



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 benefits and retirement. 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 State Legislature to provide retirement security to those citizens of Georgia who choose to dedicate their lives to educating the children of Georgia. 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 highest two consecutive years of membership salary. Upon becoming eligible and upon termination of employment, you may retire and commence receiving a lifetime monthly benefit from TRS.

Also, since TRS is a defined benefit plan, the retirement benefits promised to you as an active member, or being paid to you as a retired member, are guaranteed in Georgia law.

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. Because TRS administers a defined benefit plan established by the State Legislature, benefit changes, such as early retirement incentives and formula increases, must be enacted by the Legislature.

The information in this Member's Guide is based on the Official Code of Georgia Annotated, Title 47 (Chapters 1, 3 and 20). This guide is not intended as a substitute for the laws of Georgia governing TRS nor will its interpretation prevail should a conflict arise between its contents and Title 47. Furthermore, the laws summarized here are 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 TRS 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 now access and update your information at anytime!**

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

Registering for a TRS online account is an easy process. Just visit www.trsga.com, click on the Active Members or Retirees tab, click on Account Management/Login and either login to your existing account or sign up for a new one.

Should 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. – 5:30 p.m. EST

OFFICE HOURS

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

Table of Contents

Members	4
Contributions.....	4
Salary Limitation	5
Eligibility for Retirement Benefits.....	5
Retirement Benefit Formula	5
Creditable Service.....	6
Payment of Service Purchases.....	6
Air Time	6
ERS Withdrawn Service.....	6
Maternity Leave	7
Membership Service.....	7
Military Service.....	7
Out-of-State Service.....	8
Private School Employment.....	9
PSERS	10
Study Leave.....	10
TRS Withdrawn Service.....	10
Unused Sick Leave	11
Visiting Scholar	12
Workers Compensation Disability	12
Membership Status.....	12
Leaves of Absence	13
Vesting	13
40 Years of Service.....	13
Survivor’s Benefits	14
Beneficiary Updates.....	14
Plans of Retirement.....	15
Primary and Secondary Beneficiaries at Retirement.....	17
Changes in Plan of Retirement and Beneficiary Designation	18
Retirement.....	18
Effective Date of Retirement.....	18
How to Apply for Service Retirement.....	19
How to Apply for Disability Retirement.....	19
When Are Benefits Paid.....	20
State Health Benefit Plan and Dental Coverage.....	21
Federal and State Income Taxes.....	21
Cost-of-Living Adjustments.....	22
Social Security Offset.....	22
Working After Retirement	22
Termination—Withdrawing Your Funds.....	25
Your Annual Member Statement	25
Glossary of Terms.....	26
Appendix A: Plans of Retirement	29
Appendix B: Unused Sick Leave Credit Conversion Chart.....	30
Appendix C: Working After Retirement.....	31
Directions to the TRS Office	32

Members

All employees who are employed one-half time or more in covered positions of the state's public school systems, regional libraries, county libraries, and regional educational service agencies are required to be members of the Teachers Retirement System of Georgia (TRS) as a condition of employment. Likewise, employees in covered positions of the University System of Georgia are required to be members of TRS unless eligible for participation in an optional retirement plan administered by the University System's Board of Regents. Covered positions include teachers, administrators, supervisors, clerks, teacher aides, secretaries, paraprofessionals, public school nurses and employees of the Agricultural Extension Service.

Other persons eligible for TRS membership include certain employees of the State Department of Education and the Department of Technical and Adult Education. Public school lunchroom, maintenance, warehouse and transportation managers and supervisors are also eligible for membership.

Public school personnel who are not eligible for membership in TRS are maintenance and custodial employees, school bus drivers, and cafeteria workers. Temporary and emergency employees are also ineligible for membership. Substitute teachers are considered temporary employees and are not eligible for membership in TRS.

Any **vested** member of TRS 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 each case a written election must be made to the Board of Trustees of the respective retirement

system within sixty 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 of TRS currently contribute 5% of earnable compensation to TRS by payroll deduction. 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 also contributes to TRS. The employer contribution helps fund TRS for current and future retirement benefits and is not part of any individual member's account.

Effective with salaries paid to members for and after July 1, 1987, contributions are made on a before-federal tax basis. Effective with salaries paid for and after January 1, 1990, contributions are also made on a before State of Georgia income tax basis.

In accordance with Georgia law, your funds with this retirement system 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.

Salary 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.

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 one-twelfth 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 under the disability provisions of the law if you are an active member, have at least 9 ½ 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, two percent is multiplied by your years of

creditable service established with TRS, including partial years (not to exceed 40 years). This product is then multiplied by your average monthly salary for your highest consecutive twenty-four months of membership service. The resulting product is your monthly benefit under the Maximum Plan of retirement.

Except as noted below any nine or more months of service within a fiscal year would constitute a full year of service credit. Also, salary earned for any nine 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 one-eighth year of service credit for each month of membership service. The salary earned during any eight or more months will also constitute a full year of salary.

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 – two percent multiplied by the total years of creditable service times the average monthly salary for the highest consecutive twenty-four months of membership service. The resulting product is the monthly disability retirement benefit under the Maximum Plan. There is no age requirement for disability retirement.

Average Salary Limitation

There are certain limitations on the amounts of salary increases TRS can use to calculate retirement benefits for individuals who become members after June 30, 1984. The specific limitation is determined each year by the General Assembly's appropriation for salary increases for the ensuing year. Please refer to our website for the current salary limitation.

After determining a member's consecutive twenty-four months of membership service which produce the highest average salary, and represents at least two years of creditable service, a base year is determined for the average salary limitation against which the first of the two highest years is compared. The resulting allowable salary for the first of the highest two years is then compared to the second of the highest two years.

Minimum Retirement Benefit

Retired members are guaranteed a minimum retirement benefit of \$17.00 per month for each year of creditable service, to a maximum of forty 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 exact 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 one year in the last five 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 one-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. The cost to purchase this additional service credit is the full actuarial cost of the additional service. Because the cost of Air Time depends on the total service you have, TRS recommends purchasing all other types of service before purchasing Air Time. Should you decide to purchase another type of service credit after Air Time is purchased, you will be billed for any additional cost of the Air Time. To request a cost calculation for this service, contact our office.

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.

- 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. In calculating interest charged for more than three withdrawals from ERS, the regular rate for repayment of all withdrawn accounts is increased by an additional 2% for each withdrawal exceeding three.

If you have not withdrawn your contributions from ERS, 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 one-half months of credit may be awarded for each pregnancy with a maximum of six months allowable for all pregnancies. The cost to purchase the service credit for Maternity Leave is the full actuarial cost. If you wish to establish credit for periods of maternity leave, please send your request in writing and submit a birth certificate or other proof of the specific pregnancy.

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 one year of service if they have at least eight months of service during a fiscal year.

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

Military Service

TRS law contains several provisions which provide for the establishment of up to five years of retirement credit for periods of active duty military service in the armed forces of the United States.

Credit for service rendered during periods of national emergency (World War II, the Korean Conflict and the Vietnam Era), 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 six 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.

The official dates of these three periods of national emergency are as follows:

- World War II - Dec. 7, 1941 - Dec. 31, 1946,
- Korean Conflict - June 27, 1950 - January 31, 1955,
- Vietnam Era - August 5, 1964 - May 7, 1975.

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 five 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, 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. The military draft has been in effect as follows:

- September 16, 1940 - March 31, 1947,
- June 24, 1948 - July 1, 1973.

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.

Credit for ordered military duty such as service in “Operation Enduring Freedom” may be established with TRS if your covered employment was interrupted for the ordered service. The cost will be payment of employee contributions by the member and payment of employer contributions by the employer. All ordered military duty service must be purchased within five years from termination of the ordered military duty.

Retirement credit for certain qualified military service may be established by members whose TRS covered employment is interrupted by such service on or after July 1, 1996. The “qualified service” includes service with any of the armed forces of the United States. In order to be eligible to establish credit for qualified military service the member must notify TRS no later than six months from the date of resuming employment. In addition, the service must be purchased no later than three times the length of the qualified service or within five years, whichever is shorter.

To apply for military service credit, please submit a copy of your separation papers (DD-214) showing your dates of active duty military service.

Except for “ordered military duty” and certain “qualified service” rendered after July 1, 1996, the maximum amount of military service credit allowable is five years.

Out-of-State Service

After completing six years as a contributing member of TRS, you may establish one year of credit for service rendered in a public educational institution of another state. With the completion of each additional year of Georgia service thereafter, you may establish an

additional year of out-of-state service, to a maximum of ten years.

Out-of-state service may be established **only** if the out-of-state employment, had it been rendered in Georgia, would have made you eligible for membership in TRS. Types of employment, which cannot be established, are private school employment, less than half-time employment, temporary employment and student employment. Also, credit cannot be established if you are receiving, or are eligible to receive, now or in the future, any retirement benefits for that service from another state, county or municipality, or federal retirement program excluding social security.

Subject to the same eligibility requirements for out-of-state service, creditable service may also be established for teaching service in American Dependents' Schools, schools operated by the Bureau of Indian Affairs of the U.S. Department of the Interior and teaching service in the public schools of the Virgin Islands, Puerto Rico, Guam and the District of Columbia. Such service must be included in the maximum of 10 years of service allowable under the out-of-state provisions of TRS law.

To establish out-of-state service you should first obtain an Out-of-State Teaching Certification form. This form should be submitted to the school system(s) where the service was rendered so that the dates of employment, total service and annual salaries can be verified by a current official.

Verification is also required from the respective teacher's retirement system of the other state certifying that you are not receiving, or eligible to receive, now or in the future, retirement benefits from that state based on the service you wish to establish with TRS. Please do not postpone this process until you are near retirement as the documentation of out-of-state service normally takes some time to obtain.

Your cost for out-of-state service is the total applicable 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 creditable 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;
- After completing six consecutive years as a contributing member of TRS, you may establish one 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 ten years.

A member who desires to establish creditable service for private school employment must provide satisfactory documentation to TRS of the period of employment and that the private school was accredited during that period of employment. Certification of Georgia Private School Employment forms are available from the TRS office or from our website.

The cost to purchase this service is the full actuarial cost of the additional service. You should purchase any other types of service you are eligible to purchase before purchasing private school employment. If other service is purchased after the purchase of private school employment you will be billed for any additional cost of the 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 have service credit with TRS and PSERS 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 six 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 five years following the period of graduate study.

- 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 six 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. 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.
- 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. In calculating interest to be charged for repayment of more than three withdrawals, the regular rate of repayment of all withdrawn accounts is increased by an additional 2% for each withdrawal exceeding three.

Unused Sick Leave

At retirement, TRS members can establish credit for unused sick leave earned with current and previous employers. Based on Georgia law, 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. This law has been communicated and practiced by TRS since 1998 when sick leave credit was first enacted into law.

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 at the time of retirement 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 for Georgia teaching service including repurchased Georgia teaching service and service transferred from local retirement plans. Georgia law, however, does not permit unused sick leave credit for the following service:

- out-of-state
- military

- Employees' Retirement System of Georgia
- Public School Employees Retirement System
- study leave
- maternity leave
- air time
- private school service

Creditable sick leave accumulates at a maximum rate of 1¼ days per month. If you worked in a system which awards more than 1¼ days per month, your earned total will be reduced by TRS to meet this standard. If you worked in a system which awards less than 1¼ days per month, no adjustment will be made. Members with questions regarding sick leave rate of accrual should contact their employer.

While sick leave credit cannot be used to achieve a vested status, it can be added to your creditable service at the time of your retirement. Total creditable service cannot exceed a maximum of 40 years.

Procedure

At the time you apply for retirement, you must have current and past employer(s) certify the total unused sick leave balance on a Retirement Sick Leave Certification form. Each employer is responsible for reporting to TRS and detailing the unused sick leave or verifying its lack of records. For only 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.

Awarding of Credit

Unused sick leave credit is awarded on the basis of one month of service for every twenty days of sick leave. Nine months of sick leave credit are equal to one year of service irrespective of the number of months worked per year.

TRS will calculate sick leave credit after receiving all Sick Leave Certification forms. The current employer must submit the form after your last day of work. If you had multiple Georgia employers, you may request that the previous employers submit the 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 one year of unused sick leave credit to obtain 30 years of service,) is encouraged to contact TRS for an estimate of his/her unused sick leave credit prior to retirement. In order to provide an estimate of unused sick leave a Sick Leave Certification form 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.

Please see the Retirement Handbook, located on our website under Publications, for additional information regarding calculating sick leave when records do not exist.

Visiting Scholar Credit

A maximum of two 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 twelve months and must be applied for within six 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 one year out of any five consecutive years. Therefore, you may have a break in your covered employment of up to four years and retain your active account. If you are out of service for more than four 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 one year of membership service.

You may be eligible to reinstate your inactive account if you have less than one 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 four-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 Board of Trustees. To be eligible for a leave of absence, you must be an active member whose contributions have not been withdrawn. You must return to covered employment by the end of the leave of absence in order to retain an active account.

Allowable leaves of absence, for the purpose of extending the duration of your active account beyond the four-year period include:

Maternity or Adoption

A leave of absence of an additional year may be granted for each child adopted or born to a member while on authorized leave.

Documentation in the form of a physician's statement or adoption papers will be required when you apply for the additional leave.

Illness

A leave of absence may be granted because of illness, which prevents you from rendering service upon which TRS membership is based. A physician's statement will be required when you apply for the additional leave.

Study

A leave of absence of up to two years may be granted for study purposes. The period of study

must be continuous. For information about how retirement credit may be established for periods of full-time graduate study, see page 9.

Military

A leave of absence may be granted for periods of service in the armed forces. For information about how retirement credit may be established for periods of service in the armed forces, see page 7.

Vesting

A member with at least ten 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.**

Application for benefits can be made during the six-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 forty years of creditable service, you may elect to discontinue your contributions to TRS. This election is irrevocable. Further, your employer is required to discontinue deducting retirement contributions from your salary after you have completed forty 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 contributions since by making contributions on the increased salaries your average salary for your highest consecutive twenty four months of salary upon which retirement benefits are based, could be higher.

Survivor's Benefits

When a member dies before retirement with less than 10 years of service

If your death occurs before retirement, and at the time of your death you have less than ten years of creditable service, a lump sum refund of your contributions and interest will be paid to your primary beneficiary. If your primary beneficiary(ies) has predeceased you, the lump-sum refund will be made to any surviving secondary beneficiary(ies). If all of your primary and secondary beneficiaries have predeceased you, a refund of your accumulated contributions and interest will be made to your estate. In the event that you have not designated a beneficiary and you have a surviving spouse, the refund will be made to your surviving spouse.

With 10 or more years of service

In the event of your death before retirement, and if you have at least ten years of creditable service, your beneficiary(ies) has a choice of either a monthly benefit for life or a lump sum refund of your contributions and interest. The monthly benefit payable to the beneficiary 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 and selected Plan B, Option 2 (the 100% survivorship option).

If only one primary beneficiary is designated and still living at the time of the active member's death, that individual would receive the entire available benefit. If you have designated more than one primary beneficiary,

the lump sum refund of your account will be divided equally among those named, unless you have designated a percentage to be paid to each beneficiary. If there are no surviving primary beneficiaries, the secondary beneficiary(ies) has the same option to a monthly benefit for life as the primary beneficiary(ies).

Beneficiary Updates

When you became a member of TRS you should have designated a primary and, perhaps, a secondary beneficiary. This election was made on your membership application or via your online TRS account. TRS law requires that the settlement of your TRS 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 with TRS, 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 TRS settlement at 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 TRS account in the Active Member Account Management/Login section of www.trsga.com.

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.

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 be 100% of the available benefits or lump-sum settlement of your contributions and interest. 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 designate a plan of retirement on the application form. Your choice will determine if you receive the maximum benefit available to you or if monthly survivors benefits will be provided for 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 you start drawing a monthly retirement benefit you cannot change your plan of retirement except under limited conditions as covered in “Changes in Plan of Retirement” on page 18.

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.

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. Based on the amount of the lump-sum distribution, the monthly retirement benefit is then calculated to be the actuarial equivalent of the retirement benefit without a lump-sum distribution.

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. If a PLOP distribution is elected, your monthly benefit is actuarially reduced to reflect the value of the PLOP distribution. The combination of both the PLOP distribution and the reduced benefit are the same actuarial value as the unreduced normal benefit alone.

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.

Plan A - Maximum Plan

This plan produces the largest possible monthly lifetime benefit for you, the member, during your lifetime. Under this plan, the total of your contributions and interest at the time of your retirement will be reduced each month by your full gross monthly benefit. At your death, all monthly benefits stop. If your death occurs prior to your having been paid total monthly benefits equal to your accumulated contributions and interest in TRS, the balance of your accumulated contributions and interest will be paid in a lump-sum to the beneficiary(ies)

designated on your application for retirement. In most cases, your contributions and interest will be depleted within 18 months of retirement; however, your benefits will be continued throughout your life. If there are no surviving beneficiaries at the time of your death, any applicable lump-sum payment would be paid to your estate. If you select the Maximum Plan of retirement, you may change your beneficiary designations at any time after retirement.

To estimate your monthly lifetime benefit for the Maximum Plan you can use the retirement formula (2% times years of creditable service, times your highest consecutive twenty four months of membership salary) or you may refer to the pension calculator on our website.

Plan B - Option 1

Plan B Option 1 offers a lifetime monthly benefit slightly reduced 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 beneficiary and you become divorced, you may change your plan of retirement.

Survivorship Plans

Under Plan B, TRS offers five options that allow you to provide a continuing monthly benefit to a survivor(s) after your death. If you select a survivorship plan, **the amount of your monthly benefit will be reduced** actuarially to allow for the monthly payment for life, both to

you, and then after your death, to your designated beneficiary(ies).

The amount of the reduction in monthly benefits (cost of the option) depends on your age and the age of your beneficiary(ies). 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 the monthly benefit (the cost of the option is greater).

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 select one of the survivorship plans of retirement you cannot change your beneficiaries after retirement except as specifically provided by law (see *Changes in Plan of Retirement and Beneficiary Designation* on page 18).

Option 2

Plan B Option 2 offers a reduced monthly lifetime benefit based on your age and the age of your beneficiary(ies). This option guarantees that at your death, your named beneficiary(ies), if living, will receive a lifetime benefit equal to the amount you were receiving at the date of your death.

You may designate multiple beneficiaries to receive lifetime monthly benefits and specify the percentage to be paid to each beneficiary. If two 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 *Changes in Plan of Retirement and Beneficiary Designation* on page 18).

Option 2 Pop-Up

Plan B 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 equal to 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 can only designate one primary beneficiary.*

Option 3

Plan B Option 3 offers a reduced monthly lifetime benefit based on your age and the age of your beneficiary(ies). This benefit guarantees that at your death, your named beneficiary(ies), if living, will receive a lifetime benefit equal to one-half of the amount you were receiving at the date of your death.

You may designate multiple beneficiaries to receive lifetime monthly benefits and specify the percentage to be paid to each beneficiary. If two 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* on page 18).

Option 3 Pop-Up

Plan B 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 equal 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 can only designate one primary beneficiary.*

Option 4

Plan B 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 available to you. If multiple beneficiaries are designated and one 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.

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 the retirement application for any survivorship plan 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 one or more

beneficiaries and you may change your beneficiaries at any time as long as there remains money to be refunded. Should your beneficiary predecease you, you may select another. If, at your death, you do not have a beneficiary selected or your beneficiary 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, any remaining contributions and interest will be refunded to your secondary beneficiary.

We suggest that as long as your beneficiary is alive and money remains in your account, you list a person or organization as your secondary beneficiary rather than your estate as it is possible that you and your primary beneficiary could both die leaving funds to be paid to your estate, which may already be closed.

Changes in Plan of Retirement and Beneficiary Designation

If you select a survivorship option, you can change your plan of retirement or your designation of beneficiary(ies) only as specifically stated in TRS law.

- If your beneficiary is to receive survivor's benefits after your death and the beneficiary predeceases you, you may change your plan of retirement and you may designate a different beneficiary. The resulting benefit would be of the same actuarial value as the benefit you were receiving prior to the change.
- If you named your spouse to receive survivor's benefits after your death and you become divorced you may change your plan of retirement and you may designate a different beneficiary. The resulting benefit would be of the same actuarial value as the benefit you were receiving prior to the change.
- If you terminate your retirement, become a member again and subsequently retire you may select a different plan of retirement and designate different beneficiaries upon your re-retirement.

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.

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 employer.

How to Apply for Service Retirement

You will need to complete the **Application for Service Retirement**, and depending on your situation, certain other forms as well. The **Retirement Handbook**, which contains the forms and information to apply for retirement, is available on our website in the Forms drop-down menu and under Publications. You will need to complete all of these forms according to the instructions and submit them to TRS. We recommend you submit your retirement application, and all other applicable forms, to TRS six (6) months prior to the date you wish to retire.

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.

At the same time you submit your application to TRS, you must contact your employer and request that they complete and submit a **Retirement Certification Report** form to TRS. Your retirement application is not complete and your benefits cannot be calculated until your employer submits this form.

If you wish to designate more than one beneficiary, you should use the **Designation of Multiple Beneficiaries** form in connection with your application.

In the event you wish to pursue receiving sick leave credit towards retirement, a **Sick Leave Certification** form must be completed by current and past employers and submitted to

TRS. Your current employer will not be able to submit your final sick leave records until after your termination date; therefore, your monthly benefit payment may be adjusted retroactively for crediting of sick leave.

NOTE: 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 recommends that you begin soliciting the necessary information (i.e. sick leave, out-of-state-service) from these parties before you begin the retirement process. TRS cannot process your retirement application until ALL necessary documentation is received from all necessary parties. Also, the sooner you establish credit, such as out-of-state service credit, the less it will cost.

In addition to the documents described above, you are also required to submit a photocopy of personal identification containing the date of birth for yourself and your beneficiaries. Acceptable forms of identification include driver's license, a certified birth certificate, passport, immigration papers, or state ID issued in lieu of a driver's license. Retirement applications will not be processed without these documents; therefore, the personal identification should be submitted with your application.

NOTE: if you have other types of service (i.e. military, out-of-state, study leave, etc) that you may be eligible to establish as creditable service with TRS, you must do so prior to the effective date of your retirement. Once your retirement becomes effective you will no longer be eligible to establish any additional service.

How to Apply for Disability Retirement

A TRS active member who is mentally or physically disabled, and who has at least 9 ½ 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 **Disability Retirement Handbook**, which contains the forms and information you need to apply for retirement, is available on our website in the Forms drop-down menu and under Publications. There are forms that must be completed by you, your employer, and your medical care provider(s) as well as instructions for completing and filing the application.

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 medical 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. If your records provide insufficient information about the disabling condition(s), we will arrange a special examination or test to be performed by an appropriate health care provider to gather the necessary information. 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.

Applications 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.

As a reminder, if you have other types of service (i.e. military, out-of-state, study leave, etc) that you may be eligible to establish as creditable

service with TRS, you must do so prior to the effective date of your retirement. Once your retirement becomes effective you will no longer be eligible to establish any additional service credit.

When are Benefits Paid?

Your first retirement benefit payment 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 issued at the first of each month. With the exception of your first benefit payment, your TRS 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 all of your retirement 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, all of your paperwork 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 retirement paperwork after the end of March will have their retirements processed on a first come, first serve basis. Even though additional staff is assigned during this peak period to help us serve you better and to assist you in avoiding the stress of a potentially delayed benefit, we strongly encourage all retiring members to submit their retirement paperwork early in the year.

For retirees other than summer retirees your retirement paperwork 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 any health care benefits for retirees. However, if you are eligible and wish to participate in the State Health Benefit Plan after retirement, you will be automatically enrolled with the same coverage as when you were actively employed. If you decide to modify your existing coverage, please contact the SHBP for approval.

TRS will deduct the monthly premium from your benefit payment for only those retirees whose enrollment forms have been approved by the State Health Benefit Plan. **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 calling (404) 656-4507 or via their website www.dch.georgia.gov.

Dental Coverage

TRS does not administer any dental benefits for retirees. However, if your employer participates in the State of Georgia Flexible Benefits Program, TRS will deduct the monthly premium from your benefit payment. 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 will deduct the monthly premium from your benefit payment for only those retirees whose enrollment forms have been approved by the Flexible Benefit Program. **TRS does not**

determine eligibility for participation in the plan and does not provide information or forms required for enrollment in the plan.

Specific questions regarding the Flexible Benefits Program can be addressed by calling (888) 968-0490 or (404) 656-2730 or via their website www.gms.state.ga.us.

Federal Income Tax

A major portion (usually 95-98%) of the benefits you receive from TRS are subject to federal income tax. The calculation of the exact taxable amount and the monthly non-taxable exclusion amount is made during the regular processing of your retirement application. 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 7/1/87 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 election of withholdings is made with an IRS form W-4P, obtainable from the IRS or the TRS website. If this form is not received by TRS by the time your retirement application is processed, the IRS requires taxes to be withheld as though your tax marital status was married with three exemptions. The IRS requires TRS to inform you that if the election is made **not** to have tax withheld from the 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.

In January of each calendar year, you will be mailed a completed IRS form 1099R, showing the benefits paid, the taxable amount and any taxes withheld for the preceding calendar year. Form 1099R, along with information sent with

your first retirement check, is for your use in filing your annual federal income tax return.

State Of Georgia Income Tax

The monthly benefits from TRS are subject to Georgia income tax for Georgia residents. TRS will withhold Georgia income tax from your monthly benefits upon receipt of a properly completed form G-4, Employees Withholding Allowance Certificate. The form 1099R, which is sent to you in January of each calendar year, will also show the amount of any withholdings for State of Georgia income tax. 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.

Cost-of-Living Adjustments

Cost-of-living adjustments, based on increases or decreases in the Consumer Price Index (CPI), are granted to eligible retirees of TRS. The adjustments are made every six months on January 1 and July 1 and are compounded. If the CPI increases or remains the same, the adjustment will be 1½ %.

However, this adjustment is not automatic - it can be less if the CPI decreases. If the effective date of your retirement is from July 1 through December 1, you will be eligible for an adjustment on the subsequent July 1st. If the effective date of your retirement is from January 1 through June 1, you will be eligible for an adjustment on January 1 of the following calendar year. Beneficiaries of deceased retired members who receive a monthly benefit will continue to receive the cost-of-living adjustments that the retired member had been receiving, and will continue to receive adjustments in January and July of each year.

If you retire on service retirement with less than 30 years of creditable service and are under age 60, you will be eligible for cost-of-living adjustments after reaching age 60 or after you

would have obtained 30 years of creditable service, whichever occurs earlier.

Social Security Offset

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). For more information on the offset, ask the Social Security Administration for their publication, *Government Pension Offset* (No. 05-10007).

The other way is called the "windfall elimination provision," and it affects how your retirement or disability benefits from Social Security are 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. For more information on the offset, ask the Social Security Administration for their publication, *A Pension From Work Not Covered By Social Security* (No. 05-10045).

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.

Working After Retirement

If you plan to work in a TRS covered position after you retire, it is important that you read the following information and notify TRS of your plans

immediately. All employment of a TRS retiree must be reported by your employer to TRS prior to employment. You have the ability to be employed on either a full-time or part-time basis under certain terms and conditions stated below and in the chart on page 31. TRS will review all work of a retiree on a monthly basis just as it does all active members. The following applies only to retirees under service retirement in TRS covered positions. There are no limits to your employment with an employer who does not participate in TRS.

No Working Immediately After Retirement

Georgia law requires that you must have a **break-in-service** of at least one month (if your retirement date is July 1, you can begin working no earlier than August 1). If an employer does employ you during the month of your effective date of retirement, your employer must reimburse TRS for that month's benefit paid to you. If you fail to inform your employer of your effective date of retirement, then you will be required to reimburse your employer for the retirement benefit the employer has reimbursed to TRS.

Part Time - Hourly & Salaried

If working part-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.

Full Time - Temporary & Full Time

You may be employed on a full-time temporary basis for three months in a fiscal year and continue receiving monthly benefit payments; however, the full time position must be paid at the normal contracted compensation.

Georgia law allows you to teach full-time if you retired on a service retirement prior to December

31, 2003 (your effective date of retirement must be December 1, 2003 or earlier). You may teach full-time (pre-kindergarten through grade 12) and continue to receive monthly benefit payments in the capacity of a full-time classroom teacher, principal, superintendent, counselor, improvement specialist or librarian. To learn more please refer to the Retirees section "Working in Retirement" on our website.

Contractual

If you are engaged in an independent contracting relationship with a TRS covered employer in a position which would normally be held by a teacher or administrator as determined by the Board of Trustees, your compensation is limited to one-half 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 contract must be submitted to TRS prior to the effective date of the contract. This amount will be adjusted by an annual cost-of-living adjustment. Compensation exceeding this limitation will result in reimbursement to TRS by the employer for all benefits wrongly paid. If you have any doubt about the amount of compensation you are receiving, please contact TRS.

If you are employed by an entity (e.g. partnership, corporation, etc) doing business with a TRS covered employer your compensation may be limited to one-half of the average annual compensation used to calculate your retirement benefit or the final compensation at the time of your retirement, whichever is greater. 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 - Paraprofessionals & Substitutes

You may be employed as a paraprofessional in a less than full-time capacity. The full-time status for a paraprofessional is determined by your employer. If you retired on a service retirement, you may engage in unlimited substitute 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. In addition, private school teaching, out-of-state public school teaching, working in the private industry or employment by a Georgia state agency will not affect your retirement benefits.

Reporting Employment to TRS

Service Retiree

ALL employment with a TRS covered employer must be reported. The TRS staff will evaluate your employment with regard to continuing your monthly benefit. In the event your employment is in a position covered by TRS, you will have the choice to suspend or terminate your retirement account. See *Working After Retirement*, beginning on page 22, for more information.

Disability Retiree

You must report ALL employment, including self-employment, to TRS. Because of salary limitations for disability retirees, the TRS staff is required to monitor your income on a regular basis and reduce your monthly benefit if necessary. See *Working After Retirement*, beginning on page 22, for more information.

Annual Audit of Employment of TRS Retirees

Department of Audits will be performing detailed audits of employment records searching for TRS retirees. Any discrepancies will be investigated and, if necessary, retirement benefits may be terminated and/or funds collected for benefits wrongly paid.

Stop Retirement – Return to Service

If you decide to return to work in any capacity other than what is listed in this section as acceptable employment, you may work one-half time or greater in a TRS-covered position and either suspend or terminate your retirement benefit.

If you choose to suspend your benefit:

- Your benefit payments will stop.

- Employee and employer contributions will not be made on your behalf and you will not accrue additional service credit.
- Cost-of-living adjustments (COLA) will not be applied to your monthly benefit during the suspension period.
- You may not change your plan of retirement or designated beneficiary.
- Your monthly benefit payment will be reactivated and COLAs will begin again when you terminate your TRS covered employment.

If you choose to terminate your benefit:

- You may choose to terminate instead of suspend retirement if it is to your advantage to accrue additional service credit and salary in an effort to increase your monthly benefit upon re-retirement.
- You will become an active TRS member. Employer and employee contributions will be made to TRS based on your earnable compensation, and additional service credit will be accrued.
- If you are re-employed in a TRS covered position for a minimum of four months, you must apply for re-retirement benefits. Your benefit will be calculated using your original benefit payment, plus a benefit based on the additional service and salary.
- If you remain an active TRS member for at least two years, you will be eligible to repay all the monthly benefit payments you previously received, plus interest, and retire as though retirement benefits had not previously been received.
- Cost-of-living-adjustments (COLA) will not be applied to your monthly benefit during the termination period.

Additional Information Available

If you are considering employment with a TRS covered employer after retirement, you should consult the TRS website and/or contact TRS for more detailed information.

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 terminated from TRS covered employment; and therefore, are not eligible for a lump-sum payment.

Your 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 or rollover IRA. You cannot elect a rollover to a Roth 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, you will 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 in your employer's payroll office or from the TRS website. Please read the instructions on the form carefully and fully complete the application to avoid delays in processing your refund. A copy of your driver's license, certified birth certificate, passport,

immigration papers, or a state ID issued in lieu of a drivers license must accompany this application.

Your Annual Member Statement

A comprehensive statement of your account is prepared for each fiscal year in which your employer reported retirement contributions for you. The individual statements are distributed through your employer, usually in October of each year. **You may now also view your statement online.** Please refer to page 2 *Your TRS Online Account and Contacting TRS*.

Information on your statement includes:

- years of service credit established with TRS;
- interest credited to your account on June 30 (currently at the rate of 4½%);
- 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 member 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 current TRS member account is both accurate and current.

Glossary of Terms

1. Active Member: person employed in a TRS covered position accruing service toward retirement. Active members must contribute to TRS at least one year in the last five consecutive years.

2. Annuity Balance: member contributions and interest accumulated to date toward a pension benefit.

3. Average Salary: the calculated average of a member's monthly salary for the highest consecutive twenty-four (24) months of membership service.

4. Beneficiary: upon the death of the member, person designated to receive either a monthly retirement allowance or a lump-sum distribution from TRS. (also see Primary and Secondary Beneficiary)

5. Benefit Options: the Plan of Retirement (one of seven available) selected by the member by which retirement benefits are paid to a retiree and/or beneficiary(ies).

6. Consumer Price Index (CPI): a statistical measurement prepared by the Bureau of Labor Statistics to measure changes in the price of goods and services bought by most people in the United States.

7. Cost of Living Adjustment (COLA): an increase in monthly benefits tied to increases in the CPI.

8. Covered Employment: positions eligible to participate in TRS. Positions include teachers, administrators, supervisors, clerks, teacher aides, secretaries, paraprofessionals, public school nurses and employees of the University System of Georgia.

9. Creditable Service: time accumulated by a member through covered employment with a TRS

employer or other service purchased under the provisions of Georgia law.

10. Date of Service Retirement: the first of the month following termination from TRS covered employment and receipt of a retirement application in the TRS office.

11. Defined Benefit Plan: a pension plan that provides a member with a lifetime monthly benefit based on a formula that includes years of service and average earnable compensation.

12. Disability: a mental or physical impairment certified by a medical board that incapacitates the member from performance of duty in TRS covered employment.

13. Disability Retirement: when a member terminates TRS covered employment and begins receiving a benefit for which he or she is eligible based upon a disability.

14. Early Service Retirement: a reduced benefit payable to a member who retires prior to attaining the requirements for a full service retirement.

15. Earnable Compensation: monies payable to a member for full, normal working time and may include monies paid to the member by an employer from grants or contracts made by outside agencies with the employer. All monies paid by an employer for a member or by a member into any plan of tax-sheltered annuity are included in earnable compensation. Earnable compensation shall not include overtime, travel allowances or salary for a secondary position, such as night school.

16. Employee Contributions: a percentage of earnable compensation contributed by members, through an automatic payroll deduction, to TRS.

17. Employer: the State of Georgia, a county or independent board of education, the State Board of Education, the Board of Regents of the University System of Georgia, or any other agency of and within this state by which a teacher is paid.

18. Employer Contributions: a contribution made by the employer to TRS calculated using a percentage of earnable compensation to the employee. The employer contribution helps fund TRS for current and future retirement benefits and is not part of any individual member's account.

19. Fiscal Year: for TRS, the period beginning July 1st of one calendar year and ending June 30th of the following calendar year.

20. Half Time or More: twenty (20) or more hours per week.

21. High Salary: the calculated average of a member's monthly salary for the highest consecutive twenty-four (24) months of membership service.

22. Lost Member or Lost Membership: a member whose account becomes inactive.

23. Lump-Sum Refund: the distribution of all employee contributions and interest in a member's account. Members may request a refund if they terminate employment. The refund does not include the employer contributions to TRS.

24. Lump-Sum Settlement: a one-time payment of contributions and interest remaining in a deceased member's account made to the designated beneficiary(ies).

25. Membership Service: time accumulated by a member through employment with a TRS employer.

26. Multiplier Factor: the percentage used in the retirement benefit formula to determine the member's monthly retirement annuity; currently set

at two percent. The multiplier factor is set by Georgia law.

27. Normal Service Retirement: an unreduced monthly benefit payable to a member who has met the requirements for retirement. The requirements are attainment of age 60 with at least 10 years of service or completion of 30 years of creditable service at any age.

28. Option Factors: an actuarially determined variable used to calculate a monthly benefit when members select a lifetime monthly benefit for a designated beneficiary(ies).

29. Pension: lifetime monthly benefit payments to retired TRS members and/or their beneficiaries.

30. Permanent Disability: a certified medical condition that prevents performance of duties of an active member. The certification is made by the TRS Medical Board based on a member's medical records.

31. Plans of Retirement: the method selected by the member by which retirement benefits are paid to a retiree and possibly the beneficiary(ies).

32. 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.

33. Pop-Up: a benefit option that includes a survivor benefit to a beneficiary. If the beneficiary predeceases the retiree, the retiree's monthly benefit reverts to the Maximum Plan.

34. Primary Beneficiary: a person designated by a member to receive a benefit, if available, upon the death of an active member under all plans of retirement. Only the primary beneficiary(ies) can receive a monthly benefit under a survivorship plan.

35. Retiree: the recipient of a monthly retirement benefit from TRS.

36. Retirement Beneficiary: the person named by a member to receive a benefit upon the member's death.

37. Retirement Benefit Formula: the method used to calculate a TRS retirement benefit based on the two percent multiplier factor, years of service, and average monthly salary.

38. Rollover: a tax deferred distribution from a qualified retirement plan [401(a), 403(a), 401(k)]; a tax sheltered annuity 403(b); a governmental 457 plan; or a traditional or rollover IRA that is transferred directly to another qualified retirement plan or IRA. TRS accepts rollovers only for purchase of creditable service.

39. Secondary Beneficiary: the recipient of a refund of any remaining employee contributions and interest following the death of the retiree and the primary beneficiary. A secondary beneficiary is never eligible to receive a monthly benefit under any plan of retirement.

40. Service Purchase: payment for additional service credit as provided in Georgia law.

41. Service Retirement: a monthly benefit payable to a member who has met the requirements for retirement. The requirements are attainment of age 60 with at least 10 years of service or completion of 25 years of creditable service.

42. Substitute Teacher: a teacher employed in a TRS covered position as a temporary replacement for another teacher. Substitute teachers are considered temporary employees and are not eligible for membership in TRS.

43. Survivorship Plan: a plan of retirement that will provide a continuing monthly benefit to the surviving beneficiary(ies) after the death of the retiree. Under a survivorship plan, the amount of the monthly benefit will be reduced actuarially to allow for a monthly payment for life to the retiree and then after his or her death a monthly benefit for life to the designated beneficiary(ies).

44. Teacher: as defined in Georgia law, a person employed half-time or more in a TRS covered position.

45. Temporary Employee: any employee whose term of employment does not exceed three months in any fiscal year.

46. Termination: the end of TRS covered employment.

47. Vested: the right to a retirement benefit after 10 years of creditable service and attainment of age 60, provided the TRS contributions have not been withdrawn.

48. Withdrawal: the refund of accumulated employee contributions and interest to a member after the member terminates TRS covered employment.

Appendix A

Plans of Retirement – Which Plan is Right?

This chart shows some of the advantages and disadvantages of each plan. The detailed description of each plan is on pages 15 – 17.

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

* Exceptions exist. See “Changes in Plan of Retirement and Beneficiary Designations” on page 18.

Appendix B

Sick Leave Credit

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
370 - 389	19 months
390 - 409	20 month
410 - 429	21 months
430 - 449	22 months
450 - 469	23 months

Appendix C Working After Retirement

	Retired With TRS Pension From this Agency:			
Retiree Returning Full-Time to:	BOR	DTAE	DOE	Local BOE
BOR	NOT allowed, including switch to ORP	Allowed under ORP Must elect ORP within 60 days of employment	Allowed under ORP Must elect ORP within 60 days of employment	Allowed under ORP Must elect ORP within 60 days of employment
DTAE	Allowed under ERS Must elect ERS or PSERS within 30 days of employment	NOT allowed, including switch to ERS	Allowed under ERS Must elect ERS or PSERS within 30 days of employment	Allowed under ERS Must elect ERS or PSERS within 30 days of employment
DOE	Allowed under ERS Must elect ERS within 30 days of employment	Allowed under ERS Must elect ERS with 30 days of employment	NOT allowed, including switch to ERS	Allowed under ERS Must elect ERS within 30 days of employment
Local BOE	Allowed under PSERS Must elect PSERS within 30 days of employment	Allowed under PSERS Must elect PSERS within 30 days of employment	Allowed under PSERS Must elect PSERS within 30 days of employment	NOT allowed, unless new position <i>in</i> retirement is different from position <i>prior</i> to retirement; Position must be covered under PSERS and election must be made within 30 days of employment. OR Eligible under HB 495

Directions to the TRS Office

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.

