



Teachers' Retirement System

ACTIVE
MEMBER EDITION

OCTOBER
2025

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TRS Retirement Funds See Double-Digit Gains For Third Straight Year

Kentucky teachers' retirement investments posted the third consecutive double-digit gains for the recently concluded fiscal year – 12.34% for the Retirement Annuity Trust and 12.58% for the Health Insurance Trust.

That follows previous years of 12.27% and 10.61% for the annuity trust and 12.73% and 11.94% for the health trust.

Returns for the Teachers' Retirement System of the State of Kentucky (TRS) annuity trust over the last 30 years are 7.95% compounded, which is ahead of the

Retirement Annuity Trust		
Year Ended June 30, 2025	TRS Return	Ranking
1-year	12.34%	Top 6%
3-year	11.74%	Top 6%
5-year	10.12%	Top 23%
10-year	8.67%	Top 6%

See Gains, page 2

From the Executive Secretary

How Investment Outperformance Improves Assets

By Gary L. Harbin, CPA

TRS recently got the great news of another banner year in investing. This news has been shared at TRS and legislative meetings in recent weeks and on TRS's social media pages. But, in case you missed it, it's also reprinted in this newsletter. This great news combined with the long-term outperformance by the team investing on your behalf means assets are increasing beyond salary contributions and appropriations.

Here's how.

See From the Executive Secretary, page 2

Gains, from page 1

7.1% long-term assumed rate of return. TRS staff presented the pension system's investment results for the year ended June 30 to the Investment Committee at its Aug. 28 meeting. The net return after fees is 12.04% for the annuity trust and 12.3% for the health trust.

TRS's annuity investments were in the top decile for the most recent year, the three-year and the 10-year period – all at 6%. The returns were in the top quartile for the five-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 along with an additional \$40 million from the budget reserve trust fund.

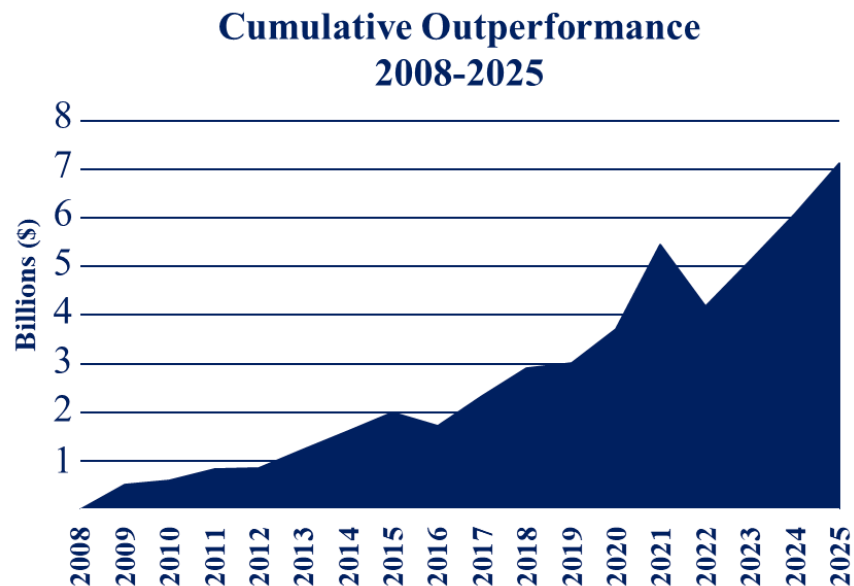
"Teachers will benefit from another year of full funding and another strong year in the markets," TRS Executive Secretary Gary Harbin said. "Disciplined investing focused on the best returns is beneficial in all markets – and that's long been the approach of the TRS Board of Trustees and the investment team."

From the Executive Secretary, from page 1

Both the Retirement Annuity Trust and Health Insurance Trust saw their third consecutive double-digit percentage gains in the just-concluded fiscal year. Aon Investments USA analyzes large domestic pension plans with more than \$1 billion in assets, and TRS's annuity trust return was in the top 6% of those for the one-, three- and 10-year periods.

Measured from the Great Recession in 2008 through this June, TRS's investment returns helped push the Retirement Annuity Trust's net assets to \$28.4 billion, compared to the average plan's \$21.3 billion over the same timeframe.

The outperformance from investment gains generated \$7.1 billion in additional assets beyond the average pension plan. These superior returns continue to be good news of benefit to everyone – particularly Kentucky's active and retired public school teachers.



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

Two Trustees Reelected to Board in Elections

Current trustees Brenda McGown and Laura Schneider each won a third term on the TRS Board of Trustees as a result of this year's members' election.

The four-year terms began July 1.

Retired teacher trustee McGown, of Bowling Green, worked in Warren County Public Schools and was the 1988 Kentucky Teacher of the Year.

McGown earned bachelor's and master's degrees and her Rank I at Western Kentucky University. Her career included being a mathematics teacher, an assistant principal for curriculum and budget, team leader at the Region 2 Service Center and a participant in the Distinguished Educator Program.

Active teacher trustee Schneider, of Walton, is a humanities and journalism teacher at Simon Kenton High in the Kenton County School District. She also taught at Berea Community High. Schneider was the 2013 National Education Association Foundation Kentucky Teacher of the Year.

Schneider earned a bachelor's from WKU and a master's from Eastern Kentucky University.

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.



Brenda McGown



Laura Schneider

Retired Financial Trader Reappointed to Board

Louisville retired financial trader and teacher William Crawford has been reappointed to the TRS Board of Trustees by Gov. Andy Beshear.

Crawford worked for more than two decades as a trader including at the Chicago Board Options Exchange/Chicago Board of Trade and NP Energy. He also worked 12 years as a high school math teacher, including at Iroquois High School in Louisville.

He has a bachelor's degree from Washington and Lee University and did graduate work at the University of Louisville. He serves on the board of the West End School in Louisville.

Crawford's appointment is through March 10, 2029.

By law, gubernatorial appointees must have investment experience and are subject to Senate confirmation.



William Crawford

Members, Retirees Should Be Aware of Deadlines

Certain benefits provided by law through TRS have deadlines that are the responsibility of the member, retiree or beneficiary to meet. Many of the deadlines are dependent on life events, like a change in marital status, death or birth of a child.

Deadlines are communicated through a number of means, including newsletters, correspondence, informational fliers, summary plan descriptions (<https://trs.ky.gov/administration/plan-information-and-law-book/>), administrative regulations and law.

Qualifying events have strict deadlines for retiree insurance and member benefits. For health insurance, you normally have 30 days from the life event to enroll in or terminate health insurance and or to add a new spouse. For member benefits, retirees have 60 days from the qualifying event to change a retirement option and or change a beneficiary.

Other deadlines include:

- A retirement application must be completed and filed one month prior to the retirement date.
 - Members and new retirees have until the 15th of the month they retire to rescind the retirement.
 - New retirees have until the 15th of the month in which they retire to make changes to their retirement applications.
 - Retirees changing their direct deposit or tax withholding must have the proper form submitted to TRS by 10th of the month in which the change is to be effective.
 - A current leave of absence must be purchased by June 30 of the fiscal year following the fiscal year when the leave occurs.
 - Fractional service credit purchases for unpaid days must be made by Dec. 31 of the fiscal year following the fiscal year when the unpaid days occurred.
 - University members changing from an optional retirement plan (ORP) to a TRS retirement plan and purchasing their ORP service must do so within the first six years and six months of continuous service with an ORP employer.
 - Appeals of decisions that materially affect benefits must be in writing and filed with TRS within 30 days of the first notice of TRS's decision.
 - Disability retirement applications are due by the first day of the retirement month and must be filed while the member remains actively employed by a TRS employer.
 - In addition to meeting the required 30-day qualifying event deadline, health insurance applications must be received before the effective date of coverage. Coverage is not retroactive.
- Contact TRS if you have questions about any of this information.



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.

Retirees and their spouses who are active in the workforce must drop TRS health insurance coverage if eligible for health insurance through an employer that participates in the state-administered retirement systems. Contact TRS to drop TRS insurance coverage if this applies. 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 (either by letter or email to info@trs.ky.gov).

If you have dropped TRS insurance because of reemployment, you must contact the TRS Insurance Department prior to losing eligibility for the active employment insurance, 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 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.

Fractional service credit

The deadline for the fractional service credit purchases of unpaid days from fiscal year 2025 is Dec. 31, 2025. 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 2025 service credit is June 30, 2026. Under certain circumstances, you may be able to buy this at a higher cost later.

Distribution of Future Newsletters

In the last five years, TRS increasingly has used email to target communications to members and retirees. The next step in this will be distributing the periodic newsletter through email starting next year, so if TRS doesn't have a current email for you, please provide it.

Active members who wish to provide an email or change the one already on file can submit a change form available on the active members forms page (<https://trs.ky.gov/active-members/resources/forms-active/>). Retired members who wish to provide an email or change the one already on file can submit a change form available on the retired members forms page (<https://trs.ky.gov/retired-members/resources/forms-pamphlets-retired/>).

Having an email on file also allows members and retirees to use Pathway, the online member account access website (<https://mss.trs.ky.gov>).

TRS will continue to use standard mail for personalized correspondence and tax forms.

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:

- Without replying to or forwarding a suspicious email, contact TRS by phone or by creating a



new email to inquire about the suspicious message.

- 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.”

Are You Working Past Age 65?

TRS members who still are working at age 65 or over must enroll in Medicare before they retire to be eligible for health insurance through TRS. For enrollment in TRS health insurance, proof of Medicare enrollment is required and must be effective no later than the effective date of your retirement.

Also, to enroll in Medicare and avoid late penalties for not enrolling when first eligible, your employer will be required to complete forms to prove you have had health insurance through your employment. Contact Social Security at 800-772-1213 to begin the process of enrolling in Medicare prior to retirement.



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

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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/>



Toll-free

800-618-1687



Email

info@trs.ky.gov



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