



RETIREMENT CERTIFICATION REPORT

As you know, § 47-3-101 of Georgia law requires employers to certify to the TRS Board of Trustees the date on which the employee's employment is or will be severed and that no agreement exists to allow the employee to return to service. This includes service as an independent contractor. Any return to employment or rendering of any paid service, including service for an independent contractor, for any employer during the calendar month of the effective date of retirement shall render the severance invalid and nullify the application for retirement. Our goal is to ensure that our employers and members comply with Georgia law.

Based on this law and issues that have arisen with the current form, we have revised the Retirement Certification Report and require all employers to complete and submit

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TRS Welcomes New Board Chair and Members

from
Jeffrey L. Ezell, Executive Director

We are pleased to announce the May election of Dr. L.C. Evans as Chair of the Board. Dr. Evans has been a member of the TRS Board of Trustees since 2006.

In the past few months, Governor Deal has appointed three new members to the TRS Board of Trustees. Mr. Brad Dunagan is an investment advisor, and Ms. Jennifer W. Frisch and Ms. Rachel L. Willis are both classroom teachers. We are excited to have them as a part of the team.



Dr. L.C. Evans

Many of you may already know, or be familiar with, Dr. Evans as he has been a TRS Board member for over five years. He has served on various TRS Board committees and is currently Superintendent of Schools in Forsyth County.

Dr. Evans is a graduate of Abraham Baldwin Agricultural College, received Bachelor's and Master's degrees from Valdosta State College, and he

received his doctorate in Educational Administration from the University of Georgia in 1991. Prior to becoming the Superintendent in Forsyth in January, 2008, Dr. Evans served as an assistant superintendent and the first board appointed superintendent of Bleckley County Schools, he worked for the Heart of Georgia RESA as a consultant and program director, served over 12 years in adjunct faculty positions, and worked in management for one of the world's largest Fortune 500 agricultural corporations.

Dr. Evans has served in many associations on both the regional and state levels. These associations include: Middle Georgia School Superintendent's Association; Georgia School Superintendent's Association; and, Georgia Association of Educational Leaders. He was appointed by Governor Nathan Deal to serve on the Education Funding Study Commission.

His hobbies include exercising, forestry management, reading, and spending time in the outdoors.

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this form to TRS for all retiring members. The form can be downloaded from our website.

The revised form now requires two signatures. The first signature acknowledges the members' work history with your system. The second signature certifies that there is no existing agreement between your system and the member to allow him or her to return to service prior to his or her employment being severed.

If you submit an old Retirement Certification Report we will return it to you so you can complete the new form. Please make sure you download the new form to avoid any delay in processing a members' retirement application. Please discard any existing copies of this form and download the new version located on our website. We appreciate your cooperation with this issue. ☘

Important Memo

Interest Rate of Calculation and Contributions

The TRS Board of Trustees adopted an amendment to Administrative Rule 513-5-1-.52 on November 16, 2011. In accordance with the amended policy, the interest rate used to calculate service purchases will be the TRS long-term discount rate of return which is currently 7.50%. This rate will be effective for all service purchases on or after April 1, 2012.

When calculating interest for service purchases, TRS may use multiple interest rates. Interest is compounded and the rate(s) used will depend on the date of the service being purchased and the interest rate in use at that time.



EXAMPLE:

Mary Smith is eligible to establish one year of service for the 1971-72 school year. Effective July 1, 2012, the cost to establish this service will be the amount of contributions she would have contributed during 1971-72, plus accrued interest.

| <u>Member Contributions</u> | <u>Interest Rate</u> | <u>Interest Amount</u> |
|-----------------------------|---------------------------------|------------------------|
| \$400.00 | 3.50% from 7/1/1972 - 6/30/1977 | \$ 76.38 |
| | 4.50% from 7/1/1977 - 3/30/2012 | 1,792.49 |
| | 7.50% from 4/1/2012 - 6/30/2012 | <u>142.46</u> |
| | Total Interest | <u>\$ 2,011.33</u> |
| | Total Cost | <u>\$ 2,411.33</u> |

To establish service at the current 4.50% interest rate, payments must be received no later than March 30, 2012. Please have your employees contact our office at (404) 352-6500 or (800) 352-0650 to request a service purchase calculation. ☘

TRS Welcomes New Board Chair and Members *continued*



Mr. Brad Dunagan

Mr. Dunagan is an Investment Advisor with the firm, Resource Horizons Group, LLC, Marietta, Georgia, Member of FINRA & SIPC, and is a Certified Estate Advisor with the National Association of Financial and Estate

Planning. He received his B.A. in Business from Georgia State University. Upon graduation, Mr. Dunagan joined Union Chemicals of Schaumburg, Illinois, as a credit analyst and later as Regional Credit Manager for the Southwest. In 1991, he joined Georgia-Pacific Corporation as Residual Products Manager/Environmental Engineering Division tasked with heading up clean up and reclamation of old company wood residual landfills around the country. Mr. Dunagan joined Merrill Lynch, Inc., as a Financial Consultant, in 2000, achieving Executive Club status with the Global Private Client Group.

Since 1996, Mr. Dunagan has volunteered with several Humanitarian Aid and Mission Organizations that have provided earthquake and tsunami relief, and humanitarian aid to people in need around the world. He is also former Chairman of the Board for Rehabilitation Industries of Northeast Georgia, a community based organization that provides training and job placement assistance for adults with mental and physical challenges.

Mr. Dunagan is a veteran who served with the U.S. Marine Corps. He is married to Mary Grant, formerly of Roswell, Georgia, and they have three children, three grandchildren, and make their home in Gainesville, Georgia.



Ms. Jennifer W. Frisch

Ms. Frisch is an eighth grade advanced content science teacher at Lovinggood Middle School in Cobb County. She began teaching in Georgia in 1991, after teaching in her home state of

West Virginia and in Clemson, South Carolina. Jennifer was chosen as her school's Teacher of the Year in 2001, and then the Cobb County Teacher of the Year in 2002. Soon after receiving this honor, she left the classroom to work as a lead teacher, but chose to return to teaching four years ago.

Her hobbies are varied, but one she never tires of is international travel and spending time with her extended family in the Virginia mountains. She is delighted to serve on the TRS board so she can represent the many educator friends she has who will depend on TRS in the future.



Ms. Rachel L. Willis

Ms. Willis is a third grade teacher at Morningside Elementary in the Atlanta Public School system. She received her B.A. in Government from Smith College, her Certificate in Elementary Education (P-5) from

Agnes Scott College, and her Ed.M. in Education Leadership from the Teachers College, Columbia University. Upon her graduation from Smith College, Ms. Willis joined the field of education in 2004 as a Teach for America corps member.

After teaching 2nd-4th grade, Rachel was named the 2009-2010 Atlanta Public Schools Elementary Teacher of the Year. The following year, Rachel was honored nationally as a Milken Educator Award recipient. The Milken Family Foundation honors early and mid-career teachers for what they have achieved and the promise they possess in impacting education in the future. In addition to serving on the TRS Board of Trustees, Ms. Willis was appointed by Governor Deal to serve on his Education Advisory Board in Feb. 2011.

Please join us in welcoming our new members and chair. TRS is looking forward to another productive year. ☘

FY 2013 Contribution Rates

Just a reminder that contribution rates will change this summer. In its meeting held July 27, 2011, the TRS Board of Trustees adopted the following employer and employee contribution rates:

Fiscal Year 2012-2013

Employer Rate: 11.41%

Employee Rate: 6.00%

These rate changes were determined based on the results of the results of the FY 2010 actuarial valuation and will become effective July 1, 2012.

If you have any questions, please contact our office. ☎

Retirement Handbooks

We are no longer printing or providing Retirement Handbooks. All of the information needed to apply for retirement is located on our website. Please encourage your retiring employees to apply for retirement online or download a copy of the Service Retirement Package from our website. Applying online expedites the retirement process, ensures better accuracy, and provides step-by-step instructions for the member.

If you have any questions, please contact one of our customer service representatives by calling (404) 352-6500 or (800) 352-0650. ☎

Summer 2012

Retirement Application Deadlines

Due to the high volume of new retirements submitted during the spring, receiving applications early will help ensure new retirees receive their first benefit check in the month they retire. Please keep the following dates in mind as we advance towards summer:

- June 1st retirees must complete and submit applications and paperwork to TRS by March 31, 2012 if they would like to receive their first benefit check in June.
- July 1st retirees must complete and submit applications and paperwork to TRS by April 30, 2012 if they would like to receive their first benefit check in July.

Applications received after these dates will be processed on a first-come, first-served basis. We do our best to accommodate everyone, but applications/forms received in our office by the deadlines listed ensure a timely retirement benefit payment. The retirement application is not complete until all of the following forms have been received by TRS:

- Application for Service Retirement
- Identification for members and beneficiaries
- State and Federal Tax Withholding Forms
- Affidavit of Residency*
- Retirement Certification Report (TRS-8) completed by your employer

If members have any service credit for which they are eligible to purchase, it must be purchased PRIOR TO RETIREMENT.

* Federal (8 U.S.C. § 1621) and State (O.C.G.A. § 50-36-1) statutes require verification of lawful presence in the United States when applying for public retirement benefits. Therefore, TRS must require that every member applying for either service or disability retirement complete a **notarized** Affidavit of Residency form. ☎



The 3 R's of Teacher Pension Plans..... Recruitment Retention Retirement



A new study analyzing the effectiveness of defined benefit (DB) pensions on teacher retention and productivity finds that pensions play a critical role in recruiting and retaining productive teachers.

This increases each school's level of effectiveness, thereby benefiting students. Additionally, DB pensions save school districts money by reducing expensive teacher turnover costs. More specifically, the new study, Three Rs of Teacher Pension Plans: Recruitment, Retention, and Retirement, finds that:

- Teacher effectiveness increases with experience. Education policy literature finds that teacher productivity increases sharply within the first few years of teaching. Thus, the more retention among mid-career teachers, the more the average teacher productivity within a school will increase.
- The cost of teacher turnover is quite high, both in terms of financial cost and loss of productivity to the school district. Additionally, public school teachers turn over less than private school teachers, largely due to their compensation, including pension benefits.
- DB pension plans help to recruit high quality teachers, and to retain highly productive teachers

longer, as compared with defined contribution (DC) individual retirement accounts.

- In 2003, DB pensions helped to retain an additional 22,000 teachers nationwide. Because longer tenured teachers are more effective teachers, the increased retention that DB pensions bring increases the overall quality of public education.
- Because the cost of teacher turnover is substantial, the retention effects of DB pension plans also save school districts money. In 2003, DB pensions saved school districts \$273.2 million nationally in teacher turnover costs.

Ilana Boivie, report author and economist with the National Institute on Retirement Security, said, "Education policy literature is clear: teachers become more effective as they gain experience. Research also shows that DB pension benefits, which provide a modest, reliable income in retirement, are an essential tool for retaining these highly effective teachers. Moreover, pensions help reduce the high cost of teacher turnover to school districts and taxpayers. These cost savings are a particularly important consideration

for state and local policymakers striving to improve education, yet continuing to struggle with highly strained budgets." ❧

Boivie, Ilana. "The 3 Rs of Teacher Pension Plans: Recruitment, Retention, & Retirement."

The National Institute on Retirement Security, Oct. 2011. Web. 09 Dec. 2011. <<http://www.nirsonline.org>>.

HAPPY HOLIDAYS

Everyone at TRS would like to wish you a happy holiday season and a healthy, prosperous New Year!



2011 Annual Membership Statement Online

In an effort to keep you updated about your retirement benefit, we have provided you with your account balance, the lump-sum value of your account (should you refund your contributions), various benefit projections, beneficiary information, as well as the service credit you have earned or purchased as a member of TRS.

If you are within 2 years of retirement (either because of your age or your years of creditable service) we do not provide you with benefit projections. Because you are so close to retirement, we recommend that you call our office and/or go online to make an appointment to visit one-on-one with a retirement counselor. This meeting affords you the opportunity to bring your spouse or a friend, receive benefit information specific to your situation, and ask questions.

To view or download your statement, please visit our website at www.trsga.com and log into your account or create a new one. ☞



TRS Live Chat

You've got questions and we've got answers!

It is now easier than ever to find the information you need at TRS! In an effort to expand the customer service we provide and answer your questions faster, we have added a Live Chat feature to our website. If you see the box above while you are surfing on our website and have a question, simply click inside the box and you will be connected immediately to a customer service representative. A "chat" window (see below) will open and you will be able to ask questions in real-time without ever having to pick up the phone. In addition to answering questions, TRS representatives are able to provide members with direct links to forms, information, and specific pages on our website that can enhance your experience on our site.

This service has been available for a few months and the feedback has been tremendous. Over 99% of members surveyed after using the Live Chat service said it met or exceeded their expectations. Members enjoy the ease of use and how quickly they are directed to the information they need. ☞



Pictured above is an actual screen shot from a TRS Live-Chat in action.

Online Retirement Application Process

In an effort to make applying for retirement easier and more efficient, members have the ability to apply for retirement online. Over 1,600 retiring members have successfully completed this process. Doing so is easy!

All you have to do is log into your account and click “Apply for Retirement.” You will then be prompted to provide information specific to your retirement. When the process is complete, a summary sheet is provided for your records. There are links to other forms not covered in the online process, as well as “Tips” to help make the process as easy and user-friendly as possible. So you are prepared, please note the following items needed to complete the retirement application process.

Items and Information Needed to Complete Your Application:

- Your Information:** name, address, daytime phone number, SSN, date-of-birth, copy of official ID (driver’s license, passport, birth certificate, immigration papers, or a state issued ID).
- Your Primary and Secondary Beneficiary’s Information** (you must choose at least one of each): name, address, SSN, date-of-birth, copy of official ID (see list above).
- Direct Deposit Information:** checking or savings account and routing numbers.
- Benefit Estimate:** you may use this as a reference to help you choose your monthly retirement benefit option and your PLOP payment (if applicable).
- PLOP Rollover** (if applicable): name, address, and phone number for rollover institution, type of rollover plan, and your rollover account number.
- Tax Withholding Amounts:** federal and state for monthly benefit payment, and PLOP if taking a lump-sum cash distribution.
- Your Alien Number Issued by the Department of Homeland Security or Other Federal Immigration Agency** (if applicable)



If you are unable to complete and submit your application, you may log back into your account and continue at a later date. Please note that your online application will only remain active for 45 days. After 45 days, your application is void and you must begin the process again. ☘