Start Thinking About Retirement

1 Retirement Plans

Formula

Your # of years of creditable service, including partial years (Example: 34.444)	X	2%	X	Your final average salary for the 2 highest consecutive years of membership service[1] ($5,536.83)	=	Your initial monthly benefit (under Plan A Maximum)[2] ($3,814.21)

[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.

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Eligibility

- **Service Retirement:** 30 years of creditable service regardless of age OR 10 years of creditable service and age 60.
- **Disability Retirement:** 10 years of creditable service and cannot perform current job.
- **Early Retirement:** Under age 60 with at least 25, but less than 30, years of creditable service. Penalty applies.

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Start Thinking About Retirement

1 Retirement Plans continued

• Plan Options

NO monthly benefit to beneficiary at death	Plan A Maximum	→	Max monthly benefit to retiree for life	→	Deplete C&I* account in 2 years	→	Any remaining funds paid to beneficiary in one lump-sum	
	Plan B Option 1	→	Reduced monthly benefit to retiree for life	→	Deplete C&I* account in 10-14 years	→	Any remaining funds paid to beneficiary in one lump-sum	
Monthly benefit to beneficiary at death	Plan B Option 2	→	Reduced monthly benefit to retiree for life	→	100% lifetime benefit to beneficiary	→	May have multiple beneficiaries	
	Plan B Option 3	→	Reduced monthly benefit to retiree for life	→	50% lifetime benefit to beneficiary	→	May have multiple beneficiaries	
	Plan B Option 2 Pop-Up	→	Reduction from Plan B Option 2 benefit	→	100% lifetime benefit to beneficiary	→	Only ONE beneficiary allowed	→ Retiree's benefit increases if beneficiary dies first
	Plan B Option 3 Pop-Up	→	Reduction from Plan B Option 3 benefit	→	50% lifetime benefit to beneficiary	→	Only ONE beneficiary allowed	→ Retiree's benefit increases if beneficiary dies first
	Plan B Option 4 (You choose amount (% or $))	→	Reduced monthly benefit to retiree for life	→	Customized lifetime benefit to beneficiary	→	May have multiple beneficiaries	

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* C&I: Contributions & Interest

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Start Thinking About Retirement

1 Retirement Plans continued

Partial Lump-Sum Option (PLOP)

- Only available under Service Retirement (early/disability retirement not eligible).
- May withdraw 1-36 months of Maximum benefit in a lump-sum at retirement.
- Monthly benefit is permanently reduced based on PLOP amount, your age, and plan option elected.
- Can be direct payment to you (at least 20% withheld in taxes) or rolled over into a qualified retirement plan (defer paying taxes).

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Cost-of-Living Adjustment (COLA)

- 1.5% may be awarded every January and July.
- COLA is tied to your "base" Consumer Price Index (CPI) and the "current" CPI.
- If you retire Jan 1 - June 1, you may receive your first COLA the following Jan.
- If you retire July 1 - Dec 1, you may receive your first COLA the following July.

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Sample Benefit Estimate

Scenario 1 **Service Retirement Estimate**
Retiring on 06/01/2013 with 34.444 years of service, including 0.444 years of estimated unused sick leave and 2.000 years of additional purchased service.

Estimate Information

Retirement Date:	06/01/2013	Age at Retirement:	64
Average Salary From Date:	9/2008	Average Salary To Date:	8/2010
Average Salary:	$5,536.83	Annual Increase:	0.00
PLOP Minimum:	4,000.00	PLOP Maximum:	137,000.00
Current Service:	31.000	Anticipated Sick Leave Service:	0.444
Anticipated Membership Service:	1.000	Anticipated Other Service:	2.000
Anticipated Total Service at Retirement:	34.444		

Additional Service	Service Credit	Beneficiary Name	Distribution
TRSGA Refunded Service	2.000	JOHN M SMITH	100.00%
Sick Leave	0.444		

Gross Monthly Benefit Information for Member and Beneficiary(ies)

Gross Monthly Benefit Paid to:	Maximum Plan	Option 1	Option 2	Option 2 Pop Up	Option 3	Option 3 Pop Up	Option 4
JACOB SMITH	$ 3814.21	$ 3782.06	$ 3509.07	$ 3432.41	$ 3655.16	$ 3612.44	$ 3805.44
PLOP Reduction per $1000	$ 8.00	$ 7.94	$ 7.36	$ 7.20	$ 7.67	$ 7.58	$ 7.99
JOHN M. SMITH	$ 0.00	$ 0.00	$ 3509.07	$ 3432.41	$ 1827.58	$ 1806.22	$ 100.00
			100 %		50 %		

Estimated benefit amounts are gross amounts. Your net benefit will vary based on taxes and other deductions.

This estimate is subject to audit and adjustment. If any information used to prepare this estimate changes, the amounts described above will also change.

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Start Thinking About Retirement

2 Creditable Service

• Membership Service

- For half-time or greater service as an active TRS member in Georgia.
- Awarded in 1-month increments based on fiscal year (July - June).
- 9 months = 1 year (8 months for academic faculty in the University system).

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• Unused Sick Leave

- May receive credit if you have not received payment of any kind for the leave.
- Maximum annual accumulation is 1¼ days of sick leave per month of actual service.
- Must have at least 60 days of unused sick leave to establish any credit.
- 9 months = 1 year of credit; 18 months = 2 years of credit, including academic faculty in university system.
- Each of your employers must certify your sick leave. Your last employer certifies sick leave after your last day of work.
- If sick leave records are missing from one or more employers, TRS will estimate the credit based on all available sick leave records and add the estimated days to the total recorded days.

Unused Sick Leave Credit Conversion Chart

Days of Unused Sick Leave	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

For each additional 20 days of unused sick leave, TRS awards one month of service credit.

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Start Thinking About Retirement

2 Creditable Service continued

- Service Purchases
  - If eligible, you may purchase service to retire earlier, avoid early retirement penalty, vest, or increase retirement benefit.
  - All service must be purchased prior to retirement. Beneficiaries may NOT purchase service in the event of your death in active service.
  - The longer you wait to purchase, the more it costs.
  - Types available include: Air Time, ERS Transfer Service, ERS Withdrawn Service, Maternity Leave Credit, Military Service, Out-of-State Service, Private School Employment, PSERS Credit, Retroactive Georgia Service, Retroactive Local Service, TRS Withdrawn Service, Visiting Scholar Credit, and Worker's Compensation Disability.

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Apply for Retirement Online

- Complete your Retirement Application online for a faster, friendlier, and easier experience.
- Login to your existing account. Then, on the Active Member Desktop, click on the "Apply for Retirement" tab.
- Follow the instructions available online. If the system detects an error, you will receive a message regarding the missing or incorrect information.
- Sign and mail TRS your summary sheet. Don't forget to include copies of official ID (must show date of birth) for you and your beneficiaries.

Note: When you apply to retire online, your employer gets an email notice of your intent to retire and a request for related personnel information.

TRS Resources

Website
www.TRSGA.com

Phone
(404) 352-6500
(800) 352-0650
(outside Atlanta-metro area)

Call Center Hours
8am - 5 pm, M - F

Office Hours
8am - 4:30pm, M - F

Other Resources

State Health Benefit Plan
(404) 656-4507
(800) 610-1863
(outside Atlanta-metro area)

Board of Regents Health Plan
(404) 656-2238

Social Security Administration
(800) 772-1213

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Start Thinking About Retirement

3 Beneficiary Issues

- Beneficiaries are based solely on the beneficiary information on file at TRS upon your death (not wills, divorce decrees, remarriages, etc.).
- If you retire and die within 30 days, your primary beneficiary may choose a monthly benefit for life (Plan B Option 2) or a lump-sum payment of your C&I account.
- Estates and institutions are not eligible to receive a monthly benefit, only a lump-sum payment.

Death in Active Service

NOT VESTED:
Primary beneficiary receives your C&I* account in a lump-sum

VESTED:
Primary beneficiary can choose:
1) monthly benefit for life (Option 2)
OR
2) your C&I account in a lump-sum

→ If you are vested and there is no surviving primary beneficiary, secondary makes choice.

Death & Divorce in Retirement (with selection of Plan B Options 2-4)

ONE PRIMARY BENEFICIARY

- If beneficiary dies before you, you can change beneficiary and/or plan (not to Plan A: Max).
- If you divorce and spouse is beneficiary, you can change beneficiary and/or plan.
- Your benefit will be recalculated upon either change.

MULTIPLE PRIMARY BENEFICIARIES

- If any beneficiary dies before you, you cannot change beneficiaries or plans AND benefit percentages will not be adjusted for remaining beneficiaries.
- If you divorce you may: 1) remove divorced spouse as beneficiary; and 2) reallocate benefit percentages to remaining beneficiaries. Your benefit will be recalculated.

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* C&I: Contributions & Interest

Pre-Retirement ☑ Checklist

24 months to retirement

- ❑ Familiarize yourself with TRS benefits:
  - Visit **www.TRSGA.com**
  - Read the Member's Guide.
  - Pay close attention to the 7 TRS retirement plan options, sick leave credit, beneficiary issues, and service credit purchases.
- ❑ Review your online TRS Membership Statement and the information contained in your online TRS account for accuracy and consider whether any service is available for purchase. If you find an error, contact TRS.
- ❑ Obtain a TRS retirement benefit estimate: 1) go to the "Generate Benefit Estimate" tab in your online TRS account (pulls real data from your account); or 2) call TRS to request one.
- ❑ Request an estimate of your retirement benefits from the Social Security Administration.
- ❑ Evaluate your other investments. When will these funds be available? What are the withdrawal options: lump-sum or recurring payments?
- ❑ Review your current living expenses and project what these will be at retirement. Will your income from all sources cover your projected expenses?
  - This is the time to begin preparing a retirement budget.
  - Consider hiring a Certified Financial Planner or other licensed financial advisor for individual advice on meeting your retirement goals.
  - In general, financial experts state that people need between 80% and 90% of their current income to maintain their standard of living in retirement. This includes your TRS benefit, Social Security benefit, defined contribution account (e.g., 403(b)), personal savings and investment income, and any income you may earn from working in retirement. Depending on your retirement goals, the income replacement you need can vary.
- ❑ Anticipate new or recurring expenses (e.g., car, medical, home repairs) and consider paying off some of these debts before you retire.
- ❑ Consider your tax situation. How much will you be required to pay in income taxes? Are there any special tax breaks on retirement income where you will live or when you reach a certain age?
- ❑ Time your retirement to fit your goals. Consider these items:
  - The time from your last paycheck to your first pension payment.
  - The date of your first potential cost-of-living-adjustment (COLA).
  - If you participate in a flexible benefits programs such as dental or life insurance, consider how your date of retirement will affect these benefits.
- ❑ Attend a half-day seminar sponsored by TRS with speakers on important topics, which may include:
  - Social Security
  - Estate Planning
  - TRS
  - State Health Benefit Plan
  - Board of Regents Health Plan

  Check the TRS website for dates and locations throughout the State, and to register online.

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Pre-Retirement ☑ Checklist

18 months to retirement

- ❑ Research medical insurance for you and your family and verify your post-retirement eligibility.
- ❑ Depending on where you work, contact either the State Health Benefit Plan or the Board of Regents Health Plan for information on continuing your health coverage in retirement.
- ❑ Go to **www.medicare.gov** for information on Medicare. Medicare typically starts at age 65 for most individuals. Depending on your situation, however, you might not actually enroll in traditional Medicare coverage. For example, a Medicare Advantage plan may be available.
- ❑ Consider long-term care insurance coverage for the high costs associated with nursing home care.
- ❑ Evaluate your life insurance needs in comparison to your coverage and consider any conversion rights, which would allow you to carry that coverage into retirement.
- ❑ Review your estate plan and make sure your will, trust, and/or power of attorney is up-to-date. Understand how your assets pass to others under state law.
- ❑ If you are purchasing service credit, plan it so your purchase will be paid in full prior to your retirement date. To count as creditable service, all service purchases must be completed before you retire.
- ❑ Attend a pre-retirement workshop sponsored by TRS (if you have not already attended a one-day seminar).

12 months to retirement

- ❑ Request another estimate from the Social Security Administration.
- ❑ Schedule a one-on-one counseling appointment with TRS. During this appointment, you will receive a benefit estimate and the opportunity to ask questions and receive information specific to your retirement. You are more than welcome to bring your spouse, or a guest, with you. You may make an appointment at the TRS Atlanta office or login to your TRS account for a listing of counseling appointments available across the state.

6 months to retirement

- ❑ If you have any questions about your TRS benefit, now is the time to get them answered. A TRS representative can be reached by calling (404) 352-6500 or (800) 352-0650 (outside metro-Atlanta).
- ❑ Now it's time to decide which TRS retirement plan option is best for you. Once you have decided on a retirement plan option and date, you can complete and submit your retirement online at www.TRSGA.com. Your online application includes a section where you will indicate whether or not you wish to pursue unused sick leave credit with any previous TRS-covered employer and your last TRS-covered employer.

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Pre-Retirement Checklist

6 months to retirement continued

- ❑ If you plan to work after you retire from TRS, make sure you read and understand the criteria listed in the "Working After Retirement" section of our website. All TRS covered employment must be reported to TRS, as these earnings could affect your TRS pension and/or Social Security benefits.
- ❑ Locate and make copies of acceptable photo identification (must show date of birth) for yourself and all of your beneficiaries. You will need to include the copies when you send in your retirement application summary sheet to TRS.

3 months to retirement

- ❑ Ensure that any service credit for which you are eligible to purchase is paid for prior to your retirement date. You will not be permitted to purchase any service credit once you retire.
- ❑ If you have not submitted your online TRS retirement application, along with the other forms required for TRS to process your retirement, please do so now. Please submit your application no earlier than 6 months, but no later than 2 months, prior to your anticipated date of retirement if you want to receive your first check on time. Waiting could cause a delay, especially if an unexpected issue arises. To avoid losing any benefits, TRS must receive your application by the last day of the month in which you retire.
- ❑ Notify your personnel office of your intent to retire. Note that when you apply to retire online, your employer gets an email notice of your intent to retire and a request for related personnel information.
- ❑ Contact the State Health Benefit Plan or Board of Regents Health Plan again to see if any plan provisions or rules changed that you would need to know about prior to your retirement.

! retired at last

- ❑ Your first check will be mailed out around the middle of the month of your effective retirement date. All subsequent checks will be electronically deposited to your account on the 1st business day of each month. You should receive your retroactive sick leave benefit, if applicable, within 1-2 months after retirement.
- ❑ If you decide to work for a TRS covered employer while receiving a retirement benefit from TRS, you must contact our office prior to employment. Any earnings could affect your TRS pension and/or Social Security benefits. By law, you may not have verbal or written communications with a TRS-covered employer about returning to work until on or after your effective date of retirement.

This handout and pre-retirement presentation are intended for educational purposes only. The content is not meant to be advice. We encourage all members to contact representatives at the State Health Benefit Plan, Board of Regents Health Benefit Plan, Social Security, and licensed financial advisors, tax advisors, or CPA's for specific, individual advice.
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TRS Workshop Evaluation

Thank you for attending a Teachers Retirement System of Georgia (TRS) workshop. Please help us enhance the services TRS provides by completing this evaluation.

Name (optional): _____

Email (optional): _____

Workshop Location: _____

Date of Workshop: _____ Presenter: _____

Type of Workshop: ❑ Pre-Retirement ❑ New Member ❑ Mid-Career ❑ Retiree

1 Please indicate your impression of the statements listed below.

	Excellent		Average		Poor
	5	4	3	2	1
The presenter was knowledgeable.	❑	❑	❑	❑	❑
The topics were adequately explained.	❑	❑	❑	❑	❑
The presenter had an effective presentation style.	❑	❑	❑	❑	❑
The workshop content was organized and easy to follow.	❑	❑	❑	❑	❑
The workshop was helpful.	❑	❑	❑	❑	❑
How do you rate the workshop overall?	❑	❑	❑	❑	❑

2 Please tell us what you found most valuable about this workshop.

_____

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3 Please provide us with suggestions for improving this workshop.

_____

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You may give your completed evaluation to the presenter or fax to 404-352-4885. Thank you for your feedback!

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