



Teachers' Retirement System

RETIRED
MEMBER EDITION

MAY
2024

INSIDE

From the Executive Secretary: A Dignified Retirement	2
In-Person Counseling by Appointment	2
Know Rules for TRS Retirees Returning to Work with TRS Employer	3
Know Your Return-to-Work Wage Limitations	4
Return-to-Work Health Insurance Reminder	4
Know The Many Ways How The Know Your Rx Coalition Can Help You	5
Keep Contact Information, Including Emails, Current	6

Full Funding-Plus for TRS in 2024-26

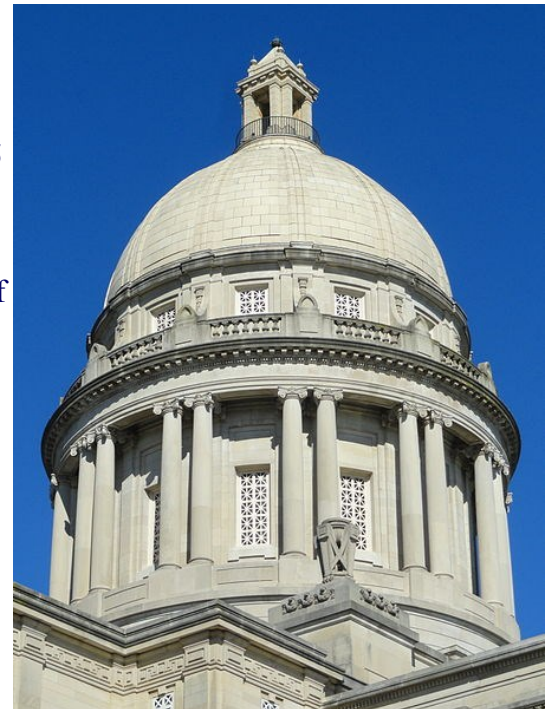
The Teachers' Retirement System of the State of Kentucky (TRS) will receive full funding in the 2024-26 biennial budget approved recently by the General Assembly. This includes more than \$1.75 billion over the two years to meet the actuarially required contribution for the Retirement Annuity Trust, which is separate from education appropriations of about \$925 million that come to TRS in salary contributions.

The two years of the budget will be the ninth and 10th straight years of full or nearly full annuity funding.

The budget also includes \$161 million for the state's statutory contribution for both years for under-65 group health insurance under the 2010 Shared Responsibility law.

The legislature also approved \$80 million in one-time appropriations for TRS from the state's budget reserve fund. The funding, \$40 million in each year of the biennium, is to be invested and applied to unfunded actuarially accrued liability.

"The appreciation for this decade of funding cannot be overstated," Executive Secretary Gary Harbin said. "The continued full funding in these appropriations is integral in ensuring Kentucky's public school teachers receive the dignified retirement they earned during their careers. Not only did every version of the budget again include full funding for retiree annuities and health insurance, the additional \$80 million advances TRS further on the path toward achieving full actuarial funding."



From the Executive Secretary

A Dignified Retirement

By Gary L. Harbin, CPA

The state of Kentucky provides public school teachers with a pension to give them the dignified retirement they earned throughout their careers. For 84 years, this has been done through the Teachers' Retirement System.

Teacher retirement plans like Kentucky's were created as an answer to an era when teachers didn't receive a dignified retirement. Some teachers continued in the classroom without a retirement in a time where poor houses were a real thing.

At the time, the University of Kentucky study that led to the General Assembly's creation of TRS Kentucky said, "a teachers' retirement system may be described as a business-like plan whereby the schools are enabled to retire teachers who can no longer render their best service because of advanced age or physical disability, and to provide them with an income for life."

This idea for a business-like plan to provide Kentucky's teachers with a dignified retirement holds up well decades later. And the pension received at retirement by every qualifying TRS member remains the most cost-effective way – both for teachers and the state – to provide that.

No matter what the stock market looks like when you retired or how many years you live in retirement, the annuity is paid and lasts a lifetime. It replaces Social Security at a cheaper cost and, in most cases, with a greater benefit.

It avoids the pitfalls of relying solely on a 401(k)-style retirement plan where market downturns and living longer than expected can reduce the money that a person has to live on in retirement.

Whether you're already there or on the road there, be assured the dignified retirement you earned will be there for you.



In-Person Counseling by Appointment

Appointments allow retirement and insurance counselors to prepare and better address active members' and retirees' specific questions.

As a reminder, TRS prioritizes retirement benefits counseling appointments during the busiest months (June and July) for members considering a retirement date in the next five years. This is because of the large volume of summer retirements and counseling requests. Also, retiree health insurance questions typically can be answered with a phone call, and retirees with previously scheduled appointments are prioritized.

Active members and retirees can access Pathway (<https://mss.trs.ky.gov>) at any time. For active members, benefit estimates can be created for any retirement date. And, for retirees, insurance applications can be completed online.

Making an appointment

In-person counseling appointments can be made by calling 800-618-1687.

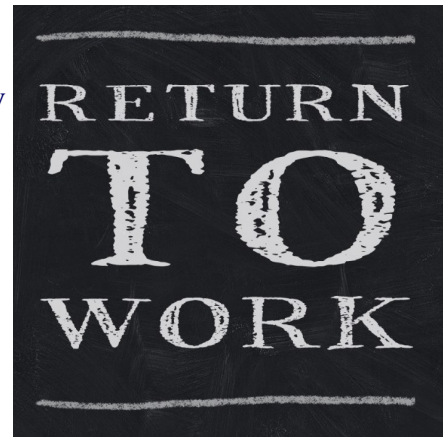
Video and phone counseling appointments can be made by calling the number or emailing info@trs.ky.gov.

Know Rules for TRS Retirees Returning to Work with TRS Employers

In order to ensure that TRS members are able to make tax-deferred contributions toward retirement, TRS’s return-to-work rules comply with federal law for retirees returning to work with any employer covered by TRS.

Before a retiree can return to work with a TRS employer, a break in service measured from the date of retirement is required, even if your new job with a TRS employer will not be a TRS position.

Also, no agreement can be made prior to retirement for a retiree to be rehired. Retirees returning to work with any TRS employer must sign – along with the new employer – a form certifying no agreement was made prior to retiring about returning to work. This includes retirees returning to work with a different TRS employer. The Reemployment Certification 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>.



More return-to-work information on following page

A break in service also is required for university members seeking to return to work with a TRS employer.

As a reminder, a three-month break in service is required if returning to work for the same TRS employer part time or a different TRS employer part or full time. A 12-month break is required if returning to the same TRS employer full time. And those break rules apply regardless of whether the new position is certified or classified.

Also, as a reminder, the retiree may not provide any paid or unpaid *service* to a TRS-participating employer during the break in service, such as – for example – reading to students, helping set up a stage, collecting tickets, putting up chairs or working in a school concession stand. The restriction *does not* ban retirees from school property during the break in service. Retirees, as long as they are not providing a service to the TRS employer, may – for example – visit; attend school functions like plays and sporting events as a spectator; and take grandchildren to school. Most importantly, retirees who are in their break-in-service period should call TRS *before* doing anything for a TRS employer that they’re unsure is permitted during a break in service.

Return-to-work requirements also apply to someone working as an independent contractor for a TRS employer or for a third party that is contracting with a TRS employer.

Detailed information is on the TRS website at: <https://trs.ky.gov/retired-members/returning-to-work/>.

Reminder: TRS Account Type Names

TRS has four account types based on date of entry.

TRS 1	TRS 2	TRS 3	TRS 4
Entry before July 1, 2002	Entry on or between July 1, 2002, and June 30, 2008	Entry on or between July 1, 2008, and Dec. 31, 2021	Entry on or after Jan. 1, 2022

Know Your Return-to-Work Wage Limitations

Know your daily wage threshold. With the push for help in the classroom, TRS has seen some retirees exceed their daily wage threshold (DWT) because, for example, they coached *and* substituted.

TRS sends retirees a letter annually with their DWT limitation for the next year. If a retiree only is coaching, the threshold doesn't apply. If a retiree coaches and substitutes, earnings from both count against the threshold.

Return-to-work requirements do apply to someone working as an independent contractor for a TRS employer or for a third party that is contracting with a TRS employer.

Call TRS with any questions to ensure the threshold isn't exceeded where benefits would have to be repaid to TRS.



Return-to-Work Health Insurance Reminder

If you are retired and considering reemployment with any employer where you will be eligible for health insurance, it is important to contact TRS to discuss the consequences of reemployment on your TRS health insurance. Read this article for details of those consequences. This article also is important both for active members who are close to retirement and would like to return to work in the future and for retirees who currently are active in a return-to-work account.

Retirees and or their spouses who return to work in a position that offers health insurance must drop health insurance coverage through TRS regardless of which TRS plan the person is participating. When possible, confirm with your employer that they have submitted your coverage effective date to TRS.

Then, prior to losing eligibility for the active employment insurance, you must contact the TRS Insurance Department if you wish to reenroll in TRS coverage. You must submit a new TRS insurance application and provide the required documentation from your employer indicating the coverage termination date to reenroll in TRS coverage. If you wait until your active employment coverage is already terminated, you could have a gap in coverage.

If you have chosen a Waiver Health Reimbursement Arrangement (HRA) through your active employer, you only can reenroll in TRS coverage during the fall open enrollment for coverage effective Jan. 1. Losing eligibility for one of the Waiver HRA options through the Kentucky Employees' Health Plan (KEHP) is not considered a qualifying event.

Know The Many Ways How The Know Your Rx Coalition Can Help You

As you know, the Know Your Rx Coalition (KYRx) is a trusted partner in the TRS Personalized Medicine program. But the coalition and its 13 pharmacists offer retirees many other benefits. The pharmacists have access to your prescription information through Express Scripts and CVS Caremark and can give you the personalized touch that is helpful when navigating pharmaceutical issues. Many, if not most, issues you would call Express Scripts or CVS Caremark for can be handled by a call to the coalition.

Coalition pharmacists can help:

- Identify lower-cost prescription alternatives.
- Contact your physician to help seek authorization for lower-cost alternative therapies.
- Assist retirees and physicians on prescription benefit issues, including prior authorization, step therapy and other programs.
- Provide educational resources to retirees on adverse effects, drug interactions and general medication information.
- Enroll you in the TRS Personalized Medicine program.

For example, a Know Your Rx Coalition pharmacist helped a retiree in the Kentucky Employees' Health Plan (KEHP). The retiree was on the LivingWell Consumer Driven Health



Plan (CDHP) and taking a medication that cost \$630 per prescription. She spent her entire \$500 Health Reimbursement Arrangement (HRA) just getting the drug the first time. After she met her deductible, her cost was \$95 each time she filled the prescription, while the KEHP paid \$535 each time. The KYRx pharmacist, after a discussion with the patient, recommended a clinically appropriate alternative medication. As a result, the retiree's cost is now about \$6 each time while the KEHP cost is less than \$10.

Also, the coalition can help if a medication you're taking costs you more in a new calendar year if the medication's formulary classification changes. The coalition can work with your physician to find a lower cost therapeutic alternative.

If you are interested in speaking with a coalition pharmacist, call 855-218-5979 between 8 a.m. and 6 p.m. ET, Monday to Friday.



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

PRSR STD
 U.S. POSTAGE
 PAID
 LEXINGTON, KY
 PERMIT #591

Keep Contact Information, Including Emails, Current

Keeping your contact information current ensures that active and retired members receive important communications from TRS, 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, especially for active members who are about to retire. TRS is starting to use email more often to keep in touch with members. Make sure your primary email address is the one that can be used by TRS.

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.

Contacting TRS



Address

479 Versailles Road, Frankfort, KY 40601



Facebook

<https://www.facebook.com/KyTeachersRS>



YouTube Channel

<https://www.youtube.com/@trskentucky>



Hours

8 a.m.–5 p.m. ET Monday–Friday



Website

<https://trs.ky.gov>



Pathway

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



Toll-free

800-618-1687



Email

info@trs.ky.gov



X (Twitter)

@KyTeachersRS