



TRS Pension Press

West Virginia Teachers' Retirement System

January
2010

*Serving Those Who Serve
West Virginia*



TRS Receives PLANSPONSOR Award

In March of last year PLANSPONSOR magazine awarded their annual **Plan Sponsor of the Year** award to the WV Teachers' Retirement System (TRS) in the *Public Sector/State* category. The award recognizes public sector organizations which demonstrate leadership and commitment to providing a more secure retirement for workers.

TRS was acknowledged specifically for overcoming major funding uncertainties and surviving plan structural changes spanning over a twenty year period. The approach to funding for TRS for many years had been a pay-as-you-go system until the State converted to actuarial funding in 1991, at which point, the defined benefit plan was closed to new hires and the defined contribution system (TDC) was created for new hires as well as 4,000 existing TRS members who voluntarily transferred into TDC. However, due to lower contribution rates in the TDC Plan and conservative investments choices by TDC members, it became clear in 2005 that the defined contribution plan was woefully underfunded.

Through concerted efforts by State officials in both the Executive and Legislative branches, an ultimate solution to the underfunding problem was found in 2008 when teachers and school service personnel were given an opportunity to transfer from the defined contribution plan (TDC) that was created in 1991 back into TRS, the defined benefit plan. This most recent transfer has provided TRS with a cost savings of \$6.8 million realized through contributions from new hires and the asset transfer. To read the full article printed in the March 2009 issue of PLANSPONSOR magazine, visit our **TRS Page** at www.wvretirement.com/TRS.html

Do You Know Who Your Beneficiaries Are?

Beginning next year, the pre-retirement beneficiary designations you currently have on file with the CPRB will appear on your annual **Statement of Contributions & Interest**. TRS statements are mailed each year in the Fall/Winter to payroll locations and then distributed to individual employees.

Upon receipt of your annual statement it will be important to review and verify the accuracy of not only your contributions and years of service but also your retirement beneficiary designations. This is especially important if you have recently been married, divorced, become the parent of new child or experienced the loss of a spouse. Please complete the enclosed **TRS Pre-Retirement Beneficiary** form and return it to the CPRB so that we may update our records. It is imperative that you include all information requested on the form, including social security numbers, dates, addresses and appropriate signatures.

When completing a TRS Pre-Retirement Beneficiary form you may elect to name multiple primary and/or secondary beneficiaries. Be certain when assigning multiple primary and/or secondary beneficiaries to indicate what percentage of distribution each beneficiary is to receive. Keep in mind that the percentage column must total 100%. Please note that if you omit to assign a distribution percentage to each beneficiary named, all primary or secondary beneficiaries will share equally in your benefits.

Look Inside: TRS Statistics ~ TRS Q & A ~ TRS Outreach Seminars

**TRS STATISTICS AS OF
JULY 1, 2009**

ACTIVE MEMBERS
35,701

RETIREES
29,245

%FUNDED
41.3%

ASSETS (IN MILLIONS)
\$3,554.77

UNFUNDED ACCRUED
LIABILITY (IN MILLIONS)
\$5,053.10

State Holidays 2010

CPRB offices will be closed on the following days:



- Friday, January 1 - New Years Day
- Monday, January 18 - Martin Luther King Day
- Monday, February 15 - President's Day
- Monday, May 31 - Memorial Day
- Friday, June 18 - West Virginia Day
- Sunday, July 4 - Independence Day
- Monday, September 6 - Labor Day
- Monday October 11 - Columbus Day
- Thursday, November 11 - Veterans Day
- Thursday, November 25 & Friday, November 26 - Thanksgiving
- Friday, December 24 - Christmas Eve

**CPRB
Annual Report
and
Audited
Financial
Statements**

*Now Available on
CPRB's Publications
Page:*

www.wvretirement.com/Publications



Economic Challenges and Your Retirement Benefits

Concerns and questions are understandable during an economic downturn with regard to the security of retirement benefits. Often times, members are uncertain of the impact of the global marketplace on State equities investments. It is important to understand that TRS is a guaranteed annuity plan defined by the Internal Revenue Service Code as a 401(a) governmental retirement plan. Specifically, defined benefit (DB) public pension plans are pre-funded by monthly employer and employee contributions which are guaranteed for the lifetime of the member regardless of fluctuations in the marketplace.

TRS investments are managed by professional consultants retained by the West Virginia Investment Management Board who are bound by the provisions of the Uniform Prudent Investor Act. [WVC §§44-6c-1 et seq.] Moreover, public pension funds are subject to well-structured accounting rules and State oversight of investment decisions, fund performance and reporting. Indeed, the National Institute for Retirement Security (NIRS) conducted a study of public pension plan investment behavior over several decades and found that public plan investments "rebalance when the market prices swing, systematically follow best investment practices and avoid excessive risk taking". NIRS concluded that DB plans, "... increase retirement security, stabilize the economy and reduce reliance on public assistance...[benefiting] employees, employers and taxpayers alike." (National Association of State Retirement Administrators [NASRA Newsletter], Fall 2009)

West Virginia Legislature

The 60 day Regular Session begins Wednesday, January 13, 2010

To access the Legislature's Bill Status System:
http://www.legis.state.wv.us/Bill_Status.cfm

To search the legislative database to find your State representatives:
http://www.legis.state.wv.us/Districts/district_zip/zipmems.cfm

To access updates on daily legislative activities:
http://www.legis.state.wv.us/daily_sum/today.cfm

**Q & A
Corner**

Q: *I am 50 years old and have been a teacher for 26 years. Am I currently eligible for retirement?*

A: No. To receive full retirement benefits under the Teachers' Retirement System you must meet several age and/or service requirements. To retire at age 60, you must have 5 or more years of service; if you are 55, you must have 30 or more years of service. An eligible retiree may receive full benefits at any age if they have 35 years or more of credited service. One may also retire with reduced benefits before the age of 55 if they have between 30 and 35 years of service.

Q: *I have been a teacher for 14 years but recently had to rely on donated leave due to an illness in my family. Will this donated leave apply toward my retirement service credit?*

A: No. Donated leave does not count toward your retirement service credit. However, at retirement, any unused leave balance credited to you may be used to purchase service if you are covered under PEIA. For further questions regarding donated leave, please contact a Retirement Advisor.

Q: *I have heard the term "final average salary" used in regards to retirement calculations. What is final average salary and how does it affect my retirement?*

A: The term "final average salary" (FAS) refers to an average of your five highest fiscal year salaries out of your last fifteen years of contributing service (these tend to be the last five years of your service). For example, to calculate your benefits for Straight Life Annuity a Retirement Advisor will use the following equation: **Final Average Salary x Years of Service x 2%**. Please remember that calculating benefits for other annuity options (100% Joint & Survivor, 50% Joint & Survivor, 120 Payments) may rely on additional factors.

TRS Retirement Planning Seminars

Our Teachers' Retirement System (TRS) Planning Seminars were well received this past Fall. TRS members from across the State attended our regional seminars in September 2009 and took advantage of the opportunity to ask questions of our TRS staff regarding their retirement options and benefits.



Our Annual TRS Retirement Planning Seminars will be offered again in the Fall of 2010. Plan to attend one of our outreach seminars and become better informed about the provisions of your TRS benefits. Seminars will be held at various locations throughout the State, no registration will be necessary. Visit our CPRB Outreach Page for more detail at

www.wvretirement.com/Outreach.html



Online Resources

www.wvretirement.com

Visit our newly redesigned Home Page

FORMS

CRPB TRS Page:

www.wvretirement.com/TRS.html

Access the Following Forms and More:

- Benefit Estimate Request Form
- Pre-Retirement Beneficiary Form
- Request for Disability Packet
- Change of Name Form
- Loan Packet for Active Members Hired Prior to July 1, 2005
- Loan Payments Remittance Form
- Request to Purchase Permissive Service Credit

BENEFIT CALCULATOR

CPRB Calculator Page:

www.wvretirement.com/Calculator.html

CONTACTS

CPRB TRS Contacts Page:

[www.wvretirement.com/Contact-TRSh.html](http://www.wvretirement.com/Contact-TRS.html)

IMPORTANT REMINDER:

CPRB offices are open every **Tuesday** until **8pm** for your convenience if you wish to schedule a Retirement Advising appointment. If you are planning to retire July 1st you will need to contact our TRS Staff to verify your retirement eligibility and to request a Benefit Estimate and Retirement Packet prior to meeting with a Retirement Advisor.

Please remember that you will need to schedule an appointment if you would like to meet with a Retirement Advisor. Shortly after scheduling, you will be contacted by our Reception Staff confirming your appointment. A Retirement Advisor may be able to answer many of your initial questions over the phone.



TRS Pension Press
Published by CPRB



Contact Us

WV Consolidated Public Retirement Board
 4101 MacCorkle Avenue, SE
 Charleston, WV 25304
304.558.3570

www.wvretirement.com

**Free parking available onsite*



OFFICE HOURS

8:00 AM to 5:00 PM

(Monday, Wednesday, Thursday, & Friday)

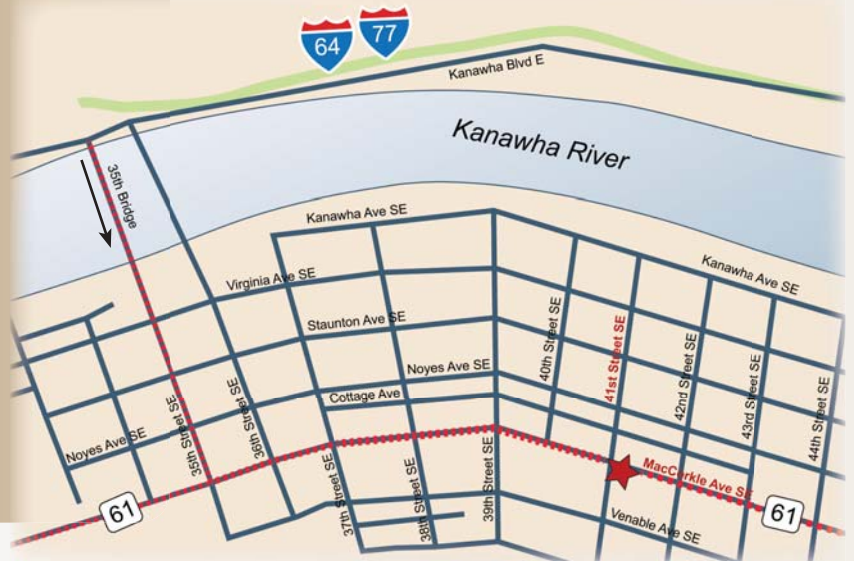
8:00 AM to 8:00 PM (Tuesday)

Map & Directions

Our offices are easily accessible from Interstates I-77 and I-64. Our facility provides street level access to reception services and individual client rooms for retirement advising.

DIRECTIONS FROM I-79:

- TAKE I-79 SOUTH TO I-77 SOUTH TOWARD CHARLESTON
- CONTINUE ON I-77S TO EXIT 98 (35TH STREET BRIDGE)
- CONTINUE STRAIGHT ON 35TH STREET BRIDGE
- TURN LEFT AT THE LIGHT ONTO WV-61 MACCORKLE AVENUE SE
- TURN RIGHT ONTO 41ST STREET.
- CPRB IS IMMEDIATELY ON THE LEFT AT THE INTERSECTION OF 41ST STREET AND MACCORKLE AVENUE



DIRECTIONS FROM I-77:

COMING FROM 77 NORTH:

- TAKE I-77S/64 TOWARD CHARLESTON
- CONTINUE ON I-77S TO EXIT 98 (35TH STREET BRIDGE)
- CONTINUE STRAIGHT ON 35TH STREET BRIDGE
- TURN LEFT AT THE LIGHT ONTO WV-61 MACCORKLE AVENUE SE
- TURN RIGHT ON TO 41ST STREET
- CPRB IS IMMEDIATELY ON THE LEFT AT THE INTERSECTION OF 41ST STREET AND MACCORKLE AVENUE

COMING FROM 77 SOUTH:

- TAKE I-77N/64 TOWARD CHARLESTON
- TAKE EXIT 95 (MACCORKLE AVENUE SE/WV-61N)
- 4101 MACCORKLE AVENUE SE WILL BE ON YOUR LEFT
- TURN LEFT ONTO 41ST STREET
- CPRB IS THE FIRST BUILDING ON THE LEFT AT THE INTERSECTION OF 41ST STREET AND MACCORKLE AVENUE