



Teachers' Retirement System

ACTIVE
MEMBER EDITION

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TRRS Funds Again See Double-Digit Gains

Kentucky teachers' retirement investments posted the second consecutive double-digit gains for the recently concluded fiscal year – 12.27% for the Retirement Annuity Trust and 12.73% for the Health Insurance Trust. Both returns exceeded the prior year's 10.61% and 11.94% respectively.

Returns for the Teachers' Retirement System of the State of Kentucky (TRS) annuity trust over the last 30 years are 8.1% compounded, which is ahead of the 7.1% long-term assumed rate of return. TRS staff presented the pension system's

Retirement Annuity Trust		
Year Ended June 30, 2024	TRRS Return	Ranking
1-year	12.27%	Top 10%
3-year	3.52%	Top 41%
5-year	8.81%	Top 12%
10-year	7.94%	Top 8%

See Gains, page 2

From the Executive Secretary

Kentucky's Olympic Medalists Shared Common Coaches: Teachers

By Gary L. Harbin, CPA

I don't know about you, but watching this year's Olympics I was amazed by how many medal winners had Kentucky ties. Of course, a few of them were some of my favorite former UK basketball players who won gold in basketball.

But besides those familiar names, there were others who were new to many of us, but they weren't new to some of you in Kentucky classrooms.

Lee Kiefer won two gold medals – in women's individual foil (a repeat of the Tokyo Olympics) and women's team foil. She's a Paul Laurence Dunbar High School graduate. At Louisville's Manual High School, there was a watch party for Yared Nuguse as he took a photo-finish bronze medal in the men's 1,500-meter. He's a Manual grad.

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Tollesboro Teacher Reelected to Board of Trustees

Current teacher trustee Josh Underwood won a third term on the TRS Board of Trustees as a result of this year's members' election.

The four-year term began July 1.

Mr. Underwood, of Tollesboro, is an active member trustee. He has served the previous eight years on the board's investment, insurance and scholarship committees. Mr. Underwood has taught science for 23 years in middle and high schools and is currently the physics, physical science and aviation teacher at Mason County High School. He earned bachelor's and master's degrees from Morehead State University and a master's from Montana State University. Mr. Underwood also is National Board Certified, is a past president of the Kentucky Science Teachers Association and has served as a member of the Teaching Advocates Leading Kentucky conference planning committee for the Kentucky Education Association (KEA). Mr. Underwood also received the Kentucky Department of Education's 2015 High School Teacher of the Year award and KEA's Award for Teaching Excellence in 2013.

Mr. Underwood was elected in this year's member voting, which was conducted in April and May.

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



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investment results for the year ended June 30 to the Investment Committee at its Aug. 22 meeting. The net return after fees is 11.93% for the annuity trust and 12.4% for the health trust.

TRS's annuity investments were in the top decile for both the most recent year, at 10%, and the 10-year period, at 8%. The returns were in the top 12% for the five-year period and in the top half for the three-year period. All rankings are according to Aon Investments USA's analysis of large domestic pension plans with more than \$1 billion in assets.

During the year, TRS benefitted from another year of full funding from the state budget.

"Another strong year in the markets resulted in great returns for retired teachers," TRS Executive Secretary Gary Harbin said. "TRS's disciplined investing, using the diversified approach established by the Board of Trustees and implemented by TRS's investment team, continues to be beneficial in all markets."

From the Executive Secretary, from page 1

And if there are other examples that I'm not citing, I apologize. These two examples remind us that, besides coaches, something all Olympians have in common is teachers who helped them reach the medal stand. And in cases like Kiefer and Nuguse, the teachers who helped them are TRS members. These Kentucky athletes can thank you and your colleagues.

What teachers do, literally, has international impact – and we can't thank you enough for your service to our Olympic efforts – and to every other role of society.

Speaking of medals, you're reading elsewhere in this newsletter about TRS's most recent investment return. If I

could provide a medal for everyone at TRS involved in that result, I would. Suffice it to say, we had another great year. A return of 12.27% after a return of 10.61% in 2023. For the year, TRS's return was in the top 10% of pension plans measured by Aon's compilation of pension plans with more than \$1 billion in assets.

Over the last 16 years since the Great Recession, TRS has outperformed the average 11 times, matched it twice and underperformed three times. So, 13 of the last 16 years, TRS has either outperformed or matched the average plan. This is exceptional.

TRS's investment returns versus the average plan over this time cumulatively has resulted in \$6.1 billion more in assets. That amount, for example, would pay TRS's pension benefits for two and a half years.

As much as I'm excited about the one-year return, what's medal worthy is how TRS's consistent, professional investing approach has resulted in outperformance regardless of whether the public markets are up or down. The 30-year compounded return is 8.1%. Based on these results, educators can be confident that their earned retirement benefits will be there for them after they're done teaching Kentucky's next generation of Olympians.



Screen grab of WHAS-TV video from a watch party at Manual High School in Louisville.

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

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.

Return-to-Work Health Insurance Reminder

KEHP

MEHP

If you are retired or retiring soon and considering employment in any capacity after retirement, 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 for retirees who currently are active in a return-to-work account and for active members who are close to retirement and would like to return to work in the future.

Any retiree or spouse who is offered health insurance as a result of **any** active employment must drop **any** TRS health insurance coverage. Contact TRS to drop TRS insurance coverage if you are eligible for insurance through your employment. If you are retired and reemployed with a TRS employer, you also should 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.



Deadlines for Purchasing Credit and General Information on Purchases

Contact TRS about eligibility to obtain full service and or salary credit. TRS also has a service credit information page on the website at <https://trs.ky.gov/active-members/retirement-planning/acquiring-service-credit/>, where a link can be clicked to obtain a brochure about credit purchases. To find out how much service credit your account has, the details are provided, both cumulatively and by school year, in Pathway and on each member's annual statement.

Unpaid Days

The deadline for the purchase of unpaid days from fiscal year 2024 is Dec. 31, 2024.

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

Leaves of absence

The deadline for purchase of fiscal 2024 service credit is June 30, 2025. Under certain circumstances, you may be able to buy this at a higher cost later.

Name a Beneficiary If You Haven't Already

Many TRS members have not named a primary beneficiary, which could result in the loss of valuable benefits for survivors in the event of the death of a TRS member.

In the event of an active member's death, beneficiaries receive both the contributions 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 or a trust as beneficiary.

If married and no beneficiary is named, the member's spouse is the primary beneficiary. If the member marries after previously naming a beneficiary, the spouse automatically becomes the primary beneficiary and any previous primary beneficiary designation is void. Divorce voids any previous designation of the spouse as a beneficiary.

If not married and no designation is made, the estate becomes the 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/>.





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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/>



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