



TDA Makes Sense!

As a TRS member, you contribute toward a guaranteed pension that will be an important component of your retirement income. However, you can also benefit from TRS' Tax-Deferred Annuity (TDA) Program.

Double Savings, Anyone?

Investing in the TDA Program provides you with a **second retirement plan**. And who wouldn't want that? That's why nearly three-quarters of in-service TRS members participate in this defined-contribution plan.

As a TDA participant, you can dream bigger in retirement by investing even a small percentage of each paycheck. And you'll be reducing your taxable income while you save! Plus, the savings add up over time: By the time TDA participants are ready to retire, they have an average TDA balance of nearly \$200,000 in their accounts.

Enroll Now... or Increase Your Contribution

The sooner you start investing in TDA, the greater your potential income will be during retirement. As your contributions add up, your account will receive compound interest and/or investment return. When it comes to compounding, time is on your side.

If you're already a participant in the TDA Program, this is a good opportunity to think about increasing your contribution rate. Maybe your pension contributions have recently been decreased or stopped, or maybe you've received a salary increase. If you take that percentage of your pay and invest it in TDA, you won't even notice a difference in your paycheck.

Just keep in mind that, if you enroll in TDA or change your contribution rate during the summer months, the changes won't take effect until September.

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Spring 2018

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Is Summertime Your Retirement Time?

Summertime often means retirement time for TRS members, and many have visited TRS already this spring to file their paperwork and have it reviewed by our Member Services Representatives. If you are still considering taking this major step after the 2017-18 school year, consider the following:

✓ *Purchase any outstanding service credit.*

Increasing your service credit generally means an increase in your pension calculation. So if you have credit outstanding for purchase, you need to start that process before you retire. Refer to your most recent Annual Benefits Statement (ABS) or a recent Total Service Letter from TRS to learn if you have service credit available for purchase.

✓ *Decide on a payment option for your retirement allowance.*

No matter what tier you are in, you have several payment options for your retirement allowance. All provide you with monthly lifetime payments, but each provides a different death benefit payable to one or more beneficiaries. The Maximum Payment Option pays you the most but does not provide for any beneficiaries. Learn more in our *Retirement Payment Options* brochures.

Keep in mind that you will have other death benefits to assign when you complete your retirement application. These include a lump-sum benefit under Death Benefit #2 (not applicable to Tier I members) and a “fractional” benefit for the month of your death.

✓ *Determine what to do with your TDA funds.*

If you have an account in TRS’ Tax-Deferred Annuity (TDA) Program, at retirement you will need

to make a distribution choice. You may want to annuitize the account and receive a second monthly payment. You may instead choose to withdraw or roll over the TDA funds. Or you may choose to maintain your TDA account at TRS by electing TDA Deferral status at retirement; in this case, no distributions are required until you reach age 70½ as a retiree. Learn more about these options on our website.

✓ *Consider any QPP loans.*

Retirement is the last opportunity to pay off a loan balance under the Qualified Pension Plan (QPP), and it’s also the last chance to take a new QPP loan if you have an immediate financial need. Just keep in mind that the amount of your monthly retirement allowance payments will be reduced as a result of any QPP loan balance at retirement.

✓ *Prepare to receive your retirement payments electronically.*

If you are a Department of Education (DOE) employee, your retirement payments will be directed to the same account that received your paychecks—unless you instruct us otherwise. If you’re employed by a charter school or CUNY, you can enroll in Electronic Fund Transfer when you file for retirement; just be sure to bring a blank voided check or deposit slip from the account you want to use.

✓ *Plan to file for health insurance with your employer after filing for retirement at TRS.*

If you are employed by the DOE, you may be able to take care of this step at TRS. DOE representatives will be onsite at TRS weekdays from June 7 through June 29. Check the news bulletin on our website for details.

The Importance of Filing In Person

We strongly encourage members to file their retirement applications in person at TRS—and start the process well in advance of their retirement date when possible. When you visit our Member Services Center at 55 Water Street in lower Manhattan, our representatives can examine the documents for completeness, review the impact of your choices, and answer related questions. Just remember to have your documents completed and notarized before you visit. The Member Services Center is open Monday to Friday (except New York City holidays) from 8:30 a.m. to 5:00 p.m. Please plan to arrive before 4:30 p.m. if you are filing for retirement.

Please note that June is typically the busiest time of year for retirement filings. The last two weeks of June and school holidays (such as June 7 and June 15 this year) are particularly busy. Appointments are not taken at our Member Services Center, but our representatives are here and ready to assist you as you take this big step!

Leaving Your Job Before Retirement?

What happens to your TRS membership if you leave your position before you can retire? Well, the answer depends on whether you are vested.

If you are not vested, under current law, you would still be a TRS member for seven school years after your separation date. If you are vested, you could maintain your membership rights until you are eligible for retirement. Therefore, before you resign from your position, you should contact TRS to determine how your retirement benefits may be affected. The following is a summary of some of the things you should consider prior to separation.

For non-vested members:

- ☛ You may retain your TRS accounts and membership for seven school years. During this period your accounts will continue to accrue investment return and/or interest. However, you cannot contribute to your accounts unless you return to active service in a TRS-eligible position.
- ☛ You may be able to obtain additional service credit that would allow you to reach the Total Service Credit necessary for vesting (assuming you have already obtained two years of membership service).
- ☛ Your next job may allow you to preserve your TRS membership or transfer to another retirement system. If you obtain a position that qualifies you for membership in an eligible New York State or New York City public retirement system, you can transfer your membership to that system. If you obtain a position (within 60 days after your separation) that qualifies you for membership in another New York City retirement system, you could maintain your TRS membership by becoming a “transferred contributor” to TRS.

- ☛ If you don’t obtain another TRS-eligible position, transfer membership, or become a transferred contributor, TRS would contact you prior to the expiration of your membership to inform you of your options.

For vested members:

- ☛ You may retain your TRS accounts and membership until you become eligible to receive a retirement allowance. To maintain your Tax-Deferred Annuity (TDA) Program account with TRS, you would need to file to elect TDA Deferral status. Your accounts will continue to accrue interest and/or investment return. However, you cannot contribute to your accounts unless you return to active service in a TRS-eligible position.
- ☛ You may also transfer your membership or become a transferred contributor to TRS, if you obtain a qualified position as described above.

How do I know if I am vested?

Consult your most recent Annual Benefits Statement for this information.

In general, the requirement is 10 years of service credit for members whose date of membership is after March 31, 2012 (or after December 10, 2009 if in a position represented by the United Federation of Teachers). For members with earlier membership dates, the requirement is generally 5 years of service credit.

For more information about vesting status, separating from service, membership transfer, and transferred-contributor status, please access our website.

It's Your Option: Purchasing Service Credit

What is optional service credit? Basically, it is pension credit that is available for you as a result of work that you have done outside of the position on which your TRS membership is based. Examples include prior service from an earlier job, military service, or even certain unpaid leaves of absence.

Optional service credit increases your Total Service Credit, a key factor in determining your retirement eligibility and the amount of your retirement benefits.

Most members have to pay for optional service credit. And, though purchasing optional credit is not required, doing it sooner rather than later is a good idea. Why?

- ➔ Because of accumulating interest, the cost is never as low as it is today.
- ➔ The additional credit may allow you to reach important milestones (such as your vesting date) sooner.

If TRS knows that you have credit available to purchase, we indicate this in two places in the secure area of our website: first on the Annual Benefits Statement, published each fall; and second through a

link on your **My Home** page that says “Request Cost Letter.” This link will appear only if there is verified service credit that is available for you to purchase.

In many cases, we rely on members to tell us about service they have that may be pensionable. The best way to do this is to file a paperless service claim online. Here's how to do so:

- ➔ On TRS' website, under **Forms**, go to the “Electronic Forms” section, and open the “Record of Prior Service.”
- ➔ Complete the fillable form online, and file it by clicking “SUBMIT.”

We will then review the request and validate the service with your former employer. If the service is creditable, we will send you a cost letter with available payment options.

More information about the different types of service credit and payment options is available on our website; see the Glossary and FAQs sections, as well as our service credit brochures.

TDA Makes Sense!

(Continued from page 1)

TDA Gives You Choices and Flexibility

As a TDA participant, you have the choice of investing in any or all of TRS' six Passport Funds. In addition, you can change the way your future contributions and past accumulations are invested on a quarterly basis. And, with TRS' online access, you can manage your account from your computer, tablet, or phone.

Take the Next Steps

With our **TDA Calculator**, you can do the math on your own, and see how various contribution rates would affect your take-home pay. You'll be surprised at how even small, consistent contributions can make your retirement years truly golden!

For more information about the TDA Program, please read our *TDA Program Summary* and *Fund Profiles* booklet, available on our website. You can also sign up for a 90-minute “Introduction to the TDA Program” session at TRS; see page 7.

Semiannual Investment Results: 12/31/2017

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

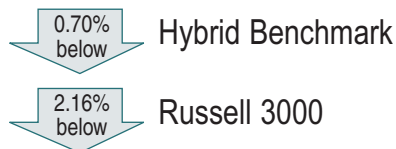
	1 Year	3 Years	5 Years	10 Years
Fixed Return Fund (TDA/UFT)*	7.00%	7.00%	7.00%	7.24%
Fixed Return Fund (All Others)*	8.25%	8.25%	8.25%	8.25%
Diversified Equity Fund	21.11%	9.86%	13.42%	7.11%
Bond Fund**	1.23%	1.28%	1.02%	N/A
International Equity Fund**	26.81%	9.47%	8.63%	N/A
Inflation Protection Fund**	4.13%	1.74%	1.60%	N/A
Socially Responsive Equity Fund**	18.32%	9.30%	14.69%	N/A

* 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.

** Annualized investment performance is not available for all periods because of the fund's inception date. Please see the *Fund Profiles* booklet on our website for details.

Five-Year Performance vs. Benchmarks

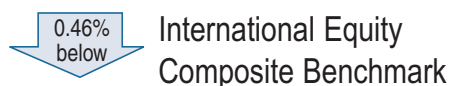
■ Diversified Equity Fund:



■ Bond Fund:



■ International Equity Fund:



■ Inflation Protection Fund:



■ Socially Responsive Equity Fund:



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

\$54.361 Billion*

TDA Total Investments

\$33.327 Billion*

* As of 12/31/2017 (unaudited)

Reminder: As of January 2018, the Balanced Fund replaced the Bond Fund.

TRS' Website Is Your Information Resource

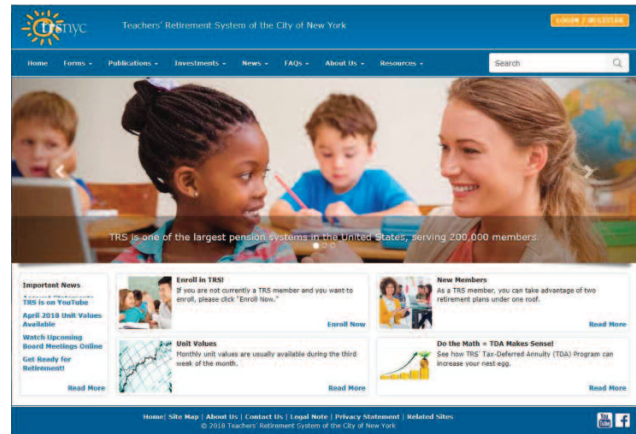
Why try and find the time to call TRS, when you have our website at your service 24/7, offering a growing list of online features? Once you register with a username and password, you'll gain secure access to your account information and be ready to conduct business with TRS online.

But first, you need to complete the easy registration process. As part of this process, you'll notice the following security measures created to protect your account information in the secure section of our website:

- Upon your initial login, you'll need to select a security image; the image will appear on subsequent logins to confirm you are logging in to the official TRS site.
- TRS will also send you a verification code if you forget your password or we don't recognize the computer you're using.

If you need help with any of the registration or login steps, watch our related video tutorials located under **Resources** on the TRS website. Remember that when you visit our Member Services Center, we can also help you navigate the website and complete TRS transactions online.

As we continue to offer more services and benefits online, we hope you'll join your peers and make our website your go-to resource.



TRS Has a YouTube Channel



You can find TRS on YouTube at www.youtube.com/TRSNYC. Our channel currently offers tutorial videos for members on topics such as navigating the website and enrolling in the TDA Program. There are also archives of Teachers' Retirement Board meetings. And don't forget to follow the TRS Facebook page (www.facebook.com/myTRSNYC).

Check Beneficiary Information Online

You probably keep track of your bank account transactions, your credit card statements, and other important financial matters too. One more thing to monitor is your TRS beneficiary designations.

You should periodically check this information online to make sure that your designations are still what you intend and that your beneficiaries' contact information on file with TRS is still valid. After all, you want to be sure that your funds are eventually distributed the way that you want. Please note that

TRS may contact you requesting that you supply any missing data.

Remember—reviewing this information online is quick and easy. In only a few minutes, you can log in to the secure section of our website with your username and password and then go to the **Beneficiaries** page to review information TRS has on file for you. Then, if you want to make changes, you can do so while you're logged in.

Member Education Offered Year-Round!

Throughout the year—including the summer—TRS offers presentations to our members on retirement and the benefits of TRS membership. All programs are held at our 55 Water Street location in lower Manhattan.

Our popular **Getting Ready for Retirement** classes are specific to each tier. Other sessions, such as our **Introduction to the TDA Program**, are useful no matter what tier you're in. And for our newest members, we offer **Tier VI—Planning for Tomorrow**.

Please see the schedule below or visit our website for more information. From the homepage, click on **Resources** and then **Educational Programs**.

Upcoming Programs for July – August 2018			
Getting Ready for Retirement—Tier IV 9:30 a.m. to 1:30 p.m.	<ul style="list-style-type: none"> • Tuesday, July 10 • Wednesday, July 11 • Thursday, July 12 • Tuesday, July 17 • Wednesday, July 18 	<ul style="list-style-type: none"> • Thursday, July 19 • Tuesday, July 24 • Wednesday, July 25 • Thursday, July 26 • Thursday, August 9 	<ul style="list-style-type: none"> • Wednesday, August 15 • Thursday, August 16 • Wednesday, August 22 • Thursday, August 23
Getting Ready for Retirement—Tier II 9:30 a.m. to 1:30 p.m.	<ul style="list-style-type: none"> • Tuesday, August 7 		
Getting Ready for Retirement—Tier I 9:30 a.m. to 1:30 p.m.	<ul style="list-style-type: none"> • Tuesday, August 7 		
Introduction to the TDA Program 9:30 a.m. to 12:00 p.m.	<ul style="list-style-type: none"> • Wednesday, August 8 		
Tier VI—Planning for Tomorrow 2:00 p.m. to 4:00 p.m.	<ul style="list-style-type: none"> • Wednesday, August 8 		

To register: Log in to the secure area of our website or complete the form below and mail it by **July 6, 2018** to **TRS, Attn: Member Education, 55 Water Street, New York, NY 10041**. We will confirm your registration before your session. Please note that you can check and **register for any available courses online** at any time throughout the year.

Registration Form for TRS' Educational 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 educational programs.

I would like to attend:

"Getting Ready for Retirement"

☐ Tier I ☐ Tier II ☐ Tier IV

☐ **Introduction to the TDA Program**

☐ **Tier VI—Planning for Tomorrow**

on _____ (date of your 1st choice)

OR _____ (date of your 2nd choice).

Publications

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

- *Investment Portfolios*
- *TDA Program Summary*

Calendar

July 1, 2018: Effective date of investment election changes that members filed by May 31, 2018.

August 2018: Distribution of Quarterly Account Statements for the second quarter of 2018.

October 1, 2018: Effective date of investment election changes that members file by August 31, 2018.

Please remember that TRS offices will be closed on the official New York City holidays occurring **July 4, September 3, and October 8, 2018**. On Fridays from July 6 through September 7, we will close at 1:00 p.m.

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

