



Changes to Passport Funds Are Underway

Over the next several months, TRS' lineup of investment choices, known as the Passport Funds, will be modified. Some changes will occur in the new year, as reported in our Spring 2019 issue, but one has already taken place. Here are the highlights:

- As of October 1, the Socially Responsive Equity Fund was renamed the Sustainable Equity Fund.
- As of January 1, we will add two new investment choices: the U.S. Equity Index Fund and the International Equity Index Fund.
- As of April 1, we will discontinue the Inflation Protection Fund.

This newsletter contains a four-page insert with a profile of both new funds and the renamed fund.

Introducing the Sustainable Equity Fund

Our Socially Responsive Equity Fund is now known as the Sustainable Equity Fund. The name change reflects a change in the manager and strategy of this Passport Fund. The Sustainable Equity Fund continues to invest primarily in stocks of large- and mid-cap U.S. companies that meet certain financial and social criteria, with a focus on sustainable business practices. As mentioned above, the change took effect on October 1, 2019.

Opening two new index funds

We're pleased to introduce two new Passport Funds for 2020: the U.S. Equity Index Fund and the International Equity Index Fund. The U.S. Equity Index Fund will be fully invested in the broad U.S. stock market, with no international exposure. By contrast, the International Equity Index Fund will be fully invested in foreign stocks, in both developed and emerging markets.

The two new funds complement the existing lineup of investment choices due to their particularly low investment management fees, broad diversification, and lack of active management risk.

Because both new funds are index funds, their returns will closely track the returns of their respective benchmarks.

(Continued on page 5)

Fall 2019

Annual Benefits Statement:

Now online / 2

Recalculating Rates: *Contributions may change for Tier VI / 2*

Join TDA: *Ten reasons why / 2*

Prior Service: *Purchase credit / 3*

Are You Vested?: *How to find out / 3*

Investment Results: *Performance updates for our Passport Funds / 4*

Documentation Needed: *Proof of date of birth / 5*

The Dark Web: *Protect your email / 6*

Get Ready: *Pre-retirement workshops at TRS / 7*

Publications: *Updated materials / 8*

Calendar: *Key dates to remember / 8*

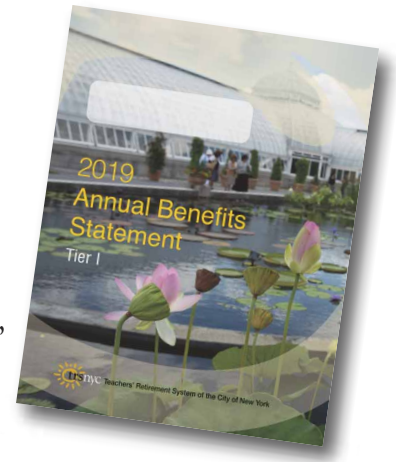
*This issue is dedicated
to the memory of
Raymond Vinciguerra,
TRS publications manager,
who contributed so much to
In-Service News
over the last 18 years.*

View Your Annual Benefits Statement

Your latest Annual Benefits Statement (ABS) is available for viewing in the secure section of our website. Your ABS summarizes your Total Service Credit and account information, reports on your eligibility for benefits, and lists your designated beneficiaries as of June 30. The “Service Milestones” section of the statement can be very useful, as mentioned in the articles on page 3.

To view your available statements, please log in at www.trsnyc.org and choose **Statements**. You will have the option to view your Annual Benefits Statements or, for more detailed account information, your Quarterly Account Statements.

For your convenience, a video demonstrating how to access your ABS online is available on our website and [YouTube](#) channel.



Contribution Rates May Change for Tier VI Members

The beginning of a new year coincides with the start of a new TRS “plan year” for Tier VI members. At the start of each year, pension contribution rates are recalculated for Tier VI members, based on salary and wage information provided to us for the previous year. Your contribution rate will range from 3% to 6%, based on your reported contractual salary or wages for 2019.

TRS will inform you in December if your QPP contribution rate will change for 2020. New rates will take effect with the first payroll in January. For specific information on how contribution rates are determined, visit our website and find the FAQ about Tier VI rates under [FAQs/In-Service Members/QPPContributions/Contributions](#).

10 Good Reasons to Join TDA

In 2020, participants can invest up to \$19,500 in TRS' Tax-Deferred Annuity (TDA) Program—even more for those 50 and older. That got us thinking about other good reasons to participate in TDA....

1. Two sources of retirement income from TRS are better than one!
2. Three-quarters of your working colleagues are already investing, so there is strength in numbers.
3. Contributions are deducted from your pay automatically, so you don't need to remember to invest.
4. You can choose from a diverse lineup of low-fee investment choices: the Passport Funds.
5. Contributing to TDA lowers your current taxable income.
6. Loans are available in case you need to access your TDA funds.
7. Thanks to the power of compounding, even a small regular investment adds up over time.
8. It's easy to securely manage your TDA account on TRS' website.
9. Even after you retire, you can keep your TDA account—earning investment return and deferring taxes.
10. TDA participants who are old enough to retire have an average account balance of nearly \$200,000!

Visit our website for more information!

Purchase Credit for Your Prior Service

Do you know if you have any prior service credit available for purchase? It's worth taking the time to check. Purchasing credit for prior service increases your Total Service Credit—a key factor in determining your retirement eligibility and the amount of your retirement benefits. If you worked in public employment in New York City or within New York State before joining TRS, you may be in luck!

If TRS has a record of service credit available for you, you can find it in two places in the secure section of our website: You can check the “Service Milestones” section of your most recent Annual Benefits Statement. You can also go to **Planning Tools** from your **My Home** page; if you see a prompt that says “Request Cost Letter,” you have service credit that has been verified by the employer and is available for you to purchase.

The first step to purchasing credit for prior service is requesting a cost letter. The cost letter will indicate the amount of service and the payment options available to you. For your convenience, TRS offers different ways to make your service purchase; these include a plan of deductions from your pay, a lump-sum payment (which

you can make online through the secure section of our website), and a transfer of funds from your Tax-Deferred Annuity (TDA) Program account.

If you want to purchase prior service credit, it's best to do it sooner than later: Due to accumulating interest, the cost will increase over time. In addition, the extra credit may allow you to reach your vesting date and other important milestones sooner. (Newer members should note that they must have two years of membership service before TRS can credit them with purchased prior service.)

Please note that TRS does not automatically receive service records from employers other than the New York City Department of Education. So, in many cases, TRS may not be aware of pensionable prior service in your work history. In this case, you will need to notify TRS of such service. You can submit a service claim, and TRS will then determine whether you have service credit eligible for purchase.

For more information about purchasing prior service credit, please visit our website.

Are You Vested?

You're considered a vested TRS member when you have enough credited service to receive a reduced retirement allowance. As a vested member, you are eligible to retire when you've met the applicable age requirements, as determined by your tier or retirement plan. You can check your vesting status by referring to the “Service Milestones” section of your most recent Annual Benefits Statement (ABS).

Here are the general vesting requirements for TRS members, based on membership date:

Before December 11, 2009

In general, you would become vested upon five years of service credit.

Between December 11, 2009 and March 31, 2012

If you are serving in (or you resign from) a UFT-covered title, you would become vested upon ten years of service credit. If you are not a UFT-affiliated member, you would become vested upon five years of service credit.

April 1, 2012 or Later

You are a member in Tier VI and you would become vested upon ten years of service credit.

Semiannual Investment Results: 6/30/2019

TRS Passport Funds

TRS' 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.

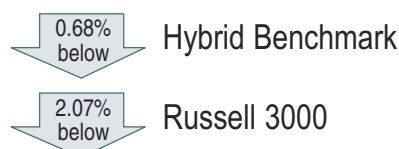
Annualized Investment Returns

	1 Year	3 Year	5 Year	10 Year
Fixed Return Fund (TDA/UFT)*	7.00%	7.00%	7.00%	7.06%
Fixed Return Fund (All Others)*	8.25%	8.25%	8.25%	8.25%
Diversified Equity Fund	7.10%	12.35%	8.12%	12.72%
Balanced Fund	5.12%	N/A	N/A	N/A
International Equity Fund	2.35%	9.85%	3.51%	8.09%
Inflation Protection Fund	1.85%	2.78%	0.76%	5.21%
Socially Responsive Equity Fund	3.40%	11.42%	8.17%	12.88%

* 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.

Five-Year Performance vs. Benchmarks

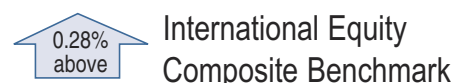
Diversified Equity Fund:



Balanced Fund¹:



International Equity Fund:



Inflation Protection Fund²:



Socially Responsive Equity Fund³:



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
\$58.25 Billion*

TDA Total Investments
\$35.19 Billion*

* As of 6/30/2019 (unaudited)

¹ As of 1/1/2018, the Bond Fund became the Balanced Fund, so no 5-year comparison is available. An 18-month comparison is reported above.

² As of 4/1/2020, the Inflation Protection Fund will be removed from the Passport Funds lineup. See Page 1 for details.

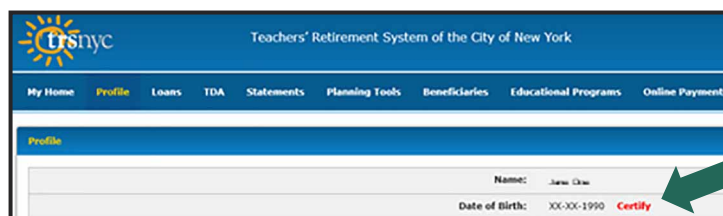
³ As of 10/1/2019, the Socially Responsive Equity Fund was renamed the Sustainable Equity Fund.

Does TRS Have Proof of Your Date of Birth?

A member's date of birth is an essential piece of information for TRS. All pension calculations are based on a member's age, so TRS must have official documentation of the birthdate. But we don't want to wait until retirement to receive this documentation from members. In fact, certain processes, such as taking a TRS loan, cannot be completed unless date-of-birth documentation is on file.

If you're not sure whether you've submitted proof of your date of birth, you can check your member profile in the secure section of our website. If you see a "Certify" link next to your date of birth in your profile, it means we don't have your documentation on file.

You can easily upload your documents directly into your member profile, or you can mail in the documentation if you prefer. (Photocopies are acceptable.)



As a reminder, the following items are considered acceptable proof of date of birth, and only **one** of the following is required:

- ✓ Birth certificate
- ✓ Passport
- ✓ Naturalization document

If none of the above is available, then **two** of the following are required:

- ✓ Driver's license
- ✓ Certificate of military record
- ✓ Form SSA-2458 (Report of Confidential Social Security Benefit Information)
- ✓ Other government-issued identification

Changes to Passport Funds

(Continued from page 1)

Also note that the new International Equity Index Fund differs from our existing International Equity Fund, which contains some actively managed sectors.

The U.S. Equity Index Fund and the International Equity Index Fund both officially begin on January 1, 2020, but members who want to invest in them right away can make their investment elections online or by paper forms now.

Closing the Inflation Protection Fund

The Inflation Protection Fund will no longer be an investment option for members as of April 1, 2020. Earlier this year, the Teachers' Retirement Board and its investment advisors determined that the Inflation Protection Fund, which began in 2008, was no longer necessary to provide members with a range of investment options across the risk/return spectrum.

Members are asked to redirect any investments in the Inflation Protection Fund to other Passport Funds. If you are invested in this fund, TRS sent you information during the summer or fall explaining your options.

Any investments remaining in the Inflation Protection Fund as of March 31, 2020 will be automatically transferred to our Balanced Fund.

Protect Your Email Address from the Dark Web

For all the positives that internet technology has brought into our lives, these conveniences have also introduced us to new dangers and risks. That's why, when putting your information online, you should always be careful.

One of the most common pieces of personal information that websites and signup pages ask for is your email address. While many websites use your email address for legitimate purposes, others have more malicious intentions and will sell your information online to criminal buyers. Hackers can also obtain your email address by breaking into databases.

Regardless of how it may be exposed, your email address can end up on the "Dark Web" — a place where cybercriminals make illegal transactions. Email addresses found on the Dark Web are also more likely to fall victim to phishing scams, hacks, and other illicit activities.

Since Dark Web content is invisible to most search engines, it is very difficult to determine if your email address is on the Dark Web. (Companies such as Experian and Identity Guard offer Dark Web scanning services that may alert you to risk.) Here are some tips that may help protect you and your email address:

- **Scan your computer:** Regularly scan your computer for viruses, which can help identify and eliminate malware and other programs that may have been installed without your full consent.
- **Create stronger passwords:** Email addresses found on the Dark Web are even more prone to unauthorized access when their associated passwords

have either not been changed in a long time, are very basic, or are used for many online accounts. Regular password changes utilizing a strong mix of letters, numbers and (if possible) special characters are strongly recommended.

- **Use a spare email for website access:** You can create a spare email address (sometimes called a "garbage" email) that you do not plan to use for important purposes, and which is not tied to other personal accounts or vital information. This method will significantly lessen the odds of your personal information being compromised.
- **Make sure your financial accounts are in order:** Check your accounts carefully and regularly to ensure no unsolicited activity has occurred. If something seems amiss, contact your financial institution immediately.
- **Practice smart transaction habits:** Only make purchases on websites that are trustworthy and reliable. If a particular website does not feature "https" at the beginning of the URL, do not provide your information to that site.
- **Use two-factor authentication:** Two-factor authentication adds an extra layer of security and makes it significantly harder for a hacker to gain access.
- **Opt out of data brokers and "people search" sites:** Whitepages.com and similar entities exist for the sole purpose of sharing your information, including your email address. But you can ask to be removed from such databases.

While risk cannot be entirely eliminated, it's not necessary to avoid email entirely. By staying vigilant and using common sense, you can be far less susceptible to falling victim to the Dark Web.

You can further explore ideas for protecting your email address from the Dark Web by accessing these resources:

- **"Scams & Fraud – Protect Your Digital Identity"** AARP, March 7, 2019. aarp.org
- **"Dark Web Monitoring: What You Should Know"** CFA, March 19, 2019. consumerfed.org
- **"How to Keep Your Personal Information Secure"** FTC, November 2, 2018. consumer.FTC.gov
- **"What Is the Dark Web?"** Experian, March 7, 2019. experian.com

TRS is not endorsing any services or products noted above.
Please research your options fully before taking any actions.

Get Ready for Retirement in the New Year!

Throughout the year, TRS offers presentations to our members on retirement and the benefits of TRS membership. All programs are held at our 55 Water Street location in lower Manhattan.

In the first half of 2020, we are focusing on those members who are thinking about retirement. We have scheduled 14 sessions (so far) of our popular **Getting Ready for Retirement** class from February through May. The tier-specific class guides members through the retirement application process, describes retirement plans and payment options, and explores some post-retirement issues to help your transition.

Upcoming Programs for First Half of 2020			
Getting Ready for Retirement–Tier IV (9:30 a.m. – 1:30 p.m.)	<ul style="list-style-type: none"> • Sunday, February 9 • Tuesday, February 18 • Wednesday, February 19 • Thursday, February 20 • Friday, February 21 	<ul style="list-style-type: none"> • Saturday, March 21 • Sunday, March 22 • Saturday, April 4 • Saturday, April 11 • Tuesday, April 14 	<ul style="list-style-type: none"> • Thursday, April 16 • Friday, April 17 • Sunday, April 26 • Sunday, May 31
Getting Ready for Retirement–Tier I (9:30 a.m. – 1:30 p.m.)	Wednesday, April 15		
Getting Ready for Retirement–Tier II (9:30 a.m. – 1:30 p.m.)	Wednesday, April 15		

To register: Log in to the secure area of our website or complete the form below and mail it by **Friday, January 10, 2020** to **TRS, Attn: Member Education, 55 Water Street, New York, NY 10041**. We will confirm your registration by email before your session. Please note that you can check and **register** for any available courses [online](#) at any time all year.

Registration Form for TRS' Educational Programs

Name: _____

TRS Membership Number: **00T** _____

Soc. Sec. No. (last four digits): _____ Phone No.: _____

Address: _____

Email Address (**Please Print**): _____

Please indicate a second choice of date, if available. Please note that spaces are limited.

I would like to attend:

"Getting Ready for Retirement"

☐ Tier IV

☐ Tier I

☐ Tier II

on _____ (date of your 1st choice)

OR _____ (date of your 2nd choice).

To secure your seat faster, register online. Mailed registration forms must be postmarked by January 10, 2020.

Member Education



Winter 2020

Publications

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

- [Fund Profiles](#)
- [Your TRS Benefits in Brief \(Tier IV\)](#)
- [TRS Membership for CUNY Employees](#)
- [Your TRS Benefits in Brief \(Tier VI\)](#)

Calendar

January 1, 2020: Effective date of investment election changes received by December 1, 2019.

January 31, 2020: Expected distribution of 1099 forms for any distributions made from members' TRS accounts in 2019.

February 2020: Posting of Quarterly Account Statements for the fourth quarter of 2019.

April 1, 2020: Effective date of investment election changes received by March 1, 2020.

Please remember that TRS offices will be closed on the official New York City holidays occurring **November 28** and **December 25, 2019**, and **January 1, January 20**, and **February 17, 2020**.

Stay informed between issues of *In-Service News*. Please follow TRS on social media.



Patricia Reilly

EXECUTIVE DIRECTOR

Scott M. Stringer

Lindsey Oates

David Kazansky

Natalie Green Giles

Thomas Brown

John Adler

Debra Penny, Chairperson

TEACHERS' RETIREMENT BOARD

Volume XXV, Number 1

IN-SERVICE NEWS



Fund Profile: U.S. Equity Index Fund¹



Inception Date

January 1, 2020

Objective

The investment objective of the U.S. Equity Index Fund will be to track the total return of the broad U.S. equity market, including large-, mid-, and small-capitalization stocks.

Strategy

The U.S. Equity Index Fund will invest in the over 3,000 securities in the Dow Jones U.S. Total Stock Market Index. This Fund will remain fully invested in the broad U.S. stock market, with a small cash allocation for liquidity needs.

Investment Managers

The Fund is invested by investment managers selected by the Teachers' Retirement Board.

Risks

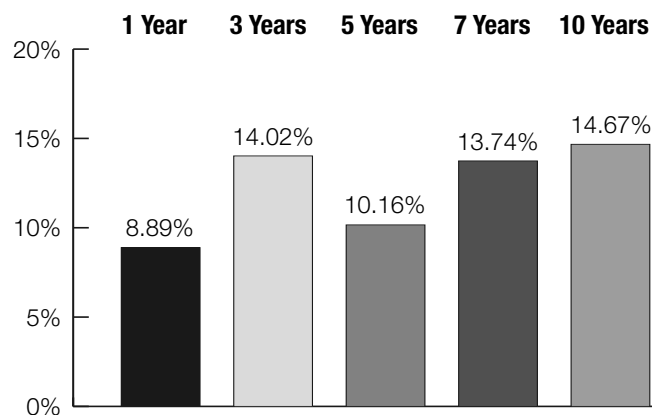
The Fund does not provide any type of principal protection or guaranteed level of income, and it is possible to lose money by investing in the Fund. The value of an investment in this Fund may fluctuate significantly in response to the wide variety of factors that influence U.S. stock market returns.

Fees and Expenses (see page 4)

Constructed Performance of the U.S. Equity Index Fund

12 Months Ended									
6/30/19	6/30/18	6/30/17	6/30/16	6/30/15	6/30/14	6/30/13	6/30/12	6/30/11	6/30/10
8.89%	14.82%	18.57%	2.06%	7.22%	24.96%	21.48%	3.96%	32.30%	16.06%

Annualized Returns



Performance data represents past performance and is not a guarantee of future results. The investment return and principal value of an investment are not a guarantee.

Performance represents the Fidelity Total U.S. Stock Market Index mutual fund.

Past performance does not guarantee future results.

¹ This fact sheet is an illustration that was constructed using estimates based on recent data to approximate the composition and performance of the U.S. Equity Index Fund. Actual performance may vary.

Fund Profile: International Equity Index Fund²



Inception Date

January 1, 2020

Objective

The investment objective of the International Equity Index Fund will be to track the total return of non-U.S. equity markets, including developed markets and emerging markets.

Strategy

The International Equity Index Fund will closely track its benchmark return by investing in the over 6,000 securities in the MSCI All Country World ex USA Investable Market Index (ACWI ex USA IMI). This Fund will remain fully invested in foreign stocks, with a small cash allocation for liquidity needs. The ACWI ex USA IMI benchmark is very broadly diversified, holding large-, mid-, and small-capitalization stocks in over 20 developed markets and over 20 emerging markets. As of 8/31/19, about 25% of the strategy was invested in emerging markets, although this will change as market values of different developed and emerging markets change.

Investment Managers

The Fund will be invested in the Fidelity Total International Index Fund. This can be changed at any time by the Teachers' Retirement Board.

Risks

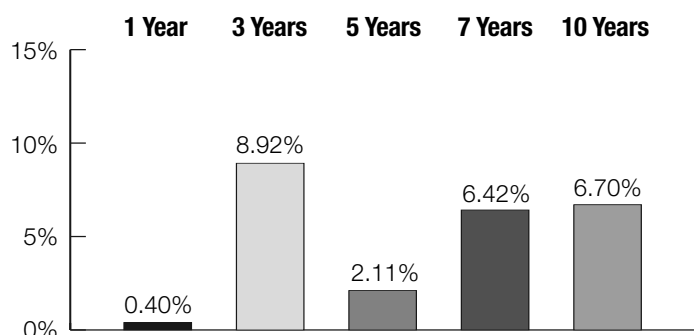
The Fund does not provide any type of principal protection or guaranteed level of income, and it is possible to lose money by investing in the Fund. The value of an investment in this Fund may fluctuate significantly in response to the wide variety of factors that influence foreign stock market returns. In addition to stock market risks, this Fund will bear foreign currency risk since it is investing in stocks denominated in a wide variety of foreign currencies.

Fees and Expenses (see page 4)

Constructed Performance of the International Equity Index Fund

12 Months Ended									
6/30/19	6/30/18	6/30/17	6/30/16	6/30/15	6/30/14	6/30/13	6/30/12	6/30/11	6/30/10
0.40%	7.64%	19.56%	(9.61%)	(4.97%)	22.28%	13.91%	(14.79%)	30.26%	11.49%

Annualized Returns



Performance data represents past performance and is not a guarantee of future results. The investment return and principal value of an investment are not a guarantee.

Performance data for the past three years represents the historical performance of the underlying mutual fund, which began in June 2016. Earlier data reflects performance of the fund's benchmark, the MSCI ACWI ex USA IMI.

² This fact sheet is an illustration that was constructed using estimates based on recent data to approximate the composition and performance of the International Equity Index Fund. Actual performance may vary.

Fund Profile: Sustainable Equity Fund³



Inception Date

July 2008 (known as the Socially Responsive Equity Fund through September 30, 2019)

Objective

To achieve positive long-term capital appreciation over a full market cycle, while focusing on sustainability characteristics including environmental, social, and governance (ESG) factors.

Strategy

The Sustainable Equity Fund invests in the common stock of large- and mid-cap U.S. companies that, in the manager's view, effectively implement sustainable business strategies to drive their prospects for future earnings growth.

The manager or managers invest in companies that they believe exhibit strong fundamental and financial characteristics, that also have durable business models, and that benefit from sustainable business advantages. In addition, a risk assessment on environmental, social, and governance-related risk factors is performed by the manager to identify undesired risks that might not be revealed by a traditional investment research approach.

The manager defines sustainable companies as:

- (1) Companies whose internal sustainability strategies are driving tangible business benefits, such as revenue growth, cost improvements, enhanced franchise value, or risk mitigation;
- (2) Companies whose products have a competitive advantage as a result of sustainability drivers, such as resource-efficient design or manufacturing; or
- (3) Companies whose products or services offer solutions to long-term sustainability challenges.

The Sustainable Equity Fund's benchmark is the Russell 1000 Growth Index.

Investment Managers

As of October 1, 2019, this Fund is managed by Brown Advisory. The Teachers' Retirement Board may change the management of the Fund by selecting additional managers for the Fund or replacing Brown Advisory at any time.

Risks

The value of an investment in this Fund will fluctuate in response to U.S. stock market movements. Securities of growth companies, on which this portfolio is more focused, can be more sensitive to a company's earnings and can be more volatile than the U.S. stock market in general. Funds with a focus on sustainability characteristics such as environmental, social, and governance (ESG) factors may underperform similar funds that do not have such a focus over some time periods.

Fees and Expenses (see page 4)

³ As part of the ongoing process of evaluating Fund performance, Brown Advisory replaced Neuberger Berman as Fund manager effective October 1, 2019. As part of this change, the Socially Responsive Equity Fund was renamed the Sustainable Equity Fund, to reflect Brown Advisory's ESG-focused investment strategy. The Sustainable Equity Fund will continue to invest primarily in stocks of large- and mid-cap U.S. companies that meet certain financial and social criteria, with a focus on sustainable business practices. As explained in this fact sheet, Brown Advisory invests in the stocks of companies that, in the manager's view, effectively implement sustainable business strategies to drive their prospects for future earnings growth. In the process of selecting stocks, Brown Advisory considers a number of criteria including fundamental and financial factors, as well as social, environmental, and governance (ESG) issues.

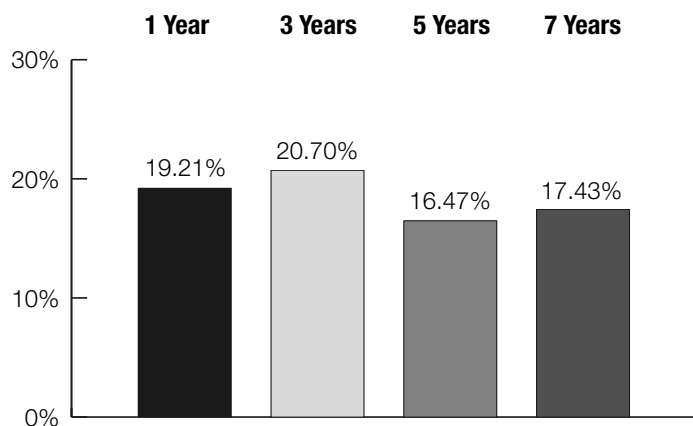
This fact sheet is an illustration that was constructed using estimates based on recent data to approximate the composition and performance of the Sustainable Equity Fund. Actual performance may vary.

(Continued on page 4)

Constructed Performance of the Sustainable Equity Fund

12 Months Ended								
6/30/19	6/30/18	6/30/17	6/30/16	6/30/15	6/30/14	6/30/13	6/30/12	6/30/11
19.21%	23.87%	19.07%	7.30%	13.62%	22.74%	17.06%	5.66%	37.80%

Annualized Returns



Performance data represents past performance and is not a guarantee of future results. The investment return and principal value of an investment are not a guarantee.

Performance represents the Brown Advisory Large Cap Sustainable Growth Fund net return. Actual performance data for the Sustainable Equity Fund after October 2019 will also reflect the performance of the Socially Responsive Equity Fund (managed by Neuberger Berman) through September 30, 2019.

Past performance does not guarantee future results.

Fees and Expenses

Investment management and custodial fees will be reflected in the unit value of each fund. Fees are listed below and are subject to change over time.

U.S. Equity Index Fund	Less than 0.02% per year (projected)
International Equity Index Fund	Less than 0.06% per year (projected)
Sustainable Equity Fund	Approximately 0.44% per year

Administrative expenses for these funds are set at 0.18% and will be reflected in the unit value of each fund.



This publication should not be solely relied upon, as it is based on currently available information that is subject to change. In all cases, the specific provisions of the governing laws, rules, and regulations prevail.