

Benefits report

A publication of the
Teachers' Retirement System
of the City of New York



Building Better Tomorrows for 100 Years!

A Message from the Executive Director

Dear Members,



TRS is approaching a historic milestone—our centennial anniversary. Back when we were founded, on August 1, 1917, our membership consisted of fewer than 25,000 teachers and 1,400 retirees. Now, in our hundredth year of operation, we have 200,000 in-service members, retirees, and beneficiaries, and we manage almost \$72 billion in assets across two retirement plans.

Although we administer many member benefits, the cornerstone of TRS is our Qualified Pension Plan (QPP), the employer-sponsored defined-benefit plan that provides your monthly retirement allowance. As the years have passed, defined-benefit plans have become increasingly rare—and therefore increasingly valuable. Our supplemental Tax-Deferred Annuity (TDA) Program, which is almost a half-century old itself, provides members an opportunity to build additional retirement income during their working careers. Nearly two-thirds of today's retired members still maintain their TDA accounts.

Altogether, the benefits TRS provides to retirees and their families are some of the most substantial assets in their lives. We recognize our importance and our obligations to you as a retiree, and we strive to meet your increasing expectations.

This is an auspicious time for TRS. As I mentioned in these pages last fall, we have begun a complex, multi-year transformation of our computer systems and business processes. For you, the most visible part of this effort is our website. We introduced a redesigned, mobile-friendly site earlier this year,

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Fall 2016

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Top FAQs About RMDs

If you are subject to Required Minimum Distributions (RMDs) from your Tax-Deferred Annuity (TDA) Program funds at the end of the year, you might have questions. Below are some of the most common inquiries received from our members concerning RMDs.

What is an RMD?

This is the amount that certain participants in TRS' TDA Program must receive from their TDA funds in a given year to meet the distribution regulations of the Internal Revenue Service (IRS). RMDs apply only to TDA participants who have separated from service, are at least age 70½, and have TDA Deferral status. It is important to note that the IRS imposes a 50% excise tax on any amounts that are required to be distributed in a given year, but are not.

Will I receive notification when I need to take an RMD?

Yes. Each year, TRS sends a comprehensive RMD packet to members who are subject to distribution requirements for the year. This packet includes a letter indicating the RMD amount for that year, as well as an "RMD Election Form" (code TD39).

Please note that, if this is the first year you are subject to RMD rules, you may elect to receive your distribution as late as April 1 of next year.

Are there different ways that I can receive my RMD amount?

Yes. You have several choices, which you may elect on the "RMD Election Form" or online equivalent: You may receive an RMD payment from TRS for the required amount; you may make a direct withdrawal of an amount equaling or exceeding your RMD amount; you may also elect to annuitize your funds; or you may satisfy the RMD requirement by receiving payments from another Section 403(b) Program.

Please note that RMD payments cannot be rolled over into a successor program; they must be received by the member (or, when applicable,

by a beneficiary who has established a TDA account with TRS).

Are there tax consequences?

All RMDs are subject to federal income tax. Depending on where you live, your distribution may also be subject to state and local taxes—please check with your tax advisor on this matter. As a reminder, taxable distributions from TRS are reported at the end of January on a 1099-R form (see page 6).

Can I change my RMD options after filing my "RMD Election Form"?

Yes. You may change your RMD options by filing a new "RMD Election Form" or online equivalent. Generally, TRS must receive your new form at least 30 days before the expected RMD payment date, based on your previous elections. (However, if your RMD payment date would have been the last business day of December, TRS must receive your new election by the end of October.)

What happens if I missed the October filing deadline?

If TRS did not receive your "RMD Election Form" or online equivalent by the end of October, we would automatically issue you a payment that satisfies the requirements of the IRS. The payment would be dated no later than December 31 (or April 1 for first-time recipients), and you would not be penalized by the IRS.

For additional information on RMDs, please refer to our *Required Minimum Distributions for Members* brochure, which can be accessed through our website.

Understanding Your Retirement Benefits

Every new retiree receives a Benefits Letter from TRS, which summarizes the calculation of retirement benefits under the Qualified Pension Plan (QPP). TRS also sends Benefits Letters after a retirement allowance revision occurs; revisions result from situations such as new collective bargaining agreements that retroactively affect salary.

If you have questions about how your retirement allowance was determined, there's a good chance your Benefits Letter contains the answers. The letter covers the following key topics and provides additional helpful information:

Retirement Allowance: Shows the factors, formulas, fund balances, and other data used to calculate each portion of your retirement allowance

Payment Options: Describes the option you selected and provisions for beneficiaries

Beneficiary Designations: Indicates your chosen beneficiaries and related information

Investment Information: Provides an overview of investment elections at retirement (Tiers I/II members only)

Tax Information: Outlines the taxable portion of your retirement allowance based on federal guidelines and describes federal tax withholding

Post-Retirement Earnings: Summarizes restrictions on post-retirement employment

Please note that, if you elected to annuitize your funds under the Tax-Deferred Annuity (TDA) Program, you received a separate Benefits Letter for your TDA annuity.

Please retain all Benefits Letters for your records. For additional information, please refer to the *Understanding Your Benefits Letter* brochure for your tier, which is available on our website.

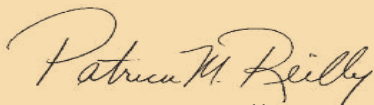
Building Better Tomorrows

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and going forward, we are making more and more of our services available online. At the same time, we recognize that not everyone has embraced the digital age, and we will continue to be here for all our members, no matter how they choose to do business with us.

As a TRS member, you follow generations of New York City educators and administrators for whom TRS has been building better tomorrows. We will proudly commemorate our centennial throughout 2017, keeping our focus on the present while directing our energies toward the future. You can visit our website at www.trsnyc.org—and keep reading *Benefits Report*—to learn more. As the year progresses, you can rest assured that TRS will continue to put our members' best interests first, in all that we do.

Sincerely,


Patricia M. Reilly

Investment Results

TRS' six Passport Funds are available to all Tax-Deferred Annuity (TDA) Program participants and to Tiers retirement allowances under the Qualified Pension Plan (QPP).

Visit TRS' website for more detailed information about the Passport Funds, including the most recent perfor

Annualized Investment Returns

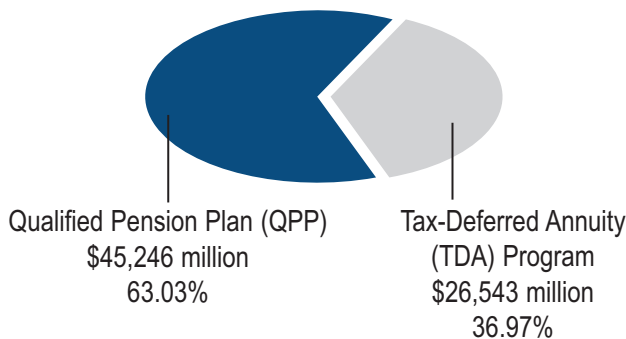
	1 Year 7/1/15 to 6/30/16	3 Years 7/1/13 to 6/30/16	5 Years 7/1/11 to 6/30/16	10 Years 7/1/06 to 6/30/16
Diversified Equity Fund	-0.62%	8.79%	9.41%	6.07%
Bond Fund*	2.83%	1.84%	N/A	N/A
International Equity Fund**	-6.65%	2.98%	2.23%	N/A
Inflation Protection Fund**	0.50%	2.11%	2.96%	N/A
Socially Responsive Equity Fund**	0.93%	9.65%	9.50%	N/A

* Annualized investment performance is only available for the one- and three-year periods because the Fund began on January 1, 2012.

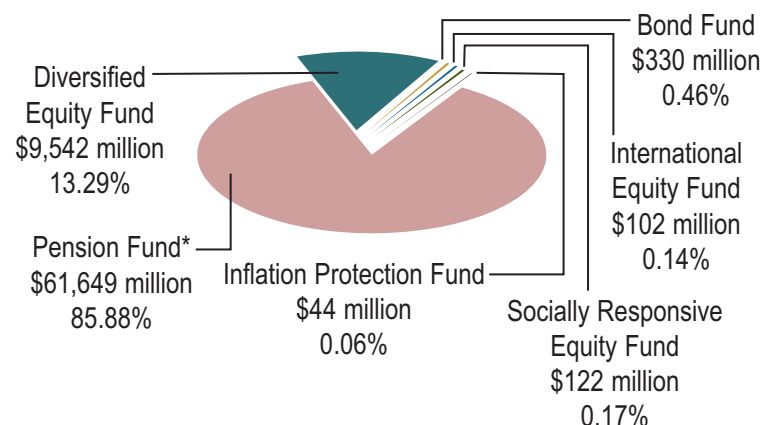
** Annualized investment performance is only available for the one-, three-, and five-year periods because the Fund began in July 2008. For approximations of annualized performance for other periods, see the *Fund Profiles* booklet on our website.

Total Investment

BY PLAN \$71.789 Billion



BY FUND \$71.789 Billion

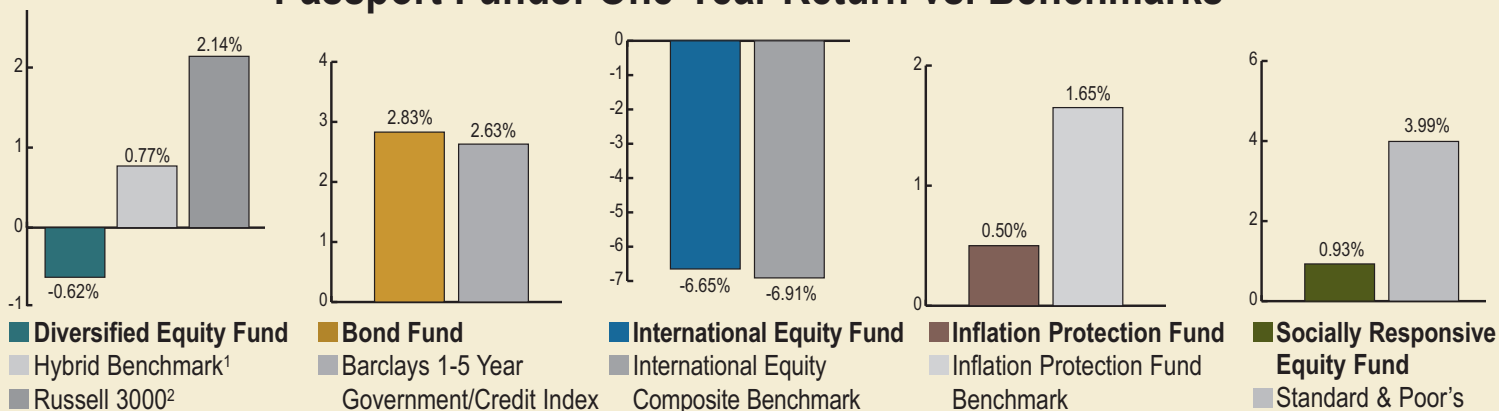


* Includes all QPP and TDA funds in the Fixed Return Fund and all Tiers III/IV/VI QPP funds

as of June 30, 2016

I/II retirees for the Annuity Savings Fund (ASF) and Increased-Take-Home-Pay (ITHP) portions of their
 nance data for each fund. You may also access our latest *Fund Profiles* booklet.

Passport Funds: One-Year Return vs. Benchmarks



¹ Reflects the Fund's target allocations to non-U.S. and defensive strategies

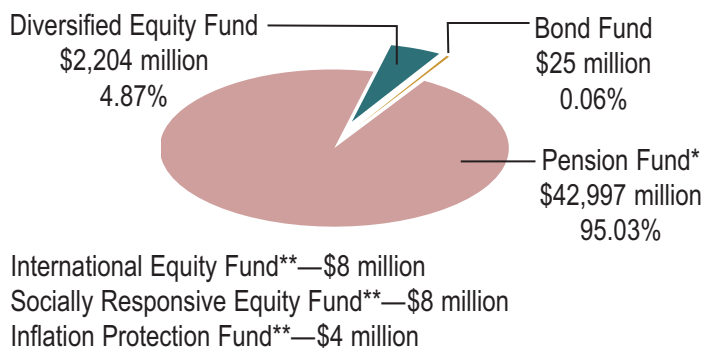
² Measures the U.S. equity market

The **Fixed Return Fund** provides a fixed rate of return, determined by the New York State Legislature in accordance with applicable laws. As such, the Fund has no benchmark. Interest on funds invested in the Fixed Return Fund is already built into monthly QPP retirement allowance and TDA annuity payments. For members with TDA Deferral status, those who retired from a position represented by the United Federation of Teachers are credited with 7% annually on TDA investments in the Fixed Return Fund; all other members with TDA Deferral status are credited with 8.25% annually on TDA investments in the Fund. These rates have been in effect since December 11, 2009 and July 1, 1988, respectively.

Note: TRS performance figures are shown net of fees.

nts (Unaudited)

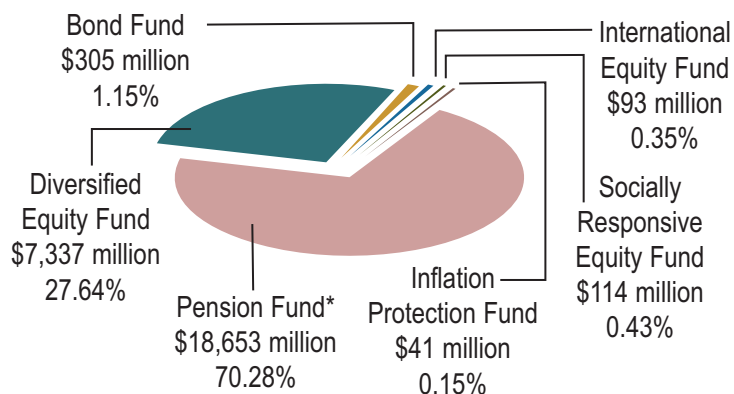
TOTAL QPP INVESTMENTS \$45.246 Billion



* Includes all Tiers I/II QPP funds in the Fixed Return Fund and all Tiers III/IV/VI QPP funds

** Not shown in chart above

TOTAL TDA INVESTMENTS \$26.543 Billion



* Includes all TDA funds in the Fixed Return Fund

Are You Taking Advantage of EFT?

As a TRS retiree, you have the option of selecting Electronic Fund Transfer (EFT) to conveniently receive your monthly benefit payments electronically. With EFT, you can have your payments deposited directly into your checking or savings account. The funds will be credited to your account automatically each month, saving you a trip to the bank and the possible inconvenience of a lost or delayed check.

The 2017 payment schedule at right indicates the estimated dates when TRS expects to transmit the payment to your bank. Exactly when your funds become available depends on your institution's banking schedule and may be affected by weekends and holidays.

For more detailed information about EFT, please see our *Electronic Fund Transfer* brochure.

EFT Transmittal Schedule for 2017:

January	Tuesday, 1/31
February	Tuesday, 2/28
March	Friday, 3/31
April	Friday, 4/28
May	Wednesday, 5/31
June	Friday, 6/30
July	Monday, 7/31
August	Thursday, 8/31
September	Friday, 9/29
October	Tuesday, 10/31
November	Thursday, 11/30
December	Friday, 12/29

1099 Forms Will Be Mailed in January

In January 2017, TRS will mail 1099 forms to our members for calendar year 2016. These forms report distributions and interest received for the prior calendar year—information you will need when preparing your income tax returns. TRS also reports your 1099 information to the IRS.

Distributions from pensions and annuities are generally reported on a 1099-R form, while interest payments are reported on a 1099-INT form.

You may log in anytime to the secure area of our website to view your 1099 forms for lump-sum distributions. Please note the following:

- ✓ Forms for 2016 distributions will be posted early in 2017.
- ✓ 1099 forms for monthly allowances or annuity payments are not available online.
- ✓ If a form was corrected in a given year, neither the corrected nor original form would be available to you online.

Please refer to TRS' *1099 Forms* brochure, which is available on our website, to learn more about the forms and the distributions that are reported. TRS does not provide tax advice, so you may want to consult with your accountant if you have tax questions.

New Deadline to File World Trade Center Notice

Qualifying TRS members who worked in the World Trade Center rescue, recovery, or cleanup operations between September 11, 2001 and September 12, 2002 may file a "Notice of Participation" (code DI40) with TRS. The "Notice of Participation" serves to inform TRS that, due to your participation in the above operations, you believe that you have developed,

or may develop, a disabling health condition.

Recent New York State legislation extends the filing deadline for members to file a "Notice of Participation" to September 11, 2018.

Please access our website to obtain the "Notice of Participation" form and related information sheet.

Make the Most of Retirement in New York City

If you made the decision to live in one of the five boroughs after you retired, there's a good chance you are taking advantage of a special program or discount created especially for seniors and retired residents. As a service to our retired members, we've compiled a selection of benefits and services provided by the City and its community partners to help improve the quality of your retirement life and even save you money.

Senior Centers There are more than 400 Senior Centers located across all five boroughs that offer a variety of cultural, creative, recreational, and fitness activities, in addition to nutritious meals. They are also an excellent place to learn about senior benefits available in your community. The **NYC Department for the Aging (DFTA)** website provides a link to an easy-to-use tool for locating a Senior Center in your neighborhood.

Job Training If you decide to continue working after retirement, training and job placement assistance may be available through **Senior Employment Services (SES)**. A unit of DFTA, SES provides retirees with training on basic computer use, customer service skills, job search techniques, interviewing, and resume writing. SES recruiters are stationed at **Workforce 1 Centers** located in all five boroughs. The Centers are staffed by specialists who offer training, career counseling, and placement assistance for adult City residents. They can also connect qualified candidates to local job opportunities.

Technology If you don't know how to use a computer or want to enhance your skills, you can take advantage of a variety of free services available for seniors. A City agency called **Older Adults Technology Services (OATS)** provides free computer training in communities across the City. OATS has created a website especially for seniors called **Senior Planet**, which features content and news on such topics as health, personal relationships, art and design, style, travel, and entertainment. Another free resource is your **local public library**. Most City libraries will allow you to

reserve a computer, and some offer free computer classes. Recreation Centers operated by the **NYC Department of Parks and Recreation** also offer digital learning classes for members of all ages and abilities. Seniors (62 and up) can join a Recreation Center for \$25 per year.

Continuing Education If you want to explore educational and cultural opportunities, check out a website called **Age-Friendly NYC College Link**. It's an online database of offerings from more than 40 local educational institutions designed especially for older adults. The listing includes continuing education courses, degree programs, campus lectures, job training, and even events at campus art galleries.

Arts and Cultural Events There is plenty to do and see in NYC, and many attractions offer senior discounts. For example, senior citizens are among those eligible for membership in the **Theatre Development Fund (TDF)**, one of the City's best-kept secrets for bargain-priced tickets. For a \$34 annual fee, members receive offers to dozens of shows throughout the year, at prices ranging from \$9 for Off-Off-Broadway to \$47 for Broadway. The **NYC Arts Cultural Guide for Seniors** also offers information on discounts on cultural events and activities, as well as an extensive list of free or "pay-what-you-wish" zoos, aquariums, gardens, and historical sites.

This is just a partial listing. There are many other senior-targeted programs and services available throughout the City. The DFTA website (www.nyc.gov/html/dfta) is a good place to start for more information.



Publications

The following TRS publications have been updated since our last issue and are available on our website:

- *TDA Program Summary*
- *Understanding Your Benefits Letter: Tiers III, IV, and VI*

Calendar

January 1, 2017: Effective date of retiree investment election changes received by October 30, 2016 (QPP changes, TDA annuitant changes) or December 1, 2016 (changes for deferred TDA accounts).

January 31, 2017: Expected distribution of 1099 forms for any distributions made from members' TRS accounts in 2016.

January 2017: Expected distribution of EFT Quarterly Statements for the fourth quarter of 2016 to retirees who receive their TRS monthly payments electronically.

Mailing of monthly retirement benefit checks generally occurs three business days before the end of each month. See calendar on page 6 for the schedule of electronic payments for 2017.

Please remember that TRS' offices will be closed on the official New York City holidays occurring **November 24** and **December 26, 2016**, and **January 2, January 16**, and **February 20, 2017**.

February 2017: Expected distribution of TDA Quarterly Statements for the fourth quarter of 2016 to retirees with TDA Deferral status.

April 1, 2017: Effective date of retiree investment election changes received by January 31, 2017 (QPP changes, TDA annuitant changes) or March 1, 2017 (changes for deferred TDA accounts).

April 1, 2017: Expected distribution of EFT Quarterly Statements for the first quarter of 2017 to retirees who receive their TRS monthly payments electronically.

