

TRSnews

SPRING 2024



THE NEWSLETTER of the TEACHER RETIREMENT SYSTEM of TEXAS



RETIREE EDITION

TRS-Care Dental and TRS-Care Vision

The Choice You Can Count On



We're all smiles for the new benefits coming to you!

TRS works to earn your trust every day, and we're excited to make even more of an impact by offering dental and vision plans in the near future.

Nearly a quarter of a million public school retirees already trust TRS-Care as the care they count on. And now, the Texas Legislature is allowing TRS to provide more high-quality services to help retirees enhance their health.

You don't need to be enrolled in a TRS-Care health plan to access these important new benefits. However, you need to be a public school retiree who is eligible for TRS-Care. As with TRS-Care health, higher education employees aren't eligible for TRS-Care Dental and Vision programs.

We're working diligently to identify vendors and design comprehensive, flexible and easy-to-use benefits. We want to be the choice you can count on for reliable dental and vision coverage.

We'll share more information about these plans later this year. This includes who will administer each plan, how to enroll, the benefits and networks associated with them, and the premiums. Be sure to check your mail and email for updates!

In the meantime, [subscribe](#) now to *The Pulse* and *Fresh Picks* monthly newsletters. These publications will have dental and vision updates along the way.



TRS-Care
DENTAL



TRS-Care
VISION

We can't wait to see you smile!

Board of Trustees

JARVIS V. HOLLINGSWORTH
Chair, Missouri City

NANETTE SISSNEY
Vice Chair, Whitesboro

BRITTNY ALLRED
Dallas

MICHAEL BALL
Argyle

DAVID CORPUS
Humble

JOHN ELLIOTT
Austin

JAMES “DICK” NANCE
Hallettsville

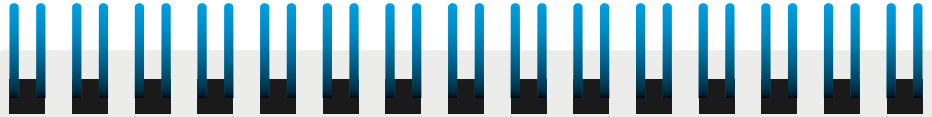
ROBERT “ROB” H. WALLS, JR.
San Antonio

ELVIS WILLIAMS
Fair Oaks Ranch

BRIAN K. GUTHRIE
Executive Director

TRS News is published by
Teacher Retirement System of Texas
1000 Red River Street
Austin, Texas 78701-2698
1-800-223-8778
www.trs.texas.gov

The Teacher Retirement System of Texas does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services. A copy of the complete TRS plan is available at the above address during normal business hours.



From the Desk of
Executive Director
Brian K. Guthrie



Dear Retirees:

The change of season is a time to reflect on what we’ve done and what more we hope to accomplish throughout the year. As I think about spring, I am mindful of all the seasons I’ve spent at TRS and the incredible growth I’ve seen over the years.

When I first took the helm at TRS in 2011, our membership was just over 1.3 million. Today, it stands at more than 2 million – a milestone we reached in 2023. We are grateful for YOU, the public educators, who continue putting trust in us. You are our focus day-in and day-out. Together, we’ve reached several other milestone numbers as of this year:

- 500K+ annuity payments issued per month
- \$1B+ in monthly annuity payments (yes, that’s B for billion!)
- \$12.1B+ in annuities paid in a year (growth of 5%)
- \$15M in medical claims paid per day

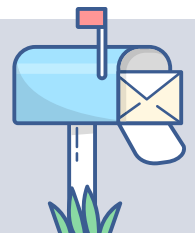
As the saying goes, “time flies!” It reminds me of seeing my children quickly grow from toddlers to young adults now making their final selections for college (and one for grad school) this fall! Like TRS, the seeds for growth were sewn, and I have the privilege of watching them “sprout” while making great strides in their lives.

Focusing on what matters to members provides the foundation for us as we embrace the future. It’s why in this issue you’ll see important health care and retirement-related resources to help you stay connected. We also share important tips on keeping your personal information safe and secure, one of which is creating a *MyTRS* account if you have not already done so. There really is no better way to keep track of your member information.

I hope you’ll enjoy this issue,

Brian

If you requested a print copy of this newsletter, it will be mailed to you in addition to receiving it by email. Know it is on its way to your mailbox.



A GREAT VALUE: Being an Efficient Steward of Member Dollars

With more than two million total members today, it's important to TRS that we offer you the level of service you expect – every time you call, email, or log on to *MyTRS*. A question many members ask is are we making the best use of every dollar? The short answer is, yes; this is our focus every day!

It's common to rank ourselves against comparable pension systems via the amount of assets under management. By that yardstick, with more than \$180 BILLION in investments, the Teacher Retirement System of Texas is in the **top six** U.S. plans after large peer pension systems in California and New York. But when it comes to *efficiency in terms of dollars spent per member*, TRS ranks **even better**. We're doing more while spending less.

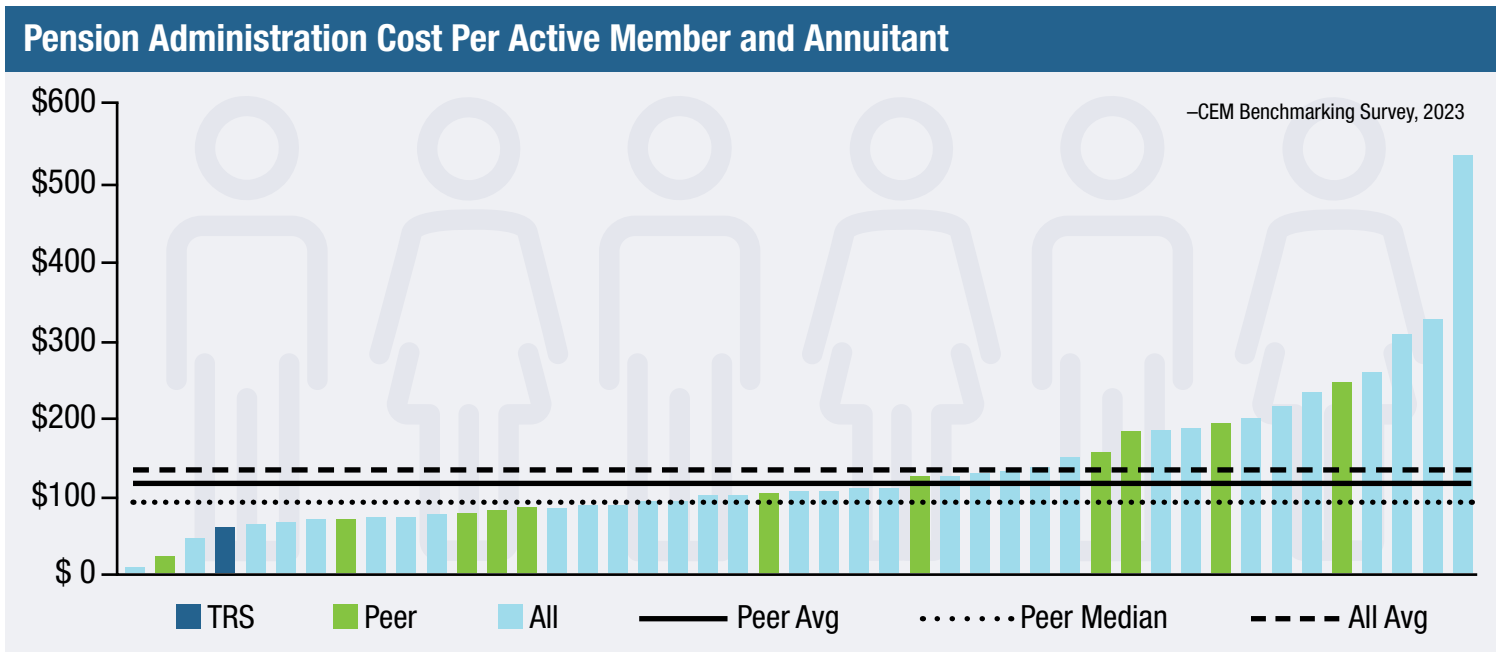
How We Keep Administration Costs Lower

One way TRS keeps costs lower than our peer systems is from employing fewer staff while still maintaining service levels, resulting in lower support costs per member. This is according to a recent report from CEM Benchmarking, a widely used pension operations analysis firm. CEM provides objective insights into

how to maximize value for money in investments and pension administration.

Other ways we're keeping costs down include the 2022 launch of an improved *MyTRS* secure member portal, recently digitizing this newsletter, *TRS News* (to save on paper and postage), as well as an ongoing internal modernization of how we safely manage and store member and other data. We also retain many of our staff (reducing hiring and retraining costs) and those who come to work every day on your behalf are productive and motivated, as indicated by a 12th [Top Workplace Award](#).

In short, while your TRS is growing every year, we are focused on managing your money carefully and in the most efficient ways possible. This way, we keep the most dollars in the fund for your retirement security. Read through the most recent [budget presentation](#) from December 2023 to the TRS Board of Trustees. And learn more about your pension trust fund's operation via the [Annual Comprehensive Financial Report](#).



NOTICE to Retirees and Beneficiaries About Tax Withholding



If you're receiving monthly payments from TRS, it's a good time to review your federal income tax withholding preferences to see if you want to make any changes.

You are not required to change your withholding preference if the current withholding meets your needs.

Here are helpful instructions on how to check your current withholding preference and how to change it only if you wish to do so. Again, if you are satisfied with your current withholding amount, you do not need to take any action.

Find all information related to your tax withholding online in [MyTRS](#).

- You can **view** your current withholding preference and monthly withholding amount.
- You can **estimate** a new withholding amount using the [MyTRSTax Withholding Calculator](#). It will display your current annuity and withholding preferences. Simply follow the instructions.
- The fastest way to **change** your withholding preference is also through [MyTRS](#). If you prefer to submit a paper form instead, you may print the [IRS Form W-4P – Withholding Certificate for Periodic Pension or Annuity Payments](#) from the TRS website. Prepare, print and sign. Alternatively, you may call TRS at 1-800-223-8778 and speak with a Benefit Counselor to request the form. Mail your completed form to TRS at 1000 Red River St., Austin, TX 78701 or fax to 512-542-6597.

New withholding preferences apply to future payments only. TRS cannot apply a new preference to payments already made.

TRS will withhold federal income tax on monthly annuity payments to retirees and beneficiaries unless you elect not to have withholding apply. Your preference will remain in effect until you revoke it. You may update your preferences at any time.

If you elect not to have withholding apply to your TRS payments, or if you do not have enough federal income tax withheld from your TRS payments, you may be responsible for payment of estimated tax. You may incur penalties under the federal estimated tax rules if your withholding and estimated tax payments are not sufficient.

PLEASE NOTE:

If you are not a U.S. citizen or resident alien of the U.S., you may not waive withholding to your TRS payments. TRS is required to withhold 30% for federal income tax unless you qualify for benefits under a U.S. tax treaty. If so, you must notify TRS of your eligibility for reduced withholding or exemption from withholding and provide TRS with the required documentation.

If you have questions about your tax withholding status, TRS recommends talking with a tax professional.

TRS By the Numbers

TRS continues to grow – and we have the numbers to prove it! We’ve surpassed some major milestones:

- Serving more than **2 million members**
- Paying more than **\$1B total every month** in annuity payments
- Issuing more than **500K annuity payments every month**
- Paying **\$15 million per day in medical claims** through TRS health plans

In fiscal year 2023, which ended Aug. 31, TRS paid a total of \$12.14 billion in annuities to retirees and their beneficiaries. This number is an increase of about 5% from fiscal year 2022.

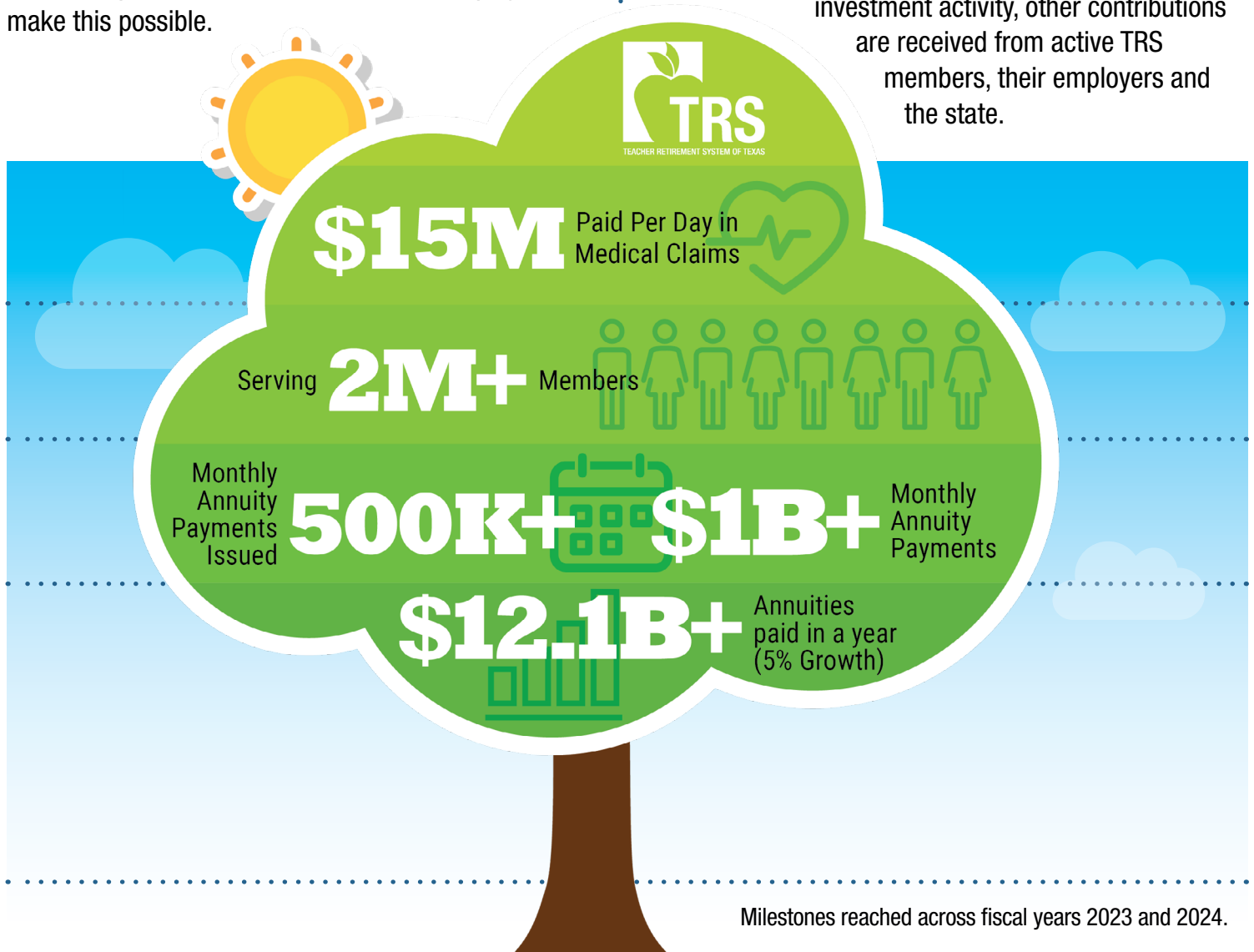
These numbers tell an amazing success story! Our dedicated public educators and talented employees make this possible.

Direct Deposit

A friendly reminder for our annuitants: Direct deposit is available as a way to receive annuity payments in place of a paper check by mail. TRS encourages direct deposit as it allows your annuity payments to get to you faster and safer than paper check delivery. Log in to your [MyTRS](#) account to sign up for direct deposit; this is the most encouraged way. As an alternative, you can complete and submit form [\(TRS 278\), Direct Deposit Request \(pdf\)](#), to TRS. Note: It can take up to 45 days for the new banking information to take effect. Your first annuity payment after making the change may be a paper check.

Where the Money Comes From

The pension trust fund has set an [assumed investment return assumption](#) of 7% in line with peers. While more than three-fifths of fund revenue is generated by investment activity, other contributions are received from active TRS members, their employers and the state.



Milestones reached across fiscal years 2023 and 2024.

BEWARE of TRS Imposters

Q: Do TRS employees or representatives first initiate meetings with members — at home, work or online — to discuss TRS benefits?

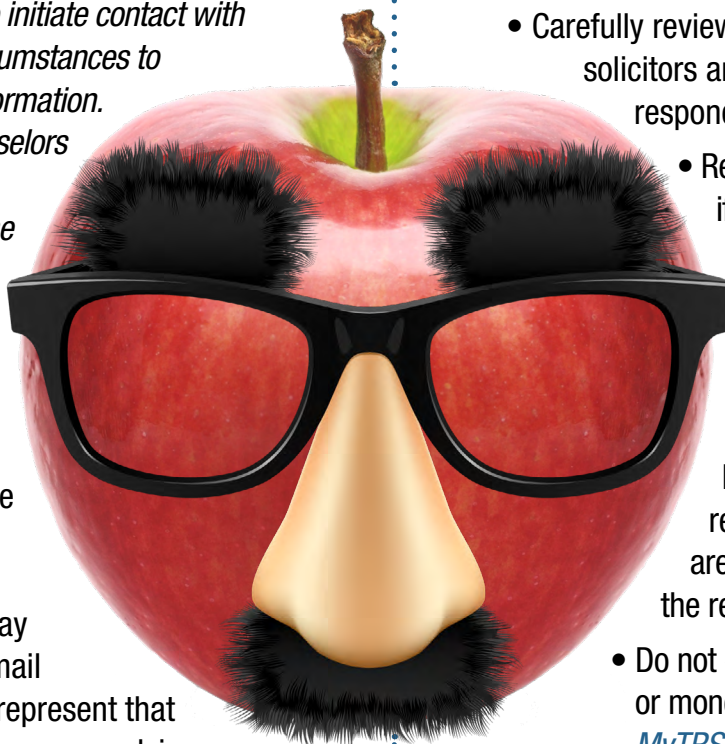
A: No – TRS staff members and representatives do not go to members’ and retirees’ homes or offices. TRS also does not first initiate meetings with members by sending an electronic request such as an email or Zoom meeting request. If you receive this type of request, that person does not represent TRS.

TRS will only meet with members who call TRS Member Services and request to schedule a virtual or in-person appointment at TRS offices. And TRS will only initiate contact with members when returning a call back or resolving a request through a secure message. TRS may need to initiate contact with members under unique circumstances to communicate important information. If this is the case, TRS Counselors will confirm who they are speaking with and inform the member of the important information.

Some organizations use names that sound like TRS and solicit TRS members and retirees for the purpose of offering supplemental insurance or investment services. These vendors may send you postcards and email messages. They may also represent that they work with TRS benefits or can advise you regarding TRS benefits and the retirement process. These communications are often sent by private, for-profit groups that may wish to sell you something or promise printouts containing tax or retirement information for those who respond.

Again, TRS does not advise you regarding the best retirement strategy for you or offer financial advice.

Remember: TRS does not authorize or endorse any financial planners. Information about your potential retirement benefits from TRS benefit counselors is available to you at no cost from TRS.



Tips you may wish to follow with unsolicited vendors:

- Verify the source. If you’re unsure of the legitimacy, it’s safest to end the conversation and reference an official website or statement to obtain legitimate contact information firsthand.
- Carefully review the credentials of these solicitors and materials they provide before responding.
- Respond to the solicitors only if you believe their information or services would be to your advantage and you do not mind receiving follow-up information.
- Do not divulge personal or financial information unless you have an established business relationship with the requestor or are certain of the trustworthiness of the representative.
- Do not give out confidential information or money to permit the planner to open a [MyTRS](#) account on your behalf.
- Before clicking on a link in an unsolicited email or providing personal information to any requestor, consider how it may be used or misused, including what assurances you have received that your information will be confidentially maintained rather than sold. Some links embedded in emails from unknown senders are used to mine data from your personal computer.
- As with any unsolicited telephone calls, emails, or in-person contact, use caution providing information and/or access to your home.

If you find yourself in a questionable situation and are approached by an individual claiming to be a TRS representative, please call to notify TRS Member Services immediately.



How to Recognize Identity Theft and What You Can Do

Here are some ways you can recognize if someone has possibly stolen your identity:

- **Read your monthly credit card bills and sign up for automatic notifications for charges if your credit card company offers this.** Do you see charges for things you did not buy?
- **Review your bank account statement.** Are there withdrawals you did not make? Are there changes you did not expect?
- **Check and keep track of your mail.** Did you stop getting a bill? Did you get a bill for an account you never opened? Or did you get a letter about an employer you do not recognize?
- **Get a copy of your credit report each year.** Are there accounts or other information you do not recognize? To get a copy of your report, call Annual Credit Report at 1-877-322-8228, or go to AnnualCreditReport.com. Federal law gives you the right to get a free copy of your credit report every 12 months from each of the three nationwide credit bureaus.

Steps to Take

If you discover a fraudulent purchase or charge, call the

fraud department for the company or organization where the purchase or charge was made or where the account exists. Explain that you did not make the purchase or do not recognize a charge and that someone may have stolen your identity. Ask them to close or freeze your account. If you freeze the account, no one can add additional charges, unless you agree to them.

You can then also place a free fraud alert on your credit profile by contacting one of the three credit bureaus. That company must tell the other two credit bureaus.

- Experian.com/help
1-888-EXPERIAN (1-888-397-3742)
- TransUnion.com/credit-help
1-888-909-8872
- Equifax.com/personal/credit-report-services
1-800-685-1111

The U.S. Federal Trade Commission (FTC) has a website (identitytheft.gov) dedicated to providing advice to consumers on how to report identity theft, develop a recovery plan, and put the plan into action.

Finally, if you suspect someone has stolen your identity, contact TRS (1-800-223-8778) and request a fraud alert be placed on your account.

OMBUDS CORNER: 2023 TRS Ombud’s Office Year in Review



This past year was an eventful and rewarding year for the Ombuds Office. The Office broadened its horizons, ensuring relationships among TRS members, stakeholders and teams continue to grow.

Member Outreach

The Office performed the following member outreach services:

- **Traveled** with the Benefit Services and Health Divisions to visit with members
- **Participated** in the TRS-Care Retiree Advisory Committee (RAC) meeting to introduce the Office and establish an ongoing working relationship
- **Attended** TRTA’s fall conference meetings
- **Participated** in TRS-ActiveCare and TRS-Care health training
- **Established** communication lines with several retirement systems and associations to network and explore best practices
- **Assisted** with revamping and relaunching the Ombuds Customer Service Survey to gauge member satisfaction

What to Look for in 2024

The Office has taken steps to improve the complaint intake process, including updating [the webpage](#) to make it more user-friendly for members to present their concerns.

As a reminder, the Ombuds Office serves as an additional point of contact for members and retirees who need help obtaining the required help through normal TRS channels and service portals. The Office serves as

an escalated resource instead of a first point of contact. Some roles of the office include listening to member concerns and providing information or help; submitting quarterly reports to the board; and recommending changes to TRS operations. The Office operates consistent with the International Ombuds Association (IOA) Code of Ethics and Standards of Practice.

664 TOTAL OMBUDS COMMUNICATIONS



436
EMAILS



139
TELEPHONE
CALLS AND
MESSAGES



89
COMPACT
WITH TEXANS
EMAILS

Of the **664** communications received, most were from active members and beneficiaries.

SINCE 2021



The office has served a total of **1,991** active, retired and community stakeholders.

NOW HERE!

2023 Popular Annual Financial Report (PAFR)

The [2023 PAFR](#) has been published!

Located on the [Publications](#) page of the TRS website, this report condenses and highlights the important financial information presented in our more detailed [2023 Annual Comprehensive Financial Report \(ACFR\)](#).

The summary features easy-to-read charts, graphs and other key information relating to the TRS pension fund and health care programs, and investment highlights.



GET READY! MyTRS Logo Coming Your Way

You heard that right. A *MyTRS* logo is coming soon – **this spring** in fact! Be on the lookout as the logo makes its way to the [TRS website](#) and inside the [MyTRS portal](#). The logo is designed to be easily and clearly spotted and entails exactly what *MyTRS* has to offer – a secure online portal for TRS members that includes their unique and personal information, and where service options are available at their fingertips.



Note: The logo will not impact the way you log in to MyTRS or change the functionality available. Join us on [MyTRS](#) today!

CHANGES to TRS Employment After Retirement (EAR) Rules

At the Dec. 7, 2023 board meeting, trustees adopted amendments to rules **31.5 Notice and Forfeiture Requirements for Certain Service Retirees** and **31.6 Second EAR Warning Payments** with a Feb. 1, 2024 effective date. Both rules were updated to comply with statutory changes made to TRS' EAR notice requirements under Government Code § 824.601.

In 2021, the Texas Legislature passed House Bill 1585 which, in part, added a notice procedure (also called a “three strikes” procedure) that ensured **TRS would issue at least two warnings** to a TRS service retiree before that retiree would forfeit his or her entire annuity for a month because the retiree exceeded the EAR limits during that month.

Importantly, this notice procedure requires that a TRS retiree cannot be subject to a second warning (and the possible dollar-for-dollar partial forfeiture) until the month following the month **TRS issues a first warning** to a TRS retiree for exceeding the EAR limits. Further, a TRS retiree cannot be subject to mandatory full forfeiture of his or her annuity until the month following the month **TRS issues the second warning letter**.

EXAMPLE:

A TRS retiree exceeds the limits on EAR in January. TRS issues the first warning letter to the retiree in February. If the retiree also exceeds EAR limits in February and March, only the retiree’s March annuity would be subject to possible dollar-for-dollar forfeiture because March is the month after TRS issued the first warning letter in February.

What changed? TRS amended Rules 31.5 and 31.6 to conform with the notice procedure described above. Previously, the rules provided that a TRS retiree was not subject to a second warning until the **retiree receives**, rather than **TRS issues**, a first warning. The rules also provided that a TRS retiree was not subject to a mandatory forfeiture until the **retiree receives**, rather than **TRS issues**, both required notices. The adopted amendments remove this conflict between the rules and the current law.



Get Ready, Set, **SUBSCRIBE!**

Looking for ways to stay up to date about TRS? [Subscribe!](#), TRS’ email subscription service, makes it easy to do just that.

When you sign up, you can choose what topics you would like to receive emails about. Topics include new publications, notices of new videos and board meeting webcasts, legislative announcements, and more. Plus, this service is easy to use and is open to anyone, not just TRS members and retirees.

To sign up, visit the TRS website homepage and click on [Subscribe!](#) at the top of the page. There’s also an easy-to-find icon of an envelope with the word [Subscribe!](#) at the bottom of the page. The process takes minutes and there are no passwords to remember.



CATCH THE LATEST in “**TRS Talks**”

Grab your popcorn and settle in for a double feature of our popular member spotlight series TRS Talks.



In [“Retirement and Pizza? That’s Amore!”](#), we meet TRS retirees Katie Agor, Suzanne Francis and Ruth Matheny. The trio decided to launch a wood-fired pizza restaurant in Granbury, Texas. Watch now to learn how the venture is helping the trio savor this slice of life.

And, in [“Lights, Camera, Revolution With Ms. Coco,”](#) we feature Amy Coco, a Carrollton elementary school history teacher. She wants her students to love history as much as she does, so she’s revolutionizing history lessons one video at a time.



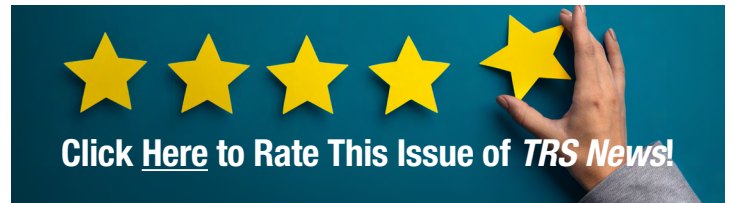
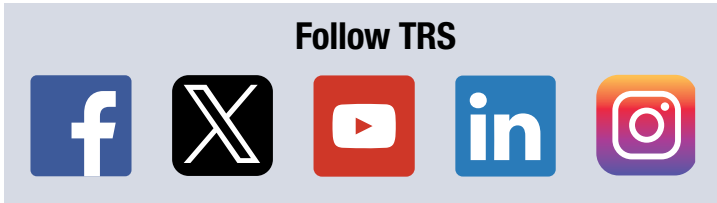
**Do you know a TRS member, retired or active, who would be a great feature subject?
Let us know by emailing communications@trs.texas.gov.**

MISS A TRS BOARD MEETING? We've Got You Covered

We provide access to on-demand viewing of TRS board meeting webcasts. This allows you to watch previous presentations whenever you want!

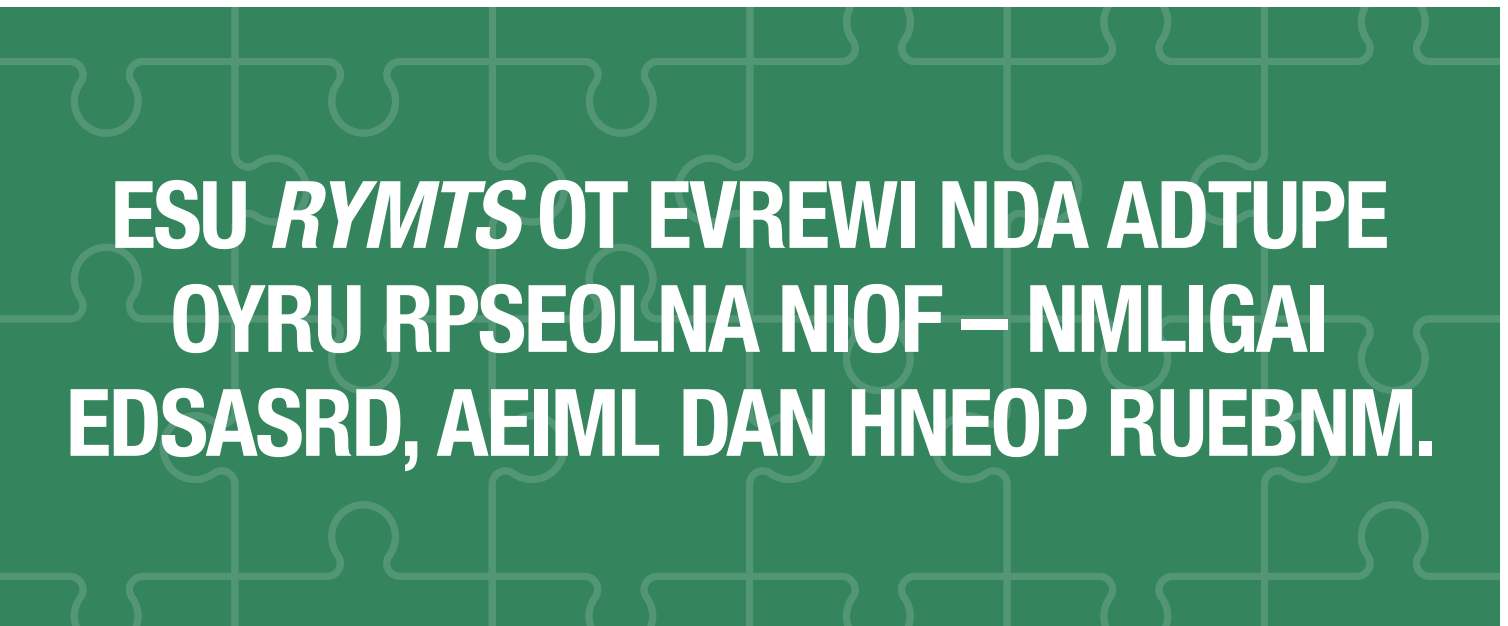
Find references, website links and webcast archives that provide more information on board decisions at https://www.trs.texas.gov/Pages/board_meeting_webcasts.aspx.

For key discussion highlights, you may also wish to read our board summaries, available after each meeting, at https://www.trs.texas.gov/Pages/board_meeting_summary.aspx.



TRS Word Scramble

Unscramble the letters to reveal a hidden message.



Answer located at the bottom of this page.