

# The ABCs at TRS:

## The Dictionary of TRS' Acronyms



**The Teachers' Retirement System of the City of New York (TRS) often uses acronyms as a simplified way of referring to commonly used terms. However, if you don't know what an acronym stands for, the "simplified" version will make little or no sense. That's why we prepared this brochure, which defines these terms and acronyms and explains how they affect you.**

### **ABS - Annual Benefits Statement**

TRS issues this statement each fall to in-service members and members on a leave of absence for up to seven school years. The statement summarizes Total Service Credit, lists designated beneficiaries, and provides benefit estimates and projections (if eligible). This information is reported as of the previous June 30.

### **AMC - Additional Member Contributions**

Members who are participating in the Age 55 Retirement Program make these contributions to the Qualified Pension Plan (QPP), equaling 1.85% of their gross compensation. These contributions are in addition to any other QPP contributions a member may be making (e.g., 3% "base" contributions for Tiers III/IV members). In general, these contributions are required until the member has attained either 25 or 27 years of Total Service Credit.

### **ASAF - Annuity Savings Accumulation Fund**

This account contains the monthly supplemental contributions that the Department of Education provides to certain Tiers III/IV members who reach the maximum of their salary schedule. This amount is \$550 per year for supervisors and administrators, and \$400 per year for other eligible members. This supplemental contribution is not provided to adjuncts, college employees, Charter School employees, or paraprofessionals.

### **ASF - Annuity Savings Fund**

This account contains a Tier I or II member's Qualified Pension Plan contributions, including investment returns and/or interest. It also reflects any withdrawals.

### **EAR - Earnings After Retirement**

This term refers to the rules governing the amount that certain TRS service retirees are permitted to earn while they are also receiving their retirement allowance. Restrictions on earnings after retirement impact individuals under the age of 65 who work in public employment in New York State or any of its political subdivisions (e.g., New York City).

For more information, please refer to TRS' *Earnings After Retirement* brochure.

### **EFT - Electronic Fund Transfer**

This service enables TRS retirees to have their monthly benefit payments (and other distributions) electronically forwarded to their checking or savings account. In addition, in-service members who are paid on the City of New York payroll through direct deposit may choose to receive loans and withdrawals by EFT. EFT allows members' accounts to be credited on the payment date and safeguards against delayed, lost, or stolen checks.

For more information, please refer to TRS' *Electronic Fund Transfer* brochure.

### **FAS - Final Average Salary**

This calculation is used to compute the retirement allowances of TRS members. For Tier I members, the FAS is generally the annual salary earnable during the last year of the most recent position they held for at least three years. For Tiers II/III/IV members, the FAS is generally the average of their highest-earned three consecutive annual salaries during their periods of total credited service. For all tiers, certain restrictions affect the calculation of the FAS.

### **ITHP - Increased-Take-Home Pay**

This is a contribution made by the City of New York toward the retirement allowance of Tiers I/II members. This amount (2.5% of the member's gross salary) reduces the contributions that the members would have to make to the Qualified Pension Plan and thereby increases their take-home pay. Members may waive their ITHP, which would reduce their take-home pay, but provide them with a higher annuity benefit upon retirement. In any case, the City will make the same contribution to their ITHP account.

### **MCAF - Member Contributions Accumulation Fund**

This account contains a Tier III or IV member's contributions to the Qualified Pension Plan with interest, including any contributions that the member made to purchase optional service credit.

### **QAS - Quarterly Account Statement**

TRS issues this report approximately two months after the end of each quarter of the calendar year to in-service members and members on a leave of absence for up to seven school years. The statement summarizes a member's account balances, contributions, investment elections, loan status, and account activity for the reporting period. Members with Qualified Pension Plan and Tax-Deferred Annuity Program accounts receive one statement that includes information about both accounts. The QAS may also be viewed online by accessing our website.

### **QPP - Qualified Pension Plan**

This is a defined-benefit plan, administered under Section 401(a) of the Internal Revenue Code. The QPP enables TRS members to receive a monthly retirement allowance upon meeting certain eligibility requirements.

### **RMD - Required Minimum Distribution**

This is the amount that certain participants in TRS' Tax-Deferred Annuity (TDA) Program must receive from their TDA funds in a given year to meet the Internal Revenue Service's distribution regulations. RMDs apply only to TDA participants who have separated from service, are at least age 70½, and have TDA Deferral status.

For more information, please refer to TRS' *Required Minimum Distributions for Members* brochure.

### **SPD - Summary Plan Description**

TRS provides this booklet, containing important information about TRS membership and benefits, to each member upon enrollment.

### **TDA - Tax-Deferred Annuity**

This is a defined-contribution program, established under Section 403(b) of the Internal Revenue Code. The TDA Program provides TRS members with the opportunity to save additional funds for retirement on a tax-deferred basis. Contributions, and the investment return they earn, can grow quickly because taxes are deferred until the member receives the funds.

For more information, please refer to TRS' *TDA Program Summary* booklet.

For your convenience, TRS forms and publications are available on our website.

If you require additional assistance, we encourage you to contact our Member Services Center at 1 (888) 8-NYC-TRS.

*This publication should not be solely relied upon, as it is based on currently available information that is subject to change. TRS suggests that you consult with an attorney and/or a tax advisor if you have any specific legal or tax questions concerning this information. In all cases, the specific provisions of the governing laws, rules, and regulations prevail.*



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