TRSL & Social Security

Teachers’ Retirement System of Louisiana

Summer 2020
• This presentation contains general information.
• It is meant to be used as a guide during the webinar.
• All participants are muted during the webinar.
• Have a question?
  » Type your question in the Questions area during the webinar. There will be question-and-answer periods during the webinar.
• Please maximize your screen size to have full use of the webinar’s features.
Go To Webinar features

Type your question here.

If you have any specific questions about your retirement (DROP window, retirement eligibility, FAC questions, etc.) please email us so we can assist you directly at web.master@trsl.org
Agenda

• Types of TRSL retirement plans
• How your retirement is funded
• How your benefit is calculated
• Retirement eligibility
• Retirement options
• Leave credit

Break and Q & A periods will be provided.
<table>
<thead>
<tr>
<th>Regular Plan</th>
<th>Plan B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most TRSL members, including teachers, administrators, support staff, and university personnel, etc.</td>
<td>School food service employees in 20 parishes</td>
</tr>
</tbody>
</table>
How your retirement is funded

- Members pay a percentage of salary toward retirement:
  
<table>
<thead>
<tr>
<th>Plan</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Plan</td>
<td>8.0%</td>
</tr>
<tr>
<td>Plan B</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

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

\[
\text{Service credit} \times \text{FAC} \times \text{Benefit factor} = \text{Maximum TRSL benefit}
\]

For benefit calculation purposes
Final Average Compensation
(2.0% or 2.5%)
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

<table>
<thead>
<tr>
<th>Eligibility requirements</th>
<th>Benefit factor</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regular Plan (prior to 7/1/99):</strong></td>
<td></td>
</tr>
<tr>
<td>• At least age 60 with at least 5 years of service credit, or</td>
<td>2.0%</td>
</tr>
<tr>
<td>• Any age with at least 20 years of service credit</td>
<td></td>
</tr>
<tr>
<td>• At least age 65 with at least 20 years of service credit, or</td>
<td>2.5%</td>
</tr>
<tr>
<td>• At least age 55 with at least 25 years of service credit, or</td>
<td></td>
</tr>
<tr>
<td>• Any age with at least 30 years of service credit</td>
<td></td>
</tr>
</tbody>
</table>
## Regular Plan: Retirement eligibility

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<thead>
<tr>
<th>Eligibility requirements</th>
<th>Benefit factor</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regular Plan (between 7/1/99 and 12/31/10):</strong></td>
<td>2.5%</td>
</tr>
<tr>
<td>• At least age 60 with at least 5 years of service credit, or</td>
<td></td>
</tr>
<tr>
<td>• At least age 55 with at least 25 years of service credit, or</td>
<td></td>
</tr>
<tr>
<td>• Any age with at least 20 years of service credit (actuarially reduced), or</td>
<td></td>
</tr>
<tr>
<td>• Any age with at least 30 years of service credit</td>
<td></td>
</tr>
</tbody>
</table>
Regular Plan: Retirement eligibility

<table>
<thead>
<tr>
<th>Eligibility requirements</th>
<th>Benefit factor</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regular Plan (between 1/1/11 and 6/30/15):</strong></td>
<td>2.5%</td>
</tr>
<tr>
<td>• At least age 60 with at least 5 years of service credit, or</td>
<td></td>
</tr>
<tr>
<td>• Any age with at least 20 years of service credit (actuarially reduced)</td>
<td></td>
</tr>
<tr>
<td><strong>Regular Plan (on or after 7/1/15):</strong></td>
<td>2.5%</td>
</tr>
<tr>
<td>• At least age 62 with at least 5 years of service credit, or</td>
<td></td>
</tr>
<tr>
<td>• Any age with at least 20 years of service credit (actuarially reduced)</td>
<td></td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Retirement Option</th>
<th>Member Benefit</th>
<th>Beneficiary Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maximum Option</strong></td>
<td>Member receives largest monthly benefit possible (maximum benefit).</td>
<td>None</td>
</tr>
<tr>
<td><strong>Option 1</strong></td>
<td>Member receives a monthly benefit slightly less than Maximum Option. Age at retirement is one of the factors upon which the reduction is based.</td>
<td>More than one beneficiary can be designated, and can be changed at any time by member/retiree.</td>
</tr>
</tbody>
</table>

**Maximum Option conditions:** All monthly 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.

**Option 1 conditions:** Beneficiary receives remaining balance of member’s contributions (if any) in one lump-sum payment. Cannot be selected for ILSB.
The following options provide a lifetime benefit for the beneficiary upon the death of the member. Only one beneficiary can be named and that beneficiary can never be changed, even if the beneficiary dies before the member.

<table>
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<tr>
<th>Retirement Option</th>
<th>Member Benefit</th>
<th>Beneficiary Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Option 2</strong></td>
<td>Member receives an actuarially reduced monthly benefit.</td>
<td>Beneficiary receives same lifetime benefit member received.</td>
</tr>
<tr>
<td><strong>Option 3</strong></td>
<td>Member receives a monthly benefit greater than Option 2 or 2A benefit.</td>
<td>Beneficiary receives lifetime benefit equal to $\frac{1}{2}$ of benefit amount member received.</td>
</tr>
<tr>
<td><strong>Option 4</strong></td>
<td>Member receives a reduced monthly benefit based upon amount member designates for beneficiary.</td>
<td>Beneficiary receives lifetime benefit designated by member, not to exceed Option 2 benefit amount.</td>
</tr>
</tbody>
</table>
## Retirement options

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<tr>
<th>Retirement Option</th>
<th>Member Benefit</th>
<th>Beneficiary Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option 2A (Pop Up)</td>
<td>Member receives a monthly benefit slightly less than Option 2.</td>
<td>Beneficiary receives same lifetime benefit member received.</td>
</tr>
<tr>
<td>Option 3A (Pop Up)</td>
<td>Member receives a monthly benefit greater than Option 2 or 2A benefit but less than Option 3 benefit.</td>
<td>Beneficiary receives lifetime benefit equal to $\frac{1}{2}$ of benefit amount member received.</td>
</tr>
<tr>
<td>Option 4A (Pop Up)</td>
<td>Member receives a reduced monthly benefit based upon amount member designates for beneficiary.</td>
<td>Beneficiary receives lifetime benefit designated by member, but not to exceed Option 2 benefit amount.</td>
</tr>
</tbody>
</table>

**Pop Up Option conditions:** If beneficiary dies before member, the member’s benefit “pops up” to Maximum Option. However, a new beneficiary cannot be named.
• 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.

• School boards pay up to 25 days of unused sick leave at the daily rate of pay, or the number of unused days at the discretion of the employer.
Employees of Louisiana state agencies, colleges, universities, community colleges, and technical colleges may receive credit for unused annual leave at no cost, with certain restrictions.

• 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.

• The number of days for which a member is paid is deducted from the number of days certified as unused by the employer.

• Members who were first eligible to retire after June 30, 1990, can convert unused annual leave earned after that date to service credit by purchasing the leave at actuarial cost.
Questions?
• Types of retirement offered
• Deferred Retirement Option Plan (DROP)
• Initial Lump-Sum Benefit (ILSB)
• Other TRSL benefits
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 can 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 retirement benefit. Your monthly benefit is deposited each month into a special account at TRSL while you continue to work and earn a paycheck.

- You can participate in DROP for up to a maximum of three years once your DROP “window” of eligibility opens.

- You can shorten, but not extend your DROP participation time. (Minimum participation time is 1 day.)

- 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.
## 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
While in DROP...

- You continue to work and draw a salary.
- You continue to earn and use leave.
- You are still eligible for raises, promotions, etc.
- You can change jobs or employers.
- Your DROP deposits will continue as long as there is no break in service.

- Neither you nor your employer make contributions to TRSL.
  » No service credit is earned while you are in DROP.
- Your salary is not reported to us while you are in DROP.
  » We will not know if you have received a salary increase/decrease.
- Your retirement benefit is “frozen.”
  » The retirement option you chose determines how much is deposited into your account.
Initial Lump-Sum Benefit (ILSB)

- You can retire and take a portion of your retirement benefit in a one-time, lump-sum payment.
- You will receive a reduced lifetime monthly benefit.

- ILSB is an alternative to DROP.
- The reduction is based on the lump-sum amount chosen and your age at time of retirement.
- The reduction is permanent.
- For more information about ILSB, please review our ILSB brochure at www.TRSL.org.
Other TRSL benefits

• Members who have five years of TRSL service credit are considered “vested.”

• Being vested means you are eligible for valuable benefits and financial protection through TRSL:
  » Survivor benefits
  » Deferred retirement
  » Disability retirement*

*10 years required if hired on or after 1/11/11
Questions?
Agenda

• The retirement application process
• How TRSL pays your benefits
• Tax liabilities
• Community property
• Returning to work after 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.

- Two weeks after submission of the Form 11 to TRSL, you will receive an acknowledgment letter.
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)

NOTE: Members applying for DROP do not submit the Form 15D at time of entering DROP.
Apply through Member Access

- Select “Apply for Retirement” from the “My Retirement” drop-down menu.
Apply through **Member Access**

- Information for you and your spouse will automatically load from your account, but you will be able to make changes, if necessary.
**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 notarized and have no alterations.

- If retiring under Service or ILSB, return within **30** days of receipt. If entering **DROP**, return within **90** days of receipt.
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).

- **For Service and ILSB, there is a 30-day waiting period.**
  » This period begins on your retirement date. However, we must have your affidavit as well as your direct deposit form to determine your benefit.

- **You will receive estimated benefits as first payments.**
  » This partial benefit will continue monthly until TRSL finalizes your benefit. (For DROP participants: The estimated benefit is your DROP deposit amount plus your after-DROP estimated benefit, if applicable.)
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

Your retirement benefit:

- Exempt from Louisiana state income tax (not automatic, must file to receive exemption)
- Subject to federal income tax

DROP withdrawals paid directly by TRSL:

- Exempt from Louisiana state income tax (not automatic, must file to receive exemption)
- May be subject to federal mandatory tax withholding
Most payments or benefits received from TRSL are considered community property:

- Regular retirement benefits
- Refunds or contributions
- DROP or ILSB withdrawals
- Death benefits

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.
Returning to work after retirement

• If you are rehired in a position **eligible** for TRSL membership, the laws **do specify** what will happen to your TRSL retirement benefits and whether TRSL contributions are due.

  » Return-to-work laws apply to retirees who become re-employed in a position eligible for TRSL membership, including retirees employed by contract or corporate contract.

• If you are rehired in a position **not eligible** for TRSL membership, you **are not subject** to any TRSL return-to-work laws.

  » TRSL return-to-work laws do not apply if you become employed in a position not eligible for TRSL membership (private school, non-reporting charter school, private sector, or civil service job that reports to another retirement system).
Questions?

Let’s pause for a quick break...
• Types of Social Security benefits:
  » Spouse’s or widow(er)’s benefit
  » Earned benefit

• Types of offsets:
  » Government Pension Offset (GPO)
  » Windfall Elimination Provision (WEP)

• SSA website tools and calculators

• Questions to ask Social Security
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 will not be reduced by an SSA offset.
Social Security benefits

• Spouse’s or widow(er)’s benefit:
  Paid to spouses or surviving spouses who did not work long enough to earn their own SS benefit or whose earned benefit is less than the pensioner’s benefit.

• Earned benefit:
  Paid to individuals who worked a job that paid into SS and earned enough quarters to receive a SS benefit.
Offset provisions

- **Government Pension Offset (GPO) – 1982**

- **Windfall Elimination Provision (WEP) – 1985**
# Social Security offsets

<table>
<thead>
<tr>
<th>Government Pension Offset (GPO)</th>
<th>Windfall Elimination Provision (WEP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Reduces spousal SS benefit by two-thirds of your TRSL benefit</td>
<td>• Reduces your own SS benefit if you receive a TRSL benefit</td>
</tr>
<tr>
<td>• 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.</td>
<td>• Uses a modified formula to reduce SS benefit, based on average monthly earnings adjusted for inflation</td>
</tr>
<tr>
<td>• Could completely eliminate SS spousal benefit</td>
<td>• Does not completely eliminate SS benefit</td>
</tr>
</tbody>
</table>
SSA homepage: www.ssa.gov
Set yourself free.

Open a my Social Security account today and rest easy knowing that you’re in control of your future.

Sign In or Create an Account

Learn How to Protect Your Social Security Information from Unauthorized Access.
The best way to start planning for your future is by creating a my Social Security account online. With my Social Security, you can verify your earnings, get your Social Security Statement, and much more — all from the comfort of your home or office.

We have a variety of calculators to help you plan for the future and for what you may need now.

<table>
<thead>
<tr>
<th>Retirement Age Calculator</th>
<th>Retirement Estimator</th>
<th>Windfall Elimination Provision (WEP) Calculator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Find your full retirement age and learn how your monthly benefits may be reduced if you retire before your full retirement age.</td>
<td>Estimate monthly benefits based on your Social Security earnings record.</td>
<td>Estimate if you are eligible for a pension based on work that was not covered by Social Security.</td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>GPO Calculator</th>
<th>Detailed Calculator</th>
<th>Earnings Test Calculator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimate of spouse benefits for yourself if you receive a pension from a government job in which you did not pay Social Security taxes. Your benefit may be offset by the Government Pension Offset (GPO).</td>
<td>Get the most precise estimate of your retirement, disability, and survivors benefits. The estimate includes WEP reduction. Must be downloaded and installed on your computer.</td>
<td>Learn how your earnings may affect your benefit payments if you are currently working and are eligible for retirement or survivors benefits this year.</td>
</tr>
</tbody>
</table>
Please beware of individuals impersonating Social Security employees over the phone. Reports about fraudulent phone calls from people claiming to be from SSA continue to increase, and recent reports have indicated unknown callers are using increasingly threatening language in these calls. If you suspect you have received a scam call, you should hang up, and then report details of the call to the Office of the Inspector General at 1-800-269-0271 or online at https://oig.ssa.gov/report - Read more...
To see how GPO/WEP may affect you, bring your TRSL benefit estimate with you to your SSA appointment.
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?
YES, it’s possible to draw both TRSL and Social Security in retirement.

Federal provisions reduce the benefits provided by the Social Security Administration.

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 am - 7 pm)
- Contact your nearest SS office
Questions?
Things to do now

• Register for **Member Access**.

• Submit copies of important documents:
  » Social Security cards (member and beneficiary)
  » Birth certificates (member and beneficiary)
  » Legal documents (divorce decrees, judgment of separation, and/or community property settlements)

• Update address & beneficiary/ies.

• Get a retirement estimate:
  » Use Member Access or
  » Submit Form 10
Insurance or SSA questions?

- **Health/life insurance questions?**
  
  » Please contact your employer or health insurance carrier.

- **SSA/Medicare questions?**
  
  » Contact the Social Security Administration at 1-800-772-1213 or [www.ssa.gov](http://www.ssa.gov).

- Need a letter from TRSL to verify your monthly retirement benefit and/or your first eligibility date for SSA purposes?
  
  » Send a written request with your signature and SSN to TRSL by mail or fax to 225-925-4779.
Member Access

A secure website where you have all the tools you need to plan for retirement!

- Preloaded benefit estimate calculator
- Update your name/mailing address/email address
- Apply for retirement
- View DROP Account
- View beneficiary designations

Welcome to TRSL’s Member Access!

Technical Assistance: If you need assistance registering or logging into Member Access, please contact our HelpDesk at (225) 925-8450 or helpdesk@trsl.org.

New Users
New Users You will need to be able to verify some information about yourself and have:

- Valid personal email address and
- Social Security number

Only TRSL members and retirees, or individuals legally authorized to act on their behalf, are permitted to establish online access to member and retiree personal accounts.

All other persons, including TRSL benefit recipients, such as beneficiaries, survivors, or dependents receiving benefits, do not have authorization to establish online access in the name of a TRSL member or retiree.

TRSL benefit recipients can seek authorization to establish online access to their own personal TRSL accounts.

Existing Users

<table>
<thead>
<tr>
<th>Log In</th>
</tr>
</thead>
<tbody>
<tr>
<td>User ID:</td>
</tr>
<tr>
<td>Password:</td>
</tr>
</tbody>
</table>

Forgot password? Forgot User ID?

REGISTER FOR ACCESS
Create a benefit estimate

Online calculators loaded with your account information

1. Log on to Member Access.
3. Enter your desired retirement date and click “Create Estimate!”

Register for MEMBER ACCESS @ www.TRSL.org

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

- Forms
- Brochures
- Newsletters & more!

www.TRSL.org
If you have any specific questions about your retirement (DROP window, retirement eligibility, FAC questions, etc.) please email us so we can assist you directly at web.master@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
Email: web.master@trsl.org

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