Employer/Employee
Shared Costs

Employer
- 3.55% of payroll
- 9.2% of cost

Employee
- 25.95% of payroll

Especial Year 2015

Teachers Retirement System

December 2014

November 7, 2014
Park Ridge
ED-RED Meeting
TRS Update
## Financial Condition

### FY 2013

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll</td>
<td>94.2%</td>
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<td>Accrued Benefits</td>
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### Investment Results FY 2013

- **Net of Fees:** $39.4 Billion
- **Market Value of Assets:** $43.4 Billion
- **Long-Term Performance:**
  - Benchmark: 4.8%
  - 5-Year: 4.7%
  - 10-Year: 5.1%
  - 3-Year: 5.3%

### Investment Results FY 2014

- **Net of Fees:** $45.4 Billion
- **Market Value of Assets:** $43.4 Billion
- **Long-Term Performance:**
  - Benchmark: 7.3%
  - 5-Year: 7.8%
  - 10-Year: 10.7%
  - 3-Year: 12.5%

- **Period ending June 30, 2014**
TRIP Update 2014

4. During benefit choice period it never ended
3. When coverage is terminated by former plan
2. When you turn 65
1. When you apply for monthly pension benefits

-CHAPTER 2
-All plan options & Prescription Drug Program
-Non-Medicare Advantage Plans (75% subsidy)
-Life Insurance

TRIP Statistics June 30, 2014

TRIP Update

Other Legislative Issues

Federal Grant -- 33% for FY 2015
The 15,000 employees working under a
Calculation of the employer rate for those

TRIP Update

-TRIP Update

Projected State Contributions

Federal Rate

Required Employee Approval to allow member

Year in Employer - 29.3% per year
Increased payments: Participant - 1.4% per year

Extended to June 30, 2016

ER&O Update (Tide One) PA 98-0042
Illinois Teachers' Retirement System - Ilinois.gov

Increase
- $30,000 to $60,000 - PR1 = $0
- Annual Increase
- New PR1 = $3,000 or $600
- $600 will be calculated under the
  30-year rule. All other increases will be calculated under the 400 rule.
- Current members are not impacted by Tier 2.
- Effective Date - 7/1/2014

EXAMPLE
SB 1, CCR - PA 98-0599
Active/Retire Members

TRIP Revenue FY 2014
$474.3 M

New law - Bicameral
The annual increase is calculated under the
400 rule. All other increases will be calculated under the 600 rule.
Current members are not impacted by Tier 2.
Effective Date - 7/1/2014
Active/Retire Members

See chart for more information.
Credit

- New TRS member — no sick day service
- No new Non-Governmental participation
- CB Limitations
  - Funding Guarantee Language – Circuit court
  - After PPA paid, additional State contributions
  - Improved Retirement Plan - 100% / 30 Years
- Funding

SB 1, CCR - PA 98-0599

Other Major Issues

Active Tier 1 Members

Contribution

- Contribution: up to “normal cost” state
- 83% of Tier 1 member (8.4% member)
- Optional Defined Contribution Plan (limited)
- Treasury bond plus 75 basis points
- employers retirement calculation – 30-YR US
decrease (6.4% to 8.4%
- Member contribution – 1 percentage point

SB 1, CCR - PA 98-0599

Active Tier 1 Members

Benefits Age

- Retirement age is increased 4 months
- Allowed for each year less than age 62
- Full benefits if at least 20 years
- Reduced benefits or age 62 and older
- 46 years and older — no change, age 55 with act
- Increased Retirement Age (as of June 1, 2014)
  - Current salary x Contract Exemption
  - Current salary x 75% of act

SB 1, CCR - PA 98-0599

Active Tier 1 Members

43 & younger — freezes every other year
44 – 46 — freezes every other year
47 – 49 — freezes every other year
50 years and older — freezes

PB: All freezes start with the second scheduled
retire date July 1, 2014

Staggered PB: for actives who

SB 1, CCR - PA 98-0599

Active Tier 1 Members
Contact TRS Information

Also on Twitter and Facebook

- Booklets, Brochures and Forms
- Newsletters and Bulletins
- Online Videos/Hot Topics Audio
- Web Page

Member Services: (800) 877-1896
Email Update List -- members@trs.illinois.gov
Email -- members@trs.illinois.gov

Constitutional Protection

What is Constitutional

Illinois Supreme Court decides... evidence goes to October... County Circuit Court struck down... constitutional in Sangamon... All 5 pension lawsuits have been... Circuit Court granted a stay... five appeals to the court... Now Public Act 98-0599... Governor Dec. 5, 2013... SB 1 CCR -- signed by the... What Happens Now??

Impacted

Benefits of which shall not be diminished or
shall be in unreasonably continued relationships, the
shall be in any aspect...instrumentally thereof.

Membership in any pension...local government of school
the...any unit of local government of retirement system of

Pension Right Class: Article XII, Section 5

Contract Class
Contact Information

Rich Frankel

Member Account Access

how to set up your member account access

web site -- ts.illinois.gov

1-877-753-0973

Springfield, IL 62794-9253

P.O. Box 1923

2815 West Washington

Director of Outreach

Illinois Teachers' Retirement System - ts.illinois.gov