



THE TEACHERS RETIREMENT SYSTEM OF GEORGIA

MEMBER'S GUIDE

Welcome to the Teachers Retirement System of Georgia

The Teachers Retirement System of Georgia (TRS) is pleased to provide you with this Member's Guide. It is an important part of our commitment to provide you with valuable information about your retirement benefits. Please read this guide thoroughly and keep it with your other benefit materials. The Member's Guide was developed to help you make informed decisions about your future, as well as answer any questions you may have throughout your membership.

TRS was established in 1943 by an act of the Georgia General Assembly to provide retirement security to those citizens who choose to dedicate their lives to educating Georgia's children. It is the largest public retirement system in Georgia. Its purpose is to administer the fund to provide its members and their beneficiaries with benefits at retirement, or upon disability or death. TRS is a governmental defined benefit plan. This means that your retirement benefit is determined by a formula and is not directly related to the contributions made to TRS, nor to the investment return on the contributions.

The amount of the benefit is determined by a formula which takes into account your length of service and your 2 highest consecutive years of membership service (commonly referred to as your final average salary). Upon becoming eligible and upon termination of employment, you may retire and receive a lifetime monthly benefit from TRS.

Since TRS represents an important source of security to you and your family, it is your obligation to review this information carefully to understand your rights and responsibilities in becoming eligible for benefits.

The information in this Member's Guide is based on Georgia law and is not intended to supersede the law, nor will its interpretation prevail should a conflict arise between its contents and Georgia law. The information summarized here is subject to change periodically either by statute of the Georgia Legislature or by regulation of the TRS Board of Trustees. Do not rely solely upon the information provided in this Member's Guide to make any decision regarding your retirement, but contact TRS directly with any questions you may have about your benefits and retirement.



Your Online Account and Contacting TRS

The Teachers Retirement System of Georgia is proud to serve its members and we want to make preparing for retirement as easy and convenient as possible. Please take advantage of the secure online features we have available for you when you register online for a TRS account. You may access and update your information anytime!

- Access your current TRS account information.
- Calculate benefit estimates.
- Calculate cost calculations for withdrawn and airtime service.
- Apply for retirement.
- Register for workshop and counseling events.
- View and print your annual membership statement.
- Update beneficiary information.
- Educate yourself with pages of valuable information.
- Download forms and publications.

Logging on or registering for a TRS online account is easy. Just visit www.TRSGA.com, click on the Account Login button and click on the Active Member, Retiree, or Employer link. You will then either login to your account or sign up for a new one. It's that simple.

If you need to contact us for anything, you may reach us in a variety of ways.

WEB

www.TRSGA.com

PHONE

(404) 352-6500 or (800) 352-0650

FAX

(404) 352-4885

OFFICE

**Teachers Retirement System of Georgia
Two Northside 75, Suite 100
Atlanta, GA 30318-7901**

CALL CENTER HOURS

Monday - Friday, 8:00 a.m. – 5:00 p.m. EST

OFFICE HOURS

Monday - Friday, 8:00 a.m. – 4:30 p.m. EST

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Members

All personnel employed in a permanent status position, not less than half-time, with local boards of education, charter schools, universities and colleges, technical colleges, Board of Regents, county and regional libraries, RESA's, and certain State of Georgia agencies are required to be members as a condition of employment.

Exceptions to TRS membership include employees required to participate in another Georgia retirement plan (i.e. PSERS, ERS), employees who may elect the Board of Regents Optional Retirement Plan in lieu of TRS membership, and employees who are granted the option of membership based on their employment with Department of Education or Technical College System of Georgia.

Temporary, less than half-time, and private school employees are not eligible for TRS membership. Substitute teachers are considered temporary employees and are not eligible for membership in TRS.

A **vested** TRS member who becomes an employee of an employer normally covered by the Employees' Retirement System (ERS) may elect to remain a member of TRS. Likewise, any **vested** member of ERS who becomes an employee of an employer normally covered by TRS may elect to remain a member of ERS. In order to be vested, you must have at least 10 years of creditable service. In each case, a written election must be made to the Board of Trustees of the respective retirement system within 60 days of such employment and is irrevocable once the election is made. Members and their employers will be required to make the appropriate contributions to the respective retirement system.

Certain eligible employees who are at least age 60 at the time they become employed in a covered position may decline TRS membership by notifying the Board of Trustees in writing within 90 days after becoming an employee.

Contributions

All members contribute 6.00% of earnable compensation to TRS by payroll deduction on a pre-tax basis. Earnable compensation is defined as the full regular compensation payable to a member for his full normal working time. Earnable compensation does not include salary for secondary jobs such as night school. In addition to your contributions, your employer contributes a percentage of earnable compensation to TRS. The employer contribution helps fund TRS for current and future retirement benefits and is not part of any individual member's account. Please visit our website for the current employer contribution rate.

In accordance with Georgia law, your TRS account cannot be levied, garnished or attached, and you may not assign payment of your benefits to another person or entity. The only exception is the payment of eligible benefits to your designated beneficiaries at the time of your death.

Neither your contributions nor interest as an active member or your monthly benefit as a retiree can be divided through a divorce decree or a Qualified Domestic Relations Order.

Contribution Limitation

For members whose current date of membership is on or after July 1, 1996, the maximum earnable compensation for which TRS contributions can be reported or which can be used to calculate retirement benefits is limited by Section 401(a) of the Internal Revenue Code. Please refer to our website for the current salary limitation.

Termination: Withdrawing Your Funds

If you terminate your TRS covered employment you may apply for a refund of contributions and interest; **however, you are not eligible for a refund after you accept other TRS covered employment.** Members who are not actively working in their TRS covered positions during the summer months because the school year has ended are not considered terminated from TRS covered employment and therefore are not eligible for a refund.

Your refund payment from TRS is a lump-sum distribution of your contributions and interest in your TRS membership account. Partial withdrawals and loans are not allowed.

The taxable portion of your refund is subject to federal and Georgia taxes. To defer taxation, you may elect a direct rollover of the taxable funds in your account to another qualified retirement plan [401(a), 403(a) or 401(k)]; a 403(b) tax sheltered annuity; a governmental 457 plan; or a traditional, Roth, or rollover IRA. If you do not elect a rollover, federal tax law requires that TRS withhold 20% federal tax from the taxable portion of your refund. You may also be required to pay an additional 10% federal tax if you are younger than age 59½ when you withdraw your funds. TRS will not withhold the additional 10%; however, if applicable, you may pay this tax at the time you complete your federal tax return for the year in which you receive your refund. Georgia tax withholding from your refund check is not mandatory and may be paid when you file your Georgia tax return.

The Application for Refund of Contributions form is available online. Please log on to your account on the TRS website and complete the form. You must download, print, sign and return the summary page along with a copy of your valid identification. Please refer to the summary page for forms of acceptable valid ID.

Your Annual Membership Statement

A comprehensive statement of your account is prepared for every active member each fiscal year in which the employer reported contributions. The individual statements are available online only.

Information on your statement includes:

- Years and types of service credit established with TRS;
- Interest credited to your account on June 30 is based on the previous year's June 30 balance (currently at the rate of 4.5%);
- Your contributions as reported by your employer;

- Beneficiary(ies) designations;
- Purchases of service; and
- A projection of your benefits at normal retirement.

We encourage you to carefully review your annual membership statement each year and include it in your personal financial records. Your statement includes a message indicating that the information it contains is subject to audit and adjustment. If you feel that a discrepancy exists, please contact TRS in writing. TRS will investigate the possible discrepancy and notify you of any necessary adjustments or explanations.

One of the purposes of the statement is to allow you to review, and if appropriate, question the information contained in your TRS member account. This gives TRS additional assurances that the information contained in your TRS member account is both accurate and current.

Eligibility for Retirement Benefits

Service Retirement

You are eligible for monthly retirement benefits by one of the following:

- Completion of 30 years of creditable service regardless of age;
- Completion of at least 10 years of creditable service and attainment of age 60; or
- Completion of at least 25 years of creditable service. If you retire under this provision your benefit will be permanently reduced by the lesser of 1/12th of 7% for each month you are below age 60, **or** 7% for each year or fraction of a year by which you have less than 30 years of creditable service.

Disability Retirement

You are eligible to apply for monthly benefits if you are an active member, have at least 10 years of creditable service and are permanently disabled.

Retirement Benefit Formula

Service Retirement

Your benefits from TRS are calculated by using the percentage of salary formula. Simply stated:

**Your years of creditable service
established with TRS, including partial years**

x

2%

x

**Your final average salary for the 2 highest
consecutive years of membership service¹**

=

**Your initial monthly benefit
(under Plan A Maximum)²**

¹ Benefit calculation is based on the 2 highest years that produce the highest benefit—which may not be your last years worked.

² The salary used to calculate your benefit may be limited if increases in your salary are above what Georgia law and the General Assembly deem allowable. See Average Salary Limitation section below.

The maximum number of years of creditable service allowed is 40.

Except as noted in this section, any 9 or more months of service within a fiscal year would constitute a full year of service credit. Also, salary earned for any 9 or more months of service within a fiscal year would constitute a full year of salary for purposes of calculating retirement benefits.

Academic faculty members employed by the University System under a semester system are awarded a full year of service credit for any 8 or more months of service within a fiscal year. All salary earned during any 8 or more months will constitute a full year of salary for purposes of calculating retirement benefits.

Additional information on your monthly retirement benefit is included in the *Plans of Retirement* section of this booklet.

Disability Retirement

Disability retirement benefits are also calculated using the percentage of salary formula—2% multiplied by the total years of creditable service times the final average salary for the 2 highest consecutive

years of membership service. The resulting product is the monthly disability retirement benefit under Plan A Maximum plan. There is no age requirement for disability retirement.

Salary Increase Limitation

Georgia law limits the amount of salary increases that can be used to calculate retirement benefits for TRS members whose current date of membership is on or after July 1, 1984. These limits help prevent salary spiking at the end of an individual's career for the purpose of increasing retirement benefits. The salary limitation is determined yearly and is based on the appropriations granted for salary increases by the Georgia General Assembly, plus 2.5%. Please contact our office or visit www.trsga.com to obtain the current salary limitations.

When applying the salary increase limitation, TRS determines the member's 2 highest consecutive years of salary based on membership service and a base year. The base year is the year prior to the first of the 2 years of salary that will be used in the benefit calculation. TRS compares the 1st year of the salary to the base year salary. If the increase between the base year salary and the reported salary for the 1st year is more than the law allows, the salary used for computing your retirement is adjusted to the allowable limit. Once adjusted, the 2nd year of salary is then compared to the 1st year of salary and adjusted if necessary to comply with Georgia law. If your salary increases are within the limits, no adjustment to the salaries used to compute your benefit is necessary.

Minimum Retirement Benefit

Retired members are guaranteed a minimum retirement benefit of \$17 per month for each year of creditable service, to a maximum of 40 years, under the Maximum Plan of retirement.



Creditable Service

Since it is ultimately creditable service that you must establish in order to retire, you should be familiar with the following types of creditable service available.

If you are eligible to establish service credit for any service type listed in this section, please contact TRS to determine the cost associated with the service(s) you are interested in purchasing toward your retirement. To be eligible to establish any of the types of service described in this section, you must have an active TRS account. To be considered an active member, you must have contributed to TRS for at least 1 year in the last 5 years.

All service credit must be established and paid for prior to retirement. **Beneficiaries of deceased members cannot establish additional service credit.** It is the member's responsibility to establish all credit toward retirement.

Payment of Service Purchases

You may pay for eligible service purchases with a personal check, money order, or with a direct rollover from another eligible retirement plan.

TRS can accept a rollover from the following plans as defined in the Internal Revenue Code: a qualified retirement plan [401(a), 403(a), or 401(k)]; a tax sheltered annuity 403(b); a governmental 457 plan; or a traditional or rollover IRA. TRS cannot accept a rollover from a Roth IRA.

Service may be purchased all at once or in 1-year increments. No partial payments or monthly installments are accepted.

Air Time

If you have at least 25 years of service credit you may purchase up to 3 years of additional service credit **at retirement.** Air time service can only be purchased at the time you apply for retirement. If you withdraw your retirement application and do not retire, TRS will refund your money for any air time purchased and your service credit will be adjusted accordingly.

ERS Withdrawn Service

If you were previously a member of the Employees' Retirement System of Georgia (ERS) and withdrew your funds, you may establish this service with TRS. You are eligible to purchase your ERS withdrawn service after you have completed the required number of years of active TRS membership. If you have withdrawn:

- 1, 2 or 3 previous accounts you must complete 3 years of active membership;
- 4 previous accounts you must complete 5 years of active membership; or
- 5 or more previous accounts you must complete 10 years of active membership.

The cost to purchase ERS withdrawn service is the total amount of employee contributions you would have paid had you been a member of TRS, plus interest. Interest is increased an additional 2% for each withdrawal exceeding 3.

If you have not withdrawn your ERS contributions, you may transfer your service credit to TRS. ERS members and TRS members pay different employee contribution rates. To establish full credit for your ERS service, you must pay the difference between the amount of contributions you paid to ERS and the amount of contributions you would have paid had you been a member of TRS, plus interest. If you transfer your funds from ERS and do not pay the difference, you will only receive credit with TRS for a pro-rata portion of your ERS credit. Full credit for transferred ERS service will not be granted until you have paid the difference.

To initiate a transfer of ERS credits to TRS, please contact TRS in writing stating your election to transfer the credits.

Maternity Leave Credit

You can purchase credit for periods of absence from employment due to pregnancy prior to March 5, 1976. One and a half months of credit may be awarded for each pregnancy with a maximum of 6 months allowable for all pregnancies. If you feel you qualify and want to establish this service, please contact our office.

Membership Service

Membership service is your normal active service for which you were employed and for which you have made and are making contributions to TRS.

Academic faculty members employed by the University System under a semester system will receive credit for 1 year of service if they have at least 8 months of service during a fiscal year.

All other members who have at least 9 months of service during a fiscal year will receive credit for 1 year of service. Therefore, if you work from September through May, you will earn credit for 1 year of membership. If you are employed on a 12-month contract, you will receive credit for 1 year of membership service upon completion of at least 9 months of service during the fiscal year ending June 30. You may not receive more than 1 year of service credit during any fiscal year.

Military Service

Georgia law contains several provisions for the establishment of up to 5 years of retirement credit for periods of active duty military service in the armed forces of the United States. If you have military service prior to 1955, please contact our office.

Credit for service rendered during periods of national emergency may be established by payment of the member contributions you would have paid to TRS had you been a member, based on the salary you first received as a teacher in the public schools of Georgia after leaving military service, plus accrued interest. If you went directly (within 6 months) from teaching service in Georgia into active duty military service, your cost will be based on your last annual salary prior to entering military service.

Military service may be established during periods of national emergency, including:

- Vietnam Era: August 5, 1964 — May 7, 1975; and
- November 14, 1979 — Present.

If your date of current membership is prior to March 28, 1974, you may establish credit for active duty military service rendered outside the periods

of national emergency under specific conditions by paying the appropriate employee contributions and interest. To qualify, your college training or teaching service must have been interrupted by military service and you must have become a public school teacher within 5 years of your release from active military service.

Active duty military service, other than as listed above, from which you have been honorably discharged and which was rendered during any period when a military draft was in effect (June 24, 1948 - July 1, 1973), may be purchased by payment of appropriate employee and employer contributions plus interest, based on compensation you first received as a Georgia public school teacher after completion of the military service.

If your current date of membership is on or after March 28, 1974, no military service credit can be established if that service has been or will be used in the determination of your eligibility for retirement benefits or allowances from another state or federal retirement program, other than social security and the United States civil service. Any such member who has previously established military service credits prior to March 28, 1974, and who later withdraws from TRS is not eligible to reestablish any military service credit, even though the member may subsequently repay the withdrawn account.

Certain periods of ordered military service and qualified military service may be eligible for establishment with TRS. Ordered military service must be purchased within 5 years of the military duty and qualified military service must be purchased no later than 3 times the length of the service or within 5 years, whichever is shorter.

Specific provisions regarding the amount of military service you can purchase, and the deadlines and cost to purchase military service vary under the law. To determine the cost and your eligibility to purchase military service, submit a written request to our office, and include a legible copy of your DD 214.

Out-of-State Service

Eligible teaching service rendered out-of-state with a public school system, an American Dependents' School, the Bureau of Indian Affairs of the U.S. Department of the Interior and public schools of the Virgin Islands, Puerto Rico, Guam and the District of Columbia may be established with TRS.

Out-of-state service may only be established if the out-of-state employment, had it been rendered in Georgia, would have made you eligible for TRS membership. Out-of-state employment rendered with a private school, or public school employment that is less than half-time, temporary or student related, is not eligible to be established. Credit cannot be established if you are eligible to receive a retirement benefit for this service, now or in the future, from another state's retirement system, county or municipal retirement system, or the federal retirement program (excluding Social Security).

To establish out-of-state service you must submit a completed *Out-of-State Certification* form. This form must be completed in its entirety by the out-of-state employer and the respective retirement system for the employment. Documentation of out-of-state service may take months to obtain, so you should not postpone this process until you are near retirement.

Once the completed forms are received, TRS will notify you of your eligibility to establish out-of-state service. You are eligible to establish 1 year of out-of-state service after you have completed 6 years of TRS membership service. With the completion of each additional year of membership service, you may establish an additional year of out-of-state service, to a maximum of 10 years.

The cost to establish out-of-state service is the total employee and employer contributions that would have been paid had you been a TRS member at the time, plus interest. The salary you earned at the time the service was rendered will be used to calculate the cost.

Private School Employment

TRS members may establish service for previous employment in an accredited private school within the State of Georgia provided the following criteria are met:

- The employment must have been on a permanent not less than half-time basis with a private elementary or secondary school or any private college or university located in the State of Georgia;
- The private school must have been accredited during the period of employment by the Southern Association of Colleges and Schools, the Georgia Accrediting Association or a nationally recognized accrediting agency by the State Board of Education; and
- After completing 6 consecutive years as a contributing member of TRS, you may establish 1 year of credit for service rendered in an accredited private school within the State of Georgia. With the completion of each additional year of Georgia service thereafter, you may establish an additional year of private school service, to a maximum of 10 years.

A member must provide TRS with satisfactory documentation of the period of employment and that the private school was accredited during that period of employment. A Certification of Georgia Private School Employment form is available on our website.

The cost to purchase this service is the full actuarial cost. You should purchase any other types of service you are eligible to purchase before purchasing private school employment.

PSERS Credit

If you were a member of the Public School Employees Retirement System (PSERS) and you are now a member of TRS, you may establish your PSERS service with TRS. To establish prior PSERS service, your employer must submit a completed *Certification of Georgia Service* form. Your cost to purchase PSERS service will be the total amount of the employee and employer contributions that would have been contributed had you been a TRS

member, plus accrued interest; based on the salary you earned during your PSERS covered employment. Before PSERS service can be purchased, you must withdraw your funds from PSERS. You may not establish service credit under dual retirement systems for the same time period.

Study Leave Credit

You may be eligible to establish retirement credit for periods of full-time graduate study. The requirements are:

- You must have been a full-time teacher in the public schools of Georgia or in the University System of Georgia immediately (not more than 6 months) prior to the period of full-time graduate study;
- You must return to full-time employment as a teacher in the public schools of Georgia or in the University System of Georgia for a minimum of 5 years following the period of graduate study; and
- You must submit a transcript or similar document to TRS as verification of the full-time graduate study period.

Your cost to purchase study leave credit is based on the annual salary you were receiving for full-time employment as a Georgia teacher immediately prior to the period of study leave. Study leave service may be purchased by payment of appropriate employee and employer contributions, plus interest.

Any period of eligible graduate study interrupted solely for a period of active duty military service during a period in which the military draft is in effect shall be deemed not to have been interrupted provided the member goes immediately (not more than 6 months) into active duty military service.

TRS Withdrawn Service

If you were previously a TRS member and withdrew your funds, you also withdrew your service credit for those years and lost any accrued sick leave for these years. After you have returned to active TRS membership, you may repay your withdrawn account(s) and reinstate the service credit you withdrew. You are eligible to purchase your withdrawn service after you have completed

the required number of years of active TRS membership. If you have withdrawn:

- 1, 2 or 3 previous accounts you must complete 3 years of active membership;
- 4 previous accounts you must complete 5 years of active membership; or
- 5 or more previous accounts you must complete 10 years of active membership.

The cost to purchase withdrawn service is the total amount of money you withdrew, plus interest. Interest is increased an additional 2% for each withdrawal exceeding 3.

Visiting Scholar Credit

A maximum of 2 years of service as a visiting scholar at a public college or university may be established as creditable service by members who were granted a leave of absence from a unit of the University System of Georgia for such purpose. Such service must be included in the maximum of 10 years of service allowable under the out-of-state provisions of TRS law, and it cannot be established if you are eligible for benefits based on that service from another source, except social security. Your cost is based on your salary at the time of making application for the service and includes the appropriate employee and employer contributions, plus interest.

Workers Compensation Disability

You may be eligible to establish retirement credit for a temporary disability caused by a job-related disease or accident. The maximum period is 12 months and must be applied for within 6 months of returning to service following the temporary disability. The cost will be the employee contributions based on the salary you were receiving immediately prior to the disability, plus interest.

Documentation for proof of the temporary disability will be required. In most cases, the required documents will be the *Employer's First Report of Injury* form and the *Notice of Payment or Suspension of Benefits*.

Membership Status

Your account with TRS remains active provided you are a contributing member at least 1 year out of any 5 consecutive years. Therefore, you may have a break in your covered employment of up to 4 years and retain your active account.

If you are out of service for more than 4 consecutive years, your TRS account will immediately become inactive. If your account becomes inactive it will not be credited with additional interest and you will not be eligible to:

- Establish any additional service credit;
- Repay any previously withdrawn accounts;
- Apply for disability retirement; or
- Leave a monthly death-in-service benefit to a surviving beneficiary.

If your account is in inactive status and you have not withdrawn your contributions and you return to TRS covered employment the service in your inactive account will be credited to your current (active) account after you have established at least 1 year of membership service.

You may be eligible to reinstate your inactive account if you have less than 1 year of current membership service in your current (active) account. The cost to reinstate your inactive account is based on the length of the break in service. For additional information on the reinstatement and cost, contact our office.

Leaves of Absence

The normal 4-year period in which you may be out of covered employment and still retain an active account may be extended by a leave of absence approved by the TRS Board of Trustees. Allowable leaves of absence for the purpose of extending the duration of your active account beyond the 4-year period include maternity/adoption, illness, study leave, and military service. Please contact our office or visit our website for detailed information.

Vesting

A member with at least 10 years of creditable service has a vested right to a benefit at age 60. If you have 10 or more years of creditable service and leave a TRS covered position you will be entitled to a service retirement benefit upon attaining age 60 if you have not withdrawn your TRS contributions.

If you are vested and no longer contributing to TRS, **it is your responsibility to apply for benefits at the time you become eligible.** You may apply for retirement benefits during the 6-month period prior to attaining age 60, but no later than the month the benefits are to become effective. If you fail to apply for benefits in the required time frame, TRS will not pay any benefits between the time of your first eligibility and the time of your application.

40 Years of Service

If you have at least 40 years of creditable service, you may elect to discontinue your TRS contributions. This election is irrevocable. Further, your employer is required to discontinue deducting retirement contributions from your salary after you have completed 40 years of creditable service and attained age 65. You may, however, sign a waiver, which will enable you to continue your contributions.

If you will be receiving salary increases, it may be to your advantage to continue your contributions since by making contributions on the increased salaries, your final average salary for your 2 highest consecutive years of service could be higher. Your retirement benefit will be calculated on the maximum 40 years of service credit.

Survivor's Benefits

Members who die prior to retirement with less than 10 years of creditable service.

If you have an active TRS account and you have less than 10 years of creditable service at the time of your death, your primary beneficiary(ies) will receive a lump-sum refund of your contributions and interest. If there is no surviving primary beneficiary(ies), the secondary beneficiary(ies) will

receive a lump-sum refund of your contributions and interest. If your primary and secondary beneficiaries predecease you and you do not have new beneficiaries on file at TRS, a refund of your contributions and interest will be made to your estate. If you have not designated any beneficiaries and you have a surviving spouse, the refund will be made to your surviving spouse.

Members who die prior to retirement with 10 or more years of creditable service.

If you have an active TRS account and have 10 or more years of creditable service with TRS you are vested, your primary beneficiary(ies) may choose either a monthly benefit for life or a lump-sum refund of your contributions and interest. The monthly benefit or lump-sum refund will be distributed according to the percentage(s) you have designated on file with TRS. A monthly benefit payable to the beneficiary(ies) of an active member who dies while in active service is the same benefit that would have been payable if the deceased member had retired under Plan B, Option 2 (the 100% survivorship option).

If the primary beneficiary designated by the member does not survive the member by at least 32 days, any survivor benefits will be paid to the secondary beneficiary.

If there is no surviving primary beneficiary(ies), the secondary beneficiary(ies) has the same option as a primary beneficiary(ies) to choose between a monthly benefit payable for life or a lump-sum refund of your contributions and interest.

Beneficiary Updates

When you became a member of TRS you should have received correspondence asking you to designate a primary and a secondary beneficiary via your online TRS account. Georgia law requires that the settlement of your account be made according to the beneficiary designation on file in the TRS office at the time of your death. In the absence of a beneficiary on file, settlement will be made with the surviving spouse, if applicable. If there is no spouse, settlement will be made to your estate. Wills, divorce decrees, remarriages, etc., do not determine the settlement of your TRS account upon your death.

Therefore, should your present personal situation call for a change of beneficiary(ies), you are urged to update your beneficiary(ies) via your personal online TRS account.

When multiple beneficiaries are designated, the percentage of available benefits or lump-sum settlement of your contributions and interest to be paid to each beneficiary must be indicated. The total percentage paid to all beneficiaries must equal 100%. If no percentages are designated, the available benefits or lump-sum settlement of your contributions and interest will be divided equally.



Plans of Retirement

When you apply for retirement benefits you must choose a plan of retirement. Your choice will depend on whether you wish to receive the maximum benefit, or a reduced benefit if you wish to leave a monthly survivors' benefit to your beneficiary(ies) after your death. A detailed description of each plan is outlined below and there is a chart in Appendix A that shows some of the advantages and disadvantages of each plan.

Please note: Once TRS mails your first benefit check, you cannot change your plan of retirement except under limited conditions as covered in the *Changes in Plan of Retirement* section of this booklet.

If you die within 30 days of the effective date of retirement, you will be considered an active member at the time of your death in accordance with Georgia law. Your account will be settled as a death in service in accordance with the beneficiary designation(s) you have selected on your retirement application.

You may obtain an estimate with benefit calculations for each retirement plan by using any of the following methods: 1) the pension calculator on our website; 2) if you are within 5 years of retirement, you may login to your online TRS account and generate a benefit estimate using current data from your TRS file; 3) make a pre-retirement counseling appointment; or 4) call our office and request a benefit estimate.

Partial Lump-Sum Option (PLOP)

In exchange for a permanently reduced lifetime benefit, you can elect to receive a partial lump-sum distribution in addition to a monthly retirement benefit. Your age and plan of retirement are used to determine the reduction in your benefit.

A PLOP distribution will be made as a single payment at the time the first monthly allowance is paid. If a PLOP distribution is elected, your monthly benefit is actuarially reduced to reflect the value of the PLOP. The combination of both the PLOP and the reduced benefit are the same actuarial value as the unreduced normal benefit.

If you are interested in electing a PLOP distribution, TRS encourages you to seek assistance from a financial advisor and tax professional. A PLOP distribution used to enhance retirement income or savings may merit consideration. A PLOP distribution used to purchase depreciable assets or used for leisure should be given careful consideration as these purchases may compromise your long-term retirement income.

You are eligible to elect a PLOP distribution if you meet the following criteria. You must:

- Have 30 years of creditable service or 10 years of creditable service and attain age 60 (not early retirement); and
- Not retire with disability benefits.

At retirement, you may elect a lump-sum distribution in an amount between 1 and 36 months of your normal monthly retirement benefit. This amount will be calculated under Plan A - Maximum Plan and will be rounded up and down to be a multiple of \$1,000.

For a detailed look at the PLOP, please visit our website. You may also calculate your retirement pension with a lump-sum distribution by using the pension calculator on our website. If you are within 5 years of retirement, you may login to your online TRS account and generate a benefit estimate using current data from your TRS account.

Plan A: Maximum Plan

No monthly benefit to a beneficiary.

This plan provides you with the largest possible monthly lifetime benefit for the remainder of your life. Under this plan, the contributions and interest you made during your active employment are reduced monthly from your gross benefit payment. In most cases, your contributions and interest will be depleted within 18 months of your retirement. However, your monthly benefits will continue for the remainder of your life.

At your death, the monthly benefits stop and your beneficiary is not entitled to receive a monthly benefit. If your death occurs before you have received, in monthly payments, the total amount of your contributions and interest, the

remaining funds will be paid in a lump-sum to your designated beneficiary. You may change your beneficiary designations at any time under this plan of retirement.

To estimate your monthly lifetime benefit for the Maximum Plan you may calculate it yourself by using the retirement formula (2% multiplied by your years of creditable service, multiplied by your final average salary for the 2 highest consecutive years of membership salary) or you may refer to the pension calculator on our website. If you are within 5 years of retirement, you may login to your online TRS account and generate a benefit estimate using current data from your TRS account.

Plan B: Survivorship Plans

Plan B provides members with several survivorship options: Option 1 allows you to possibly leave a lump-sum payment, but no monthly benefit, to a beneficiary(ies) after your death; and Options 2-4 allow you to provide a continuing monthly benefit to a beneficiary(ies) after your death.

If you select a survivorship plan, the amount of your monthly benefit will be reduced actuarially to allow for the lump-sum payment or monthly payment for life to your designated beneficiary(ies).

The amount of the reduction in monthly benefits (cost of the option) depends on your age, the age of your beneficiary(ies), and Internal Revenue Service (IRS) regulations. The age of the beneficiary(ies) will influence the amount of your retirement benefit under Options 2, 3, and 4. For example, the younger your beneficiary(ies), the smaller your monthly benefit will be (the cost of the option is greater).

If you select one of the survivorship plans of retirement you cannot change your beneficiaries after retirement except as specifically provided by law (see the *Changes in Plan of Retirement and Beneficiary Designation* section in this booklet).

Plan B: Option 1

Possible Lump-Sum Payment, but No Monthly Benefit to a Beneficiary

Option 1 allows you to possibly leave a lump-sum amount to a beneficiary(ies) in return for a slightly reduced lifetime monthly benefit (from the maximum amount). Under this plan, the total of your contributions and interest at the time of your retirement will be reduced each month by only the portion of your total gross benefit made up of your contributions and interest. At your death, all monthly benefits stop. However, any remaining contributions and interest will be refunded to your designated beneficiary(ies) or your estate.

In most cases, your contributions and interest will be depleted within 10 to 14 years after retirement, but your benefits will continue throughout your life. You may change your beneficiary designation at any time after retirement. If you have named your spouse as a beneficiary and you become divorced, you may change your plan of retirement.

Plan B: Option 2

Monthly Benefit to a Beneficiary

Option 2 offers a reduced monthly lifetime benefit based on your age and the age of your beneficiary(ies). This option provides that at your death, your named beneficiary(ies), if living, will receive a lifetime benefit at the time of your death in accordance with IRS regulations and the ages of your beneficiary(ies).

You may designate multiple beneficiaries to receive lifetime monthly benefits and specify the percentage to be paid to each beneficiary. If 2 or more beneficiaries are designated, and one predeceases you, the percentage of available benefits you selected for the remaining beneficiary(ies) will not be adjusted. Should your beneficiary(ies) predecease you, your monthly benefit will remain under Option 2 unless you are eligible to change your plan of retirement and/or beneficiary(ies) as provided by law (see the *Changes in Plan of Retirement and Beneficiary Designation* section). If you choose a beneficiary(s) who is more than 10 years younger than you, who is not your spouse, your benefit may be subject to the required minimum distribution rules of the Internal Revenue Service. These rules regulate the amount of your

pension that can be distributed to a survivor. For more information, please visit our website or call the TRS office.

Plan B: Option 2 Pop-Up
Monthly Benefit to a Beneficiary

The Option 2 Pop-Up offers a reduced monthly lifetime benefit based on your age and the age of your beneficiary. If you predecease your beneficiary, your beneficiary will receive a lifetime benefit in accordance with IRS regulations and the age of your beneficiary. If your beneficiary predeceases you, your monthly benefit will increase to the original Maximum Plan amount, plus all increases awarded to you during retirement. Under this option, *you may only designate 1 beneficiary*. If you choose a beneficiary(s) who is more than 10 years younger than you, who is not your spouse, your benefit may be subject to the required minimum distribution rules of the Internal Revenue Service. These rules regulate the amount of your pension that can be distributed to a survivor. For more information, please visit our website or call the TRS office.

Plan B: Option 3
Monthly Benefit to a Beneficiary

Option 3 offers a reduced monthly lifetime benefit based on your age and the age of your beneficiary(ies). This benefit provides that at your death, your named beneficiary(ies), if living, will receive a lifetime benefit comparable to 50% of your benefit amount at the time of your death in accordance with IRS regulations and the ages of your beneficiary(ies).

You may designate multiple beneficiaries to receive lifetime monthly benefits and specify the percentage to be paid to each beneficiary. If 2 or more beneficiaries are designated, and one predeceases you, the percentage of available benefits you selected for the remaining beneficiary(ies) will not be adjusted. Should your beneficiary(ies) predecease you, your monthly benefit will remain under Option 3 unless you are eligible to change your plan of retirement and/or beneficiary(ies) as outlined in the section *Changes in Plan of Retirement and Beneficiary Designation*.

Plan B: Option 3 Pop-Up
Monthly Benefit to a Beneficiary

The Option 3 Pop-Up offers a reduced monthly lifetime benefit based on your age and the age of your beneficiary. If you predecease your beneficiary, your beneficiary will receive a lifetime benefit in accordance with IRS regulations comparable to 50% of the amount you were receiving at the date of your death. If your beneficiary predeceases you, your monthly benefit will increase to the original Maximum Plan amount, plus all increases awarded to you during retirement. Under this option, *you may only designate 1 beneficiary*.

Plan B: Option 4
Monthly Benefit to a Beneficiary

Option 4 offers a reduced monthly lifetime benefit in exchange for the flexibility to designate a specific dollar amount or a specific percentage of your monthly benefit to be paid to your beneficiary(ies) after your death. The beneficiary benefits you specify under this plan cannot cause your monthly benefit to be reduced below 50% of the maximum benefit and will be computed in accordance with IRS regulations. If multiple beneficiaries are designated and 1 or more beneficiaries predecease you, the dollar amounts or the percentages are not adjusted. Beneficiaries also receive a prorated share of any cost-of-living increases you received up to the date of death.

Monthly benefits under Option 4 are also calculated actuarially using an amount of survivor's benefit specified by the member. TRS will calculate your benefits under Option 4 and provide an estimate of your monthly benefit upon request. If you choose a beneficiary(s) who is more than 10 years younger than you, who is not your spouse, your benefit may be subject to the required minimum distribution rules of the Internal Revenue Service. These rules regulate the amount of your pension that can be distributed to a survivor. For more information, please visit our website or call the TRS office.

Primary and Secondary Beneficiaries at Retirement

When you retire and select your plan of retirement, you will also be selecting a primary and secondary beneficiary(ies). You may change the beneficiaries you selected as an active member when you apply for retirement. In retirement, a secondary beneficiary is eligible to receive a refund of remaining contributions and interest, but **not a monthly benefit**, upon the death of the member and primary beneficiary(ies).

When completing your retirement application you must designate a primary and secondary beneficiary. Primary and secondary beneficiaries cannot be the same person.

If you select Plan A or Plan B: Option 1, you have selected a plan which provides for a possible lump-sum refund of any remaining funds. You may designate 1 or more beneficiaries and you may change your beneficiaries at any time as long as there remains money to be refunded. Should your beneficiary(ies) predecease you, you may select another. If, at your death and if your beneficiary(ies) is also deceased, TRS will refund any remaining funds to your estate.

If you select Plan B: Option 2, 2 Pop-Up, 3, 3 Pop-Up, or 4, you have selected a plan that provides a monthly benefit to your primary beneficiary(ies). In very limited cases, as described below, you can change your beneficiary.

When choosing one of these plans, you must select both a primary and secondary beneficiary(ies). A secondary beneficiary(ies) is provided to ensure that in the event of your death and the death of your primary beneficiary(ies) any remaining funds in your account will be refunded in a lump-sum to the secondary beneficiary. For this calculation, the total amount of your contributions and interest at the date of your retirement is reduced monthly by the gross benefit received by you and subsequently your beneficiary. If your primary beneficiary predeceases you and if any of your contributions and interest are remaining at your death, they will be refunded to your secondary beneficiary. If you predecease your primary beneficiary, at the death of your primary beneficiary, any remaining contributions and interest will be refunded to your secondary beneficiary.

Changes in Plan of Retirement and Beneficiary Designation

If you select a survivorship option, you may change your plan of retirement or your designation of beneficiary(ies) only under the following circumstances as specifically stated in TRS law:

- If your beneficiary(ies) is to receive a survivors' benefit after your death and your beneficiary(ies) predeceases you, you may change your plan of retirement and you may designate a different beneficiary(ies). If you chose a survivorship option and wish to change your plan of retirement, you must choose another survivorship option, unless you chose a pop-up option, in which case you could choose the Maximum Plan. Changing your plan of retirement and/or beneficiary(ies) will result in the recalculation of your benefit.
- If your spouse is the sole beneficiary and will receive a survivors' benefit after your death and you become divorced, you may change your plan of retirement and you may designate a different beneficiary. If you wish to change your plan of retirement, you may choose another retirement plan offered by TRS. Changing your plan of retirement and/or beneficiary(ies) will result in the recalculation of your benefit.
- If you terminate your retirement, become a member again and subsequently retire, you may select a different plan of retirement and designate a different beneficiary(ies) upon your re-retirement. A new benefit estimate will be generated upon re-retirement.

TRS recommends that you obtain a benefit estimate prior to choosing a new plan of retirement and/or naming a new beneficiary(ies).

Retirement

This section acquaints you with essential information to assist you with retirement planning. You are urged to contact our office well in advance of your retirement date for an estimate of your benefits and to discuss any questions you may have concerning the different plans of retirement.

Unused Sick Leave

At retirement, TRS members can establish credit for unused sick leave earned with current and previous employers. A member can receive credit for unused sick leave at retirement only if he or she has not received payment of any kind for the leave.

Attendance incentives of any amount paid at any point during employment can reduce unused sick leave days reported to TRS for service credit. Programs that offer multiple payment amounts based on the number of sick days *will* reduce sick leave days reported to TRS. Payments based on any attendance incentive program offered through your school system that are not based on any variable number of sick leave days are allowed, and the number of unused sick leave days reported to TRS would not be affected.

Unused sick leave credit can be counted towards creditable service at the time of retirement. This includes sick leave granted for all TRS covered employment. You may establish sick leave credit provided you have a minimum of 60 days of unused sick leave for which you have not been paid. The required 60 days may include TRS calculated days for periods where no records are available. No credit can be established if you do not have at least 60 days of unused, unpaid sick leave.

Limitations

Unused sick leave credit is allowed only for Georgia teaching service, including repurchased withdrawn TRS accounts and service transferred from a local retirement plan. Georgia law does not allow unused sick leave credit to be granted based on other service (i.e. out-of-state, ERS, PSERS, etc.) you may be eligible to establish.

Sick leave accumulates at a maximum rate of 1-¼ days per month and has a maximum annual accrual based on your contract type. If you worked in a system that awards more than 1-¼ days per month,

your earned total will be reduced by TRS to meet this standard. If you worked in a system that awards less than 1-¼ days per month, no adjustment will be made. Members with questions regarding sick leave rate of accrual should contact their employer.

Sick leave credit is added to your total creditable service at the time of your retirement and cannot be used to attain a vested status. Credit for unused sick leave can be used to attain 25 years of service for an early retirement or 30 years for a normal retirement. Total creditable service used to calculate a retirement benefit, including sick leave, cannot exceed 40 years.

Procedure

Any employers, past or present, that you wish to pursue unused sick leave credit with, must certify the total unused sick leave balance by using either our online sick leave certification process, or by submitting an Sick Leave Certification form. The online sick leave certification process is now part of the online retirement application process. This process is designed to make it quicker and easier for our retiring members to request unused sick leave certification(s) from employer(s). Each employer is responsible for reporting to TRS and detailing the unused sick leave or verifying its lack of records. For years where records are not available, TRS will calculate a statistical average from the periods for which an employer does have the records and apply that average to those periods for which records do not exist.

Please refer to the TRS website for additional information regarding calculating sick leave when records do not exist.

Awarding of Credit

Unused sick leave credit is awarded on the basis of 1 month of service for every twenty days of unused sick leave. Nine months of sick leave credit equal 1 year of service

TRS will calculate sick leave credit after receiving all Sick Leave Certification forms. Your current employer must submit the online form after your last day of work. If you had multiple Georgia employers, you may request that the previous employers submit paper Sick Leave Certification forms prior to your retirement date.

NOTE: A member who will be using sick leave credit to reach a penalty free retirement status, (i.e. a member with 29 years of service and 1 year of unused sick leave credit to obtain 30 years of service,) is encouraged to contact TRS for an estimate of his or her unused sick leave credit prior to retirement. In order to provide an estimate of unused sick leave, Sick Leave Certification forms will be required from all Georgia employers. In this case, the current employer would submit an estimated balance of unused sick leave for the calculation and then submit a final balance after the retirement date.

In order to issue the first monthly benefit timely, a member may begin receiving a monthly benefit prior to the application of sick leave credit to their account. In this instance, the benefit will be adjusted retroactively to the member's retirement date upon receipt of forms from all employers. A sick leave credit conversion chart is included in Appendix B.

Effective Date of Retirement

Your effective date of retirement can be no earlier than:

- The first of the month in which your retirement application is received by TRS;
- The first of the month following the establishment of enough creditable service for eligibility; and
- The first of the month following your termination from a TRS covered position.

How to Apply for Service Retirement

You must apply for service retirement online via your TRS personal account. We recommend you begin the process 6 months prior to the date you wish to retire. This gives you and your employer(s) ample time to get all of the necessary information in to TRS for the timely processing of your retirement.

Your application for service retirement must be received by TRS no later than the end of the month in which your retirement is to become effective and no earlier than 180 days (6 months) in advance of the effective date of your retirement. For example, if you wish to retire July 1st you may submit your application no earlier than January 1st and no later than July 31st. Although we will accept applications at the end of the month in which you wish to retire, we do not recommend waiting until the last minute.

If you are eligible to establish service credit other than membership service (i.e. military, out-of-state, study leave, etc), then you must do so prior to the effective date of your retirement. Once your retirement becomes effective, you are no longer eligible to establish any additional service credit toward your retirement.

Online Application (Service Retirement)

The online application contains everything you need to apply for retirement. To apply, login to your TRS account and click the *Apply for Retirement* tab.

Once you begin the online process, you have 45 days to complete your application. Should 45 days lapse before you complete the process, the application is void and you must begin the process again. Once you have carefully reviewed your application, and are 100% sure about your retirement plan selection, you may submit your application. Once submitted, you will not be able to make changes online. Changes can only be made by completing the applicable forms or submitting the request in writing prior to the processing of your retirement.

In addition to the information you provide online, there are additional steps you must complete before your application can be processed by TRS.

- You must print, complete, sign, notarize, and return the *Affidavit of Residency* form to TRS. **This form must be NOTARIZED.**
- You must print, sign, and return to TRS the *Retirement Application Summary* provided after the online process is complete.
- You are required to submit a photocopy of personal identification containing the date of birth for yourself and your beneficiaries. Acceptable forms of identification are listed on the TRS website.
- Upon submission of the online retirement application your employer will be notified to complete the online Employer Certification form (TRS-8) and submit to TRS.
- If you have unused sick leave, you must complete the online sick leave portion of the retirement application. Once completed,

your employer(s) will automatically receive notification that they must certify your unused sick leave. Pending approval, your monthly benefit will be adjusted retroactively for any unused sick leave credit applied toward your retirement.

- If you elected Plan B Option 4 as your retirement plan, you must complete the *Plan B Option 4 Beneficiary Designation* form and return it to TRS.

TRS cannot process your retirement application until ALL necessary forms and documentation have been received. Also, the sooner you establish service credit, such as out-of-state service credit, the less it will cost.

How to Apply for Disability Retirement

A TRS active member who is mentally or physically disabled, and who has at least 10 years of creditable service is eligible to apply for Disability Retirement. The inability to satisfactorily perform current work duties due to health reasons is the major factor in determining “disability.”

The processing of applications for disability retirement can be a lengthy process depending on how long it takes your health care providers to submit your medical records. Once we receive complete medical records from all of your health care provider(s), your records will be referred to our Medical Board for review. The Medical Board will recommend either supporting or denying your disability retirement. The more medical data you can provide, the more information the Medical Board will have on which to base its decision. The Medical Board may request an additional medical examination and/or test. If such an examination or test is required, it will be at the expense of TRS and every effort will be made to schedule this appointment as close as possible to your area of residence.

There are two ways to apply for disability retirement with TRS: the online application or the paper application. We encourage you to apply online as it expedites the process and helps to eliminate errors that may delay processing your retirement.

Your application for disability retirement cannot be accepted by TRS more than 90 days in advance of the effective date of retirement. Your retirement cannot be effective any earlier than the beginning of the month in which we receive your completed application. You cannot receive a disability retirement benefit for any month during which you were actively employed. For example, if you wish to retire July 1st you may submit your online application no earlier than April 1st and no later than July 31st. Although we will accept applications at the end of the month in which you wish to retire, we do not recommend waiting until the last minute.

If you are eligible to establish service credit other than membership service (i.e. military, out-of-state, study leave, etc), then you must do so prior to the effective date of your retirement. Once your retirement becomes effective, you are no longer eligible to establish any additional service credit toward your retirement.

Online Application (Disability Retirement)

The online application contains everything you need to apply for retirement. To apply, login to your TRS account and click the *Apply for Retirement* tab.

Once you begin the online process, you have 45 days to complete your application. Should 45 days lapse before you complete the process, the application is void and you must begin the process again. Once you have carefully reviewed your application, and are 100% sure about your retirement plan selection, you may submit your application. Once submitted, you will not be able to make changes online. Changes can only be made by completing the applicable forms or submitting the request in writing prior to the processing of your retirement.

In addition to the information you provide online, there are additional steps you must complete before your application can be processed by TRS.

- You must print, complete, sign, notarize, and return the *Affidavit of Residency* form to TRS. **This form must be NOTARIZED.**
- You must print, sign, and return to TRS the *Retirement Application Summary* provided after the online process is complete.

- You and your physicians must complete the following medical forms:
 1. Physician’s Report
 2. Member’s List of Disability Information
 3. Psychiatrist’s, Psychologist’s, or Counselor’s Report (if applicable)
 4. Hospital/Clinic Report
- You are required to submit a photocopy of personal identification containing the date of birth for yourself and your beneficiaries. Acceptable forms of identification are listed on the TRS website.
- Upon submission of the online retirement application your employer will be notified to complete the online Employer Certification form (TRS-8) and submit to TRS. Submitting a paper Disability Retirement Application requires **you** to send the *Retirement Certification* form to your last employer for completion and submission to TRS. Your retirement application is not complete and your benefits cannot be calculated until your employer submits this form.
- If you have unused sick leave, you must complete the online sick leave portion of the retirement application. Once completed, your employer(s) will automatically receive notification that they must certify your unused sick leave. Submitting a paper Disability Retirement Application requires you to send a *Sick Leave Certification* form to your current and previous employers for completion and submission to TRS. You may send the Sick Leave Certification form to your previous employers at any time prior to retirement. However, your current employer can only submit this form to TRS after your last day of work. Pending approval, your monthly benefit will be adjusted retroactively for any unused sick leave credit applied toward your retirement.
- If you elected Plan B Option 4 as your retirement plan, you must complete the *Plan B Option 4 Beneficiary Designation* form and return it to TRS.

All forms are available on our website. We recommend that you begin soliciting the medical information from your doctors, and any service purchases, well in advance of your retirement because TRS does not have any control over the receipt of information from third parties (i.e. current or previous employers, doctors, armed forces, etc.). TRS cannot process your retirement application until ALL necessary forms and documentation are received from all requested parties.

Paper Application (Disability Retirement Only)

If you choose to apply for disability retirement on paper, you can download from the TRS website the Disability Retirement Package, which contains valuable information about disability retirement and all of the forms needed to apply. To expedite the process and help eliminate errors, we recommend applying online via your TRS personal account.

When are Benefits Paid?

Your first retirement benefit payment will be a paper check and will be processed on a “New Retirement Payroll” which is normally scheduled for the middle of the each month. For example, if you are a July 1st retiree you will be issued your first benefit payment in the middle of July. Future benefit payments will be transferred electronically into your account on the first business day of each month. Because benefits are paid in advance, at the first of the month rather than at the end of the month, your benefit cannot be issued to you any earlier.

In order for a retirement application to be processed it is imperative that your online retirement application and applicable paperwork be submitted as far in advance as possible. Due to the large volume of members retiring in the summer months of June, July and August, your online retirement application should be submitted by the end of March for your first benefit to be issued in the effective month of your retirement. Members who submit their online retirement application and paperwork after the end of March will have their retirements processed on a first come, first served basis. We strongly encourage all retiring members to submit their online retirement application early in the year.

For retirees other than summer retirees your online retirement application must be received at least 30 days prior to the effective date of your

retirement for your first benefit payment to be issued in the effective month of your retirement.

If the processing of your retirement is delayed beyond your retirement effective date, it will be processed on another month's New Retirement Payroll and benefits paid will be retroactive to your effective retirement date.

State Health Benefit Plan

TRS does not administer health care benefits for retirees. Upon notification from the State Health Benefit Plan, TRS will deduct the monthly premium from your benefit payment for those retirees who have been approved for coverage. TRS does not determine eligibility for participation in the plan and does not provide information on the filing of claims. Specific questions regarding the Department of Community Health, State Health Benefit Plan can be addressed by visiting their website www.dch.georgia.gov.

Board of Regents Health Plan

TRS does not administer health care benefits for retirees of the Board of Regents and does not deduct the monthly premium from your benefit payment. For detailed information on health coverage including eligibility and claims, please contact your former employer or the Board of Regents.

Dental Coverage

TRS does not administer any dental benefits for retirees. If your employer participates in the State of Georgia Flexible Benefits Program, TRS will deduct the monthly premium from your benefit payment if your enrollment has been approved by the Flexible Benefit Program.

If you are eligible and wish to participate in the dental coverage after retirement, you should complete an enrollment and payroll authorization form prior to your retirement. The completed forms are to be submitted by your employer to the office of the Flexible Benefits Program, not to the TRS office.

TRS does not determine eligibility for participation in the plan and does not provide information or forms required for enrollment in the plan. Please visit the Human Resources Administration link at www.doas.ga.gov for additional information.

Federal and State Tax Withholding

A major portion (usually 95-98%) of the benefits you receive from TRS are subject to federal income tax. During the retirement process, you must designate your withholdings. The calculation of the exact taxable amount and the monthly non-taxable exclusion amount is made during the regular processing of your retirement. This calculation is based on IRS tables and regulations and your age. Once the total of monthly non-taxable exclusions equals the total of taxed contributions made to TRS (contributions to TRS after July 1, 1987 have **not been taxed**), the full monthly benefit is subject to federal tax.

Federal law requires automatic withholding of income tax from the taxable retirement benefit unless you elect no withholding. The IRS requires TRS to inform you that if the election is made not to have tax withheld from your retirement benefit, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if withholdings and estimated tax payments are not sufficient.

The monthly benefits from TRS are subject to Georgia income tax for Georgia residents. During the retirement process, you must designate your withholdings. If you are a resident of another state you should contact that state's Department of Revenue regarding the tax status of your Georgia benefits. You may change your federal or state withholdings at any time via your online retiree TRS account or by submitting the applicable withholding form to TRS.

You will receive an IRS form 1099R each January detailing the benefits paid to you, the taxable amount of the benefits, and any taxes that were withheld for your use in filing your annual income tax returns. Additional information to be used for tax purposes is provided to you with your first retirement payment.

Cost-of-Living Adjustments

Cost-of-living adjustments (COLAs) are based on increases or decreases in the Consumer Price Index (CPI) and are not automatically granted. If the current average CPI is equal to or greater than the average CPI at the time you retired, you will receive

a 1.5% COLA. If the current average CPI is less than the average CPI at the time you retired, you will not receive a COLA.

COLAs are granted each January 1st and July 1st to eligible retirees. In addition to the CPI, your first COLA is based on your retirement date. If your date of retirement is between July 1st and December 1st, you may be eligible to receive your first COLA on the subsequent July 1st. For example, if you retire October 1st, the first date you may be eligible to receive a COLA is the following July 1st.

If your date of retirement is between January 1st and June 1st, you may be eligible to receive your first COLA on the subsequent January 1st. For example, if you retire March 1st, you may be eligible to receive your first COLA the following January 1st.

Beneficiaries of deceased retirees who receive a monthly benefit payment will continue to receive the COLAs that the retired member had been receiving, and will continue to receive COLAs each January and July if eligible, subject to the conditions outlined above.

If you retire on a service retirement with less than 30 years of creditable service and are under age 60, you may be eligible to receive your first COLA, subject to the conditions outlined above, after you attain age 60 or you would have obtained 30 years of creditable service, whichever occurs first.

Social Security

If your employer does not participate in Social Security, the pension you receive from TRS may reduce your Social Security benefits. The benefits you may receive from Social Security in no way affect your benefits from TRS. Your social security benefit can be reduced in one of two ways.

One is called the “government pension offset,” and applies only if you receive a government pension and are eligible for Social Security benefits as a spouse or widow(er). The other way is called the “windfall elimination provision,” and it affects how your retirement or disability benefit from Social Security is calculated if you receive a pension from work not covered by Social Security. The formula used to figure your benefit amount from Social Security is modified, giving you a lower benefit.

TRS does not determine eligibility for Social Security benefits. Specific questions regarding the social security offset should be addressed to the Social Security Administration via their website at www.ssa.gov or by calling (800) 772-1213.

If you plan to work in a position covered by TRS after you retire, it is important that you read the following information and notify TRS of your plans immediately. You have the ability to be employed under certain terms and conditions stated below and in the chart in Appendix C.



Working After Retirement

All employment as a teacher, whether directly or indirectly (i.e. independent contractor, private temporary company, etc.) with a TRS employer is subject to salary and service limitations as outlined in Georgia law and TRS policy. The employer must certify employment of TRS retirees via the online reporting process.

If your re-employment makes you eligible for State Health Benefit Plan (SHBP) coverage as an active employee, SHBP may require you to terminate retiree coverage and enroll into plans available for active employees. Contact the SHBP for details.

Auditing of Retiree Accounts

TRS reviews all retiree employment on a monthly basis, just as it does all active members. Additionally, TRS performs detailed audits of TRS retirees' employment records from both the Department of Audits and the Department of Labor. All discrepancies are investigated and, if necessary, benefit payments terminated and/or funds collected for benefits wrongfully paid.

No Pre-Existing Agreement

Georgia law requires employers to certify the date the employee's employment is or will be severed and that no agreement exists to allow the employee to return to service. This includes employment as an independent contractor.

No Working Immediately After Retirement

Any return to employment or rendering of any paid service, including service as an independent contractor, for any employer during the calendar month of the effective date of retirement shall render the severance invalid and void the application for retirement.

Georgia law requires a **break-in-service** of at least 1 month. If your retirement date is July 1st, you can begin working no earlier than August 1st. If an employer employs you during the month of your effective date of retirement, your employer must reimburse TRS for benefits paid to you until you comply with the 1 month break. If you fail to inform your employer of your effective date of retirement, then you may be required to reimburse your employer for the retirement benefit(s) the employer reimbursed TRS.

Allowable Employment: Service Retirees

Full-Time Employment

- **Private School Teaching**
- **Teaching in a state other than Georgia**
- **Employment in the Private Sector**
(See *Contractual Employment* below)
- **Self-Employment** (See *Contractual Employment* below)
- **Temporary Employment:** You may be employed in any temporary full-time position for three calendar months in a fiscal year and continue receiving monthly

benefit payments. The full-time position must be paid at the normal contracted compensation. The three months do not have to be consecutive.

- **Optional Retirement Plan** (*Board of Regents only*): If you did not retire from a position under Board of Regents, you are eligible to work full-time at a Board of Regents institution without jeopardizing any benefit payments. In order to do so, you must elect the Optional Retirement Plan (ORP) mandated by the Board of Regents within 60 days of employment.
- **ERS/PSERS:** (*Technical College System of Georgia Only*): If you did not retire from a position under the Technical College System of Georgia, you are eligible to work full-time with a technical institution without jeopardizing any benefit payments. You must elect ERS or PSERS within 30 days of employment.

Part Time - Hourly & Salaried

A TRS retiree who retired on a service retirement may return to work as a teacher on a less than half-time basis. If working less than half-time, the hourly rate or salary cannot exceed 49% of the compensation that would normally be paid to you if you worked on a full-time basis in the position. For hourly positions, TRS has published a schedule of maximum hours that you may work during each month of the fiscal year on our website, www.TRSGA.com. For salaried positions, you cannot exceed working 49% of the full-time status of the position.

Contractual Employment

If you are engaged in an independent contracting relationship, or employed by a private entity doing business, with a TRS covered employer in a position which would normally be held by a teacher as determined by the Board of Trustees, your compensation is limited to ½ of the average annual compensation used to calculate your retirement benefit or your final salary at the time of your retirement, whichever is greater.

A copy of the independent contract must be submitted to TRS prior to the effective date of the contract. For employment with any private entity (e.g. partnership, corporation, temp agency, etc.) as a teacher, documentation of your duties and

responsibilities with the entity and the retiree's relationship with the TRS covered employer must be submitted to TRS.

Other

- **Classroom Aide** (*Board of Education only*): You may be employed as a classroom aide in a less than full-time capacity. The full-time status for a classroom aide is determined by your employer.
- **Substitute Teaching** (*Board of Education only*): If you retired on a service retirement, you may engage in unlimited substitute classroom teaching in Georgia without suspension or reduction of your retirement benefits from TRS provided you are compensated as a substitute teacher at the daily rate of pay.
- **Adjunct Professors** (*Board of Regents and Technical College System of Georgia only*): You may be employed as an adjunct professor in a full-time capacity on an unlimited basis at the historical rate of pay. These positions are not eligible for benefits.

Allowable Employment: Disability Retirees

If you retired on a disability retirement, Georgia law places strict salary limitations on disability retirees. **ALL** employment, including self-employment, must be reported to TRS prior to accepting the employment. TRS will monitor your employment and income on a regular basis and reduce your monthly benefit if necessary for compliance with Georgia law. Before accepting any post-retirement employment as a TRS disability retiree, contact the TRS office for detailed guidance and instructions.

Suspend or Terminate Benefit Payment

If you return to work in a position that does not allow you to continue receiving your monthly benefit payment, you will have the choice to terminate or suspend your retirement.

Terminate

If you choose to terminate your retirement:

- Your monthly benefit payments will stop;
- COLAs are not applied to your benefit during the termination period;

- You will become an active TRS member with applicable employee and employer contributions being made on your behalf based on your salary; and
- You will accrue additional service credit.
- You must work a minimum of 4 service months.

It may be to your advantage to terminate, rather than suspend your retirement benefit. Termination of your benefit allows you to accrue additional service credit and salary in an effort to increase your monthly benefit payable upon your re-retirement. You must apply for re-retirement benefits through your online account. Your new retirement benefit will be calculated using the beneficiary designation and the plan of retirement selected at re-retirement, which will apply to all periods of employment. If you are considering terminating your retirement, please contact TRS to determine more thoroughly how your retirement benefit may be affected.

If you return to work in a TRS covered position for 2 years, you may repay the total monthly benefit payments that were paid to you during your retirement, plus interest. At the time you re-retire, your new benefit payment will be calculated based on all TRS creditable service years.

Suspend

If you choose to suspend your retirement:

- Your monthly benefit payments will stop;
- Employee and employer contributions are not made on your behalf;
- You will not accrue additional service credit;
- COLAs are not applied to your benefit during the suspension period;
- You may not change your plan of retirement and/or beneficiary; and
- Your benefit payment is reactivated upon termination of the covered employment.

Appendix A

Plans of Retirement – Which Plan is Right?

This chart shows some of the advantages and disadvantages of each plan. A description of each plan is detailed in the *Plans of Retirement* section.

Plan of Retirement	Reduced Monthly Benefit	Monthly Benefit to Survivor	Pop-Up Option Available	Retiree May Change Beneficiaries After Retirement
A—Maximum	No	No	No	Yes
B—Option 1	Yes	No	No	Yes
B—Option 2	Yes	Yes, 100% of Retiree's Benefit	Yes	No*
B—Option 3	Yes	Yes, 50% of Retiree's Benefit	Yes	No*
B—Option 4	Yes	Yes, as Designated by Member	No	No*

* Exceptions exist. See *Changes in Plan of Retirement and Beneficiary Designations* section.

Appendix B

Sick Leave Credit

Days of Unused Sick Leave Credit	Creditable Service
0 — 59	0 months
60 — 69	3 months
70 — 89	4 months
90 — 109	5 months
110 — 129	6 months
130 — 149	7 months
150 — 169	8 months
170 — 189	9 months
190 — 209	10 months
210 — 229	11 months
230 — 249	12 months
250 — 269	13 months
270 — 289	14 months
290 — 309	15 months
310 — 329	16 months
330 — 349	17 months
350 — 369	18 months
370 — 389	19 months
390 — 409	20 months
410 — 429	21 months
430 — 449	22 months
450 — 469	23 months

Appendix C

Working After Retirement

RETIREE RETURNING TO WORK FULL-TIME WITH:						
RETIRED WITH TRS PENSION FROM:	Board of Regents	Technical College System of Georgia	State Agency Other than Department of Education	Local BOE, Charter School & RESA	Library	State Department of Education
Board of Regents	NOT allowed, including switch to ORP	Allowed under ERS	Allowed under ERS	Allowed under PSERS	Not allowed	Allowed under ERS
Technical College System of Georgia	Allowed under ORP	NOT allowed, including switch to ERS	Allowed under ERS	Allowed under PSERS	Not allowed	Allowed under ERS
State Agency Other than Department of Education	Allowed under ORP	Allowed under ERS	NOT allowed, unless new position is with a different agency in a different position	Allowed under PSERS	Not allowed	Allowed for other state agencies other than Department of Education
Local BOE, Charter School & RESA	Allowed under ORP	Allowed under ERS	Allowed under ERS	Allowed under PSERS	Not allowed	Allowed under ERS
Library	Allowed under ORP	Allowed under ERS	Allowed under ERS	Allowed under PSERS	Not allowed	Allowed under ERS
State Department of Education	Allowed under ORP	Allowed under ERS	Allowed under ERS	Allowed under PSERS	Not allowed	Allowed for other state agencies other than Department of Education

Directions to the TRS Office: Two Northside 75, Atlanta, Georgia

I-75 Southbound

Travel south on I-75 to Exit 252 - Northside Drive/Howell Mill Road. Follow signs to Northside Drive/GA Dome 41, which will be off on the right. At the exit stoplight turn right onto Northside Drive. At the next traffic light turn left and the TRS office building is on the right.

I-75 Northbound

Travel north on I-75 to Exit 252A - Northside Drive. Turn left onto Northside Drive. At the 2nd traffic light turn left and the TRS office building is on the right.

I-85 Southbound

Travel south on I-85 to I-75 North. Travel north on I-75 to Exit 252A - Northside Drive. Turn left onto Northside Drive. At the 2nd traffic light turn left and the TRS office building is on the right.

I-85 Northbound

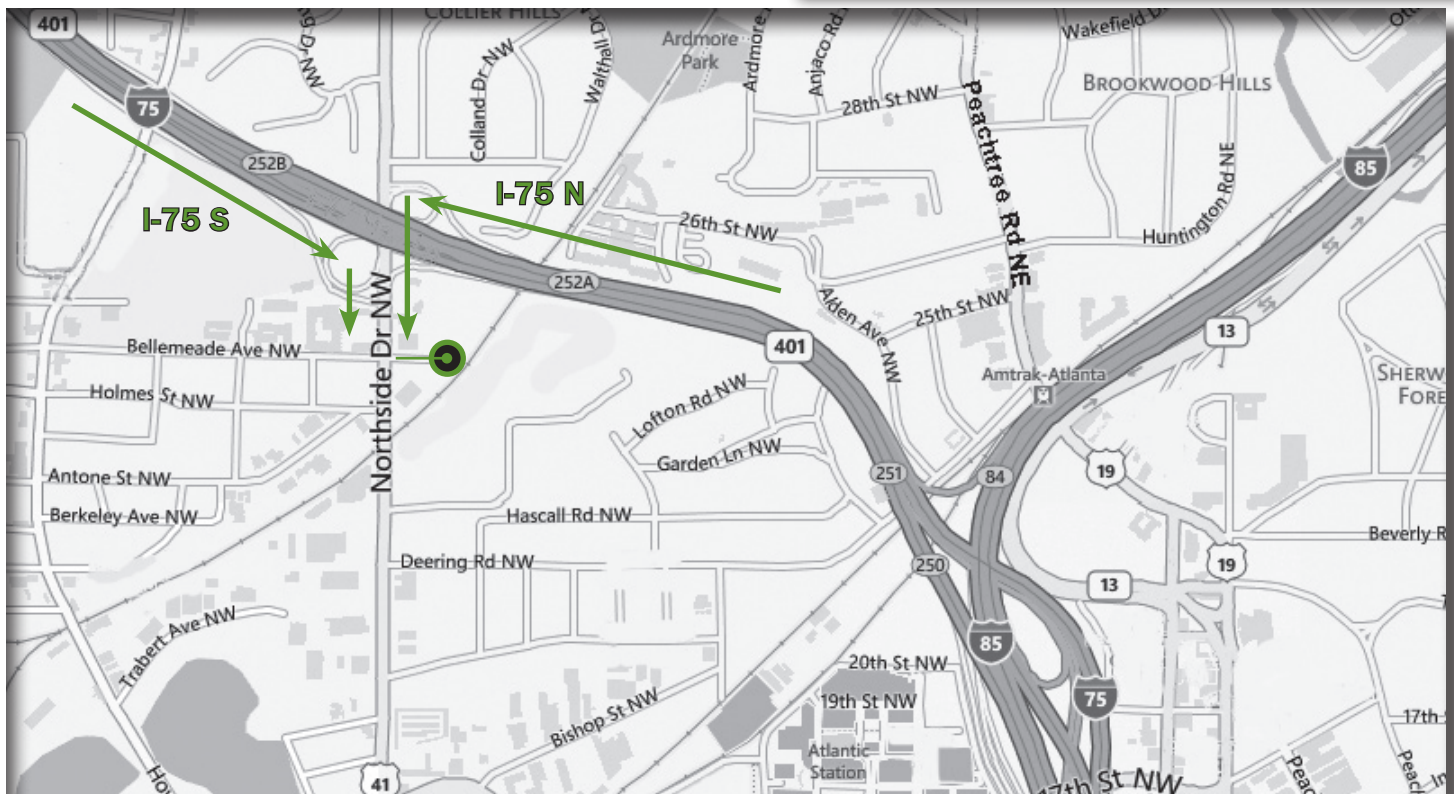
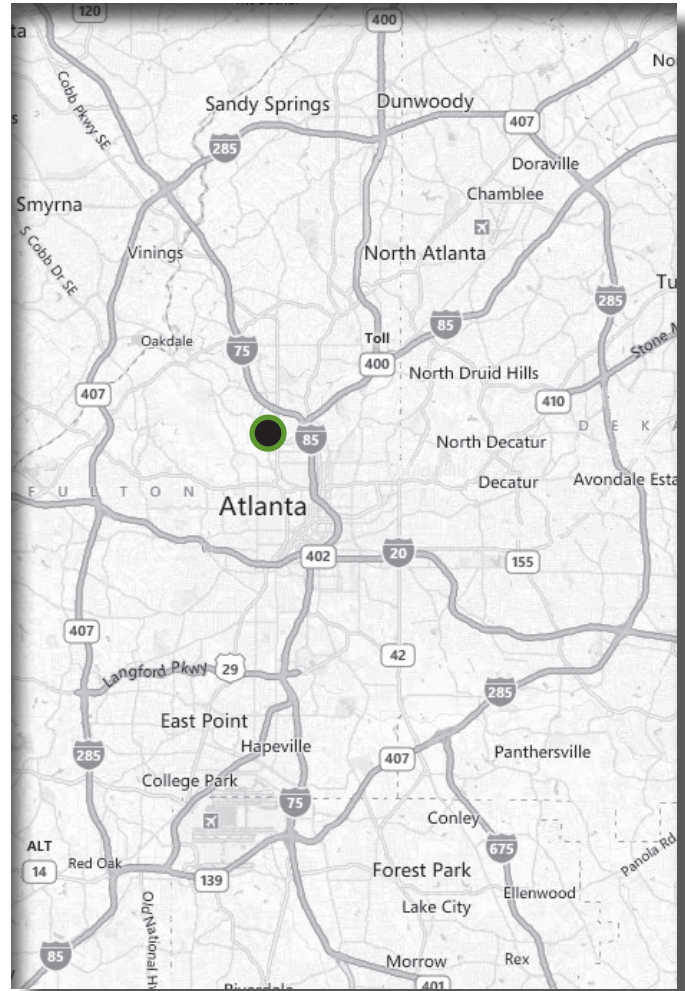
Travel north on I-85 to I-75 North. Travel north on I-75 to Exit 252A - Northside Drive. Turn left onto Northside Drive. At the 2nd traffic light turn left and the TRS office building is on the right.

I-20 Westbound

Travel west on I-20 to I-75 North. Travel north on I-75 to Exit 252A - Northside Drive. Turn left onto Northside Drive. At the 2nd traffic light turn left and the TRS office building is on the right.

I-20 Eastbound

Travel east on I-20 to I-75 North. Travel north on I-75 to Exit 252A - Northside Drive. Turn left onto Northside Drive. At the 2nd traffic light turn left and the TRS office building is on the right.





Teachers
Retirement
System of
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8 am - 5 pm, M-F

OFFICE VISITING HOURS

8 am - 4:30 pm, M-F

WEBSITE

www.TRSGA.com

