

In-service news

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



Save More with TDA

More than 76,000 TRS members actively participate in our Tax-Deferred Annuity (TDA) Program, which is designed to help members build a more secure retirement future while owing less in taxes. If you're currently not one of these participants, we'd like you to consider why two-thirds of your peers have chosen to make TDA part of their savings plan for retirement.

As a TRS member, you're automatically enrolled in our Qualified Pension Plan, which will provide your future retirement allowance. The TDA Program, on the other hand, is an optional, supplemental retirement plan open to all TRS members. This places you in a unique position to participate in two retirement plans under the same roof.

More information about the TDA Program is available on the TRS website. Our *TDA Program Summary* explains the benefits of participation and the features of the plan; and *Fund Profiles* provides in-depth information about your six investment choices, known as the Passport Funds. TRS' TDA Calculator, also available on our website, can help you decide how much you want to contribute to your TDA account.

Invest a few minutes today to learn about the TDA Program, and then invest in your future by joining TDA online!

Board Chairman Aaronson Retires

Melvyn Aaronson, a trustee of the Teachers' Retirement Board for 35 years and chairman since 2011, has retired. A former New York City teacher, Mr. Aaronson was one of three "Teacher Members" who are elected to the Board. He was a founding member of the United Federation of Teachers in 1960 and is currently the union's treasurer. Mr. Aaronson has also become a nationally recognized expert on public pensions.

TRS will miss his guidance and wishes him well in his retirement.

Spring 2015

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Revisions from UFT Contract Are Underway

Over the past year, TRS has been preparing to implement the terms of the United Federation of Teachers (UFT) contract signed in June 2014. Approximately 15,000 members who retired before July 1, 2014 were covered by the retroactive salary increases in the contract. Those members are expected to receive any resulting revisions to their retirement allowance during 2015; the first revisions were completed in May. We will also conduct a separate review for eligible members who retired July 1, 2014 or later because the contract provisions are different for them.

The provisions of the contract may also impact some of our in-service members since the retroactive salary increases could result in additional pension contributions. In some cases, TRS may need to bill members for the additional required contributions.

Please check our website periodically for further updates on our implementation of the UFT contract.

Claim the Credit You Deserve!

If you worked for a public employer anywhere in New York State before joining TRS, you may be eligible to purchase prior service credit. By purchasing service credit as soon as possible, you'll reap three important benefits:

- The cost will never be lower than it is today, due to accumulating interest;
- You may become vested in our Qualified Pension Plan at an earlier date; and
- You could increase your TRS pension benefits at retirement.

This is why TRS recently sent Tier VI members a postcard that encourages them to claim and purchase that service credit as soon as possible. Regardless of your tier status, your first step toward purchasing service credit would be to file a "Record of Prior Service" form (code SB146).

Why submit this form? TRS receives regular work history updates from the New York City Department of Education. But, if you were formerly employed by any other public employer in New York City or State, we would not know about it until you inform us.

After TRS receives a "Record of Prior Service" from you, we will contact your former employer(s) to verify your employment. We will then send you a Cost Letter along with a purchase election form. You are not obligated to purchase the credit at this time, but you do need to file the form if you do not want TRS to start a payment plan. For additional information about purchasing service credit, please consult the service credit brochure for your tier and related FAQs on our website.



Claiming prior service is easier than ever for members in Tiers III, IV, and VI. This spring, TRS is offering members a preview of our "Record of Prior Service" **e-form**. This electronic form allows members to file a paperless service claim online. Here's how it works:

- ✓ Log in to the secure section of our website. Under **Forms/Tools**, go to the "Electronic Forms" section, and open the "Record of Prior Service."
- ✓ Complete the fillable form online, and file it by clicking "SUBMIT."

As a reminder, if you're not registered for the secure section of our website, it takes only a few minutes to set up a username and password!

Estimating Your Future Retirement Allowance

Determining the amount of your monthly retirement allowance payments is an important part of planning for your financial future. Whether you are beginning the process of retiring or just thinking about it, it's helpful to know approximately how much you can rely on each month from your TRS retirement allowance.

Retirement estimates and projections—like those found in the Annual Benefits Statement (ABS) for members nearing retirement age—indicate the gross amount of your retirement allowance. (It's important to note that the illustrations in the ABS are based on assumptions and do not reflect all earnings, service credit, or other factors that will be considered in your actual pension calculation.)

Generally, the gross amount of your retirement payments is determined by several factors including your tier, your age at retirement, your service credit, and your Final Average Salary (FAS). But remember that the net amount is what you will see in your bank account every month. Taxes may be withheld, and certain other deductions may be taken from the gross amount to determine your “take-home” amount.

Below are some of the deductions that may apply to your retirement allowance. Not every deduction may apply to you, but it's good to know the possibilities:

- Health insurance premiums
- Voluntary premiums for New York State United Teachers (NYSUT) member benefits
- Union dues
- Federal taxes
- Deductions ordered by a family court
- Deductions taken to recover funds owed to TRS
- IRS liens
- Payments on TDA loans

Please consult our *TRS Retiree's Companion* for more information about transitioning to retirement.

Enrolling in TRS: Many Variations

Thousands of educators become members of TRS each year. But all new members are not the same. Depending on your situation—and where you worked previously—you would fall into one of the categories below.

If ...	Then ...
You have <i>never been a member</i> of another eligible public retirement system ¹	You join TRS as a new member in the current membership tier, which is Tier VI.
You are an employee <i>with current membership rights</i> in another eligible public retirement system ¹	You may transfer those rights to TRS. You may initiate a Membership Transfer (Transfer-In) by notifying your other retirement system of your intentions. Until your transfer is complete, you would remain a Tier VI member with the same TRS membership date.
You are a former member of TRS or another eligible public retirement system ¹ <i>without current membership rights</i>	You may apply to TRS for a Membership/Tier Reinstatement . ² Until your reinstatement is complete, you would remain a Tier VI member with the same TRS membership date.

¹ A New York City or New York State public retirement system

² To effect a reinstatement, members must repay any contributions refunded to them when their previous membership(s) ceased, plus applicable interest. Their date of membership (and tier status) in TRS would be the date of membership (and tier status) in their prior system.

For more information, please refer to our *Enrolling in TRS* brochure.

Investment Results as

TRS' six Passport Funds are available to all Tax-Deferred Annuity (TDA) Program participants and portions of their Qualified Pension Plan (QPP) funds. Tiers III/IV/
Visit TRS' website for more detailed information about the Passport Funds, including the most

Annualized Investment Returns

	1 Year 1/1/14 to 12/31/14	3 Years 1/1/12 to 12/31/14	5 Years 1/1/10 to 12/31/14	10 Years 1/1/05 to 12/31/14
Fixed Return Fund (TDA/UFT)*	7.00%	7.00%	7.00%	7.63%
Fixed Return Fund (All others)*	8.25%	8.25%	8.25%	8.25%
Diversified Equity Fund	8.96%	18.05%	13.47%	7.06%
Bond Fund**	1.22%	1.13%	N/A	N/A
International Equity Fund***	-4.57%	10.76%	5.45%	N/A
Inflation Protection Fund***	2.12%	5.76%	6.44%	N/A
Socially Responsive Equity Fund***	10.40%	18.87%	14.93%	N/A

* Fixed Return Fund

QPP: Tiers I/II members are credited with 8.25% annually on QPP investments in the Fixed Return Fund; this rate has been in effect since July 1, 1988.

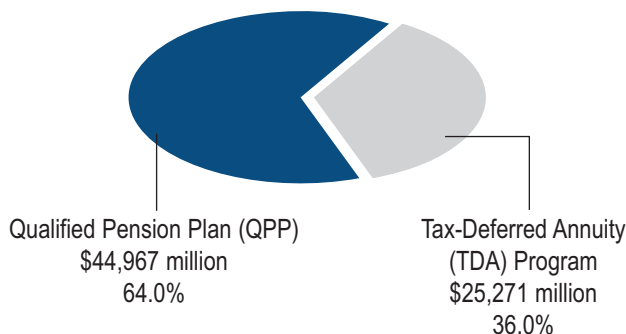
TDA: Members who are serving in (or resigned/retired from) UFT-represented positions are credited with 7% annually on TDA investments in the Fixed Return Fund. This rate has been in effect since December 11, 2009; the previous rate was 8.25%. All other members are credited with 8.25% annually on TDA investments in the Fund; this rate has been in effect since July 1, 1988.

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

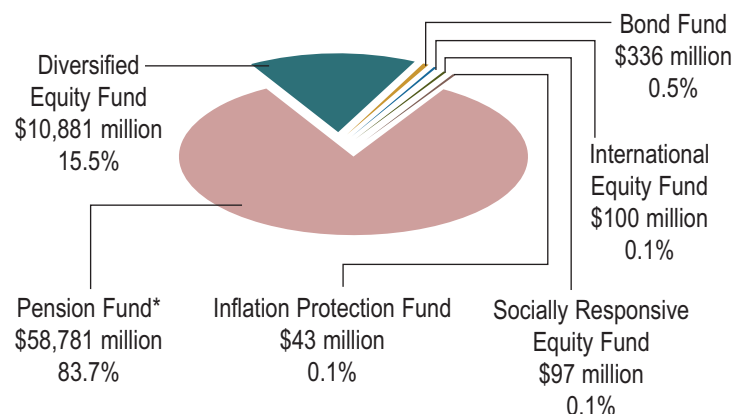
*** Annualized investment performance is only available for the one-, three- and five-year periods because the Fund began in July 2008. For approximations of annualized performance for other periods, see the *Fund Profiles* booklet on our website.

Total Investment

BY PLAN \$70.238 Billion



BY FUND \$70.238 Billion



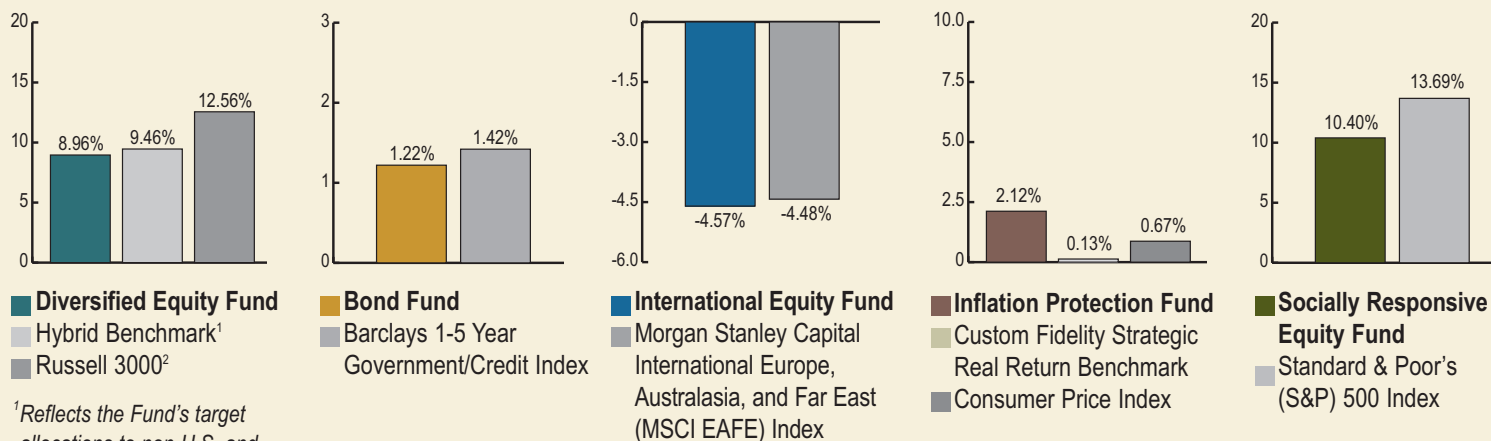
* Includes all QPP and TDA funds in the Fixed Return Fund and all Tiers III/IV/VI QPP funds.

of December 31, 2014

to Tiers I/II members for the Annuity Savings Fund (ASF) and Increased-Take-Home Pay (ITHP)
VI members are credited with 5% interest in their QPP accounts.

recent performance data for each fund. You may also access our latest *Fund Profiles* booklet.

Passport Funds: One-Year Return vs. Benchmarks

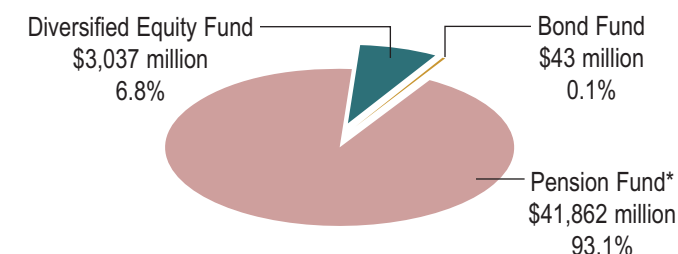


The **Fixed Return Fund** provides a fixed rate of return, determined by the New York State Legislature in accordance with applicable laws. As such, the Fund has no benchmark. See note on page 4 for information on the rates that are credited to investments in the Fixed Return Fund.

Note: TRS performance figures are shown net of fees.

nts (Unaudited)

TOTAL QPP INVESTMENTS \$44.967 Billion

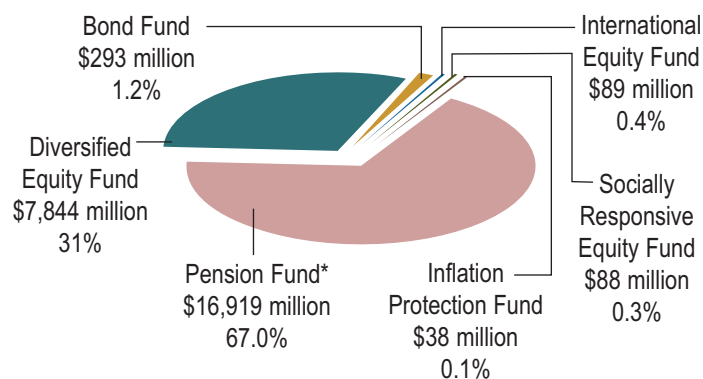


International Equity Fund**—\$11 million
Socially Responsive Equity Fund**—\$9 million
Inflation Protection Fund**—\$5 million

* 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 \$25.271 Billion



* Includes all TDA funds in the Fixed Return Fund.

Thinking About Naming a Minor as Beneficiary?

You may designate a minor (a child under the age of 18) as the beneficiary for your TRS benefits—and many of our members do this. However, if you name a minor as a beneficiary, please keep the following in mind:

- Minors cannot control funds. So, if you die while the child is still under legal age, a guardian will be required to oversee the minor's assets until the beneficiary reaches legal age.
- If you die while married and your child is named as a beneficiary, the court would typically name your spouse as the guardian of your child's TRS benefits.
- If you are divorced and your child is named as a beneficiary, guardianship of the child's TRS benefits in the event of your death may depend upon the terms of your divorce settlement.
- You may choose to set up trusts for minors instead of naming them as beneficiaries. However, you should consult with an attorney and also a financial advisor if you are considering setting up a trust involving your TRS benefits.

Since TRS distributes death benefits in accordance with the most current beneficiary information we have on file, you should periodically review your beneficiary designations under the Qualified Pension Plan (QPP) and Tax-Deferred Annuity (TDA) Program, if applicable. You can update your beneficiary designations by logging in to our website, or by filing a "Designation of QPP Beneficiary Form" (code EN6) or "Designation of TDA Beneficiary Form" (code EN8).

How to Report a TRS Member's Death

The period following the loss of a loved one can be a very stressful time for those left behind, and we realize that handling paperwork and other matters can be difficult. However, it is important that beneficiaries or other representatives notify TRS of a member's death as soon as possible in order to initiate the death benefits process. Therefore, please communicate with your beneficiaries and discuss the aspects of TRS' death benefits process in advance.

An individual reporting the death of a TRS member must first provide TRS with the following information about the deceased member:

- Name
- Date of birth and date of death
- Social Security number
- TRS Membership Number

TRS will also need the name, address, and phone number of the person reporting the death.

Before we can begin determining any death benefits, we also must receive the following:

- Certified or original death certificate
- Any paper checks or electronic payments received from TRS after the member's death.
- Contact information and Social Security numbers for every beneficiary designated by the TRS member.

The sooner we receive this information, the sooner we can send out a **Benefit Package** to each beneficiary. This package contains forms that a beneficiary must file with TRS in order to claim a death benefit.

For more information, please read our *Guide to Death Benefits for Beneficiaries of Non-Retired Members*, and make this brochure available to your loved ones.

Register for TRS' Member Education Programs

Education programs from TRS present a variety of helpful and informative topics throughout the year. These programs can provide you with a wealth of information to assist you in understanding your TRS benefits.

The targeted sessions are offered to newer members as well as those who are planning on retiring in the next year. The sessions below, scheduled for July through October, are held in our member training room at 55 Water Street, in lower Manhattan.

Upcoming Programs for July - October 2015			
"Getting Ready for Retirement" Tier IV	<ul style="list-style-type: none"> • Tuesday, July 7 • Wednesday, July 8 • Thursday, July 9 • Tuesday, July 14 • Wednesday, July 15 • Thursday, July 16 • Tuesday, July 21 • Wednesday, July 22 	<ul style="list-style-type: none"> • Thursday, July 23 • Tuesday, August 4 • Tuesday, August 11 • Tuesday, August 18 • Wednesday, August 19 • Thursday, August 20 • Sunday, October 25 	• 9:30 a.m. to 1:30 p.m.
"Getting Ready for Retirement" Tier II	• Wednesday, August 5		• 9:30 a.m. to 1:30 p.m.
"Getting Ready for Retirement" Tier I	• Wednesday, August 12		• 9:30 a.m. to 1:30 p.m.
"Your TRS Benefits and Services"	• Thursday, August 6		• 9:30 a.m. to 12:00 p.m.
"Introduction to the TDA Program"	• Thursday, August 13		• 9:30 a.m. to 12:00 p.m.

To sign up for a session online, log in to the secure area of our website. Alternatively, you may contact TRS or fill out the registration form below and mail it (**postmarked by June 30, 2015**) to **TRS, Attn: Member Education**.

TRS will provide confirmation of your enrollment prior to the date of the session.

Registration Form for TRS' Education Programs

Name: _____

TRS Membership Number: **00T** _____

Address: _____

Phone Number: _____

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

Please indicate a second choice of date, if available.

Please note that spaces are limited for education programs.

I would like to attend:

"Getting Ready for Retirement"

Tier I ☐ Tier II ☐ Tier IV ☐

"Introduction to the TDA Program" ☐

"Your TRS Benefits and Services" ☐

on _____ (date of your 1st choice)

OR _____ (date of your 2nd choice).

Member Education

Mailed registration forms must be postmarked by Tuesday, June 30, 2015.

Summer 2015

Publications

The following TRS publications are new or have been updated since our last issue. For your convenience, forms and publications are available on our website:

- *1099 Forms brochure*
- *Investment Portfolios*
- *TDA Program Summary*

Calendar

July 1, 2015: Effective date of investment election changes that members filed by May 31, 2015.

August 2015: Expected distribution of Quarterly Account Statements for the second quarter of 2015.

October 1, 2015: Effective date of investment election changes that members file by August 31, 2015.

Please note that TRS' offices will be closed at 1:00 p.m. on **July 2** and all day on **July 3** in observance of Independence Day. On Fridays from July 10 through September 11, we will close at 1:00 p.m., and we will also be closed for the official New York City holidays of **September 7**, and **October 12, 2015**.



Patricia Reilly

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