



Teachers' Retirement System

ACTIVE
MEMBER EDITION

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TRS Investing Strategy Working Long Term

by Gary L. Harbin, CPA, Executive Secretary

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NEW ADDRESS
FOR TRS
WEBSITE:

TRS.KY.GOV

The investing sage Warren Buffett once said that, "Someone's sitting in the shade today because someone planted a tree a long time ago." That's a fancy way of saying – fancier than I would have done growing up in Hodgenville – that investing is about the long term.

The top quartile performance of the Teachers' Retirement System over a 10-year period means the strategy on behalf of Kentucky educators is working even with a negative 1 percent return in the most recent fiscal year.

With returns the prior three years (ending June 30) that were among the best for pension plans across the country (14.1 percent, 18.1 percent, 5.1 percent) a 1 percent decline in market value is to be expected at some point.

One-year returns must be looked at in the long-term context, like planting a tree for the future.

Without question, the long-term strategy for TRS investing continues to work as evidenced by the long-term results, which include producing an 8 percent return over the last 30 years.

That same strategy will be employed as TRS's qualified investment staff begins to put the \$973 million in additional pension funding approved recently by the legislature and Gov. Matt Bevin to work for teachers' pensions. This new money, which began arriving July 1 in the first of eight \$125 million installments, is wonderful and appreciated.

Going forward, the new money will help grow the portfolio for the long-term success of TRS and reduce the asset sales, which have kept returns from being even better, to a manageable level.

The investment strategy for teachers works and will continue to provide shade in retirement for teachers as it has for 76 years.

New TRS Look, Same Retirement Security Mission for Kentucky Educators



As an outgrowth of recently implemented enhancements for Teachers' Retirement System members, the 76-year-old retirement and health care agency is debuting a new logo among other improvements.

The new logo, a revision of the logo that had been in place the last four years, includes the red apple that is used to identify TRS's Pathway member account self-service website and, of course, that is synonymous with teaching.

The new logo also emphasizes the acronym TRS, which stems from the official statutory name since Day 1 – the Teachers' Retirement System of the State of Kentucky. The emphasis also is intended to make TRS more distinct among a number of Kentucky organizations that use acronyms beginning with the letter K. Additionally, this places greater emphasis on the word “teachers,” who are the focus of all the retiree pension and health care efforts at TRS.

As part of the changes:

- New email addresses are in place. New emails end with “@trs.ky.gov” following the employee’s name. Addresses generally follow the style firstname.lastname@trs.ky.gov. The general mailbox is info@trs.ky.gov. Be sure to add @trs.ky.gov to your safe senders list so that emails from TRS aren’t sent to a spam or trash folder.
- The website now converting to trs.ky.gov. For a time, the ktrs.ky.gov address will redirect to the new address. Be sure to update your web browsers and bookmarks for the change.
- A Pathway app for mobile devices has been created. This next step in the Pathway member self-service site makes account access easier for those on the go.

If you have questions about any of the changes, please call TRS at 800-618-1687, Monday to Friday from 8 a.m. to 5 p.m. ET.

Underwood Elected Trustee

Josh Underwood, of Tollesboro, is the newest Teachers' Retirement System trustee after winning the May members' election.

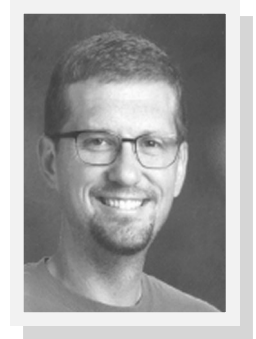
Underwood is a 16-year teaching veteran in middle and high school science and is currently the physics teacher at Mason County High School. He earned bachelor's and master's degrees from Morehead State University and a master's from Montana State University – all in science education. Mr. Underwood also is National Board Certified in physics. He is

a past president of the Kentucky Science Teachers Association, a planning committee member for KEA's TALK conference and a past member of KEA's National Board Certification Jump Start team. Mr. Underwood also received the Kentucky Department of Education's 2015 High School Teacher of the Year award and KEA's Award for Teaching Excellence in 2013.

Underwood, whose four-year term began July 1, took the place of McCracken County Superintendent Quin Sutton, who was appointed in 2015 to

complete an unexpired term.

TRS is administered by a nine-member Board of Trustees. Two, the education commissioner and the state treasurer, serve by reason of their office. The remaining trustees are elected by TRS members to staggered terms. Day-to-day operations are led by the executive secretary hired by the board.



Board of Trustees Expresses Thanks to Gov. Matt Bevin, General Assembly

The following June 20 letter was sent unanimously by the TRS Board of Trustees to Gov. Matt Bevin and the legislature after the inclusion of more than \$970 million in additional funding for teachers' pensions in the 2016-18 state budget.

The Board of Trustees of the Teachers' Retirement System of the State of Kentucky expresses its profound appreciation on behalf of more than 122,000 educators we represent for the recently enacted state budget. This biennial plan provides the first significant additional funding for the pension plan in many years, and the Board appreciates your demonstrated commitment to keeping the state's promise to teachers and to supporting an integral part of their pay.

The additional funding provided by the 2016-18 budget of the Commonwealth is the fiscal discipline necessary to address the unfunded liability going forward. The first step is often said to be the most difficult, and the achievement of Gov. Matt Bevin and the General Assembly in making additional funding a priority is not lost on this board. Please

know that we are grateful and will continue in our fiduciary duty to teachers by using these funds to the fullest potential.

Also, please know that this board takes pride in the processes, people and professionalism of TRS and the System's long record of doing it right. The taxpayers of Kentucky, including the educators who are members, are well-served by this System that offers teachers a livable, cost-effective retirement benefit. As important, the pension provides students with seasoned educators who give those students their best chance of reaching their full potential.

The Board of Trustees of the Teachers' Retirement System of the State of Kentucky.

Security Dos and Don'ts

As the Teachers' Retirement System encourages members to do more with their accounts online, some pointers are in order to ensure the security of your account. First, know that TRS is aware of your login information. TRS will never ask you for your password over the telephone or by email. Don't give this information to anyone, even if they claim to be a representative of TRS. The following tips are gleaned from a variety of websites.

DO ...

1. Create different passwords for different accounts.
2. Use combinations of uppercase and lowercase letters, numbers and special characters.
3. Keep your computer and device software up to date. Use a password or personal ID number on your mobile phone.

DON'T ...

1. Share passwords with others.
2. Post information like credit card numbers or passwords on public sites.
3. Click links, open mail or open attachments from an untrusted source.
4. Respond to phone calls, letters or emails requesting confidential data.



Site Index Provides Tool for TRS Website Users



Trying to find Teachers' Retirement System information in a hurry? The TRS website site index can help members find information more quickly. Find it at <https://trs.ky.gov/site-index/>.

REMINDER: Upon the Death of an Active or Retired Teacher

Eligible spouses have 30 days from the member's death to elect or decline health insurance coverage through the Teachers' Retirement System. Be careful making that decision because it is permanent. Once coverage is declined or waived, no qualifying event will allow the surviving spouse to re-enroll.



New Contact Information?

Keeping your contact information current ensures that you receive important communications from the Teachers' Retirement System, such as annual statements, newsletters, trustee election ballots, payment stubs and tax forms.

Even if you change your address with the school district where you work (or worked), the school district doesn't report that change to

TRS. So, TRS needs to be notified of the change independently by members.

Besides your physical address, please keep email addresses and telephone numbers up to date.

TRS offers multiple ways to update your information, including by changing it in the Pathway member self-service portal. Also, members may mail or fax a signed letter to

TRS with your name and TRS ID and the new information. Finally, a downloadable form also is available from the website.

The fax is 502-848-8599 and the mailing address is:

479 Versailles Rd.
Frankfort, KY 40601



Working Past



Are you a 65-or-over TRS member still working in a TRS-contributing position? Upon retirement, you must enroll in Medicare to be eligible for medical insurance through TRS. You will not be eligible to enroll in TRS medical insurance if you cannot show proof of Medicare enrollment for the effective date of your

retirement. Retirees must enroll in Medicare Part B and spouses of retirees must enroll in Medicare parts A and B.

To avoid penalties for late Medicare enrollment, you and your employer must complete forms before you retire to prove you have had medical insurance through work. Examples of these forms are the Application for Enrollment in

Medicare Part B (CMS 40B) to be completed by the retiree and the Request for Employment Information (CMS L564) to be completed by the employer. Contact Social Security at **800-772-1213 to discuss enrolling in Medicare prior to your retirement.**