

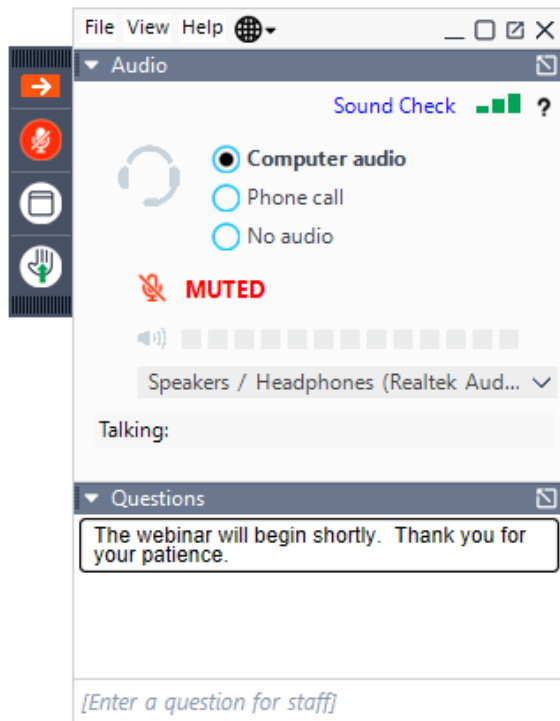


Retirement Ready

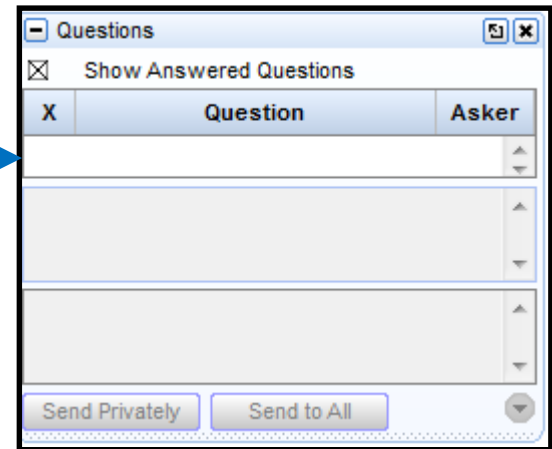
Friendly reminders

- 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. The moderator will see it and respond.
 - » There will be a question-and-answer period at the end of the webinar.
- Please maximize your screen size to have full use of the webinar's features.

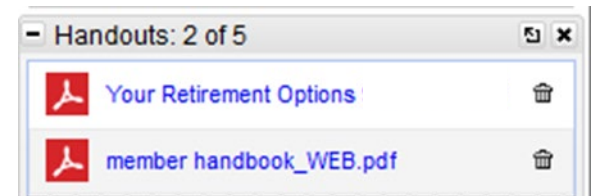
Go To Webinar features



Type your question here.



Download handout here.



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

What do you want to learn today?



1. _____

2. _____

3. _____

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

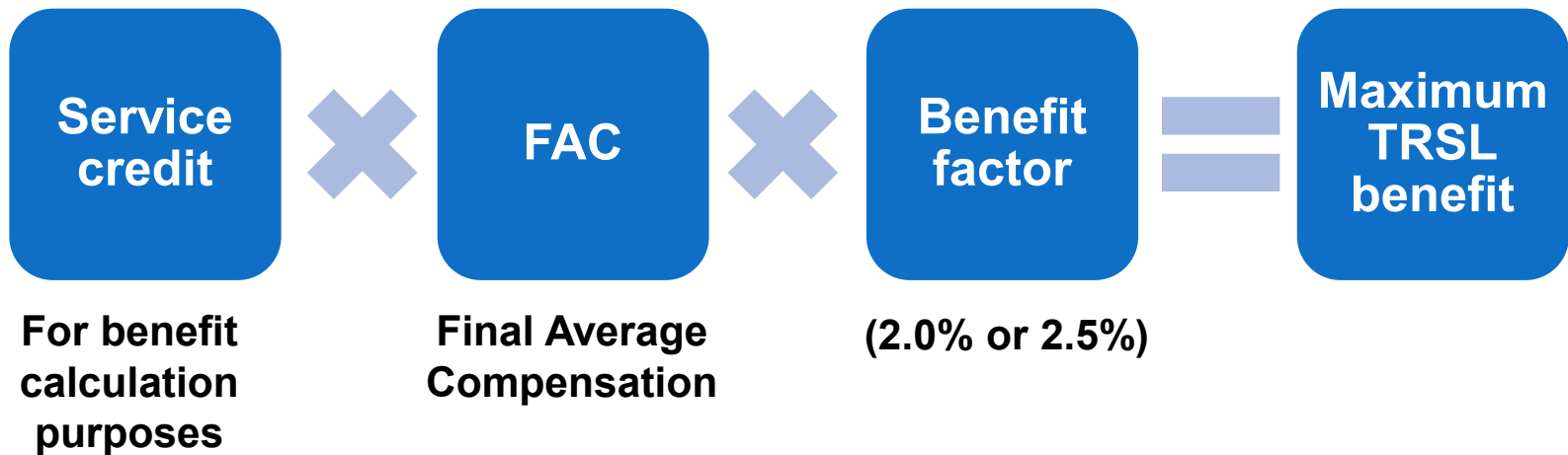
- Members pay a percentage of salary toward retirement:

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:



How you earn service credit

- Service credit is based on the amount of time you work and contribute to TRSL.
- You cannot earn more than 1.00 year of service credit in a 12-month period (July 1-June 30).
- It is rounded to the closest one-tenth of a year (not to exceed 100% of a year) only at the time of retirement or entering DROP.

Final Average Compensation (FAC)

Membership in state retirement system <u>prior to</u> January 1, 2011	Membership in state retirement system <u>on or after</u> January 1, 2011
Based on <u>3 highest</u> consecutive years of salary	Based on <u>5 highest</u> consecutive years of salary
State law places a <u>10% cap</u> on salary increases in each of the <u>3</u> years used to determine the average compensation.	State law places a <u>15% cap</u> on salary increases in each of the <u>5</u> years used to determine the average compensation.

NOTE: Salary cap does not apply to increases given by legislative acts (state raises) or city/parish/college/university system-wide increases. There is also a 25% limit on salary increases for the 12 months during which a classroom teacher changes employment to that of a classroom teacher in another parish.

Benefit factors

The benefit factor used to calculate your retirement benefit is based on TRSL plan membership and date of enrollment.

TRSL Plan Type	Benefit Factor
Regular Plan (<i>TRSL membership <u>prior to 7/1/99</u></i>)	2.0% or 2.5%
Regular Plan (<i>TRSL membership <u>on or after 7/1/99</u></i>)	2.5%
Plan B	2.0%

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):

- 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.

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
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Option 1 conditions: Beneficiary receives remaining balance of member's contributions (if any) in one lump-sum payment. Cannot be selected for ILSB.

Retirement options

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.

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 $\frac{1}{2}$ 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

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.

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.

Purchases & transfers of service credit

- For purchases, members will need to submit a nonrefundable calculation fee that should accompany the application.
 - » Calculation fee not required for purchases of refunded service credit and USERRA service credit.
- TRSL's actuary calculates the liability of TRSL having to pay out a benefit sooner than expected. In general, the closer you are to retirement eligibility, the cost to purchase will be greater.

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.
- 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.



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 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.

What is the DROP window?

The DROP window refers to the 3-year period (plus a 60-day grace period) of time you can participate in DROP, starting from your first day of eligibility.

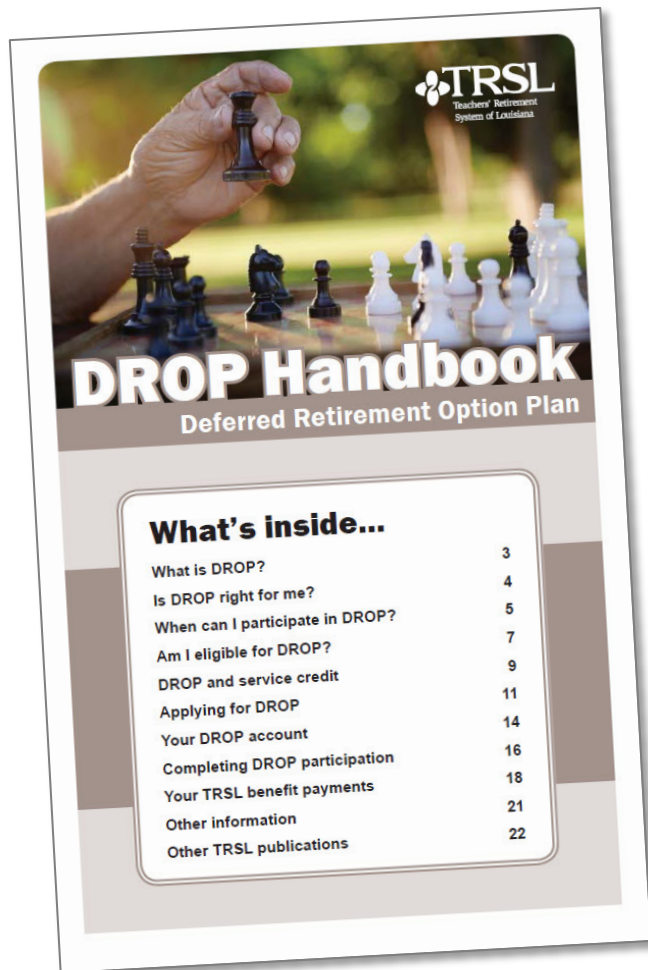
This period is your **ONE-TIME** opportunity to participate in DROP during your career.



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

For more information about DROP, please review our DROP brochure and/or watch our “Understanding DROP” webinar on demand at www.TRSL.org.

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*

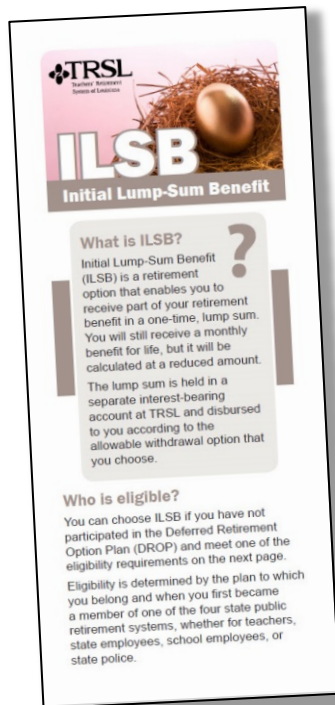
Age 60 with 5 years

Membership *on or after July 1, 2015*

Age 62 with 5 years

Initial Lump-Sum Benefit (ILSB)

- 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 and/or watch our “Understanding ILSB” member webinar on demand at www.TRSL.org.

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 **MEMBER ACCESS:**
www.TRSL.org/memberaccess



Submit Form 11 & Form 15D

- *Application for Service Retirement, ILSB, or DROP (Form 11)*
- *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.



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"/> ** LA-LOUISIANA ▼	Zip <input type="text"/> - ** <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.

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.

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

RETIREMENT OPTION ELECTION (Cannot be changed)

1. Are you married? _____ (Yes or No)

2. I _____ am electing the following retirement option:

Initial to the left of the retirement option you are electing. **Only ONE retirement option can be selected, and your retirement option election is irrevocable.** If you choose Option 2, 2A, 3, 3A, 4, or 4A, you irrevocably designate as beneficiary the person whose name appears in the beneficiary box above.

_____ initials	Maximum	_____ initials	Option 2	_____ initials	Option 3	_____ initials	Option 4
_____ initials	Option 1	_____ initials	Option 2A	_____ initials	Option 3A	_____ initials	Option 4A

3. _____
Retiree's Signature

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

Notary Public ID/Bar Roll #

Notary Public Name, Printed

Notary Public Signature

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

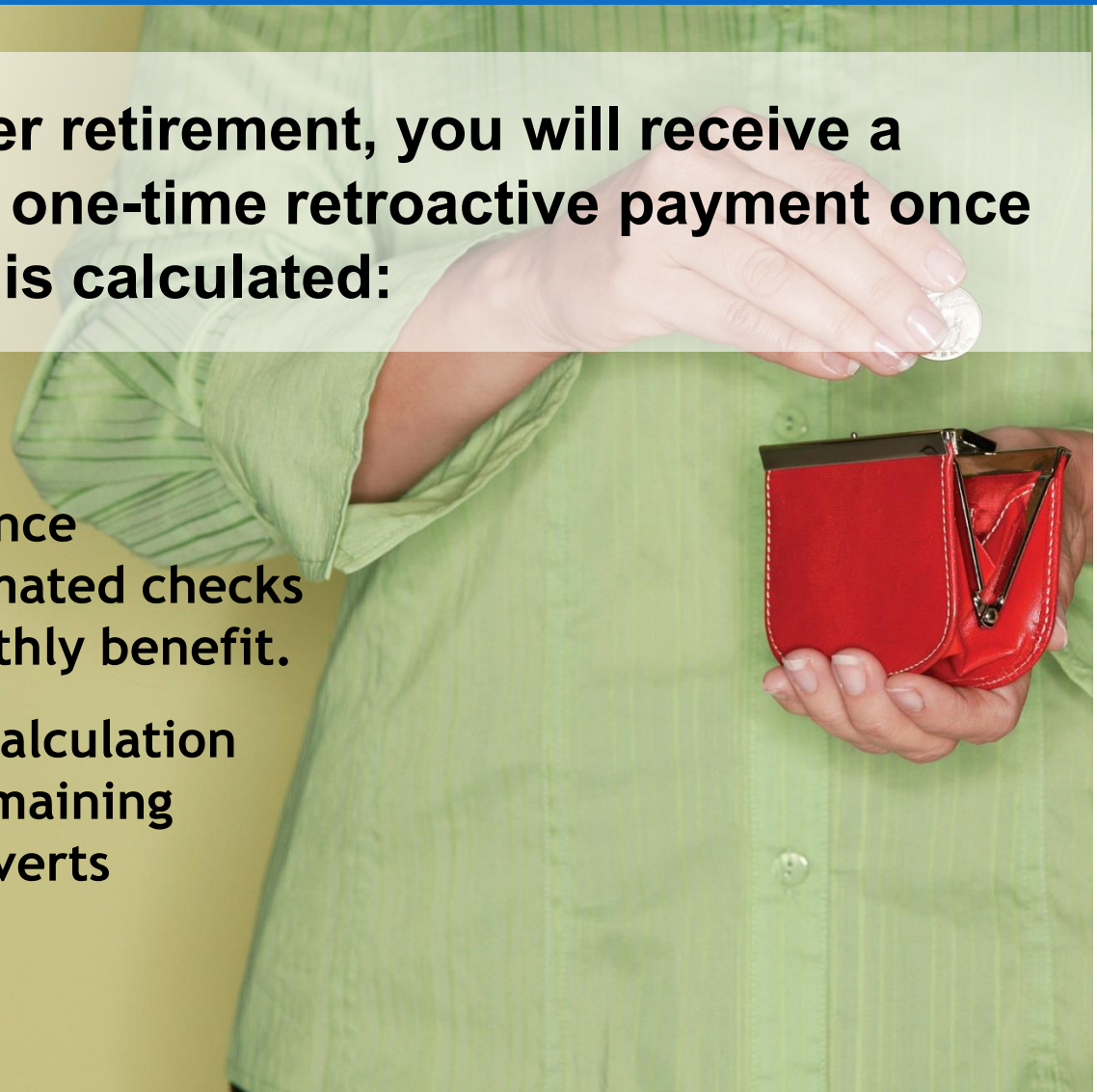
How TRSL pays your benefits

- **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 estimated 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.)

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

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



Community property



The infographic features a title "Community Property & TRSL benefits" with a TRSL logo. It includes a question mark icon and text explaining community property. A list of TRSL funds and payments is provided, along with a note about court system determination. An attention box at the bottom states that ERISA and QDRO do not apply to TRSL.

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:

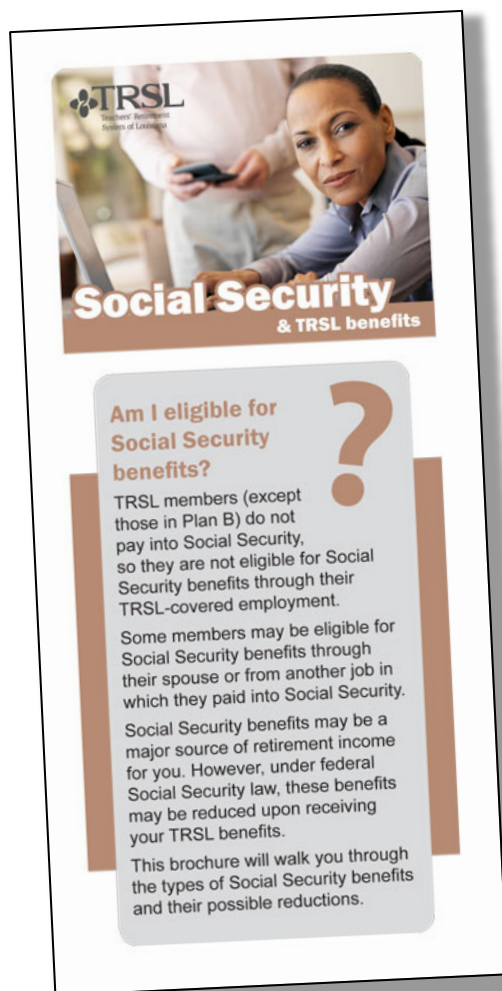
- » Regular retirement benefits
- » Refunds or contributions
- » DROP or ILSB withdrawals
- » Death benefits

- 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.

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.

What did you learn today?



1. _____

2. _____

3. _____

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 (including 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






Online access to your TRSL account


Member Access is a secure website where you have all the tools you need to plan for retirement:



- View service credit, contributions and beneficiary designations
- Create a benefit estimate
- Update your name or address
- Apply for retirement

Create your account today!

Share this:   



LINKS

MEMBER NEWSLETTER

TRSL

April 2015

Summer workshops: We're ready! Are you?

We've scheduled our "Planning for Your Retirement" workshops for the summer. And we'll be coming to a city near you.

If you are within five years of retirement or DROP eligibility, then this workshop is perfect for you! We'll discuss the benefits of your TRSL membership, go over the retirement process, and answer all your retirement questions, such as:

- How is my benefit calculated?
- Can I name both of my children as beneficiaries?
- Should I go into DROP?
- What happens to my sick leave?
- Will I get Social Security?

Remember... it's never too early to start your retirement planning. Check out our workshop [schedule](#) and [register](#). We look forward to seeing you there!



HOME ABOUT TRSL INVESTMENTS

Change Text Size: **AAA** My TRSL


Forms by Subject

Address or name changes

- [Active Member Change of Address Authorization](#) (Form 2AC)
- [Active Member Name Change Request](#) (Form 2NC)
- [Retiree Change of Address Authorization](#) (Form 15C) - *Survivors, beneficiaries, and alternate payees*
- [ORP Member Change of Address Authorization](#) (Form 16AC)
- [ORP Member Name Change Request](#) (Form 16NC)


- [Direct Deposit for Refund of Contributions](#) (Form 7D)
- [Direct Deposit of DROP or ILSB Account Withdrawals](#) (Form 11R) - *Use 15D for regular benefits*
- [Direct Deposit of Benefits](#) (Form 15D) - *Use 11R for DROP or ILSB account withdrawals*
- [Addendum to Direct Deposit of Benefits - Nonspousal Joint Signer\(s\)](#) (Form 15JS)

www.TRSL.org



Teachers' Retirement System of Louisiana

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OUR VISION:
*Retirement Security
in a Changing World*

< >

My TRSL Members Retirees Employers

Find it online...

- Forms
- Brochures
- Newsletters
- & More!

Questions?



We are here for you!



Local phone: (225) 925-6446

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

www.TRSL.org • web.master@trsl.org



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