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Teachers' Retirement System

ACTIVE
MEMBER EDITION

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Available through April 21 Electronic Voting Option Added for Trustee Elections

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TRS is adding the option of electronic voting beginning with this year's elections for the Board of Trustees. Electronic voting is available through April 21 on Pathway (<https://mss.trs.ky.gov>).

The goal of this new aspect for trustee elections is to provide a secure method for people who prefer to vote by personal device and to increase participation in the races.

The April electronic voting will be followed by voting by paper ballot in May, which is unchanged. Once the period for electronic voting is closed, paper ballots will be printed and mailed to anyone who hasn't already voted.

On-screen ballots are very similar, including candidate biographies, to the paper ballots TRS has used for years.

The election will be overseen, as required by law, by the Kentucky Department of Education (KDE), and votes will be tallied at KDE, which forwards the results to TRS. The votes on electronic ballots will not be seen by anyone at TRS; the paper ballots will continue to be mailed to KDE.

Results will be announced in June, and the new trustees' four-year terms begin July 1.

The 11-member TRS board includes seven trustees elected by active members and retirees. The other four consist of two, the education commissioner and the state treasurer, who serve by reason of their office and two who are appointed by the governor with investment experience.

Two seats are up for election this year.

From the Executive Secretary

by Gary L. Harbin, CPA

This edition of the TRS newsletter is headlined by an article on the addition of electronic voting as an option in this year's Board of Trustees elections.

I'd encourage you to try this new option, which is available through TRS's Pathway member self-service website. If you've never signed up for Pathway, let this be the reason. Answers to any questions about how to sign up for Pathway or how to vote electronically are as easy as contacting our Information Center (800-618-1687).

If you don't want to vote electronically, a paper ballot will be sent to you.

Either way, this is a reminder that the ability to vote for the leaders of your retirement system shouldn't be taken lightly.

TRS testified last year before the Public Pension Oversight Board (PPOB) about the

process of – and participation – in trustee elections. Also, I testified before the PPOB in March, and I was asked about the expertise of the board, on which seven of the 11 trustees are elected by the members.

My answer to the PPOB was almost exactly the same statement I've made on the paper trustee ballots every year during my time as executive secretary. Trustees elected over the last almost 80 years by members have established successful policies for TRS and provided stability, which helps in the administration of TRS and investing by the retirement system on your behalf.

As a TRS member, you are entitled to vote in this year's two races. I invite your continued support and greatly appreciate your participation – whether it's a click or shading a box – in this vital role of TRS active and retired teachers.

Funded Ratio Improves for Pension, Medical Funds

With the most recent work of independent actuaries and auditors done, the Teachers' Retirement System's funded ratio improved for the third time in the last four years.

The funded ratio of the teachers' pension plan was 57.7 percent as of June 30, 2018, up from 56.4 percent a year earlier, according to the report released in November. The unfunded accrued liability improved slightly to \$14.3 billion, while

the assets were \$19.5 billion.

The medical insurance fund improved to 36.3 percent as of June 30, 2018, up from 26.7 percent funded the prior year. Before Shared Responsibility was enacted in 2010, the funding ratio was at 3.5 percent at the end of fiscal year 2009.

The pension investing return for the fiscal year was 10.8 percent gross and 10.5 percent net.

Take Advantage of Retirement Education Opportunities

Don't wait until you are ready to retire to learn about retirement – plan now, and TRS seminars and webinars can help. TRS invites you to attend, or request, a seminar or webinar to help members become knowledgeable about TRS and make informed career decisions. Sessions for the rest of the year are listed below. Time learning about your retirement is time well spent.

Members who have attended have commented that they appreciated “figuring out how much I might actually retire on, and how much health insurance would cost;” how years of service and the hire date impact benefits; being made aware of factors that they previously hadn't considered or known about; and “most everything.”

Seminar Schedule

Pathway registration will open two months prior to the seminar date.

April 13, Florence

June 14, Elizabethtown

Oct. 26, Bowling Green

Nov. 23, Ashland

TRS On the Road

Bringing 20-minute individual counseling for members within three years of retirement to a nearby location. Pathway registration will be available two months prior to the event.

April 27, Bowling Green

June 22, Henderson

Nov. 2, Somerset

Individual Counseling

Districts can schedule 20-minute individual counseling sessions for members who will be retiring within three years. You and your district supply the time and member information, and TRS will supply the counselors and the estimates.

Information about these and additional seminars are provided on the TRS website (<https://trs.ky.gov/active-members/seminars-workshops/>) and announced through TRS's Twitter (<https://www.twitter.com/KyTeachersRS>) and Facebook (<https://www.facebook.com/KyTeachersRS/>) accounts.

If you can't make it to a seminar or webinar in person, recordings of many of TRS's education opportunities are available on the video page of the TRS website (<https://trs.ky.gov/active-members/seminars-workshops/videos/>).

Tips If You're Medicare Eligible and Retiring Soon

If you will be retiring soon and transitioning from the Kentucky Employees' Health Plan (KEHP) to TRS's Medicare coverage through the Medicare Eligible Health Plan (MEHP), remember these important facts:

- ◆ You will need to spend all your remaining bucks in the Go365 Mall before your KEHP coverage terminates.
- ◆ Also, if you have a Consumer Driven Health Plan (CDHP) you will want to use any remaining Health Reimbursement Account (HRA) funds before moving to the MEHP.
- ◆ Retirees, under IRS regulations, are not eligible for flexible spending accounts (FSA). Any unused FSA funds will be forfeited if not used before retirement.

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Are You Working Past Age 65?

TRS members 65 or over who still are working must enroll in Medicare once they retire to be eligible for medical insurance through TRS. For enrollment in TRS medical insurance, proof of Medicare enrollment is required for the effective date of your retirement.

Also, your employer may be required to complete forms before you retire to prove you have had medical insurance through your work so that you avoid any possible penalty for not enrolling in Medicare when you first became eligible. Contact Social Security at 800-772-1213 to discuss enrolling in Medicare prior to retirement.



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.