

Benefits report

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



Spring 2015

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Revisions Begin For UFT Retirees

Over the past year, TRS has been preparing to implement the terms of the United Federation of Teachers (UFT) contract signed in June 2014. Once the Department of Education released updated salary information in March, TRS was able to start recalculating the retirement allowances of nearly 15,000 eligible members who retired between November 1, 2009 and June 30, 2014.

For these members, we expect to implement all retirement allowance revisions by the end of December 2015, with the majority of the increases occurring between May and September.

TRS will notify members by letter about whether their retirement allowance will change. Those who are due an increase will also receive a detailed Benefits Letter about a week before the first revised retirement allowance payment.

That first revised payment will include both the new monthly payment amount and a retroactive portion; interest will be paid retroactive to the date the contract was ratified or the member's retirement date (if later). **If you have questions about your revision, please wait until you have received your Benefits Letter from TRS before inquiring.**

Note: For members who retired July 1, 2014 or later, retirement allowance revisions will follow a different schedule, since the contract provisions are planned to take effect over a number of years.

Please check our website for periodic updates.

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.

RMD Made Easy

If you are maintaining an account in TRS' Tax-Deferred Annuity (TDA) Program, you may know that once you reach age 70½ the Internal Revenue Service requires you to receive a portion of your TDA funds each year. What you may not know is that TRS tries to make these Required Minimum Distributions, or RMDs, as uncomplicated as possible. Below are three important points to remember.

- **TRS does most of the “homework” for you.** Earlier this spring, we calculated RMD amounts and mailed notification letters and accompanying forms to all affected members. If you think you are subject to RMD rules in 2015 but did not receive an RMD packet, please contact our Member Services Center at 1 (888) 8-NYC-TRS.
- **You can make your RMD election online safely and simply.** If you log on to the secure section of our website, you can visit the “My TDA” page and find a menu of options for filing RMD elections. (After filing, please print the confirmation for your records; TRS will also mail you a letter confirming your election.)
- **The filing deadline is not until October 31.** However, if you miss this deadline, TRS would automatically issue you a payment satisfying your RMD requirements at the end of the year. Payment would be made either electronically or by check, depending on how you receive your retirement allowance.

If 2015 is the first year that you are subject to RMD rules, you may elect to receive your distribution as late as April 1, 2016. To elect this option, you must tell TRS—either online or on the “RMD Election Form” (code TD39)—the month in which you wish to receive your distribution. If you elect this “subsequent year” distribution option, two distributions in 2016 would normally be required: the first, representing the 2015 payment, by April 1, 2016; and the second, representing the 2016 payment, by December 31, 2016.

For additional information on RMDs, please refer to our *Required Minimum Distributions* brochure.

Retiree Earnings Limit Unchanged

If you're a retiree considering returning to public service within New York City or New York State, here are a few things to know about your post-retirement earnings:

- The earnings limit for service retirees under age 65 working in public employment in New York State remains \$30,000 for 2015.
- As a public employee within New York State, you must file a “Certification of Employment Under Section 212” form (code IA8) with TRS every year until the year in which you reach age 65.
- If you expect to earn more than \$30,000 in 2015, you may be eligible to work under Section 211 of the Retirement and Social Security Law. However, you would need to file a Section 211 Waiver with your employer.
- There are no restrictions on earnings for service retirees age 65 and over in New York State public employment, or for retirees working in private employment, in public service outside New York State, or with a nonprofit organization.

Failure to file the required paperwork could result in the suspension of your retirement allowance payments. So, for more detailed information, please consult the *TRS Retiree's Companion* as well as the *Earnings After Retirement* brochure.

Retiree COLA for 2015 Announced

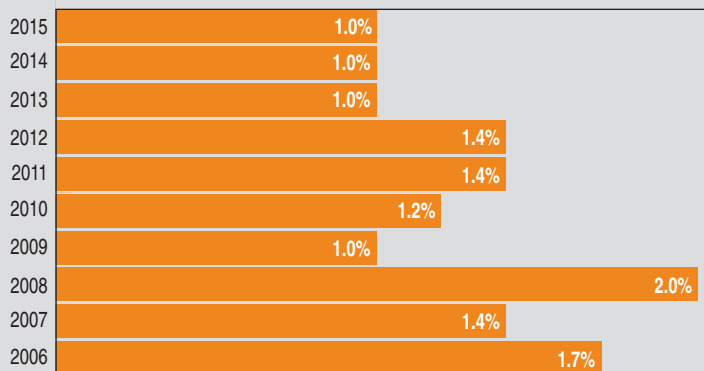
New York State’s annual Cost-of-Living Adjustment (COLA) for 2015 will be 1.0%. Beginning in September, eligible retirees will receive retirement allowance payments that reflect this adjustment. Increases to monthly payments are calculated using the lesser of either a retiree’s maximum fixed retirement allowance or \$18,000.

By law, the COLA provides an annual increase between 1% and 3%, and is based on one half of the Consumer Price Index increase for the year ending March 31. It is distributed annually to the following individuals:

- Service retirees who are at least age 62 and have been retired for 5 or more years;

- Service retirees who are at least age 55 and have been retired for 10 or more years; and
- Certain disability retirees, surviving spouses, and other beneficiaries.

This is the third consecutive year that the COLA has been at 1.0%. Below is a look at its rates over the past 10 years.



Consider EFT for Monthly Benefit Payments

All TRS retirees have the opportunity to receive their retirement allowance payments via Electronic Fund Transfer (EFT)—and most take advantage of the convenience. EFT provides a secure method for receiving payments at no additional cost to you. With EFT, your monthly benefit payments from TRS are automatically transferred to your designated checking or savings account and the possibility of delayed, lost or stolen paper checks is eliminated.

TRS' Pension Payment 2015 EFT Schedule	
Month	EFT Transmitted on:
January	Friday, 1/30
February	Friday, 2/27
March	Tuesday, 3/31
April	Thursday, 4/30
May	Friday, 5/29
June	Tuesday, 6/30
July	Friday, 7/31
August	Monday, 8/31
September	Wednesday, 9/30
October	Friday, 10/30
November	Monday, 11/30
December	Thursday, 12/31

Once you have made the decision to change from paper checks to EFT, the process is simple. Submit an “EFT Authorization Form” (code BK58) to TRS along with the required documentation. Once the enrollment process is complete and your EFT has taken effect, your monthly pension payments will automatically be transferred to your designated bank account each month. Our *Electronic Fund Transfer* brochure provides detailed information on the complete process.

For your information, the projected pension payment schedule at left shows the dates when TRS transmits your funds to your bank. **The date your funds are available may vary based on your financial institution’s banking schedule and may be affected by weekends and holidays.**

(Mailing of monthly retirement benefit checks generally occurs three business days before the end of each month).

Investment Results as of

TRS' six Passport Funds are available to all Tax-Deferred Annuity (TDA) Program participants and to portions of their retirement allowances under the TDA Program.

Visit TRS' website for more detailed information about the Passport Funds, including the most recent performance information.

Annualized Investment Returns

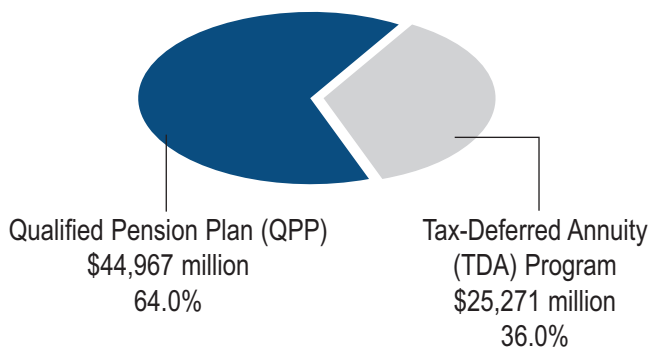
	1 Year 1/1/14 to 12/31/14	3 Years 1/1/12 to 12/31/14	5 Years 1/1/10 to 12/31/14	10 Years 1/1/05 to 12/31/14
Diversified Equity Fund	8.96%	18.05%	13.47%	7.06%
Bond Fund*	1.22%	1.13%	N/A	N/A
International Equity Fund**	-4.57%	10.76%	5.45%	N/A
Inflation Protection Fund**	2.12%	5.76%	6.44%	N/A
Socially Responsive Equity Fund**	10.40%	18.87%	14.93%	N/A

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

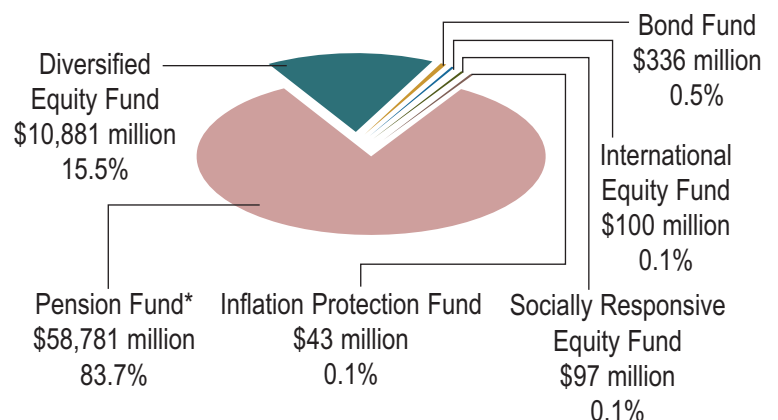
** Annualized investment performance is only available for the one-, three- and five-year periods because the Fund began in July 2008. For approximations of annualized performance for other periods, see the *Fund Profiles* booklet on our website.

Total Investment

BY PLAN
\$70.238 Billion



BY FUND
\$70.238 Billion

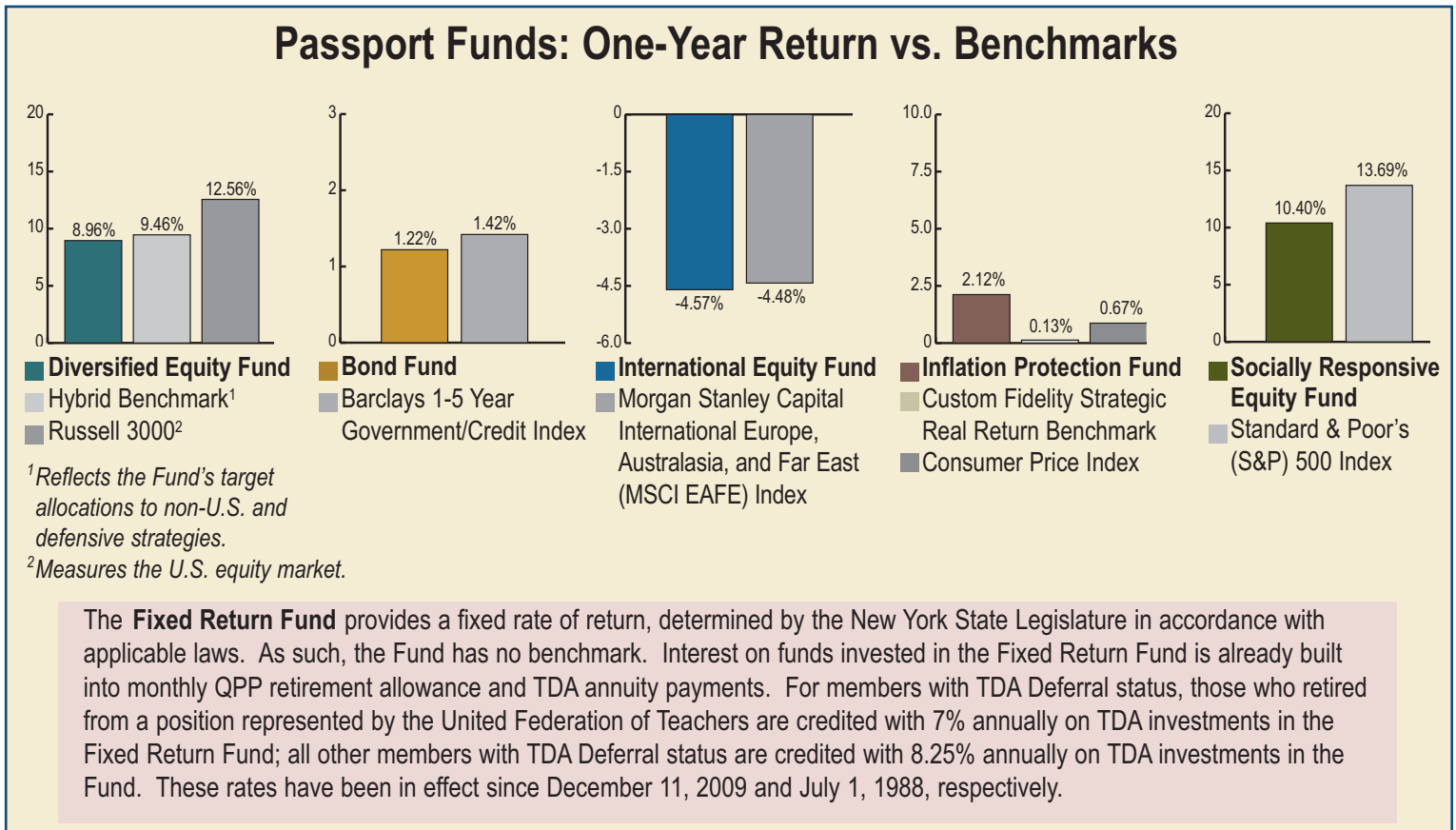


* Includes all QPP and TDA funds in the Fixed Return Fund and all Tiers III/IV/VI QPP funds.

as of December 31, 2014

and to Tiers I/II retirees for the Annuity Savings Fund (ASF) and Increased-Take-Home Pay (ITHP) under the Qualified Pension Plan (QPP).

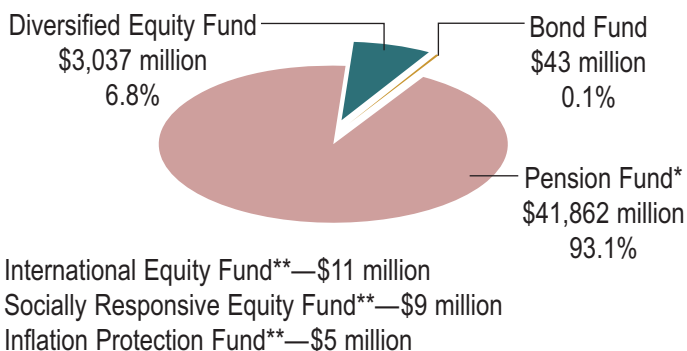
most recent performance data for each fund. You may also access our latest *Fund Profiles* booklet.



Note: TRS performance figures are shown net of fees.

ents (Unaudited)

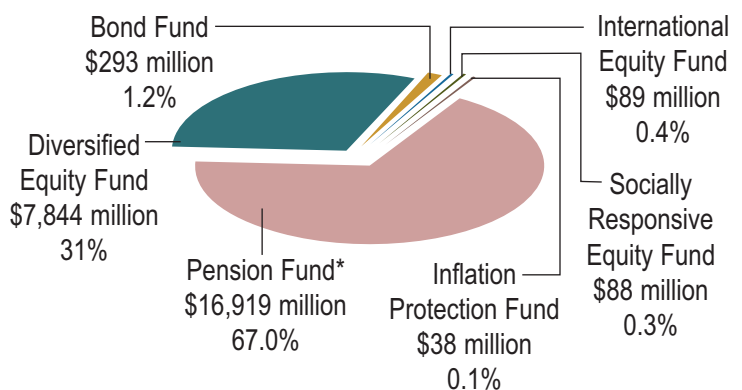
TOTAL QPP INVESTMENTS \$44.967 Billion



* 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%

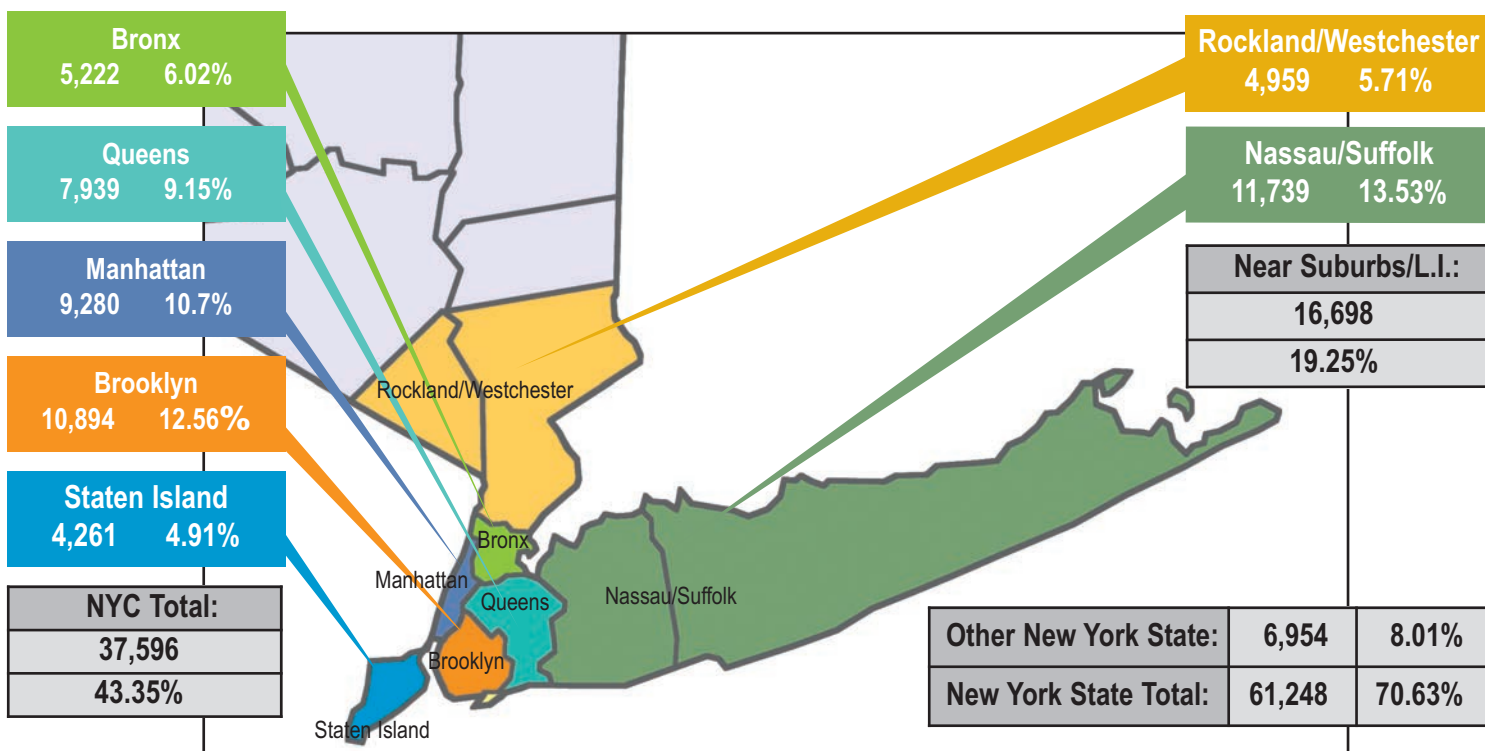
TOTAL TDA INVESTMENTS \$25.271 Billion



* Includes all TDA funds in the Fixed Return Fund.

Most Retirees Remain in New York

After years of service as New York City educators, where do TRS retirees spend their retirement years? Interestingly, the majority of our 86,000 retired members continue to reside in New York State. In fact, based on recent data, about 71% of your peers live in the state, with 43% living in New York City. The most popular borough for our retirees is Brooklyn. The remainder of our retiree population is scattered across the country—and the globe. The map below shows where your fellow retirees live in the Empire State.



Locating Your Unclaimed Assets

Are there unclaimed funds out there in your name? The National Association of Unclaimed Property Administrators (NAUPA) website provides a central location for you to search for unclaimed assets.

The database of governmental property records provides information from state or local offices on unclaimed funds that include:

- Bank accounts and safe deposit boxes
- Stocks and mutual funds, bonds and dividends
- Uncashed checks and wages
- Insurance policies, CDs, trust funds
- Utility deposits/escrow accounts

You can access the NAUPA unclaimed database website at www.missingmoney.com, or for information on unclaimed assets in New York State, you can contact the Office of the State Comptroller (OSC) at 1 (800) 221-9311.

You can also locate unclaimed funds issued by TRS by accessing the “Unclaimed Funds” feature on TRS’ website. If your name appears, you should file an “Affidavit for Missing Check (and Authorization to Stop Payment) Form” (code BK2) with TRS to claim the missing payment. Replacement funds are generally processed within 15 days.

Thinking About Naming a Minor As Beneficiary?

As a retiree, you may be able to change your beneficiary designations for benefits under TRS' Qualified Pension Plan (QPP) and/or Tax-Deferred Annuity (TDA) Program. If you're thinking about adding that new grandchild as a beneficiary—or if you currently have someone under the age of 18 designated as your 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.
- 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. Forms for changing beneficiary designations are available on our website in the [Forms/Tools](#) section, under "Forms for Retirees." Retirees who have TDA Deferral status can also update their TDA beneficiaries online after logging on to the secure area of our website.

How to Report a TRS Member's Death

The period following the loss of a loved one can be very stressful 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 a retiree's death must first provide TRS with the following information about the deceased member:

- Name
- Date of birth and date of death
- Social Security number
- TRS Retirement Number (found on monthly check stubs or quarterly statements)

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 beneficiary's **Benefit Package**. 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 Retired Members*, and make this brochure available to your loved ones.

Publications

The following TRS publications 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 2015: Expected distribution of EFT Quarterly Statements for the second quarter of 2015.

July 1, 2015: Effective date of retiree investment election changes received by May 1, 2015 (QPP changes, TDA annuitant changes) or May 31, 2015 (changes for TDA deferred accounts).

August 2015: Expected distribution of TDA Quarterly Statements for the second quarter of 2015 to retirees with TDA Deferral status.

October 2015: Expected distribution of EFT Quarterly Statements for the third quarter of 2015.

October 1, 2015: Effective date of retiree investment election changes received by August 1, 2015 (QPP changes, TDA annuitant changes) or August 31, 2015 (changes for TDA deferred accounts).

Mailing of monthly retirement benefit checks generally occurs three business days before the end of each month.

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**.

