



TRS PLAN 1: SUMMARY OF BENEFITS



Membership Definition: You are a Teachers' Retirement System (TRS) Plan 1 member if you established membership in TRS at any time before October 1, 1977. The equivalent of 90 days of full-time employment during a fiscal year (July 1-June 30) is required to establish membership. If you separate from employment and withdraw your contributions, Plan 1 will be the plan you join if you ever re-establish membership in TRS.

Contribution Rates

You are required to contribute 6% of your monthly earnable compensation. This rate is set by law and may only be changed by legislative action.

How Service Credit is Accumulated

You earn a full year of service credit if you receive compensation for at least four-fifths – 144 full time days – of the 180-day school year, provided that contributions have been made to TRS. If you work at least 20 days, but less than four-fifths of a fiscal year, you will earn a fraction of a year's service credit.

Eligible for Retirement

You are eligible to retire if you:

- Have at least 30 service credit years regardless of age;
- Are at least age 55 and have at least 25 service credit years; or
- Are age 60 or older and have at least 5 service credit years.

Average Final Compensation (AFC)

Your average final compensation is the total earnable compensation for your two consecutive highest-paid fiscal years divided by two.

Benefit Formula

$2\% \times \text{service credit years} \times \text{average final compensation} \div 12 = \text{monthly benefit}$. In most cases, your retirement benefit may not exceed 60% of your AFC.

Disability Benefits

Temporary and permanent disability retirement benefits are available.

Death in Service Survivor Benefit

Your spouse and or your beneficiaries will receive your account balance or a monthly benefit.

Cost-of-Living Adjustment (COLA)

Uniform and optional COLAs are provided.
Uniform COLA enacted in 1995. Eligibility: 66.5 year of age

Summary Description: The rules governing your benefits are contained in state retirement law. This publication is a summary, written in non-legal terms. It is not a complete description of the law. If there are any conflicts between what is written in this publication, and what is contained in the law, the applicable law will govern.

TRS PLAN 2: SUMMARY OF BENEFITS

Membership Definition

You are a Plan 2 member if you established membership in TRS:

- on or after October 1, 1977, and before July 1, 1996, and did not transfer to Plan 3; or
- on or after July 1, 2007, and chose to be in Plan 2.

Contribution Rates

TRS Plan 2 contribution rates are set by the Pension Funding Council. These rates may be changed as necessary to reflect the cost of the Plan.

Contributions

Both you and your employer pay contributions that fund your retirement. Your contributions are refundable only if you leave TRS-covered employment. If you withdraw your contributions prior to retirement, you lose your right to future benefits. You cannot borrow from your contributions or withdraw contributions made by your employer.

How Service Credit is Accumulated

You earn 12 service credit months for each school year (September 1 through August 31) in which you work in the month of September, work at least nine months and work at least 810 hours in that year. It is possible to earn service credit in smaller increments.

Eligible for Retirement

Your AFC is the monthly average of your 60 consecutive highest-paid service credit months. Payments for any type of severance pay, such as lump-sum payments for deferred sick leave, vacation, annual leave or personal leave are not included. *Age 62 as amended by EHB 2391*

Average Final Compensation (AFC)

Your AFC is the monthly average of your 60 consecutive highest-paid service credit months. Payments for any type of severance pay, such as lump-sum payments for deferred sick leave, vacation, annual leave or personal leave are not included.

Benefit Formula

$2\% \times \text{Service Credit Years} \times \text{AFC} = \text{Monthly Benefit}$

Cost-of-Living Adjustment (COLA)

On July 1 of every year following your first full year of retirement, your monthly benefit will be adjusted by the percentage change in the Consumer Price Index, to a maximum of three percent per year.

Disability Retirement

If you become totally incapacitated for continued employment with a covered employer, and leave that employment as a result of the disability, you may be eligible for a disability retirement benefit.

Death in Service Survivor Benefit

If you have less than 10 years of service and are not eligible to retire, your contributions plus interest will be paid to your beneficiary(ies). If you have at least 10 years of service or are eligible to retire, your spouse or guardian of your minor children can choose between a monthly benefit or a lump sum payment of member contributions plus interest.



TRS PLAN 3: SUMMARY OF BENEFITS



Membership Definition: All public school teachers hired into an eligible position on or after July 1, 1996 until June 30, 2007, are covered by Teachers' Retirement System (TRS) Plan 3. Also, Plan 2 members hired before July 1, 1996 have the option to transfer to Plan 3. TRS members who are first hired on or after July 1, 2007, have a 90-day window to choose Plan 2 or Plan 3. If no choice is made, the member will be defaulted into Plan 3.

Contribution Rates

Contributions to TRS Plan 3 are mandatory. Once you select a contribution rate you may change it only if you change employers or during the rate change window in January as allowed by the Internal Revenue Service (IRS). Currently, there are six contribution rate options.

Defined Contribution Account

Your member contributions are deposited in a defined contribution account. That money is invested according to your instructions and you can take payment of that account any time you separate from all TRS-covered employment.

How Service Credit is Accumulated

You earn 12 service credit months for each school year (September 1 through August 31) in which you earn compensation in the month of September, work at least nine months and work at least 810 hours in that year. It is possible to earn service credit in smaller increments.

Additional Service Credit

You may be eligible to receive service credit while on approved leave of absence or for time spent in the military.

Eligible for Retirement

TRS Plan 3 provides for a normal retirement benefit at age 65 if you have:

- At least 10 service credit years; or
- Five service credit years, including 12 service credit months that were earned after your 44th birthday; or
- Five service credit years earned in TRS Plan 2 prior to July 1, 1996.

Age 62, as amended by EHB 2391

An early retirement benefit may be available beginning at age 55.

Average Final Compensation (AFC)

Your AFC is the monthly average of your 60 consecutive highest-paid service credit months. Payments for any type of severance pay, such as lump-sum payments for deferred sick leave, vacation, annual or personal leave are not included.

Benefit Formula

$1\% \times \text{service credit years} \times \text{average final compensation} = \text{monthly benefit}$

Disability Benefits

If you become totally incapacitated for continued employment with a covered employer, and leave that employment as a result of the disability, you may be eligible for a disability retirement benefit.

Death in Service Survivor Benefit

If you die before you have initiated payment from your defined contribution account, your beneficiary will receive the balance in that account. If you die before you retire, your surviving spouse, or if none, your minor children, will receive a defined benefit.

Cost-of-Living Adjustment (COLA)

On July 1 of every year following your first full year of retirement, your monthly benefit will be adjusted by the percentage change in the Consumer Price Index, to a maximum of three percent per year.

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