



Teachers' Retirement System

ACTIVE
MEMBER EDITION

JULY
2017

Four Trustees Welcomed as Board Expands

Four new members are serving on an expanded Board of Trustees for the Teachers' Retirement System of the State of Kentucky as the result of annual elections and gubernatorial appointments.

Senate Bill 2, passed in the 2017 regular session and signed into law, added two members appointed by the governor to the board, directing that both have experience in investing.

Gov. Matt Bevin appointed Frank Collecchia, of Louisville, for a term expiring in March 2019. Collecchia is an adjunct professor of finance at the University of Louisville. The governor also appointed John Boardman, a financial planner with Ballast Inc. in Lexington, to a term expiring in March 2021.

Both appointed members participated in their first board meeting June 19.

The winners of the May election, whose four-year terms began July 1, are Brenda McGown and Laura Schneider.

Retired teacher trustee McGown,

of Bowling Green, worked in Warren County Public Schools and was the 1988 Kentucky Teacher of the Year.

McGown earned bachelor's and master's degrees and her Rank I at Western Kentucky University. Her career included being a mathematics teacher, an assistant principal for curriculum and budget, team leader at the Region 2 Service Center and a participant in the Distinguished Educator Program.

Active teacher trustee Schneider, of Walton, is the arts department curriculum lead at Simon Kenton High in the Kenton County School District. She also taught at Berea Community High.

Schneider earned a bachelor's from WKU and a master's from Eastern Kentucky University.

The Board of Trustees consists of 11 members: seven people elected by the membership (four active teachers, one retiree, two lay trustees), two appointed by the governor with investment experience, the state treasurer and the state education commissioner.

INSIDE:

Happy New (Fiscal) Year!	2
Name a Beneficiary If You Haven't Already	2
Members Advised to Get Current Estimates Before Purchasing Actuarial Service Credit	3
Deadlines for Purchasing Service Credit	3
TRS App Available	3
New Contact Info	4

Happy New (Fiscal) Year!

by Gary L. Harbin, CPA, Executive Secretary



I don't use the word "great" often, but it applies in the case of the recently concluded fiscal year that ended June 30. Preliminary indications are that the Teachers' Retirement System's investment return for the year will be more than 14 percent. Whatever the final number ends up being significantly will exceed the 7.5 percent assumed rate of return.

Final numbers for the fiscal year should be available sometime in August. The TRS pension fund already had gained 11.4 percent as of March 31.

Thanks are due to many for those great numbers, including to the elected leaders of the commonwealth who provided TRS with \$973 million in additional funding for the 2016-18

budget. The first year of payments from that helped TRS's gains as the financial markets rose.

Also, thanks are due to the TRS investment professionals who work daily on behalf of you and your pension. As of March 31, their work was in the top 9 percent in the last decade for all pension systems valued at \$1 billion or more.

We will address the final numbers in a future newsletter and, in the meantime, hope for more of the same in the new fiscal year. This new year will benefit from the second round of the additional funding provided by the legislature in the 2016-18 budget. So, for now, we'll celebrate the year behind as your investment team continues to put that same skill mentioned above to work in the year ahead.

Name a Beneficiary If You Haven't Already

Failure to designate a beneficiary can result in the loss of valuable benefits for survivors in the event of the death of a member of the Teachers' Retirement System.

One of the most important responsibilities as an active, contributing TRS member is to maintain a current beneficiary designation; unfortunately, many TRS members have not done this.

In the event of an active member's death, beneficiaries receive both the contributions accredited to the member's TRS account and the TRS life insurance benefit. A beneficiary is not required to be a relative and members may designate their estate as beneficiary. However, a spouse who isn't named a beneficiary must sign an acknowledgement on the form that names a beneficiary.

Forms to designate or change an active member's beneficiaries are available on the TRS website: <https://trs.ky.gov/active-members/resources/forms-active/>.

Members Advised to Get Current Estimates Before Purchasing Actuarial Service Credit

Any member planning to purchase service credit is advised strongly to obtain a current estimate before making any permanent retirement decisions, even if the member got an estimate just a few months ago. In particular, some estimates provided prior to April 2016 may be less than the actual cost because of more recent adjustments to the formula that determines the price of an actuarial purchase. New estimates should be obtained.

It is important to remember that cost estimates are truly just that. TRS routinely is

requested to provide cost estimates to members wishing to purchase service credit, and these estimates are often provided months – even years – before the purchase actually is made. Estimates can be different than the actual cost later for a variety of reasons. These include the discovery of errors, changes in the member’s age, differences in the member’s anticipated and actual income, differences in the amount of sick/annual leave days, changes in actuarial assumptions, changes in insurance costs and a variety of other reasons.

Deadlines for Purchasing Service Credit

Contact TRS about eligibility to obtain full service and/or salary credit.

FY 2016-2017

Unpaid Days

Deadline for purchase: Dec. 31, 2017

An LS-1 form must be submitted to TRS by your employer.

Employers either can complete the information on the TRS employer’s portal or download the forms from the TRS website. Again, these forms must be completed and submitted by employers.

FY 2016-2017

Leaves of Absence

Deadline for purchase: June 30, 2018

Contact your employer for a copy of the board minutes approving the leave of absence. An LOA-1 form must be submitted to TRS by your employer.

Employers either can complete the information on the TRS employer’s portal or download the forms from the TRS website. Again, these forms must be completed and submitted by employers.

TRS App Available

The TRS mobile app for the Pathway member self-service portal allows anytime access to individual account information and seminar registration. The app for any mobile device can be downloaded from the Apple App Store and the Google Play Store by searching for “TRS Pathway.”



Members first must set up a Pathway account on the desktop site (mss.trs.ky.gov) to use the app.

Apple App Store (iPhones, iPads): <https://appsto.re/us/04YJcb.i>

Google Play (Androids): <https://play.google.com/store/apps/details?id=gov.trs.TRSPathway>

TRS
Teachers' Retirement System
of the State of Kentucky
479 Versailles Road
Frankfort, Kentucky 40601-3800



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



<https://trs.ky.gov>

info@trs.ky.gov

800-618-1687