

Answers to Common Questions from Retired Members

This brochure was written for members who have been retired for more than one year.

It covers some the common questions TRS receives from annuitants.

Annual Occurrences

Expect a 1099-R Form

If you received a TRS benefit in the last year, the Office of the Comptroller will mail an IRS Form 1099-R to you by January 31 in the new year. This form will report your income received from TRS during the previous year and the taxable portion of that income.

Box 5 on your 1099R form sometimes causes confusion for members. The text in Box 5 states “employee contributions or insurance premiums.” The monetary amount listed in Box 5 is actually the non-taxable portion of your TRS benefit. It represents the contributions you made as an employee that were already taxed before you retired. If you subtract the taxable income from the gross distribution listed in Box 1, the resulting difference should be the amount in Box 5.

Increases in annuity

As an annuitant, you will receive a 3 percent annual increase in your annuity if you have made contributions equivalent to one year of creditable service after June 30, 1969. You will receive the increase on the later of:

- January 1 following your first anniversary in retirement or
- January 1 following the date you reach age 61.

The increase is effective in January of each year and is reflected in the payment you receive in February. When we calculate the first increase, we include increases for the entire time you have been in retirement. This first increase is calculated by determining the number of years that have elapsed since you retired and the effective date of your initial increase. This increased benefit continues until the next annual increase of 3 percent is applied.

Post-Retirement Limits

While you are receiving a retirement annuity, certain restrictions apply. These restrictions include: where you may accept employment, the types of positions in which you may be employed, and the number of days and hours you may work.

Employment limitation

You may be employed by any college, university, or private school without limitation. In addition, you may be employed by a school district in a position not covered by TRS without limitation. You may also be employed in public school systems outside the state of Illinois without limitation.

If you retired under the Retirement Systems Reciprocal Act, you should contact each system for the employment limitations that apply.

This section does not cover specific limitations for annuitants in their first year of retirement because this brochure targets members who have been retired for more than one year.

100 days/500 hours limitation

Following the school year in which you last contributed to TRS, you may be employed in a TRS-covered position for up to 100 paid days or 500 paid hours per school year and still receive a retirement annuity.

If you exceed the employment limitations during any school year,

- we must be notified,
- your retirement annuity will be suspended,
- you will re-enter active membership, and
- your employer must remit TRS contributions on all creditable earnings after the employment limitations are exceeded.

Teachers' Retirement Insurance Program (TRIP)

TRIP is a comprehensive program of quality health care coverage for retired teachers and their eligible dependents. The program offers two types of plans: medical indemnity and managed care. Plan participants enrolled in TRIP have prescription drug coverage available.

In order to join TRIP, you must be receiving a monthly benefit from TRS and have at least eight years of creditable service.

Enrollment Periods

- At retirement.
- When you turn 65.
- When coverage is **involuntarily** terminated by a former plan.

- During the Benefit Choice Period, if you have never been enrolled in TRIP.

You may enroll dependents when you enroll in the program, the dependent turns 65, a change in family status occurs, or coverage is terminated by a former plan.

Social Security Offsets

TRS will never reduce your TRS benefit because of Social Security benefits. However, the Social Security benefits of many eligible members will be reduced because of public employment not covered by Social Security. Only the SSA can provide this information.

The Windfall Elimination Provision (WEP) may reduce your Social Security benefit based on your record. The Government Pension Offset (GPO) may reduce your Social Security benefit based on your spouse's record.

You must report changes in your TRS benefits (such as your annual increases) to the SSA because such changes may affect the Social Security amount you receive.

Medicare

If you are eligible for Social Security coverage on your own work record, you will receive Medicare Part A coverage at age 65. You may have Medicare Part A coverage (hospital insurance) at age 65 if your spouse is at least age 62 and has worked in Social Security-covered employment long enough to be insured, even if your spouse is still working. Anyone may enroll in Medicare Part B (medical insurance); there is no work requirement.

Three months prior to when you turn 65, contact the SSA/Medicare and apply for

Medicare benefits. Social Security will determine if you are eligible for Medicare or not. If eligible, Medicare will send you a Medicare card or awards letter with the effective date of eligibility. Please send a copy of the card or awards letter to the TRS Insurance Department.

If you are eligible for Medicare Parts A and B, you will be enrolled at the lower Medicare Primary rate. If you are currently enrolled in TRIP, you must respond with documentation of the Medicare determination when you turn 65 or you may experience claim problems.

Medicare coverage is not reduced in any way because of the WEP or the GPO.

Death Benefits

The Member Information and Beneficiary Designation form allows you to designate beneficiaries to whom death benefits will be distributed. You initially completed this form when you became a TRS member. Periodically check your designation, especially if you have changed your marital status. Verify your designation by reviewing it online in the secure Member Account Access area of the TRS website or by calling us at (800) 877-7896.

Questions

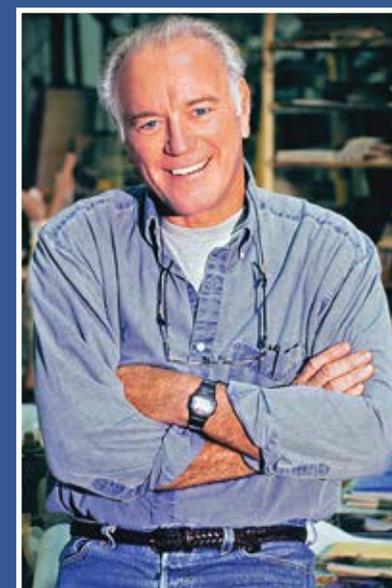
For more information about the topics covered in this brochure, please visit our website, <http://trs.illinois.gov> or call us toll free at (800) 877-7896.

Teachers' Retirement System of the State of Illinois

2815 W. Washington | P.O. Box 19253 | Springfield, IL 62794-9253
members@trs.illinois.gov | <http://trs.illinois.gov>
(800) 877-7896 | for the hearing impaired: (866) 326-0087

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Retirement Information for TRS Annuitants



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