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# Teachers' Retirement System

ACTIVE  
MEMBER EDITION

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## From the Executive Secretary Helping Those Who Help the World By Gary L. Harbin, CPA

If the Nobel Prize ever had a shoo in, it's the scientists behind the COVID-19 vaccines. These vials that are the product of their scientific method are giving the rest of us hope for a return to normal as the pandemic continues to grip the commonwealth and the world.

How does that relate to you as a current or retired Kentucky teacher? Behind every one of those scientists are teachers who inspired them – teachers just like you, just like we serve at Teachers' Retirement System.

So, thank you. Thank you to those of you who brought the world to your students in remote schools before the Internet made that easier. Thank you to

*See From the Executive Secretary, page 3*

## Names to Help Members Know Their Benefits

To make it easier for members and retirees to know the benefits they're entitled to based on their entry date into TRS, new names will be used for each account type.

While TRS traditionally has referred to these benefit tiers by the member's TRS entry date, the passage of the hybrid plan for new teachers who will join TRS on or after Jan. 1, 2022, has underscored the practicality of naming this and existing account types.

The use of these names does not change any benefits. It's merely a device to help members and retirees.

Account Type	Who's in it
TRS 1	Membership established before July 1, 2002
TRS 2	Membership established July 1, 2002 to June 30, 2008
TRS 3	Membership established July 1, 2008 to Dec. 31, 2021
TRS 4	Membership established on or after Jan. 1, 2022

# General Assembly Approves New Plan for Teachers Starting in TRS in 2022

The recently concluded General Assembly session approved a new benefits tier for members who start in TRS Jan. 1, 2022, or later. The plan contained in House Bill 258 was sponsored by Rep. Ed Massey and was developed over the course of several months with the involvement of education groups that participate in TRS.

The new plan makes no changes for active or retired teachers. Also, health insurance contributions and access are unchanged. This includes the existing requirement of at least 15 years of service for anyone hired since July 1, 2008, to access TRS retiree health care.

Unlike prior TRS plans, the new plan – which will be identified as TRS 4 – isn't solely a defined benefit. TRS 4 is a hybrid plan that incorporates a defined benefit known as the foundational benefit and a supplemental benefit that is a defined contribution savings account.

Mandatory contributions are 9% of pay to the foundational and 2% to the supplemental by non-university members, who also will have the ability to make additional contributions on a voluntary basis to the supplemental benefit.

Employers will contribute 8% to the foundational and 2% to the supplemental, with the option of additional voluntary contributions to the supplemental.

TRS 4, like other TRS plans, will be a Social Security replacement benefit for non-university members. University members will continue to participate in Social Security, with contributions and TRS benefits in line with that retirement plan structure.

Other features include:

- TRS 4 participants will become eligible to retire at age 57.
- Benefits once earned by TRS 4 members are protected by an inviolable contract.
- Contributions to TRS 4 will be invested with funds of current tiers, benefiting all.
- TRS 4 is designed to have no unfunded liability, with risk controls available to the TRS Board of Trustees to maintain a funded status above 90% and no unfunded liability risk to state.

## Watch Out for Phishing Scams

TRS is aware of “phishing” attempts from non-TRS email accounts and wants members to be suspicious of any email purporting to be from TRS that is not from an email ending in trs.ky.gov or from an authorized TRS service provider.

“Phishing” occurs when a scammer sends an email or text, sometimes falsely using the name of a trusted person or organization, trying to get you to reply or click a link. If you click it, the scammer, for example, sends viruses and other malware into your computer. Scammers design these messages to appear to be real and often suggest the message is urgent and requires action now or something bad will happen. They sometimes paste official logos into the email. They also will type one address in the body of an email with the link going to another address.

TRS does not use email or text to request any payment or your confidential information to be provided in a response to that email or text.

To avoid being caught by “phishing” you can:

- By phone or by creating a new email message, contact the person or organization who supposedly sent you the email without replying or forwarding to the suspicious email.
- Look to see that an email address ends in trs.ky.gov. or is from an authorized TRS service provider.
- Find out more about the link by scrolling over it without tapping it.
- Report the email as spam.
- If it's a text, block the phone number.
- Think twice about responding to emails or texts demanding “immediate action.”



## Educational Videos Available for Members,

Educational videos for members and retirees are posted on the videos page of the TRS website (<https://trs.ky.gov/home/seminars-workshops/videos/>).

Topics include Pathway registration, how the return-to-work salary limitations work and how to enroll in Medicare when turning 65. The full list is available at the link above.



## How to Reach TRS During COVID-19 Pandemic

Because of rapidly occurring developments, the best way to stay abreast of any changes in TRS operations is through TRS's feeds on Twitter and Facebook and the website, including its coronavirus update page: <https://trs.ky.gov/news/coronavirus-response-updates/>.

Regardless of when the pandemic emergency ends, TRS will continue to use video counseling and other electronic forms of communication, including bulk emails. Continue to call TRS at 800-618-1687, email at [info@trs.ky.gov](mailto:info@trs.ky.gov) and check the website.



## New State Law to Remove Remarriage as Disqualifying Event for Certain Benefits

Remarriage occurring on or after June 29 no longer will be a disqualifying event for the monthly survivor payment or annuity payment for the surviving spouse of an active member. This is as the result of the passage of House Bill 87 in this year's General Assembly session.



For many years, state law has voided eligibility for these monthly payments if the surviving spouse remarried. The new law, which takes effect June 29, means payments will continue for spouses who remarry on or after the effective date.

Also, to ensure compliance with the law, TRS annually has required surviving spouses to sign an affidavit certifying that they had not remarried and remained eligible for the benefit. Because of the change in the law, TRS is sending a final Spouse Affidavit to Retain Survivor Benefits to certify eligibility for the period prior to June 29, 2021. The form will be discontinued once the period prior to the effective date has been certified.

*From the Executive Secretary, from page 1*

those of you teaching now through that Internet and back in the classroom. Through teaching, TRS members and retirees help save lives. Thank you all for inspiring the scientists who are saving our lives now and the ones who will save our lives in the future.

We at TRS continually try to show our thanks to you by helping you prepare for retirement

where you have reliable income and health care – even when it means, for now and for safety, that the help is provided in virtual settings. We remain here for you and thank you for the work you've done educating the scientists, doctors, health care professionals and first responders of today and tomorrow. TRS members and retirees save lives.

# Return-To-Work Agreements Before Retirement Between Members, Employers Not Allowed

## Reemployment Certification Required Before Returning to Work Within a Year

A Reemployment Certification must be on file before returning to work with a TRS employer for anyone retired for less than a year. This form certifies that no agreement for you to return to work was made before you retired. The form is signed by you and your new employer and must be on file with TRS prior to your return to work. The certification form can be found on the TRS website under Forms for Retired Members at <https://trs.ky.gov/wp-content/uploads/2019/12/Reemployment-Certification-for-Bona-Fide-Retirement.pdf>.

Also, the required break in service is mandatory even if the new job with the TRS employer is not a TRS position. The breaks in service and the reemployment certification form are required for all TRS retirees returning to work with a TRS employer, including university members.

Following these rules is required so that contributions to TRS can continue to be tax-deferred and to protect your retirement benefits. Detailed information is on the TRS website at: <https://trs.ky.gov/retired-members/returning-to-work/>.



## 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, tax forms and retiree health insurance updates.

Besides your physical address, keep email addresses and telephone numbers up to date. TRS is starting to use email address more often to keep in touch with members. Make sure your primary email address is the one that can be used by TRS. If you do not want your email to be used, let TRS know.

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 and retirees.

TRS offers multiple ways to update personal information, including online using Pathway at <https://mss.trs.ky.gov>. Also, members and retirees 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.

 Pathway: <https://mss.trs.ky.gov>

 [info@trs.ky.gov](mailto:info@trs.ky.gov)

 800-618-1687

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

# Update Estimates Before Making Final Decisions About Retirement

TRS recommends all members receive new estimates of retirement benefits before making any final decisions about retirement. This is true even if you've previously obtained an estimate.

Various factors over the course of a career will result in different annuity estimates based on the information available at the time of that estimate. Estimates are more accurate closer to retirement.

In particular, members are advised to obtain new estimates because of a regulatory amendment, which took effect earlier this year, that clarifies terms in an existing law.

The regulation that was amended is a companion to a state law that limits how compensation increases from the last three years prior to retirement are used in the final average salary. In broad terms, the limit is the highest percentage compensation increase generally available to a district's or agency's certified employees. Specifically, increases used in determining an annuity are limited to either the greatest percentage increase for any one rank and

step on the certified salary schedule of the school district or the percentage increase received by all other members employed in the agency. These commonly are referred to as 9b limitations because the state law is KRS 161.220 (9)(b).

The amendment clarifies terms to ensure definitions used are understood related to the law's limitations. For more information, a video is available on the TRS website's videos page at <https://trs.ky.gov/home/seminars-workshops/videos/#acc9b>.

For example, earnings from extra duties and class overloads are supplemental to the primary position that earns service credit. Limitations may apply to extra duty earnings if those earnings exceed the greatest percentage increase described above. If a member's earnings from these examples do not exceed the allowable increase, then the limitations would not be applied to those earnings.

Estimates can be requested through Pathway, the member online account access website (<https://mss.trs.ky.gov>), or by calling 800-618-1687.

## Updated Disabilities Earnings Limitations

The Board of Trustees authorized increases last year in the disability earnings limitation as a result of inflation.

Effective July 1, 2020, the disability earning limitation increased to \$42,360. Effective Jan. 1, 2021, it increased to \$42,740.

## KRS Name Change to KPPA Unrelated to Teachers

Recently, a new state law resulted in the Kentucky Retirement Systems (KRS) taking on the new name of Kentucky Public Pensions Authority (KPPA). The KPPA includes plans for state police and state and county employees. This change has nothing to do with the Teachers' Retirement System of the State of Kentucky (TRS), which is the plan for teachers and other education professionals.

## Make Sure You're Talking to TRS When Getting Estimates

Occasionally you may receive unsolicited emails and letters offering appointments to review retirement options and accounts. The emails come from third parties with no affiliation to TRS, but may contain references to TRS and your employer. Often, these emails are sent because your employer has a business relationship with the vendor. While the sender may be offering a legitimate financial service, these emails can be misleading.

Don't be fooled. Good estimates of retirement benefits come from TRS directly and not any third party. Use this trusted source.

The rules that govern retirements are too complex for outsiders to give accurate estimates. The best information about TRS benefits for TRS members will come from TRS. Estimates that come from elsewhere have been inaccurate. Worse, it could be a phishing scam to obtain your confidential information.

TRS has received calls from members who questioned both whether a solicitation they

received was from TRS and whether the person doing the soliciting was purporting to be from TRS.

The preferred method for getting estimates is through Pathway, the TRS member account access site (<https://mss.trs.ky.gov>). Because this is for members only, the estimate calculator will have your actual account information. General information about getting estimates is found on the TRS website at: <https://trs.ky.gov/active-members/retirement-planning/retirement-estimator/>.

Here is a checklist to ensure the person you're speaking with is a TRS employee.

TRS authorized representatives:

- Have an email address ending in @trs.ky.gov
- Can provide a TRS ID badge or business card
- Will never meet at your home
- Do not sell insurance products
- Have access to your TRS account information and don't ask you to provide it

## Watch Your Email Inbox for TRS Information

For years, TRS has sent communications to members and retirees in their mailboxes. Now, TRS also is using email inboxes as well. TRS is using [donotreply@trs.ky.gov](mailto:donotreply@trs.ky.gov) as the sender.

Of course, you can contact TRS anytime – the email for that is [info@trs.ky.gov](mailto:info@trs.ky.gov) and the phone number is 800-618-1687.

If your emails are not updated, this might be another reason to do so. TRS offers multiple ways to update personal information, including by changing it online using Pathway (<https://mss.trs.ky.gov>).

Also, members and retirees 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 mailing address is 479 Versailles Rd., Frankfort, KY 40601.



## Be Aware of Minimum Distribution Requirements

Federal tax law requires some inactive TRS members to start withdrawing from their account, whether by retirement or refund. These rules are called minimum distribution requirements.

Any TRS member age 70½ as of Dec. 31, 2019, with an accumulated balance who no longer is working for a TRS employer is required by federal law to begin taking minimum distributions from their retirement accounts. That's true regardless of whether it's a return-to-work account.

Any TRS member who no longer is working for a TRS employer and who was 70½ on or after Jan. 1, 2020, must take minimum distributions starting at age 72.

Minimum distributions can be done in one of two ways.

If vested with at least five years of service, someone required to take a minimum distribution must file a retirement application and begin

receiving an annuity.

Someone required to take a distribution who doesn't have five years of service must file an application for a refund of his or her account.

Failure to make a timely withdrawal of retirement account contributions may result in federal tax penalties.

If you have met your required minimum distribution age and are no longer contributing to your account, contact TRS immediately for the forms to apply for one of the options to avoid substantial federal tax penalties.

Federal tax law also requires the beneficiary of an active or retired member to begin receiving benefits or a refund soon after a member's death (if applicable when benefits or a refund from the account are payable). Beneficiaries should contact TRS soon after the member's death to begin receiving benefits or take a refund in order to avoid any applicable penalties.

## Are You Registered for Pathway?



Pathway (<https://mss.trs.ky.gov>) is TRS's website for members to see account information through a secure, online website. If you haven't registered, you should. A how-to

video is available at <https://trs.ky.gov/home/seminars-workshops/videos/#pregis>.

Pathway allows members to update personal information, view any benefit estimate that a TRS counselor has created for you, create benefit estimates, apply for retirement and view annual statements.

Pathway allows retirees to complete Turning 65 and qualifying event insurance applications and print 1099-R duplicate forms.

Pathway also allows active members and retirees to register for seminars and webinars and vote in Board of Trustees elections.

## 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. Also, any surviving spouse who enrolls in TRS insurance loses eligibility upon remarriage.

Teachers' Retirement System  
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## Deadlines for Purchasing Credit and General Information on Purchases

Contact TRS about eligibility to obtain full service and or salary credit or review the flier on the TRS website at <https://trs.ky.gov/wp-content/uploads/2020/07/Purchases-Final-July2020.pdf>.

### Unpaid Days

Deadline for purchase of unpaid days from fiscal year 2021 is Dec. 31, 2021.

The form for this must be submitted to TRS by your employer and can be completed through Pathway.

### Leaves of absence

Deadline for purchase of fiscal year 2021

service credit is June 30, 2022. Under certain circumstances, you may be able to buy this at a higher cost later.

Contact your employer for a copy of the board minutes approving the leave of absence. The form must be submitted to TRS by your employer and can be completed in Pathway.

### General information

TRS has published a flier of general information on the rules for service and salary credit purchases. The flier is on the TRS website at the above link.