



Teachers' Retirement System

RETIRED
MEMBER EDITION

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479 Versailles Road
Frankfort, KY 40601
800-618-1687

TRS Personalized Medicine Pilot Earns National Award

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TRS's personalized medicine pilot project, on May 1, received a national award for health care innovation.

The personalized medicine project uses a DNA sample from participating over-65 retirees to identify medications that might not be effective for them because of their genetics.

About three in five participants have been recommended to change a medication or dosage because the DNA testing showed what they were taking wasn't effective or as effective as desired.



The State and Local Government Benefits Association (SALGBA) presented the SALGBA Challenge award at its conference. Members of the TRS insurance team were on hand to accept the honor for TRS's leading-edge pilot

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Teachers' Pension Fund Gains More Than 10 Percent with Continued Funding

Kentucky teachers' pension investments posted a 10.81 percent gain (gross) for the recently concluded fiscal year. That exceeds the plan's assumed 7.5 percent rate of return and is among the top 2 percent of large pension plans.

Returns for the Teachers' Retirement System of the State of Kentucky (TRS) over the last 30 years are 8.39 percent. TRS staff presented the pension system's financial results for the year

ended June 30 to the Board of Trustees' Investment Committee at its Aug. 23 quarterly meeting. The net return is 10.5 percent.

Along with the top 2 percent performance for the most recent year, TRS's investments were in the top 2 percent for the 10-year period. The returns were in the top 8 percent for both the 3- and 5-year periods. All rankings are according to Aon Hewitt Investment Consulting's analysis of

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Murray State Professor Elected Trustee

Dr. Lynn Gannon Patterson, of Murray, is the newest Teachers' Retirement System trustee after winning the May members' election.



Patterson

Patterson is an associate professor in elementary education in Murray State University's College of Education and Human Services. She teaches math methods for elementary teachers and classroom management classes.

Patterson is a National Board Certified Teacher and a 2002 Presidential Awardee for Excellence in Mathematics teaching. Previously, she taught first through sixth grades and was an elementary school principal in Tennessee, where she retired after 34 years in 2008. Patterson became a TRS member in 2008

and has taught at Murray State for a decade.

Patterson holds an Ed.D. in administration and supervision from Tennessee State University, an Ed.S. in administration and supervision from Middle Tennessee State University, an M.Ed. in special education from Middle Tennessee and a bachelor's in speech and hearing from Middle Tennessee.

Patterson, whose four-year term began July 1, took the place of Mary Adams, who was appointed in 2015 to complete an unexpired term.

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.

Points of Pride

By Gary L. Harbin, Executive Secretary

This newsletter contains two great examples of why I'm proud of what is being done at the Teachers' Retirement System on behalf of Kentucky's retired teachers. Both have a positive impact on the lives of our retirees.

First, the pension investment earnings for the fiscal year that ended were 10.81 percent gross and 10.5 percent net. This performance puts TRS among the top 2 percent of large pension plans and is the result of hard work by your investment team. It's also the result of a second year of additional funding approved by the General Assembly and Gov. Matt Bevin for the 2016-18 biennium. These earnings help pay benefits, and this helps fulfill TRS's obligation to assist your retirement with reliable income.

The second example is about an award earned by TRS's medical insurance team for a project that

seeks to help retirees live longer by using DNA to determine what are the best medications for them to take based on their individual DNA. This can reduce or eliminate the costly process – to the retiree and the retirement system – of finding the right medication.

"We take our fiduciary duty seriously – prudent investing and innovating in health care are just two of many examples I could cite."

— Gary Harbin

Both of these are great examples of how I like to say that TRS does it the right way. We take our fiduciary duty seriously – prudent investing and innovating in health care are just two of many examples I could cite.

Please read more about both of these examples in this newsletter, and I hope you're as excited about this news as I am.

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project in the area of medicine known as pharmacogenomics.

So far, more than 28,000 over-65 retirees in the Medicare Eligible Health Plan have been invited to participate, of which more than 4,000 have enrolled and more than 2,800 have submitted DNA samples.



Besides TRS and its retirees, the partnership behind the pilot includes the pharmacists with the Know Your Rx Coalition and Coriell Life Sciences. Coriell tests the DNA and the Know Your Rx pharmacists use the results to discuss possible medication changes with retirees and their doctors.

The pilot's aim is to help patients and reduce costs using pharmacogenomics and expert

pharmacy review, since taking medications that don't work for an individual can be dangerous to the patient's health and are costly to the TRS insurance fund.

Berea, Kentucky-based SALGBA is an organization for public sector benefits professionals with more than 1,500 members in all 50 states. Total membership includes both public sector and business entity members who cover more than 5 million employees and represent a gross health benefits expenditure of more than \$14 billion annually.



If you are currently enrolled in the MEHP and would like to participate, contact Coriell at 888-454-9024 or www.coriell.com/trs.

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large domestic pension plans with more than \$1 billion in assets.

During the year, TRS benefitted from the second year of more than \$900 million in additional funding approved by the General Assembly and Gov. Matt Bevin for the 2016-18 biennium – the first such appropriations since 2008.

“The additional funding arrived as the economy continued to grow, helping returns on the investments that will provide teachers their pensions in retirement,” TRS Executive Secretary Gary Harbin said. “The rankings again show that the investing team at TRS for teachers is one of the best in the country whether the markets are up or down. Also, this year's results again show TRS's long-term investment strategy is working, and, with the benefit of the first full funding of the pension in years for the 2018-20 biennium, we look forward to adding to that performance.”

Ended June 30, 2018	TRS Return	Ranking
1-year	10.81%	Top 2%
3-year	8.16%	Top 8%
5-year	9.44%	Top 8%
10-year	8.02%	Top 2%

With the market performance for the year, TRS's assets for all its funds – which also include medical insurance and life insurance funds – exceeded \$20 billion for the first time.

TRS is the largest financial institution in the commonwealth, regulated under state and federal law, with more than \$20 billion in assets to provide for the future wellbeing of more than 140,000 teachers and other education professionals who are members. The teachers' fund pays about \$2.3 billion a year in retirement and health care benefits to its members, 89 percent of whom live in Kentucky across all 120 counties.

Retiree Open Enrollment

MEHP

Over 65 & Medicare-Eligible Retirees

Open enrollment to participate in the Teachers' Retirement System's (TRS) Medicare Eligible Health Plan (MEHP) during 2019 is Oct. 15-Dec. 7.

For those already in the TRS MEHP, no action is needed to continue coverage for 2019. As a reminder, spouses cannot enroll during open enrollment.

Retirees who need to enroll during open enrollment can get an MEHP enrollment form at <https://trs.ky.gov/retired-members/age-65-over/> beginning Oct. 15.

The 2019 MEHP monthly premium is \$226 per person, down from this year's \$258 per person. TRS pays all or a portion of the premium for retirees based on a retiree's entry date into TRS and years of service at retirement. Spouses of TRS retirees pay the full premium. The 2018 standard Medicare Part B monthly premium is \$134 to be paid by retirees and spouses to Social Security. The 2019 Part B premium is unknown at this time.

Please remember: if you are enrolled in the TRS MEHP you cannot enroll in another Medicare Advantage plan or another Medicare Part D prescription drug plan without it terminating your TRS MEHP coverage. If you have other coverage through a spouse or other retirement – even if you have not used that coverage – and that plan changes to a Medicare Advantage plan and/or a Medicare Part D prescription drug plan in 2019, that will terminate your TRS MEHP coverage. Check to make sure whether any other plan you have is changing for 2019.



KEHP Under 65

Under-65 Retirees Who Aren't Medicare-Eligible

Open Enrollment for the Kentucky Employees' Health Plan (KEHP) will be Oct. 8-26 for coverage that will be effective Jan. 1, 2019. Those under 65 and not eligible for Medicare will receive detailed information from the KEHP. Please watch for that mailing, and read all the information before making any decisions about 2019 coverage.



MEHP

New Online Weight Loss Program

Over 65 & Medicare Eligible

UnitedHealthcare (UHC) now offers some Medicare Eligible Health Plan (MEHP) participants Real Appeal, an online weight loss program at no additional cost as part of the UnitedHealthcare Group Medicare Advantage (PPO) plan.

Real Appeal, which is available to participants with a body-mass index (BMI) of 23 or higher, is a proven weight loss program that delivers real results and is customized to suit your individual needs. It uses simple steps, personalized tools and ongoing support.

Real Appeal enrollees receive:

- A Transformation Coach who leads weekly online group sessions.
- Online tools to help track your food, activity and weight loss progress.
- A Success Kit with food and weight scales, recipes, workout DVDs and more – shipped to your door.



Enroll at uhctrs.realappeal.com

Contact the
Real Appeal Answer Center
at 844-908-REAL (7325)
with any questions.

KEHP Under 65

Retiree Step Challenge: KRS vs. TRS

Under-65 Retirees Who Aren't Medicare-Eligible

Retired teachers in the Kentucky Employees' Health Plan (KEHP) can win Go365 Bucks by participating in a step challenge that pits retirees from the Teachers' Retirement System (TRS) and the Kentucky Retirement Systems (KRS).

A grand prize of 2,500 Bucks will be awarded to one person who averages at least 8,000 steps a day during the challenge, and five randomly selected participants will win 1,000 Bucks.

Sign up in the Go365 app or on the website (<https://www.go365.com/>) for the KRS-TRS Step Challenge. Be sure to join the "TRS Official" team. (Only members of the two official teams will be qualified for the winning prize of Go365 Bucks.)

Registration is Oct. 1 to Oct. 21. The challenge is from Oct. 22 to Nov. 6.

Steps will be capped at 15,000 a day.



Teachers' Retirement System
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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.

Website <https://trs.ky.gov>



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