

# In-service news

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



## TRS' New Online Features

In May, TRS implemented large-scale system upgrades that will improve service to members and beneficiaries alike. The improvements introduce the following new features available through our website:

- online options for members to make payments to TRS
- an online process for beneficiaries to claim death benefits

### Online Payments to TRS

Members who are paying for a service deficit, purchasing credit for optional service, making a loan payment, or paying off a loan balance can now do so online. There are three ways to make secure online payments: “e-check” from a bank account, a debit card, and a credit card.

E-checks typically take two business days to process, and debit or credit card payments typically take three business days—faster and safer than mailing a check to TRS. Payments by debit or credit card incur an additional charge from our third-party payment processor, but e-checks do not.

To try the online feature, visit [www.trsnyc.org](http://www.trsnyc.org) and log in with your username and password. You can then go to the **Online Payments** feature to see what payments may be available for you to make.

We will add more payment types in the future, and we are also in the process of updating the related correspondence to remind you of the convenient online option.

### Online Death Benefit Claims

The time after a loved one dies can be overwhelming and difficult; and, for those who are due a benefit, the claim process can be complex and lengthy. We're hoping our new online process will make things a little easier for our members' beneficiaries—with more efficient processing and more timely payments.

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# Semiannual Investment Results: 12/31/2018

## 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 Year	5 Year	10 Year
Fixed Return Fund (TDA/UFT)*	7.00%	7.00%	7.00%	7.12%
Fixed Return Fund (All Others)*	8.25%	8.25%	8.25%	8.25%
Diversified Equity Fund	-7.27%	7.34%	6.02%	11.53%
Balanced Fund	-2.10%	N/A	N/A	N/A
International Equity Fund	-13.25%	4.85%	1.67%	7.51%
Inflation Protection Fund	-3.80%	3.01%	0.68%	5.30%
Socially Responsive Equity Fund	-5.21%	7.37%	6.44%	12.08%

\*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:

0.71% below Hybrid Benchmark

1.89% below Russell 3000

#### Balanced Fund\*:

0.26% below Custom Benchmark

#### International Equity Fund:

0.06% above International Equity Composite Benchmark

#### Inflation Protection Fund:

0.39% above Fund Benchmark

#### Socially Responsive Equity Fund:

2.05% below Standard & Poor's 500 Index

### 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  
**\$52.09 Billion\***

TDA Total Investments  
**\$31.08 Billion\***

\* As of 12/31/2018 (unaudited)

\* As of 1/1/2018, the Bond Fund became the Balanced Fund, so no 5-year comparison is available. A 1-year comparison is reported above.

# Passport Funds Lineup Will Change in 2020

The new year will bring some changes to TRS' family of investment choices, known as the Passport Funds. As of January 1, we will introduce two new choices: the **U.S. Equity Index Fund** and the **International Equity Index Fund**. We will also remove the Inflation Protection Fund from our lineup as of April 1.

The Passport Funds are available to all participants in our Tax-Deferred Annuity (TDA) Program (and Tier I or II members for a portion of their Qualified Pension Plan (QPP) accounts).

## Why we're introducing two new investment options

TRS is committed to providing a diverse array of investment choices in the Passport Funds. The new funds complement the existing options, offering members an opportunity to broaden their investment portfolios. With the U.S. Equity Index Fund, members will be able to invest in a portfolio that closely tracks the total return of the broad U.S. stock market, including large-, mid-, and small-capitalization stocks. Similarly, the International Equity Index Fund will offer members access to a portfolio that closely tracks the total return of foreign stock markets in aggregate, including both developed and emerging markets.

## Why the Inflation Protection Fund is being removed

The Teachers' Retirement Board, along with its investment advisors, continually reviews and evaluates the investment options available to members. Recently the Board determined that, given the evolution of the Passport Funds investment menu, the Inflation Protection Fund was no longer necessary to provide members with a range of investment options across the risk/return spectrum.

If you have investments in the Inflation Protection Fund, you have the opportunity to redirect those investments to other Passport Funds at any time. However, **any investments remaining in the Inflation Protection Fund as of March 31, 2020**

**will be automatically transferred to TRS' Balanced Fund unless invested elsewhere by the member.** (The Balanced Fund, as a reminder, is a moderately conservative investment option that includes exposure to global equities as well as bonds).

## What comes next

During the summer, TRS will directly contact all members who have investments in the Inflation Protection Fund, so that they have sufficient time and information to make their investment decisions. In the meantime, schedules and guidelines for investment election changes are always available on the Filing Dates page of our website.

Also this summer, we will be publishing more detailed information about the two new investment choices: the U.S. Equity Index Fund and the International Equity Index Fund. We will publish detailed profiles of both funds on our website this summer and in the Fall 2019 issue of *In-Service News*.

## New Online Features

*(Continued from page 1)*

Once TRS has learned of the death of a member, beneficiaries will receive a letter describing their portion of the benefits payable. In a second letter, beneficiaries will be provided with a unique claim code for logging in to the TRS website.

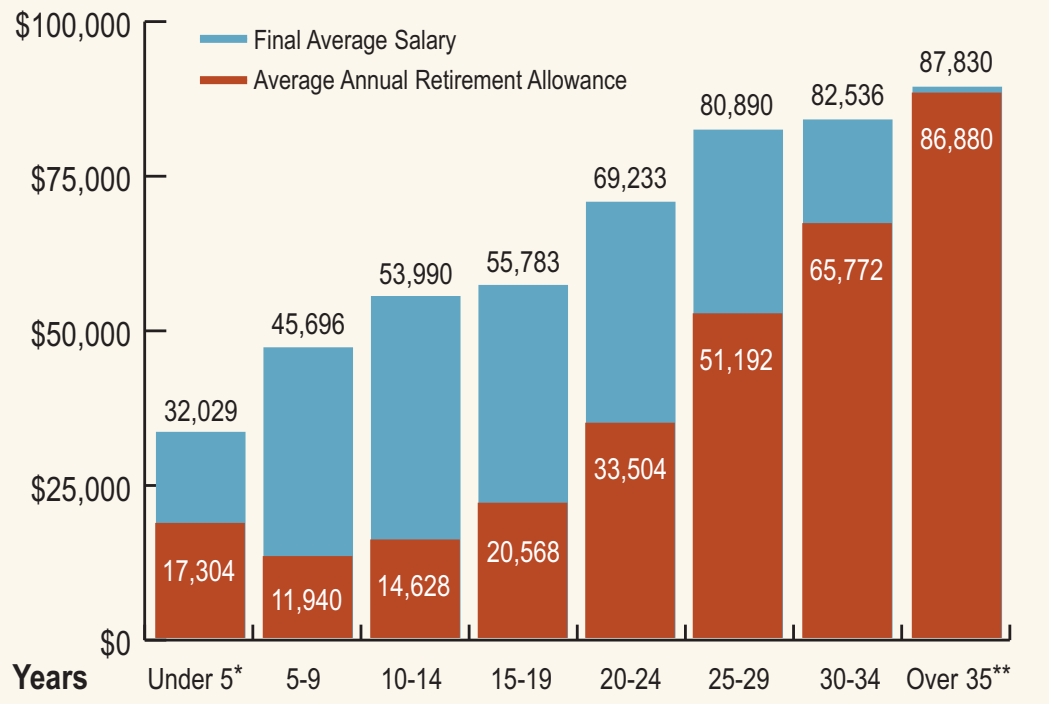
Upon logging in, beneficiaries will be guided through the steps for claiming their benefits online, including available distribution options and any documentation or outstanding funds that must be submitted to TRS first. The smart online process allows beneficiaries to make all needed elections at once, which should speed up processing.

TRS' *Guide to Death Benefits* brochures (with separate versions for retired and non-retired members) contain more information about the process.

# Years of Service Affect Retirement Benefits

Outsize teacher pensions sometimes make news headlines, but an overwhelming majority of TRS members put in many years of service in order to attain substantial – yet reasonable – pensions. The data below, from TRS' 2018 *Comprehensive Annual Financial Report*, show how service credit correlates to both Final Average Salary (FAS) and annual retirement allowance amounts. FAS and service credit are the two most important factors in retirees' pension benefits.

Figures are averages for retirees between 2009 and 2018—service retirees as well as members who retired under accident disability or ordinary disability. Clearly, the number of years worked directly impacts the amount of retirement benefits. TRS members know that longevity definitely pays!



\* Most retirees with under 5 years of service are Accident Disability Retirees.

\*\* Most retirees with over 35 years of service are Tier I/Tier II members, whose retirement benefits provide for an annuity portion funded through member contributions, separate from the pension portion of the retirement allowance.

## Designate and Monitor Your Beneficiaries Online

Are you one of the many members with no beneficiaries designated for a TRS retirement plan (the Qualified Pension Plan or Tax-Deferred Annuity Program)?

If so, logging in to our website may be your first step to correcting this situation. (Note that you may need to upgrade your login to take advantage of recent security improvements, even if you created a username and password in the past.)

Earlier this year, we emailed reminders to over 22,000 members with missing beneficiary designations. More than 3,000 promptly responded and updated their beneficiary designations online.

Remember that making a beneficiary designation provides TRS with clear instructions for paying benefits directly to whoever you name. However, if you don't have beneficiaries on file with TRS, any death benefits would be payable to your estate—and subject to the bureaucracy and delays of probate.

Be sure to monitor your beneficiary designations periodically, especially after life-changing events. Births, deaths, marriages, and divorces can change the way you want your benefits to be paid.

Please review your beneficiary designations today! This simple action may well improve the future for your loved ones, and we're sure that's important to you.

# Are You Retiring This Summer?

Many members choose to retire after the end of the school year. Whether you have filed your papers already or are still on the fence, we hope you find the reminders below helpful.

✓ **Attend “Getting Ready for Retirement” at TRS.**

This half-day program will guide you through the application process. (See our related article and program schedule on page 7.)

✓ **Purchase any outstanding service credit.**

Purchasing additional credit for prior service may increase the amount of your service retirement allowance. You can find out from your most recent Annual Benefits Statement (ABS) or a recent Total Service Letter from TRS whether you have any service credit available to purchase. You’ll need to start the process to purchase any credit (with a single payment) before you retire.

✓ **Make a decision about your TDA account.**

If you have a TRS Tax-Deferred Annuity (TDA) Program account, you can choose to annuitize your account and receive an additional monthly payment, you may opt to roll over (or withdraw) your TDA funds, or you can elect TDA Deferral status and leave your TDA account at TRS. In that event, you’ll have full access to the funds and won’t be required to receive distributions from your account until you reach age 70½.

✓ **Be aware of any QPP loans.**

You have the opportunity to pay off any outstanding Qualified Pension Plan (QPP) loan balance at the time of your retirement. You also have one last opportunity to take a new loan from your QPP before you retire, should you have an immediate financial need. However, bear in mind that any outstanding loan balance at your retirement will reduce your monthly retirement allowance.

✓ **Consider your beneficiary designations.**

Your retirement payment option may provide for one or more beneficiaries, but there may be other benefits requiring designations too. For example, a post-retirement death benefit (“Death Benefit #2”) applies for most members, and there is a “fractional” benefit based on your retirement allowance payment for the month in which you die.

✓ **Consider Electronic Fund Transfer (EFT).**

If you already receive your paycheck electronically, you will receive your retirement allowance the same way, at the same account (unless you inform us otherwise). When you file your retirement papers, you can change accounts or sign up for EFT.

✓ **Apply for health insurance benefits.**

Once you receive written verification of your retirement date from TRS, you should file for health insurance with your employer. DOE employees are on site at TRS weekdays during June to assist retiring members.

✓ **Fill out your paperwork.**

You need to submit your retirement application to TRS at least one day before (but not more than 90 days prior to) your effective retirement date.

✓ **Apply in person.**

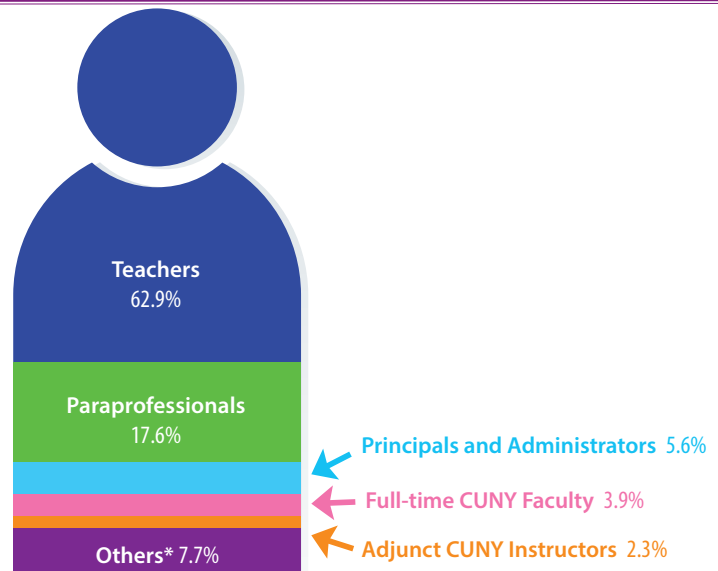
We strongly encourage you to come to TRS’ Member Services Center in lower Manhattan and meet with a Member Services Representative. That way, you can have your questions answered and your paperwork reviewed. Just remember to have your documents completed and notarized before you visit. Also note that the last two weeks of June are the peak period for retirement filings, so please try not to wait until just before your effective retirement date to apply.

**Bring your ABS to your UFT pension consultation.**

When you go to discuss your retirement and pension with your union, remember to bring a printed copy of your most recent Annual Benefits Statement (ABS) with you, to save you time and have your questions answered more completely. You can easily download and print your ABS from the TRS website.

# TRS Membership by Title

What's your job title? There's a good chance you'll find it in the graphic at right. Our *Comprehensive Annual Financial Report* for 2018 included a breakdown of TRS' membership based on their titles. As you can see, there are more than just teachers in the Teachers' Retirement System! We're proud to serve numerous, diverse employees of the city's educational system.



\* Includes primarily administrative assistants, guidance counselors, and social workers.

## Use the TDA Calculator on Our Website

Have you been thinking about joining TRS' Tax-Deferred Annuity (TDA) Program, but you're not sure how much to contribute? Or maybe you already have a TDA account, but you want to change what you are investing from each paycheck.

### TRS' online TDA Calculator can help.

When you enroll in the TDA Program, you select a contribution rate—a percentage of pay that is deducted pretax and invested in your TDA account. But how does that percentage translate into actual dollars? You can figure it out on the calculator.

If you want to contribute a specific dollar amount to your TDA account this year—say, the general IRS

maximum of \$19,000—what contribution rate should you elect? You can figure that out on the calculator too.

The tool uses information that you enter from your pay statement to provide you with a personalized solution.

Anyone can use the TDA Calculator in the **Resources** section of our site, but the tool is also available in the secure section of our website to members who log in. The benefit of using the tool after logging in is that some of your payroll data may be prepopulated for you.

Please take some time this summer to use the online TDA calculator and get your TDA contribution rate set for the next school year.

**TDA Calculator**

1 Select Option

2 Pay Details

3 Deductions

4 Results

**What would you like to do? (Select one option):**

- See how to reach current year's contribution limit. By when?
 

12/31/2019
- See how to contribute a different total amount for the current year. How much?
 

\$0.00
- See how choosing a new TDA contribution rate would affect my pay. What rate?
 

0.00%
- See how to contribute a specific amount per paycheck. How much?
 

\$0.00

# Learn About Retirement at TRS

Summer break is a great time to learn about TRS' retirement procedures and benefits. Our popular "Getting Ready for Retirement" series continues with 16 new sessions for Tiers III/IV members in July and August. In addition, sessions will be held for Tiers I and II members, respectively, on Wednesday, August 7.

Please review the schedule below or visit us at [www.trsnyc.org](http://www.trsnyc.org) for details. From our homepage, click on **Resources**, then **Educational Programs**. Online registration is encouraged, as sessions fill up quickly. All sessions are held at our Member Education Center at 55 Water Street in lower Manhattan.

## Upcoming Programs for Summer 2019

<p><b>Getting Ready for Retirement–Tiers III/IV</b> 9:30 a.m. to 1:30 p.m.</p>	<ul style="list-style-type: none"> <li>• Tuesday, July 2</li> <li>• Wednesday, July 3</li> <li>• Tuesday, July 9</li> <li>• Wednesday, July 10</li> <li>• Thursday, July 11</li> <li>• Tuesday, July 16</li> </ul>	<ul style="list-style-type: none"> <li>• Wednesday, July 17</li> <li>• Thursday, July 18</li> <li>• Tuesday, August 6</li> <li>• Thursday, August 8</li> <li>• Tuesday, August 13</li> <li>• Wednesday, August 14</li> </ul>	<ul style="list-style-type: none"> <li>• Thursday, August 15</li> <li>• Tuesday, August 20</li> <li>• Wednesday, August 21</li> <li>• Thursday, August 22</li> </ul>
<p><b>Getting Ready for Retirement–Tier II</b> 9:30 a.m. to 1:30 p.m.</p>	<p>Wednesday, August 7</p>		
<p><b>Getting Ready for Retirement–Tier I</b> 9:30 a.m. to 1:30 p.m.</p>	<p>Wednesday, August 7</p>		

To register: Log in to the secure area of our website or complete and mail the form below by June 24, 2019 to TRS, Attn: Member Education, 55 Water Street, New York, NY 10041. We will confirm your registration.

Note: To secure your seat faster, online registration is encouraged. Mailed registration forms **must be postmarked by June 24, 2019**.

## 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 I

Tier II

Tiers III/IV

on \_\_\_\_\_ (date of your 1<sup>st</sup> choice)

OR \_\_\_\_\_ (date of your 2<sup>nd</sup> choice).

**To secure your seat faster, register online. Mailed registration forms must be postmarked by June 24, 2019.**

Member Education

Spring 2019



# Publications

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

- *Investment Portfolios*
- *TRS Retiree's Companion*
- *TDA Program Summary*

# Calendar

**July 1, 2019:** Effective date of investment election changes that members filed by May 31, 2019.

**August 2019:** Posting of Quarterly Account Statements for the second quarter of 2019.

**October 1, 2019:** Effective date of investment election changes that members file by August 31, 2019.

Please remember that TRS offices will be closed on the official New York City holidays occurring **July 4, September 2, and October 14, 2019**. On Fridays from July 5 through September 6, we will close at 1:00 p.m.

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

