jan. 1, 2019.



# NOTICE OF

✓ **Summary of Benefits and Coverage**

✓ **Privacy Practices**

• **TRS-ActiveCare participants:**

Locate the SBCs by visiting your plan's website at [www.trsactivecareetna.com](http://www.trsactivecareetna.com) and click on the Documents & Forms tab located at the top of the webpage.

• **TRS-Care participants:**

Locate the SBCs by visiting your plan's website at [www.trscarestandardaetna.com](http://www.trscarestandardaetna.com) and click "Non-Medicare retiree" and then the Documents & Forms tab located at the top of the webpage.

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

• TRS-ActiveCare Customer Service:  
**1-800-222-9205**

• TRS-Care Customer Service:  
**1-800-367-3636**

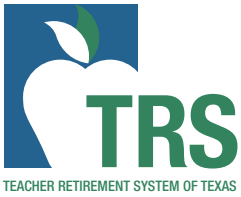
• Hearing-impaired individuals should dial **Relay 711**.

A Notice of Privacy Practices (NPP) is available to you. 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. You can locate the NPP by visiting the Publications page on the TRS website: [www.trs.texas.gov](http://www.trs.texas.gov).

TRS has recently added language to its NPP which clarifies that under certain circumstances, you will have an opportunity to either agree or object to the use or disclosure of your protected health information by TRS.

For more information regarding TRS-Care enrollment and eligibility, please contact the TRS Health and Insurance Benefits Department: **1-888-237-6762**.

For more information regarding TRS-Active Care enrollment and eligibility, please contact your Benefit Administrator.



1000 Red River Street  
Austin, Texas 78701-2698

**CHANGE SERVICE REQUESTED**

# New member education videos released

Earlier this spring, TRS kicked off our new Member Education video series with two videos – *Welcome to Membership* and *Naming a Beneficiary*. The videos in this series are designed to provide information and answers to the most commonly asked questions about TRS member pension benefits. If you are a new, mid-career, late-career, or a retired member, you'll find something useful in each video. During the course of your career and into retirement, it's important to know about your benefits. Staying in touch with TRS and understanding your benefits will pay off in the long run.

More recently, TRS released the third video in our Member Education video series, *What Tier Am I?* Your membership tier is dependent on a number of factors, but with the help and guidance of a TRS Benefit Counselor narrating this video, you'll be able to quickly learn what tier you are as well as the associated benefits.

The next videos in the series, *Working After Service Retirement*, will answer some of our members' and retirees' most common questions about returning to work after a service retirement.

## Other future videos will include:

- *What Every Named Beneficiary Needs to Know*
- *Selecting a Retirement Benefit Option*
- *Purchasing Service Credit*
- *Disability Retirement*

To watch complete videos as they are released, visit the [TRS Member Videos](#) page on the TRS website or subscribe to our YouTube channel [TRSoftexas](#).