

Benefits report




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



Have You Visited Our New Website?

Earlier this year, TRS launched a totally redesigned version of our website, www.trsnyc.org. The new “mobile-friendly” version adjusts automatically to smartphones, tablets, and personal computers. It features a more open page design, less crowded content, and improved navigation, and you can use your existing user ID and password to log in to view your account information.

Now it's easier than ever for you to manage your TRS accounts through the website. If you haven't registered yet, online registration is simple and provides important benefits. These include:

-  **24/7 account access:** You can review account information such as Qualified Pension Plan (QPP) and Tax-Deferred Annuity (TDA) Program payment history.
-  **Online account management:** You can manage your TDA account or file federal income tax withholding elections from your desktop or device.
-  **Timely communications:** You will receive key account-related notifications and updates via email.

Please check the Resources section of our website for tutorial videos designed to familiarize you with the new website.

We hope you'll be as excited about the changes as we are, and we look forward to bringing you more online options. Next up: View your beneficiary designations under the QPP, and update them as needed.



Spring 2016

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Update on UFT Contract Implementation

Good news is on the way for recent retirees who are represented by the United Federation of Teachers (UFT). During the summer months, members who retired July 1, 2014 or later will receive information by mail about their upcoming retirement allowance revisions. And, pending receipt of updated salary data from the Department of Education, TRS plans to finalize retirement allowance revisions for these members over a period of time beginning in late 2016 and extending through 2017.

Details and next steps will be included in the correspondence sent this summer. However, please note that TRS cannot estimate when

individual members will see their retirement allowance increase.

As a reminder, the contract between the UFT and the City of New York was signed in June 2014. The agreement provided retroactive pay increases, resulting in retirement allowance revisions for several thousand retirees. Different revision schedules were established for members who retired before July 1, 2014 and for those who retired on or after that date. Following the terms of the contract, TRS was able to revise retirement allowances for just about all of the earlier retirees during 2015. This summer, we will receive the data needed to start recalculations for the later group.

An Easier Way to Repay TDA Loans

If you are a retiree with TDA Deferral status, you can repay a loan from your Tax-Deferred Annuity (TDA) Program account *automatically* by having payments deducted from your monthly retirement allowance. The automatic loan repayment method is:

✓ Fast

✓ Secure

✓ Convenient

If you are still writing checks and want to make your life easier, simply complete a “Request to Change TDA Loan Repayment Method” form (code LO105) located on our website. You can either submit an e-form or print out the form and mail it to TRS. Remember to check the box for “Automatic Monthly Deductions.” You can even elect to repay some loans through automatic deduction while continuing to send checks to TRS for others.

Changing your loan repayment method doesn’t cost anything, and if you want to return to writing checks you can use the same form to switch back. If you take out a new TDA loan, your repayments will be deducted automatically from your retirement allowance unless you elect on your loan application to repay with paper checks.

For more information about TDA loans and TDA Deferral status, please visit our website.



2016 Retiree Earnings Limit Unchanged

If you're a retiree considering returning to work, you may wonder if your earnings in a new career could affect the pension you receive from TRS.

In most cases, there would be no relation between your pension and your post-retirement earnings. For example, there are no restrictions on earnings for service retirees age 65 and over in New York State public employment, or for any retirees working in private employment, in public service outside New York State, or with a nonprofit organization. In other cases, however, there are two sections of the Retirement and Social Security Law (Sections 211 and 212) that may affect you if you return to public service within New York State (including New York City). Below are a few things to know about your post-retirement earnings:

- ➔ The earnings limit for service retirees under age 65 working in public employment in New York State remains \$30,000 for 2016. This limit has been in effect since 2007 and is established under Section 212 of the Retirement and Social Security Law (RSSL).
- ➔ As a public employee within New York State, you must file a "Certification of Employment Under Section 212" form (code RP76) with TRS every year until the year in which you reach age 65.
- ➔ If you expect to earn more than \$30,000 in 2016, you may be eligible to work under Section 211 of the Retirement and Social Security Law. However, you would need to file a Section 211 Waiver *with your employer*. (Please note that you may still have restrictions on your earnings under a Section 211 Waiver. Therefore, please contact TRS to request an estimate of your earnings limit prior to filing the waiver with your employer.)

Failure to file the required paperwork could jeopardize your retirement allowance payments.

Please consult the *TRS Retiree's Companion* as well as the *Earnings After Retirement* brochure for more detailed information.

Retirees' COLA Announced for 2016



For the fourth consecutive year, the Cost-of-Living Adjustment, or COLA, for eligible retirees in New York State will be 1%. The increase will take effect with the September 2016 retirement allowance payments.

The COLA is based on 50% of the Consumer Price Index for the year, as of March 31st. The amount can range from 1% to 3% and is calculated on the lesser of an eligible retiree's fixed maximum retirement allowance or \$18,000. So this year, the maximum annual COLA adjustment is \$180 (or \$15 a month).

To be eligible, you must:

- ❖ Be at least 62 years old and have been retired for five years, or
- ❖ Be at least 55 years old and have been retired for 10 years or more.

Certain disability retirees, surviving spouses, and other beneficiaries are also eligible for the COLA.

Please note that the New York State COLA is different than the federal Social Security and Supplemental Income COLA.

Investment Results as

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 performance.

Annualized Investment Returns

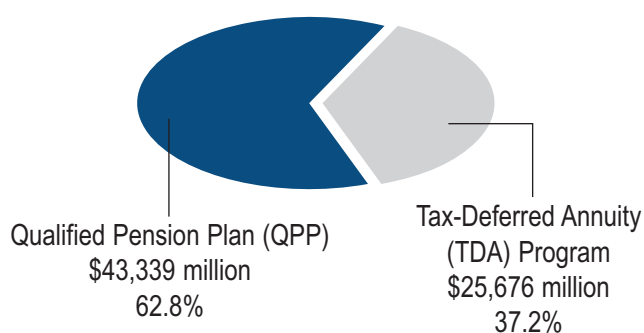
	1 Year 1/1/15 to 12/31/15	3 Years 1/1/13 to 12/31/15	5 Years 1/1/11 to 12/31/15	10 Years 1/1/06 to 12/31/15
Diversified Equity Fund	-0.59%	12.06%	10.21%	6.21%
Bond Fund*	0.85%	0.70%	N/A	N/A
International Equity Fund**	-1.25%	4.42%	3.41%	N/A
Inflation Protection Fund**	-7.33%	-1.60%	2.33%	N/A
Socially Responsive Equity Fund**	-0.01%	14.96%	10.55%	N/A

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

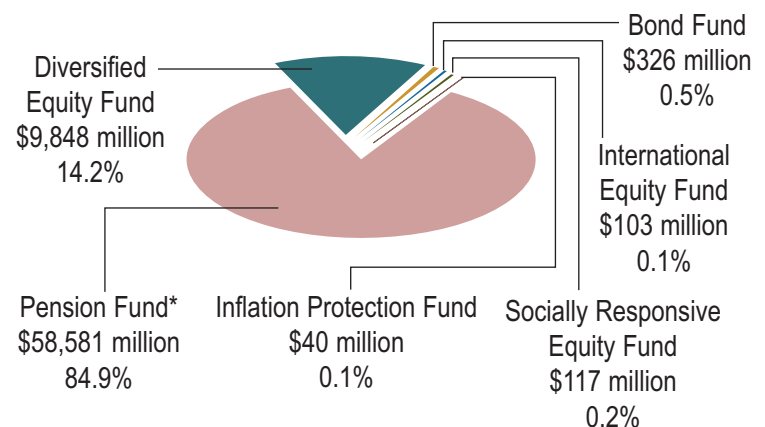
** Annualized investment performance is only available for the one-, three- and five-year periods because the Fund began in July 2008. For approximations of annualized performance for other periods, see the *Fund Profiles* booklet on our website.

Total Investment

BY PLAN \$69.015 Billion



BY FUND \$69.015 Billion

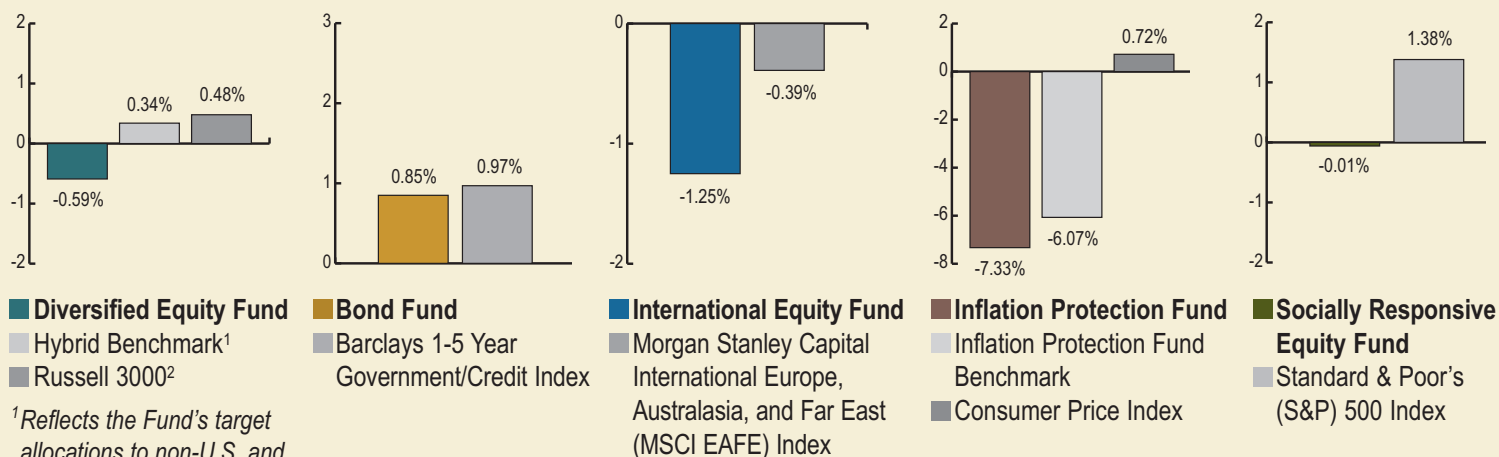


* Includes all QPP and TDA funds in the Fixed Return Fund and all Tiers III/IV/VI QPP funds.

of December 31, 2015

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

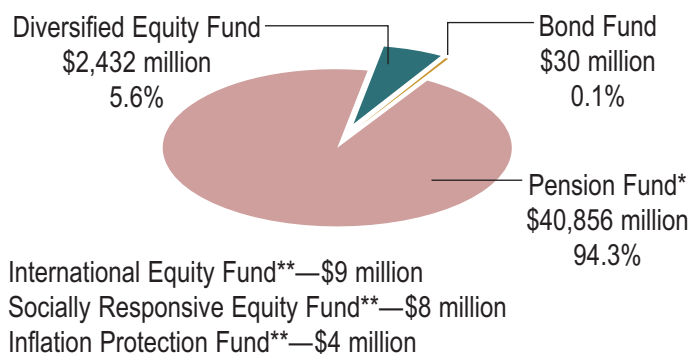


The **Fixed Return Fund** provides a fixed rate of return, determined by the New York State Legislature in accordance with applicable laws. As such, the Fund has no benchmark. Interest on funds invested in the Fixed Return Fund is already built into monthly QPP retirement allowance and TDA annuity payments. 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)

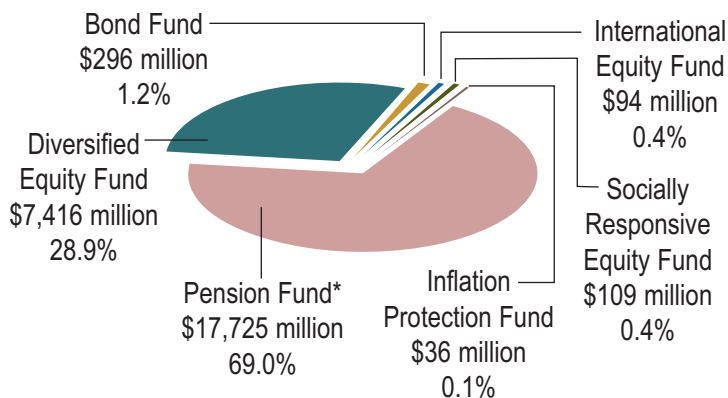
TOTAL QPP INVESTMENTS \$43.339 Billion



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

** Not shown in chart because the collective value is less than 0.01%

TOTAL TDA INVESTMENTS \$25.676 Billion



* Includes all TDA funds in the Fixed Return Fund.

Looking Forward: Tips for



Set Health and Wellness Goals



Now that you're retired, you may be redirecting your energy to new interests and activities. But regardless of your post-retirement lifestyle, your health and well-being remain important considerations.

According to the National Council on Aging (NCOA), Americans over age 60 are feeling more empowered and optimistic than ever before. More than half of older adults in a recent NCOA survey reported setting health-related objectives—pursuing healthier eating habits, losing weight, and being more physically active. As a result, these individuals are more than twice as likely to believe that their quality of life can improve, compared to those who did not set benchmarks for their health. Based on these findings, the simple act of goal-setting appears to have a significant influence on attitude and behavior.

Regardless of your level of physical activity, experts agree it is important to understand preventive healthcare and address your health and wellness goals. So, if you've been thinking that you want to get healthier, you can get started by getting checked for the following conditions that are common among older adults.

- ➡ Breast Cancer
- ➡ Cervical Cancer
- ➡ High Blood Pressure
- ➡ Colorectal Cancer (including Colon Cancer and Rectal Cancer)
- ➡ Osteoporosis (Thinning of the bones)
- ➡ Hearing Issues
- ➡ Heart Disease
- ➡ Diabetes
- ➡ Prostate Cancer
- ➡ Oral Health Issues

Whether or not the health issues listed here affect you, you should know that health and wellness goals are not just for older adults or people with serious health problems. Remember, lifelong habits that promote good nutrition and a healthy metabolism can benefit even the healthiest individuals.

The bottom line: It pays to care for your health at every age. So, don't be discouraged by age or disability. Start with a visit to your doctor or healthcare provider, follow up periodically, and ask for assistance in reaching your health goals. You've earned your retirement. Now make it your ticket to a happier, healthier life.



Retirees to Consider

Keep Your Focus on Finances

Retirement brings a tremendous sense of achievement. Although this is a time for you to reap the benefits of a career of hard work, some planning can help make your retirement more comfortable.

Revisit your financial plan

Your financial security is an important part of enjoying your retirement. It may be natural to follow the same financial path as you did while saving for retirement, but circumstances change when you are no longer earning a salary. For instance, it is common for retirees to adopt more conservative investment options. A trusted advisor can take a look at investments, wealth management, and tax-reduction strategies to arrive at an overall approach.

Maintain an effective budget

The sense of freedom you experience as a retiree can be tempting and could lead to overspending. Take stock of your monthly living expenses and determine the amount of your income that can be devoted to other purchases or activities. It is a good idea to avoid large-scale purchases and credit card debt until you understand the impact on your retirement savings.

Understand post-retirement earnings

If you are considering returning to work, you may be subject to certain earnings limits.

Retirees under age 65 working in public employment in New York State generally cannot earn more than \$30,000 annually without impacting their pension. New York State public employees over age 65, those working in the private sector, or those employed by nonprofit organizations do not have earning restrictions. Please see page 3 for more information.

Consider tax-reduction strategies

Being aware of potential tax issues could save you in dollars and anxiety. One tax-reduction strategy is to revisit your living situation. Where you live and the size of your home can impact your taxes.

You might also consider making a timely conversion of your traditional IRA to a Roth IRA, and avoiding tax penalties by taking your Required

Minimum Distribution (RMD) once you become eligible at age 70½. TRS makes the RMD election process simple by notifying you once you become eligible to receive these distributions. For more information, please review our *Required Minimum Distributions* brochure.

Prepare for your long-term health needs

In the event of serious illness faced by either you or a loved one, health costs could be draining. However, some strategies can help offset those costs. Long-term care insurance covers certain types of medical issues that general health insurance or traditional Medicare will not cover. Other coverage options include Medicare Supplemental Insurance (Medigap), or various types of supplemental or private health insurance plans. Before applying, carefully review the eligibility criteria and compare rates.

Get the most out of your life insurance policy

Purchasing a life insurance policy can ensure that in your absence, your loved ones have the financial resources they need; certain policies will also cover specific medical expenses. In some cases, you can even sell your life insurance policy, although restrictions apply. Research available life insurance options and choose one that best meets your needs and those of your family. If you already have a life insurance policy, now may be the time to reevaluate your current circumstances and consider the ways in which that policy can be adjusted to best serve you.

Regardless of when you separated from service, it is a good idea to continually reassess your retirement plans and goals. Planning ahead for your long-term well-being and making small but significant adjustments to your daily lifestyle can help you take advantage of all that your future has to offer.

Publications

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

- *Investment Portfolios*
- *TDA Program Summary*

Calendar

July 2016: Expected distribution of EFT Quarterly Statements for the second quarter of 2016.

July 1, 2016: Effective date of retiree investment election changes received by May 1, 2016 (QPP changes, TDA annuitant changes) or May 31, 2016 (changes for deferred TDA accounts).

August 2016: Expected distribution of TDA Quarterly Statements for the second quarter of 2016 to retirees with TDA Deferral status.

October 2016: Expected distribution of EFT Quarterly Statements for the third quarter of 2016.

October 1, 2016: Effective date of retiree investment election changes received by August 1, 2016 (QPP changes, TDA annuitant changes) or August 31, 2016 (changes for deferred TDA accounts).

Mailing of monthly retirement benefit checks generally occurs three business days before the end of each month.

Please remember that TRS' offices will be closed on the official New York City holidays occurring **July 4, September 5, and October 10, 2016**. On Fridays from July 8 through September 9, we will close at 1:00 p.m.

Board Trustee Sandra March Retires

Sandra March, a trustee of the Teachers' Retirement Board for 32 years, has retired. One of the three "Teacher Members" who are elected to the Board, Ms. March began her teaching career in 1962 and joined the United Federation of Teachers in 1965. She has received numerous awards for her leadership and service, and leaves an impressive legacy as both an educator and a labor leader. TRS will miss Ms. March's guidance and wishes her well in her retirement.



Patricia Reilly

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TEACHERS' RETIREMENT BOARD

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