




# Your TRS Benefits in Brief

For Tier VI Members / Updated for the 2020-2021 School Year

## Welcome to TRS!

*This document introduces you to the Teachers' Retirement System of the City of New York (TRS), summarizing membership benefits and other key membership information. Visit our website for more in-depth information, including the useful publications that are referenced here by the  symbol throughout this document. Please see the end of this document for some important steps to complete your enrollment in TRS.*









## What Is TRS?

TRS is a New York City retirement system established in 1917. One of the largest public pension systems in the United States, we serve over 200,000 in-service members, retirees, and beneficiaries. TRS membership is available to certain educators who work for the New York City Department of Education (DOE), the City University of New York (CUNY), and participating New York City Charter Schools. All TRS members participate in the Qualified Pension Plan (QPP), a retirement plan administered under Section 401(a) of the Internal Revenue Code (IRC). The QPP provides the security of a guaranteed, defined-benefit pension—a rarity these days. In addition, our Tax-Deferred Annuity (TDA) Program offers members the option to build additional retirement income. The TDA Program is a defined-contribution plan maintained in accordance with Section 403(b) of the IRC.

The main benefits of TRS membership include the following:

- ✓ **A guaranteed retirement allowance** through the QPP upon meeting certain age and service requirements
- ✓ **A supplemental retirement plan**—our TDA Program—that also can reduce your current tax burden
- ✓ **Loans** available from both retirement plans
- ✓ **Disability retirement benefits** upon meeting certain requirements
- ✓ **Death benefits** for your surviving beneficiaries

Also included with your membership:

-  **Online account access**—Secure transactions and account statements through our website
-  **Online resources**—Publications, FAQs, news, tools, and videos on our website and social media
-  **Member Services Center**—Representatives available by phone or in person (check our website for availability during pandemic); toll-free 24/7 information line
-  **Newsletters**—2 issues per year with updates on services, legislation, and TRS' investment performance
-  **Account information**—Quarterly Account Statements (QAS) and an Annual Benefits Statement (ABS)
-  **Educational programs**—Presentations on TRS topics offered throughout the year



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## TRS Membership and the Qualified Pension Plan

TRS membership is mandatory for most New York City educators. Membership is optional for certain CUNY adjuncts, and for paraprofessionals employed by the DOE and participating Charter Schools.

As a new TRS member, you must contribute to the QPP. Contribution rates are based on annual wages earned during “plan years” as indicated below. (Pension contributions are automatically deducted from your pay and continue until you separate from service or retire. They earn 5% interest and are federally tax-deferred.)

Currently, all TRS members belong to one of five tiers, generally depending on the date they last became TRS members; benefits may vary by tier. Members who join TRS after March 31, 2012 generally belong to Tier VI.\* However, if you have been a member of an eligible New York City or New York State public retirement system, your membership date and tier status may be affected if you transfer your membership from another system to TRS or if you are reinstated to a previous membership/tier.

Annual Wages	Contribution Rate
\$45,000 and less	3.00%
More than \$45,000 to \$55,000	3.50%
More than \$55,000 to \$75,000	4.50%
More than \$75,000 to \$100,000	5.75%
More than \$100,000	6.00%

During your first 3 plan years of membership, TRS uses a projection of your annual wages (based on contractual salary) to determine your contribution rate. Beginning in your 4th plan year, TRS uses your actual wages earned 2 plan years prior to determine your contribution rate. (Plan years run from January 1 to December 31.)

\*Members who joined TRS before April 1, 2012 but after August 31, 1983 are generally enrolled in Tier IV; see *Your TRS Benefits in Brief for Tier IV Members*.

 [Tier VI Summary Plan Description](#)

## TRS' Tax-Deferred Annuity Program

TRS offers you the opportunity to build additional retirement savings through the TDA Program, our supplemental retirement plan. You may contribute up to a designated amount each year, as determined by the Internal Revenue Service (IRS). (For calendar year 2020, the general contribution limit is \$19,500; members age 50 and older are entitled to an additional \$6,500 in “catch-up” contributions.) TDA contributions are automatically taken from your pay before taxes are deducted, thereby reducing the amount of your gross taxable income. And taxes are generally deferred on your contributions and investment earnings until you receive the funds as income.

TRS offers you seven different investment options, known collectively as the Passport Funds. You may personalize your investment strategy by investing your TDA account in any combination of the Passport Funds. You also have the flexibility to change your investment mix on a quarterly basis, and you may change your contribution rate at any time. However, since the TDA Program is designed as a retirement plan, the IRS places restrictions on withdrawals before retirement.

 [TDA Program Summary; Fund Profiles](#)

## Loans

You are generally eligible to take loans against your QPP funds after your first year of TRS membership service, and from your TDA funds after your first year of participation in the TDA Program. The minimum amount you may request is \$1,000, and the maximum amount is \$50,000, subject to some restrictions. Your loan may be paid to you either through Electronic Fund Transfer (EFT) or by check mailed to your home address. Loans must be repaid within 5 years (60 months), generally through payroll deductions.

 [QPP Loans; TDA Loans](#)



## Service Credit

Your Total Service Credit is one of the factors used to determine your eligibility for a retirement allowance under the QPP, as well as the amount of your benefits. If you are in a full-time position, you would receive credit for each full school year of service you work. If you are in a part-time position, you would also receive service credit, but it would be prorated to account for the reduced hours or days of service; you may need to meet a minimum number of hours or days in that position in order to receive credit. All TRS members receive a maximum of 1 year of service credit in a given school year.

If you worked for a New York City and/or New York State public employer before joining TRS, you may be able to obtain credit for this prior service. Please refer to our website for more information about service credit, other types of service that may be eligible for pension credit, the procedure for claiming your credit, and any costs involved.

 [Service Credit for Tier VI Members](#)

## Separating from Service before Retirement


If you leave your position before you retire, you will still be a member of TRS, but you will have choices to make about your membership. Your options may include the following: maintaining your TRS membership, withdrawing your TRS funds and ending your TRS membership, transferring your membership to another eligible retirement system, or becoming a transferred contributor to TRS.

After you separate from service, your TRS membership rights would vary depending on whether or not you are vested (*i.e.*, you have attained 10 years of Total Service Credit). In general, if you are vested, you would maintain your membership rights and may retire once you meet age requirements. If you are not vested, your TRS membership would expire 7 school years after you separate from service. In that case, you would have to withdraw all of your TRS funds and would not receive a retirement allowance from TRS.

## Service Retirement Benefits

Once you are vested and meet age requirements, you would be eligible to apply for service retirement under the QPP. You would generally be eligible to retire with unreduced benefits beginning at age 63. You may be eligible to retire with reduced benefits as early as age 55 as long as you are vested and file for retirement while on active payroll. As a Tier VI member, you become vested upon attaining 10 years of Total Service Credit.

Tier VI retirement allowance payments may consist of two components. The regular pension portion is based on factors such as your Total Service Credit and Final Average Salary (FAS), and is partially funded by your pension contributions. (FAS is defined as the highest average of wages earned by a member during any continuous period of employment for which the member was credited with 5 years of service, subject to certain exclusions.) The second portion, if applicable, is based on the balance in your Annuity Savings Accumulation Fund (ASAF) account, which contains any supplemental contributions from your employer.

 [Service Retirement Plans and Benefits for Tier VI; Common Retirement Questions](#)

## Disability Retirement Benefits

If you become physically or mentally incapable of performing your work duties, you may qualify for disability retirement benefits. To qualify for ordinary disability retirement benefits, you must generally have at least 10 years of Total Service Credit. However, if you are disabled as a result of an accident that was sustained in the performance of your duties in active service, the Total Service Credit requirement would be waived. Qualification for any disability retirement benefit is subject to the approval of TRS' Medical Board. Special disability retirement provisions exist for members who have been diagnosed with a terminal illness.

 [Ordinary Disability Retirement; Accident Disability Retirement; Lump-Sum Disability Benefit](#)



## Options at Retirement

As a TRS retiree, you will receive monthly retirement allowance payments under the QPP for as long as you live. At retirement, you will have a choice of payment options. The Maximum Payment Option pays you the highest monthly retirement allowance but does not provide for beneficiaries. Other payment options offer you a reduced monthly allowance in order to provide payments to beneficiaries.

If you participate in the TDA Program, you must make a decision at retirement regarding the distribution of your TDA funds. You may decide to defer distribution to a later date and leave the funds invested with TRS, withdraw your TDA funds, or receive them as an annuity separate from your QPP retirement allowance. Members who maintain a TDA account after retirement are subject to the IRS' Required Minimum Distribution (RMD) rules.

 [Retirement Payment Options; TRS Retiree's Companion](#)

## After You Retire

Calculating and processing a retirement benefit may take several months, depending on TRS having complete information about your Total Service Credit, Final Average Salary, and any required documentation. In the meantime, we will issue advance payments to provide you with retirement income as soon as possible. During your retirement, you may become eligible for an annual cost-of-living adjustment.

After you retire, you may continue to receive health coverage through the New York City Health Benefits Program. You may also be eligible to receive supplementary health benefits through your union. TRS will take deductions for your health insurance from your monthly payments.


If you decide to work after you retire, your earnings may be restricted if you return to public employment within New York State. The current limit of \$35,000 applies to retirees under age 65.

 [TRS Retiree's Companion](#)

## Death Benefits

You have death benefits coverage beginning after your first year of TRS membership. If you die while in active service, the benefit payable under the QPP would generally be 1 year's salary after 1 year of service, 2 years' salary after 2 years of service, and 3 years' salary after 3 or more years of service. If you die after you retire, a different lump-sum benefit would be payable to your beneficiaries—separate from any benefit resulting from the payment option you elect for your retirement allowance.

You must make separate beneficiary designations for your QPP and TDA accounts. We strongly encourage you to keep your designations current at all times; this will help ensure that your death benefits are distributed as you intended.

 [Guide to Death Benefits for Beneficiaries of Non-Retired Members](#)


## Questions?

Additional information, including forms and publications, is available at [www.trsnyc.org](http://www.trsnyc.org). You may also contact TRS at 1 (888) 8-NYC-TRS. Due to the pandemic, please check our website for updates on available services.

### Reminders for Members

- ✓ Register for access to the secure section of our website
- ✓ Designate your beneficiaries
- ✓ Submit proof of your date of birth
- ✓ Inform TRS about any membership in another New York City/State public retirement system or TIAA
- ✓ Inform TRS about any creditable prior service

You can do all these things online at [www.trsnyc.org](http://www.trsnyc.org)!

 [Enrolling in TRS](#)

*Your TRS Benefits in Brief was prepared for Tier VI members of TRS. If you became a member of TRS before April 1, 2012, you are not covered by Tier VI; please be aware that certain aspects of your benefits may vary from those stated here.*

*This publication should not be solely relied upon, as it is based on currently available information that is subject to change. In all cases, the specific provisions of the governing laws, rules, and regulations prevail.*