

Benefits report

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



What TRS Membership Means

As we celebrate our 100th anniversary of serving New York City's education professionals this year, it's a good opportunity to review the many benefits of TRS membership.

You are well aware of the greatest benefit: the guaranteed retirement allowance provided by our Qualified Pension Plan (QPP). This lifetime defined-benefit pension is not affected by the ups and downs of the financial markets.

And with over 62,000 retirees residing in New York State, much of that pension money is being reinvested in state and local services.

You may also be familiar with another key benefit: our Tax-Deferred Annuity (TDA) Program, which allows members to build additional retirement income during their working years on a tax-deferred basis. More than half of our retirees are maintaining their TDA investments during retirement, and for many the TDA account is one of their greatest financial assets.

TRS also offers loans to members to help them meet their current financial obligations, and we provide disability retirement benefits to members who meet certain requirements. And, finally, the death benefits provided under both of our plans help our members take care of their loved ones down the road.

Beyond that array of benefits, TRS is also focused on providing you the information you need. Whether it's on the pages of this newsletter or other materials you receive, from our Member Services Center, or online on our website or Facebook page, TRS is committed to helping our members. And, looking ahead, we are planning to introduce more self-service features, so that you can help yourself whenever you choose to.

In 2017, TRS looked back to recognize a major milestone. But we think our best days are yet to come—and we are happy that you're a part of our future.

Fall 2017

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Have You Signed Up for EFT?

Are you still receiving your retirement allowance payments in the mail? Why not choose Electronic Fund Transfer (EFT)?

With EFT, you can have your monthly benefit payment automatically credited to your checking or savings account. No need to wait for your check to arrive by mail and take it to the bank; no need to worry about delivery delays or lost checks. That's welcome peace of mind, especially considering the recent natural disasters that affected millions. To sign up, file the "EFT Authorization Form" (code BK58) with TRS today!

At right is a schedule for when TRS expects to transmit retirement payments in 2018. These transmittal dates may be subject to change, and fund availability may vary based on your financial institution's banking schedule, weekends, and holidays.

More detailed information about EFT can be found in our *Electronic Fund Transfer* brochure.

EFT Transmittal Schedule for 2018

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

*Your bank may not make these funds available until the next business day.

Required Minimum Distributions Simplified

If you are maintaining an account in TRS' Tax-Deferred Annuity (TDA) Program, you are probably aware that reaching age 70½ is an important milestone. The year that this occurs, the Internal Revenue Service requires you to begin receiving a portion of your TDA funds each year by taking Required Minimum Distributions, or RMDs.

The RMD process is really not that complicated because TRS does most of the work for you.

Earlier this spring, we calculated RMD amounts and mailed notification letters and accompanying forms to all affected members. (If you think you are subject to RMD rules in 2017 but did not receive an RMD packet, please contact TRS.)

Your part of the process is to make an RMD election.

You can file online by logging in to the secure section of our website, or file the paper "RMD Election Form" (code TD39) we mailed you. If you want to meet the distribution requirements by annuitizing your TDA account, or by taking a direct withdrawal, you will have to file other forms with TRS as well.

If you missed the annual filing deadline of October 31, TRS would automatically issue you a payment satisfying your RMD requirements at the end of the year. Payment would be made either electronically or by check, depending on how you receive your retirement allowance.

For additional information on RMDs, please refer to our *Required Minimum Distributions* brochure.

Balanced Fund Begins in 2018

As reported in our Spring 2017 issue, TRS is changing our Bond Fund, one of the six TRS investment choices known as the Passport Funds.

As of January 1, 2018, the Bond Fund will become the Balanced Fund. This new fund will be a moderately conservative investment option with more expected volatility than the Bond Fund, providing greater potential for return. In addition to bonds, it will include exposure to global equities.

If you have investments in the Bond Fund as of December 31, 2017 and are comfortable with investing in the new Balanced Fund, no action is required. In that case, your Bond Fund holdings will be invested automatically in the Balanced Fund. If you prefer to move your Bond Fund account balance into a different Passport Fund, you may file to change your investment elections at any time.

During September, TRS mailed an updated profile of the Balanced Fund to members, along with a Q&A about the change. That information is also on our website on the Bond Fund page.

More detailed information about the Passport Funds is available in the 2017 *Fund Profiles* publication on our website. You may also contact our Member Services Center for information, but please remember that our representatives cannot provide investment advice.



1099 Forms Will Be Mailed in January

In January 2018, TRS will mail 1099 forms to our members for calendar year 2017. 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 2017 distributions will be posted early in 2018.
- ✓ 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.

TRS Website At Your Service 24/7!

Please remember that the TRS website is a great resource for information about your TRS membership—even in retirement. And if you’ve registered with a username and password, you have secure access to your account information and can conduct business with TRS online.

Just look at what you can do in the secure section of our website:

-  Update your contact information
-  Change your withholding elections for your monthly payments
-  Manage investments in your TDA Program account—and choose paperless quarterly statements for your account
-  Manage your beneficiary designations
-  View your monthly account information—and access recent quarterly and annual statements

Please note that eligibility requirements may apply for some features.

We hope you’ll join your peers and take advantage of our growing list of online features—at your convenience.

New Login Steps on TRS Website

If you haven’t visited the secure section of our website since last school year, you’ll experience some new security features the next time you log in. If you do business online with your bank or financial services provider, you’re probably familiar with these industry-standard enhancements.

- ➔ When you first log in again, you’ll need to select a security image, which we’ll display whenever you visit in the future. Seeing this image will assure you that you are logging into the official TRS site.
- ➔ Later, if you forget your password or we don’t recognize the computer you’re using, we’ll send you a verification code to enter as part of login—this is an extra security step to protect you.

For your convenience, we have posted two video tutorials on our site. One reviews the new login steps for returning users, and the other covers our new registration process for first-time users. Just visit www.trsnyc.org and search for “using our site.”

Stay connected



Follow and like our Facebook page ([myTRSNYC](https://www.facebook.com/myTRSNYC)) for quick access to TRS news and information. If social media is not your thing, you can still stay up to date by monitoring the news bulletins on the homepage of our website.

Semiannual Investment Results: 6/30/2017

TRS Passport Funds

TRS' six Passport Funds are available to all Tax-Deferred Annuity (TDA) Program participants and members in Tiers I and II for a portion of their funds in the Qualified Pension Plan (QPP).

TRS publishes investment results twice each year in this newsletter. For more recent investment results, please visit our website. For more details about the Passport Funds, please review our annual *Fund Profiles* booklet.

Annualized Investment Returns

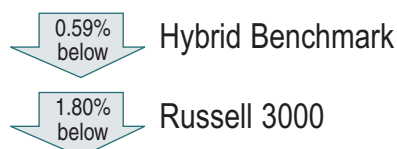
	1 Year	3 Years	5 Years	10 Years
Fixed Return Fund (TDA/UFT)*	7.00%	7.00%	7.00%	7.31%
Fixed Return Fund (All Others)*	8.25%	8.25%	8.25%	8.25%
Diversified Equity Fund	18.09%	7.16%	12.79%	5.89%
Bond Fund**	0.06%	1.32%	1.17%	N/A
International Equity Fund**	20.89%	2.73%	9.06%	N/A
Inflation Protection Fund**	1.43%	-1.00%	2.65%	N/A
Socially Responsive Equity Fund**	18.43%	8.24%	14.42%	N/A

* Returns for the Fixed Return Fund are set by New York State Law. Currently, members affiliated with the United Federation of Teachers are credited with 7% annually on TDA investments in the Fund. Other members' TDA investments in the Fund, and any member's QPP investments in the Fund, are currently credited with 8.25% annually. Historical rates are published on our website. For retirees and annuitants who have Fixed Return Fund investments, the guaranteed return is factored into their monthly payments. Funds that members allocate to the Fixed Return Fund are invested with the Pension Fund.

** Annualized investment performance is not available for all periods because of the fund's inception date. Please see the *Fund Profiles* booklet on our website for details.

Five-Year Performance vs. Benchmarks

■ Diversified Equity Fund:



■ Bond Fund:



■ International Equity Fund:



■ Inflation Protection Fund:



■ Socially Responsive Equity Fund:



TRS Plans

TRS offers two plans to members.

All members participate in the Qualified Pension Plan (QPP), a defined-benefit plan that is funded by employer contributions and member contributions. TRS also administers a Tax-Deferred Annuity (TDA) Program, a supplemental defined-contribution plan available to members. The TDA Program is funded by member contributions.

QPP Total Investments

\$50.4 Billion*

TDA Total Investments

\$30.8 Billion*

* As of 6/30/2017 (unaudited)

Protecting Your Personal Information

In recent months a number of disastrous events occurred. Hurricanes, earthquakes, and fires caused widespread destruction, and there was also a massive cybersecurity incident at one of the nation's largest credit reporting agencies. Situations like these can lead to breaches in information security and personal data. TRS works continually to maintain the security of your personal information. However, securing personal and confidential information is also your responsibility. There are precautions you can take when doing business—with TRS or any other entity.

Natural Disasters in the News

Typically, certain types of scams peak following natural disasters. And criminals often employ techniques to defraud victims under the guise of helping to ease the loss. The Department of Justice's National Center for Disaster Fraud issued a statement cautioning the public against fraudulent activity related to relief operations and funding for victims of natural disasters. Although no amount of protection is foolproof against every scam, it helps to minimize any potential damage by following some general guidelines.

- ➔ **Be on the watch for bogus crowdfunding pages to raise money for victims.** Although some are legitimate, and sites like GoFundMe have protection policies in place, some crowdfunding sites do little to vet their fundraisers.
- ➔ **Watch out for fake copycat charities.** Scammers can create websites to mirror those of legitimate charities, or they use a similar name to fool you.
- ➔ **Always exercise caution before opening emails, clicking links, or visiting websites related to donations for disaster relief efforts.**
- ➔ **Research the organization before donating.** Try to contact them, check if they are listed on the Better Business Bureau website, or ask people you trust if they are familiar with the charity. You can also check give.org or charitynavigator.org.
- ➔ **Avoid cash donations if possible.** Rarely will a legitimate charity require cash. Pay by credit card or check. Always make checks payable to the charity, not to individuals.

Cybersecurity Incident at Equifax

The recent data breach at Equifax may have jeopardized the sensitive information of about 143 million Americans—nearly half of the U.S. population. The private information that was potentially exposed includes sensitive personal information such as Social Security numbers, birthdays, addresses, and, in some instances, driver's license numbers and credit card numbers. Whether or not your information may have been affected, Equifax may offer you the option to enroll in complimentary identity theft protection and credit file monitoring services. Visit <https://www.equifax.com> for more information.

If you haven't already done so, the first, best, and fastest way to protect yourself from data breaches is to place a security freeze on your credit files. In addition to Equifax, you should also apply the freeze to Experian and TransUnion. And for extra security, you can apply a freeze to a fourth, lesser-known consumer reporting agency, Innovis. You can do this by contacting each bureau either through its website or through its customer service number. Depending on where you live, you may

incur a fee. In addition to the credit freeze, there are other steps to further protect your personal information and funds.

- ➔ Set up and activate two-factor authentication on all your mobile banking services, checking and savings accounts, credit cards, home equity lines of credit, and other financial accounts.



- ➔ Place a fraud alert on credit reports. A fraud alert is a notice on your credit report that warns both current and prospective lenders that they must take reasonable steps to verify your identity before granting credit, such as for a new credit card or loan, or when extending credit on an existing account. You need to request a fraud alert at one of the big three credit reporting bureaus, which will then pass the information to the other two, and separately place another alert with Innovis.
- ➔ Secure your smartphone and email. Activate two-factor authentication on your email accounts. Never click unsolicited, unexpected, or suspicious-looking links sent to you by email or text. Keep up-to-date security on any computer or other device you use to access your accounts (*i.e.*, firewall, antispyware, and antivirus software).
- ➔ Minimize the “real” data about yourself when using secret questions, passwords, and other ways that can lead to your identification.

How TRS Keeps Your Information Safe

Securing sensitive electronic data is a serious concern. Protecting both TRS’ and your information is a central strategic objective in our agency.

TRS’ Information Security Program implements appropriate security measures and protection against unauthorized access, use, disclosure, disruption, modification, or destruction of personal information. We continually review and upgrade our computer systems and our website to ensure that they are as secure as possible.

For example, we have recently implemented industry-standard security enhancements for login and registration in the secure section of our website. (*See related article on page 4.*)

You can feel comfortable when doing business with us online, for the following reasons:

- ➔ All data exchanged between our website and your computer is encrypted so that it cannot be read by a third party.
- ➔ TRS staff does not have access to the username and password you use on our website.
- ➔ We have internal work practices in place to safeguard members’ personal information within TRS.
- ➔ Our Information Security Program consistently receives positive comments from external auditors.

Protecting Against Identity Theft

At TRS, doing our best to protect members’ identities from theft is a priority. That’s why, since 2015, our Member Services Representatives have used training materials and guidelines from the Federal Trade Commission for guarding against identity theft. This issue is increasingly important as more of our members are doing business with us online. When there is a perceived threat to a member account, the situation is immediately escalated so that the incident can be investigated.

Commitment to Provide Services

Although we can neither prevent nor anticipate the full extent of damage resulting from natural disasters or other events, TRS plans extensively for those contingencies. Our staff periodically conducts off-site work tests to ensure that critical business functions can continue if our 55 Water Street location should become inaccessible (as happened after Superstorm Sandy in 2012). The results and lessons learned from these tests help us to improve our plans for business continuity.

Publications

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

- *Fund Profiles*
- *TRS Retiree's Companion*

Calendar

January 1, 2018: TRS' Bond Fund becomes the Balanced Fund. (See *related article on page 3.*)

January 1, 2018: Effective date of retiree investment election changes received by October 30, 2017 (QPP changes, TDA annuitant changes) or December 1, 2017 (changes for deferred TDA accounts).

January 31, 2018: Expected distribution of 1099 forms for any distributions made from members' TRS accounts in 2017.

January 2018: Expected distribution of EFT Quarterly Statements for the fourth quarter of 2017 to retirees who receive their TRS monthly payments electronically.

February 2018: Expected distribution of TDA Quarterly Statements for the fourth quarter of 2017 to retirees with TDA Deferral status.

April 1, 2018: Effective date of retiree investment election changes received by January 31, 2018 (QPP changes, TDA annuitant changes) or March 1, 2018 (changes for deferred TDA accounts).

April 2018: Expected distribution of EFT Quarterly Statements for the first quarter of 2018 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 2 for the schedule of electronic payments for 2018.

Please remember that TRS offices will be closed on the official New York City holidays occurring **November 23** and **December 25, 2017**, and **January 1, January 15, and February 19, 2018**.



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