



Retirement Ready

Friendly reminders

- This presentation contains general information to be used as a guide during the webinar. All participants are muted.
- Have a question?
 - » Type your question in the Questions box during the webinar. We will answer questions during the webinar and in the Questions box.
- This webinar will be recorded. Our recordings & PDFs are available at www.trsl.org/members/webinars

If you have any specific questions about your retirement (DROP window, retirement eligibility, FAC questions, etc.) please contact us at AskTRSL.org so we can look up your account and assist you directly.

Today's agenda

- Types of TRSL retirement plans
- How your retirement is funded & calculated
- Retirement eligibility & options
- Purchases & transfers of service credit
- Leave credit
- Types of retirement offered
- The retirement application process
- Tax liabilities
- Community property
- TRSL & Social Security

TRSL retirement plans

Regular Plan

Most TRSL members,
including teachers,
administrators, support
staff, and university
personnel, etc.

Plan B

School food
service employees
in 20 parishes

How your retirement is funded

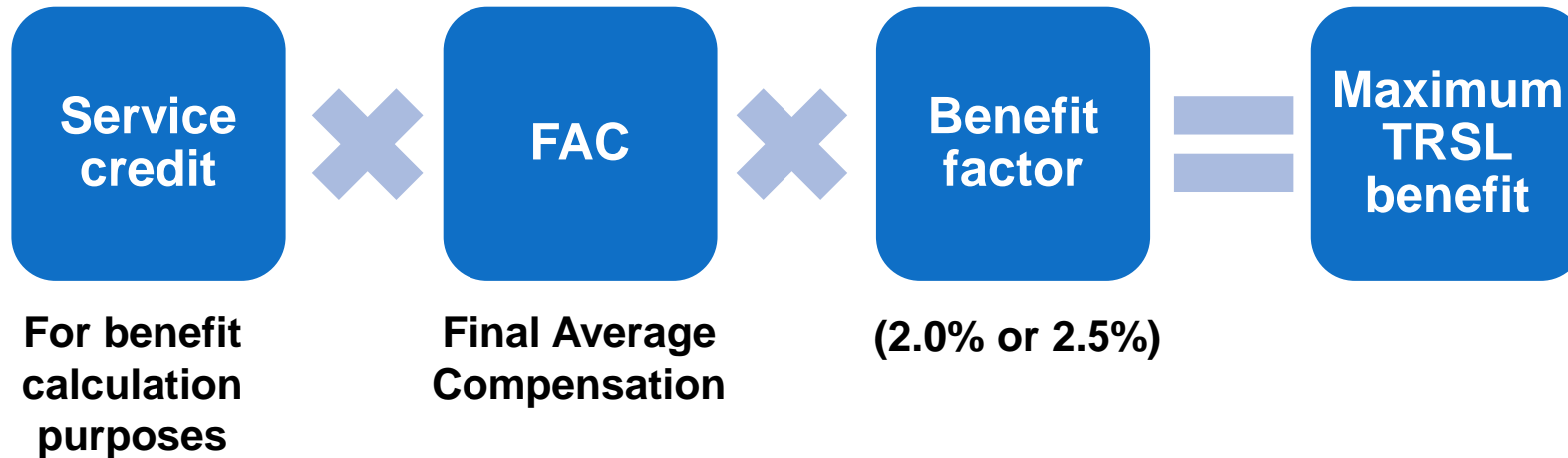
- Members pay a percentage of salary toward retirement:

Regular Plan	8.0%
Plan B <i>(also contributes to SSA)</i>	5.0%

- Employers also pay contributions toward your retirement; the amount is based upon plan type.
- TRSL pools and invests employee and employer contributions.
- Investment earnings fund your lifetime retirement benefits.

How your benefit is calculated

State law defines the benefit formula used to calculate the maximum TRSL benefit for which you are eligible:



When will I be eligible to retire?

The answer depends on which plan you belong to and, in some cases, when you joined one of the four state retirement systems.



Regular Plan: Retirement eligibility

Eligibility requirements	Benefit factor
Regular Plan (prior to 7/1/99):	
<ul style="list-style-type: none">• At least age 60 with at least 5 years of service credit, or• Any age with at least 20 years of service credit	2.0%
<ul style="list-style-type: none">• At least age 65 with at least 20 years of service credit, or• At least age 55 with at least 25 years of service credit, or• Any age with at least 30 years of service credit	2.5%

Regular Plan: Retirement eligibility

Eligibility requirements	Benefit factor
Regular Plan (between 7/1/99 and 12/31/10):	
<ul style="list-style-type: none">• At least age 60 with at least 5 years of service credit, or• At least age 55 with at least 25 years of service credit, or• Any age with at least 20 years of service credit (actuarially reduced), or• Any age with at least 30 years of service credit	2.5%

Regular Plan: Retirement eligibility

Eligibility requirements	Benefit factor
Regular Plan (between 1/1/11 and 6/30/15):	
<ul style="list-style-type: none">• At least age 60 with at least 5 years of service credit, or• Any age with at least 20 years of service credit (actuarially reduced)	2.5%
Regular Plan (on or after 7/1/15):	
<ul style="list-style-type: none">• At least age 62 with at least 5 years of service credit, or• Any age with at least 20 years of service credit (actuarially reduced)	2.5%

Retirement options

When you retire, you will select one of eight different retirement options.

You will choose your option on an affidavit, which must be notarized.

The option you choose determines how much you and your beneficiary will receive in retirement benefits.

You cannot change your retirement option once you retire or enter DROP.

You can only change your beneficiary under Option 1.

Retirement options

Retirement Option	Member Benefit	Beneficiary Benefit
Maximum Option	Member receives largest monthly benefit possible (maximum benefit)	None

Maximum Option conditions: All benefits cease at member's death. Only the amount of member contributions that have not been paid out in monthly benefits or in DROP deposits and interest is due to the member's estate.

Retirement options

Retirement Option	Member Benefit	Beneficiary Benefit
Option 1	Member receives a monthly benefit slightly less than Maximum Option. Age at retirement is one of the factors upon which the reduction is based.	More than one beneficiary can be designated and can be changed at any time by member/retiree
<u>Option 1 conditions:</u> Beneficiary receives remaining balance of member's contributions (if any) in one lump-sum payment. Cannot be selected for ILSB.		

Retirement options

Retirement Option	Member Benefit	Beneficiary Benefit
Option 2	Member receives an actuarially reduced monthly benefit	Beneficiary receives same lifetime benefit member received
Option 3	Member receives a monthly benefit greater than Option 2 or 2A benefit	Beneficiary receives lifetime benefit equal to $\frac{1}{2}$ of benefit amount member received
Option 4	Member receives a reduced monthly benefit based upon amount member designates for beneficiary	Beneficiary receives lifetime benefit designated by member, not to exceed Option 2 benefit amount

Retirement options

Retirement Option	Member Benefit	Beneficiary Benefit
Option 2A (Pop Up)	Member receives a monthly benefit slightly less than Option 2	Beneficiary receives same lifetime benefit member received
Option 3A (Pop Up)	Member receives a monthly benefit greater than Option 2 or 2A benefit but less than Option 3 benefit	Beneficiary receives lifetime benefit equal to ½ of benefit amount member received
Option 4A (Pop Up)	Member receives a reduced monthly benefit based upon amount member designates for beneficiary	Beneficiary receives lifetime benefit designated by member, not to exceed Option 2 benefit amount

Retirement options

Retirement Option	Member Benefit	Beneficiary Benefit
Maximum Option	Member receives largest monthly benefit possible (maximum benefit)	None

Maximum Option conditions: All benefits cease at member's death. Only the amount of member contributions that have not been paid out in monthly benefits or in DROP deposits and interest is due to the member's estate.

Purchases & transfers of service credit

Service credit can be purchased for eligible periods of service for which you do not already have TRSL service credit:

Refunded
service credit

Military service

Actuarial
purchases

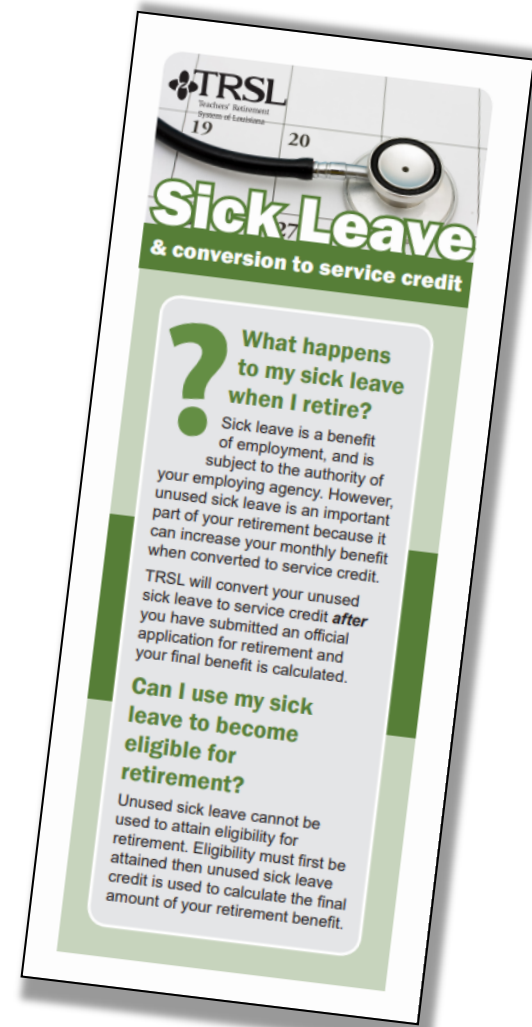
Actuarial
transfers

Reciprocal
recognition of
service credit

NOTE: Any purchases, transfers, or reciprocals must be completed before the effective date of your retirement or DROP participation.

Leave credit: Sick leave

- Unused sick leave cannot be used to attain eligibility for retirement.
- However, at the time of retirement, unused sick leave may be converted to service credit.
 - » This can increase your monthly retirement benefit.
 - » TRSL makes this conversion after you have retired.
- Employers pay up to 25 days of unused sick leave at the daily rate of pay



Leave credit: Annual leave

- Employees of Louisiana state agencies, colleges, universities, community colleges, and technical colleges may earn annual leave.
- Members who earn annual leave are usually paid up to 300 hours or 37.5 days of annual leave by their employers upon termination of employment.
- Please speak to your employer to discuss your options if you anticipate having more than 300 hours of annual leave upon retirement.

Types of retirement offered

- **SERVICE:** You stop working and begin receiving your lifetime monthly retirement benefit.
- **DROP:** You “freeze” your retirement benefit and continue to work for up to 36 months, building a retirement nest egg. You terminate employment (retire) some time after the completion of DROP participation. Upon termination of employment, you are eligible to withdraw from your DROP account plus receive your regular lifetime monthly retirement benefit.
- **ILSB:** You retire, receive a lump-sum payment of up to 36 times your monthly maximum benefit, and receive an actuarially reduced lifetime monthly retirement benefit.

Types of retirement offered

- **DEFERRED:** Members with at least five years of service credit may terminate their positions and leave their contributions with TRSL. Once eligible, inactive members can apply for a TRSL retirement benefit based on their years of service credit.
- **DISABILITY:** If you are no longer able to perform your current job due to a disabling condition, you can apply for a TRSL disability retirement. It must be approved by the State Medical Disability Board.

Deferred Retirement Option Plan (DROP)

- DROP is an optional program that allows you to freeze your monthly retirement benefit check while you continue to work and earn a paycheck.
- During DROP your monthly benefit is deposited each month into a special account.
 - » Minimum participation time: 1 day
 - » Maximum participation time: 36 months (3 years)

Deferred Retirement Option Plan (DROP)

- The “frozen” benefit is calculated based upon years of service credit and average compensation upon entering DROP.
- Your decision to participate in DROP is irrevocable.
- You can apply up to 6 months before your DROP window opens with TRSL’s Form 11.
- Members can end DROP participation and terminate employment (retire) at any time.

“What is the DROP window?”

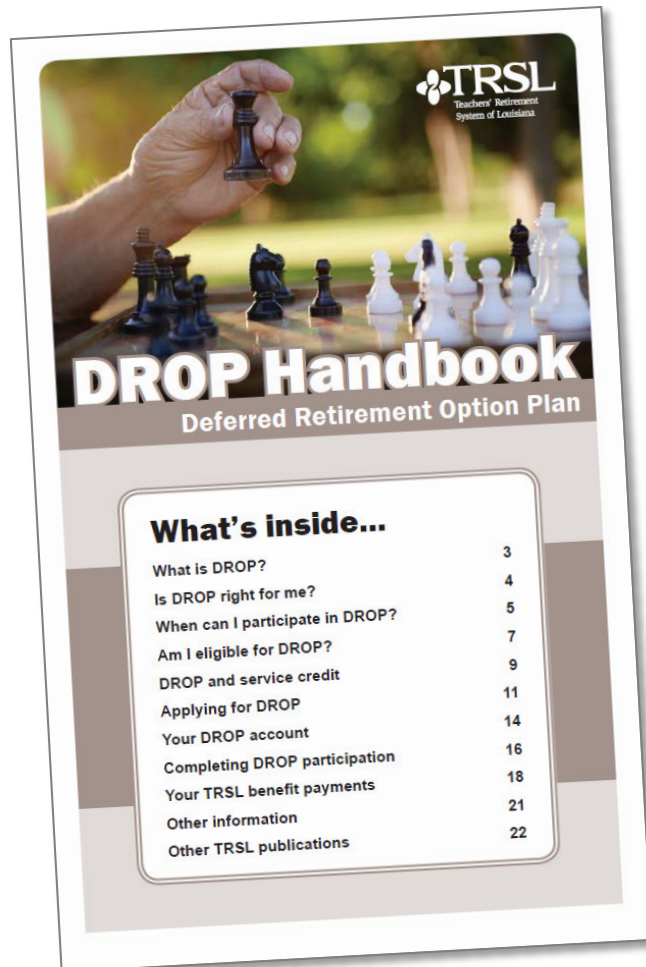
The DROP window refers to the 3-year period of time you can participate in DROP, starting from your first day of eligibility. Your window opens when you are FIRST eligible.

This period is your **ONE-TIME** opportunity to participate in DROP during your career.



It is important to find out the **EXACT DATE** you first become eligible for DROP.

DROP eligibility – Regular Plan



Membership *prior* to Jan. 1, 2011

Age 60 with 10 years*

Age 55 with 25 years

Any age with 30 years

**2.0% benefit factor*

Membership *between* Jan 1, 2011 & June 30, 2015

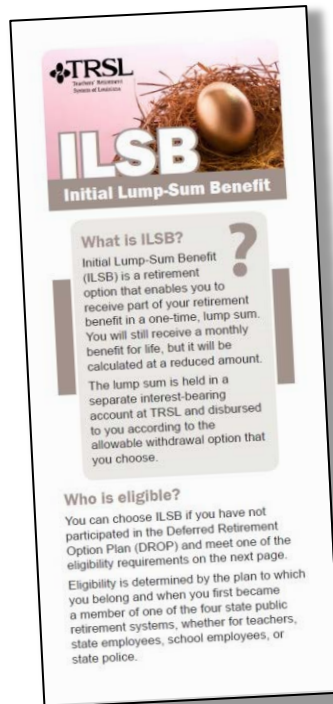
Age 60 with 5 years

Membership *on or after* July 1, 2015

Age 62 with 5 years

Initial Lump-Sum Benefit (ILSB)

- ILSB is an alternative to DROP.
- You can retire and take a portion of your retirement benefit in a one-time, lump-sum payment.



- You will receive a permanently reduced lifetime monthly benefit.
- The reduction is based on the lump-sum amount chosen and your age at time of retirement.

Applying for retirement



- You can submit your retirement application as early as six months before your desired date of retirement or DROP beginning date.
 - » You will need to complete all purchases, transfers, and/or reciprocals of service credit before the effective date of retirement or entering DROP.
 - » TRSL recommends you coordinate your retirement or DROP beginning date with your employer. Your employer will verify your service credit and sick leave.

Applying for retirement

There are two ways you can apply for retirement:



Apply online through your
MEMBER ACCESS account:
www.TRSL.org/memberaccess



Submit *Application for Service Retirement, ILSB, or DROP* (Form 11) **AND** *Direct Deposit of Benefits* (Form 15D)

Members entering DROP: Submit **Form 11 (only)** to enter DROP.

Apply through Member Access

Select “Apply for Retirement” from the “My Retirement” drop-down menu.



NOTE: Two weeks after submission of the Form 11 to TRSL, you will receive an acknowledgment letter in the mail.

Apply through *Member Access*

Application for Service Retirement, ILSB, or DROP	
Applications may be canceled before cashing any benefit check, including estimated benefit payments and direct deposits. Your application may be submitted within six months before your effective retirement/DROP date. It is your responsibility to submit your application before your selected retirement/DROP date.	
Your retirement information (Must be completed)	
Select one: <input type="radio"/> Service – 06-11A <input type="radio"/> ILSB – 06-11A5 <input type="radio"/> DROP – 06-11F	Date of retirement/DROP begin date <input type="text"/> (mm/dd/yyyy)
Annual COLA Option (ACO) allows a retiring member to receive a guaranteed annual 2.5% cost-of-living adjustment (COLA) by accepting an actuarially REDUCED retirement benefit. Check the box below only if you are considering ACO. <input type="checkbox"/> Yes, I wish to receive an estimate of REDUCED benefits based on the self-funded Annual COLA Option (ACO).	
Your member information (All fields must be completed)	
Name: Last, first, MI, suffix (Jr., III, etc.) <input type="text"/>	Your Social Security number <input type="text"/>
Street address/P.O. Box <input type="text"/>	Your date of birth <input type="text"/>
City <input type="text"/>	Name of Employer <input type="text"/>
State <input type="text" value="LA-LOUISIANA"/>	Zip <input type="text"/>
Home/cell telephone* <input type="text"/>	Work telephone* <input type="text"/>
*include area code	
Months of contract <input type="radio"/> 9 <input type="radio"/> 10 <input type="radio"/> 11 <input type="radio"/> 12	Job title <input type="text"/>

Information for you and your spouse will automatically load from your account, but you will be able to make changes, if necessary.

Submit online application

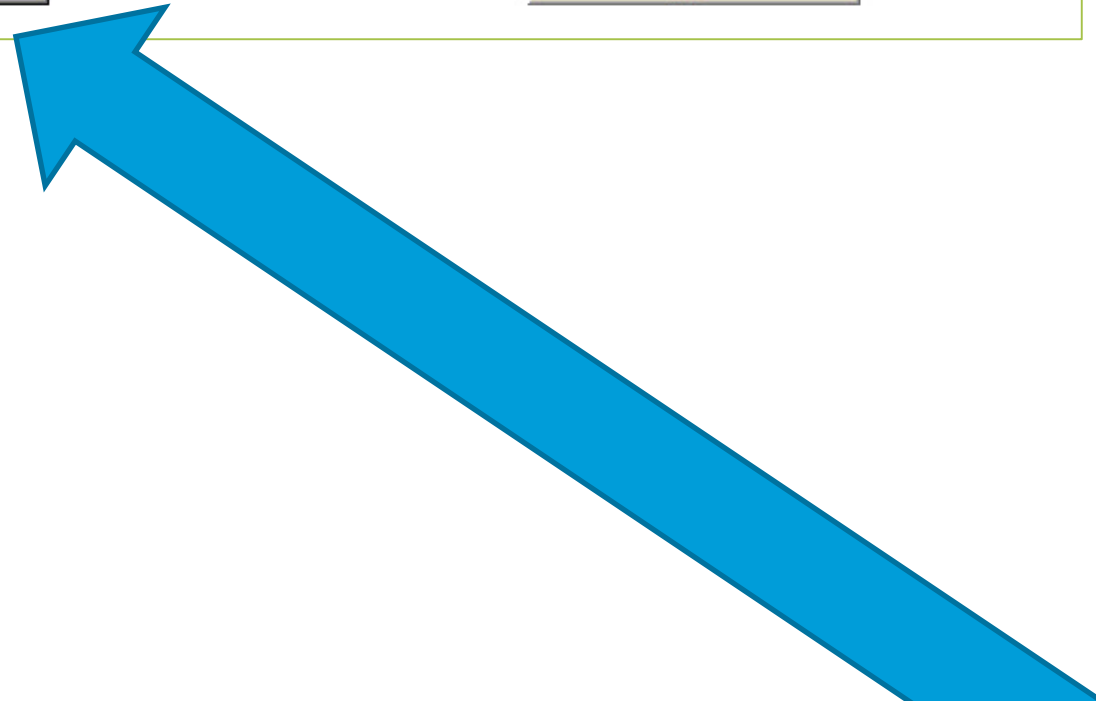
Electronic Signature

I hereby make application for retirement in accordance with Louisiana laws. I understand that I should receive an acknowledgment letter by mail approximately two weeks after the date TRSL receives my application. If I do not receive an acknowledgment letter, I will contact TRSL.

☐ I understand that by submitting my application online that I agree to conduct this transaction by electronic means and that I am signing my retirement application.

Submit Application

Print Application



Affidavit for Estimated Retirement Benefits

- Closer to your retirement date, you will receive an Affidavit for Estimated Retirement Benefits in the mail to choose your retirement option, along with instructions.
- The affidavit must be a notarized original, have no alterations, and mailed back to TRSL within 30 days.

**** Altered forms not accepted ** Submit completed original only ** No copies, faxes, or scans accepted ****

RETIREMENT OPTION ELECTION (Cannot be changed). COMPLETE THIS FORM IN THE PRESENCE OF A NOTARY PUBLIC.

Review the eight retirement option choices listed below. **Select ONE option.** The option you select determines your retirement benefit and is **irrevocable**. A description of each option can be found on the back of this affidavit.

In the white space below, write your initials beside the option you select. Make selection here. <small>(Do not initial more than one box.)</small>	Retirement Option	Estimated Member Benefit		Estimated Beneficiary Benefit <small>(upon death of member)</small>
		Monthly benefit <small>(your lifetime benefit)</small>	Monthly benefit <small>(your lifetime benefit upon the death of your named beneficiary)</small>	
<input type="checkbox"/>	Maximum		No beneficiary	No beneficiary
<input type="checkbox"/>	Option 1			Remaining unpaid member contributions (if any)
<input type="checkbox"/>	Option 2			
<input type="checkbox"/>	Option 2A <small>(pop-up)</small>		<small>(pop-up)</small>	
<input type="checkbox"/>	Option 3			
<input type="checkbox"/>	Option 3A <small>(pop-up)</small>		<small>(pop-up)</small>	
<input type="checkbox"/>	Option 4			
<input type="checkbox"/>	Option 4A <small>(pop-up)</small>			

IMPORTANT: The estimates for Option 2, 2A, 3, 3A, 4, or 4A are based on calculations relating to the person whose name appears in the beneficiary box above. If you choose Options 2 through 4A, you irrevocably designate the person named above as your beneficiary.

Marital Status: Are you married? _____ (Write "Yes" or "No" in the space to the left.)

MEMBER Signature: ►

Notary Public:
(A list of notaries can be found at www.sos.la.gov.)

Sworn and subscribed before me, this _____ day of _____, 20____.

Notary ID/Bar Roll #: _____ Notary Name (print): _____

Notary Signature: ►

How TRSL pays your benefits

- **Monthly benefits are paid on the first of the month.**
 - » Your first benefit payment will be a paper check; subsequent payments will be direct deposited.
 - » Your retirement can only be canceled if a benefit payment has not been negotiated (includes direct deposit).
 - Members entering DROP are unable to cancel DROP participation once your date passes and the affidavit is on file.
- **For Service and ILSB, there is a 30-day waiting period.**
 - » This period begins on your retirement date. However, TRSL must have your properly executed estimated affidavit and your completed direct deposit form in order to determine your benefit.
- **You will receive estimated benefits as first payments.**
 - » This will continue monthly until TRSL finalizes your benefit.
 - Includes after-DROP supplement, for those working after DROP.

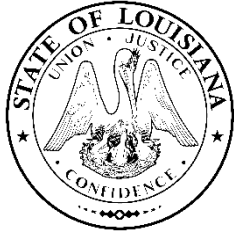
What is a retroactive payment?

A few months after retirement, you will receive a letter regarding a one-time retroactive payment once your final benefit is calculated:

- » “Retro” payments include the difference between your estimated checks and your final monthly benefit.
- » Your final benefit calculation will include any remaining sick leave that converts to service credit.



Tax liabilities



IRS

Subject to
LA STATE
income tax?

Subject to
FEDERAL
income tax?

Regular monthly
retirement benefit

NO*

YES

DROP withdrawals
paid directly by TRSL

NO*

YES

**LA state tax exemption is not automatic. You must claim the exemption when you file your LA taxes:*

SCHEDULE E – 2021 ADJUSTMENTS TO INCOME

Louisiana State Teachers' Retirement Benefits	
Taxpayer date retired: MM/YY/YY	Spouse date retired: MM/YY/YY
03E	



Community property



The infographic features a header with two gold wedding rings and the TRSL logo. Below this, a blue banner reads 'Community Property & TRSL benefits'. A section titled 'What is community property?' with a question mark icon explains that TRSL benefits are community property in Louisiana. It lists TRSL funds and payments that may be considered community property, including regular retirement benefits, refunds of contributions, DROP, ILSP, and death benefits. It also notes that the court system ultimately determines which funds are community property. A final section with an exclamation mark icon states that ERISA and QDROs do not apply to TRSL.

TRSL
Teachers' Retirement
System of Louisiana

Community Property & TRSL benefits

What is community property?

Most payments or benefits that members receive from the Teachers' Retirement System of Louisiana (TRSL) are considered community property in Louisiana and should be accounted for in any community property settlement.

TRSL funds and payments that may be considered community property include the following:

- Regular retirement benefits
- Refunds of contributions
- Deferred Retirement Option Plan (DROP)
- Initial Lump-Sum Benefit (ILSB)
- Death benefits

The court system ultimately determines which of these funds or payments are community property.

If a TRSL member divorces or legally separates, the (ex)spouse may claim a portion of any of the above-mentioned payments and benefits that were earned during the time the member and (ex)spouse were married. This is true even if the benefits are not payable until years after the divorce.

If the question of benefits and payments is not settled in a community property proceeding, it remains pending.

ATTENTION: Those parts of the Employee Retirement Income Security Act (ERISA) and the Internal Revenue Code concerning Qualified Domestic Relations Orders (QDRO) do not apply to TRSL.

- Most payments or benefits received from TRSL are considered community property.
- The court system ultimately determines which funds or payments are considered community property.
- TRSL will not pay benefits to an ex-spouse without court documentation.

Regular retirement
benefits

Refunds

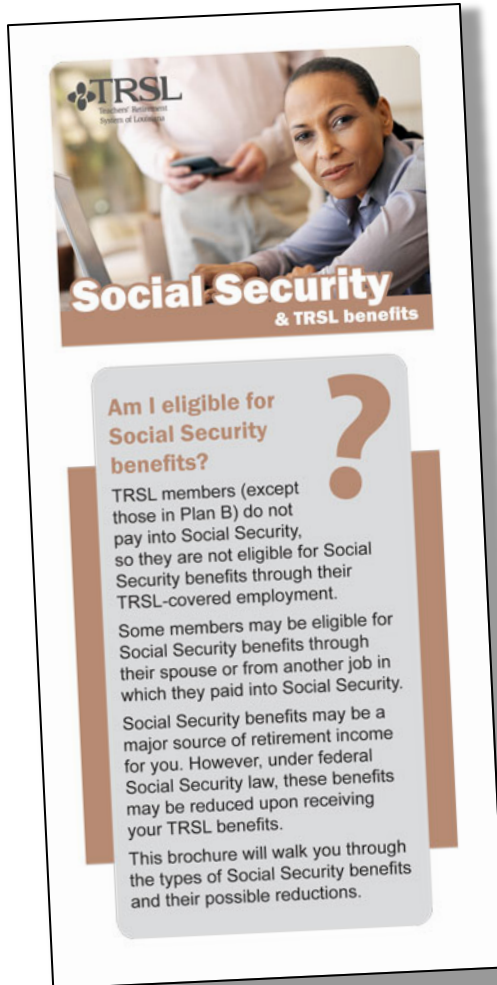
DROP or ILSB
withdrawals

Death
benefits

TRSL and Social Security

- Louisiana does not pay into Social Security for the majority of its public employees.
- However, you may still be eligible for Social Security through other employment or through your spouse's employment.
- The type of Social Security benefit you are eligible for determines which offset provision applies to you.
- Your TRSL benefit is not reduced.

Social Security benefits



- **Spouse's or widow(er)'s benefit:**
Paid to spouses or surviving spouses of Social Security pensioners if those spouses did not work long enough under Social Security to have earned their own benefit, or the spouse's earned benefit is less than the pensioner's benefit.
- **Earned benefit:**
Paid to people who worked at jobs where they paid Social Security taxes long enough to earn a Social Security benefit.

Social Security offsets

Government Pension Offset (GPO)

- Reduces spousal SS benefit by two-thirds of your TRSL benefit
- Requires that a person's benefit as a spouse or widow(er) be offset dollar for dollar by the amount of his/her own retirement benefit.
- Could completely eliminate SS spousal benefit

Windfall Elimination Provision (WEP)

- Reduces your own SS benefit if you receive a TRSL benefit
- Uses a modified formula to reduce SS benefit, based on average monthly earnings adjusted for inflation
- Does not completely eliminate SS benefit

Questions to ask Social Security

- “At what age can I receive my full SS benefit, and how much will it be?”
- “What is the earliest age I can receive SS benefits, and will this amount be reduced?”
- “Are there earnings limits if I collect SS while I am still working and paying into TRSL?”
- “Do I qualify for an exception to GPO or WEP?”
- “If GPO or WEP does apply to me, how much will my SS benefit be?”



Summary: TRSL & Social Security

- YES, it's possible to draw both TRSL and Social Security in retirement.
- If you receive a retirement benefit from TRSL and you are also eligible for Social Security benefits, your Social Security benefit may be reduced according to federal regulations. **TRSL benefits are not reduced.**
- For detailed information about your Social Security benefit, please contact the Social Security Administration.
 - Website: *www.ssa.gov*
 - Toll-free: 1-800-772-1213 (Mon - Fri, 7 a.m. - 7 p.m.)
 - Contact your nearest SS office

Summary

- TRSL is a defined benefit plan, which guarantees a benefit based on a formula, not your contributions.
- If you have any purchases or transfers of service credit, this could increase your retirement benefit. You would want to consider this earlier in your career than later.
- If you are interested in participating in DROP, find out the EXACT DATE you first become eligible for DROP so you do not miss your “DROP window.”
- TRSL recommends you coordinate your retirement or DROP beginning date with your employer. You can submit your retirement application as early as six months before your desired date of retirement or DROP beginning date.

Things to do now

TRSL CHECKLIST



Register for Member Access



Submit important docs



Update contact info



Check beneficiary designation



Get a retirement estimate!

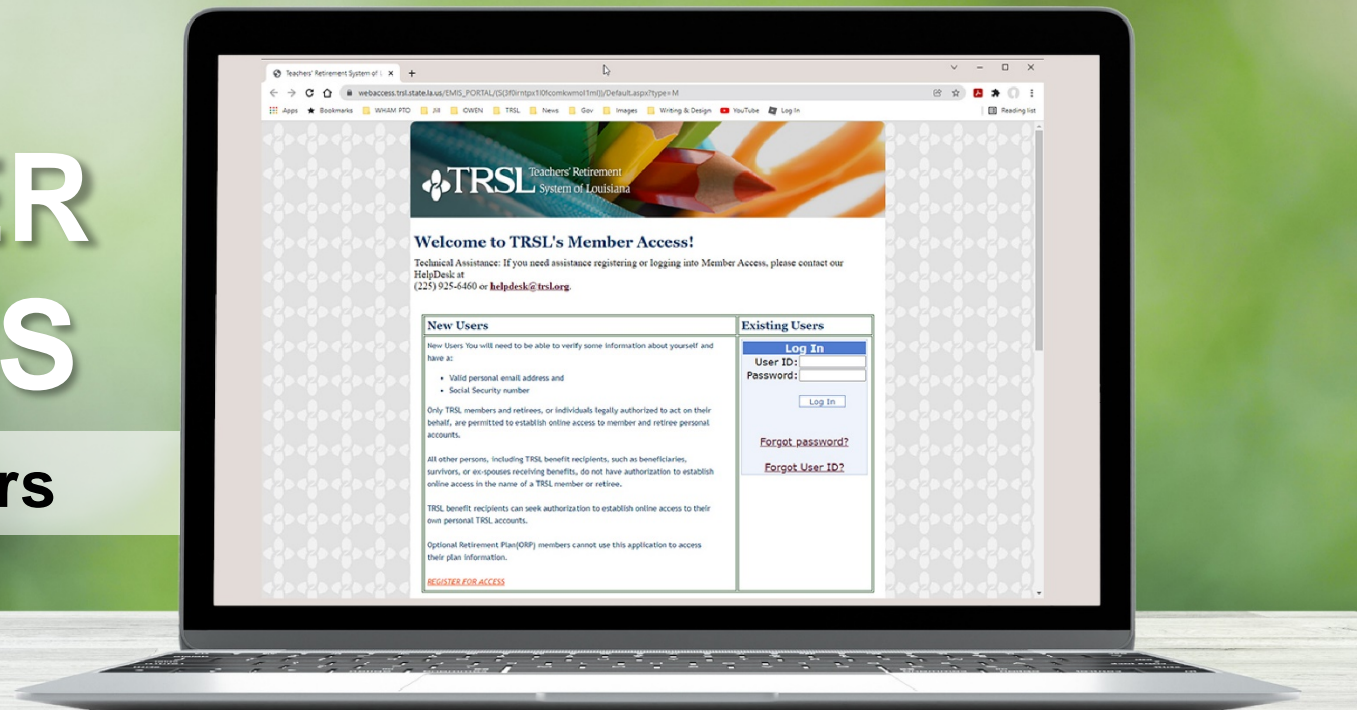
- Social Security cards (member & beneficiary)
- Birth certificates (member & beneficiary)

Divorce/separation decrees, community property settlements

- DIY via TRSL's Member Access
- Submit Form 10

MEMBER ACCESS

Active members



- Update name & mailing/email address
- Estimate future benefit with online calculators
- View annual statements
- Apply for retirement/DROP
- View DROP account
- View beneficiary(ies)
- Print income verification letter
- Request Social Security verification letter

Create a benefit estimate

Online calculators loaded with your account information



1. Log on to Member Access.
2. Under “My Estimates” drop-down menu, select “Estimate Your Retirement Benefit.”
3. Enter your desired retirement date and months of contract (9, 10, 11, 12), then click “Create Estimate!”

Register for MEMBER ACCESS @ www.TRSL.org

For technical assistance with Member Access, contact support@trsl.org.



SHED SOME LIGHT ON

***Your Future with
Online Member Access***

MEMBER ACCESS



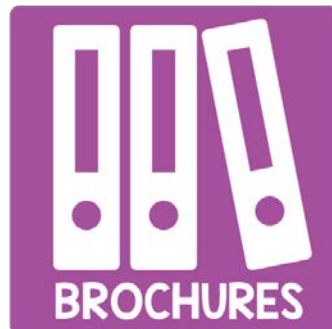
My TRSL

Members

Retirees

Employers

Find it online at www.TRSL.org



We are here for you!



Local phone: (225) 925-6446

Toll free (outside Baton Rouge):
1-877-ASK-TRSL (1-877-275-8775)

Website: *www.TRSL.org*

Questions: *AskTRSL.org*



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