

2015 CPRB WEBINAR

TRS Tier II



Welcome TRS Benefit Coordinators

Microsoft Live Meeting Instructions

If you have questions for our Chief Operating Officer during the presentation you will have the opportunity to use the Microsoft Live Meeting Q&A feature to ask questions about **TRS Tier II** member benefits and payroll reporting. Tier II questions will be answered by our presenter at the end of the presentation.

Select the **Q&A** option on the top menu bar of the Live Meeting console. Click in the *Type a question for the presenter* box. If you have multiple questions, simply click *Edit* and type your next question in the same box. Click *Ask* to post each question (Note: Clicking the **X** will delete all questions).

Use the Live Meeting **Feedback** feature on the top menu bar of the console for all other questions. Click the Feedback pull down menu and choose a color coded option (Need Help, Can't Hear, Slow Down, Question). A meeting administrator will be contacted through a private live chat to assist you. Be certain to click the green **Proceed** option under *Feedback* once your question has been answered.



Senate Bill 529

Senate Bill 529, effective March 18, 2015, was passed during the 2015 Regular Session of the WV Legislature and signed into law on April 3, 2015.

In addition to other things, the provisions of **SB529** created a second tier of retirement benefits for those eligible to be a member of the Teachers' Retirement System (TRS) who are hired for the first time and first become a member of TRS on or after July 1, 2015.

“Hired for the first time and first becomes a member on or after July 1, 2015”

- *What exactly does this mean?*
 - Anyone who has never been employed with any TRS employer before in a position which would qualify them for TRS participation (i.e. regularly employed for full-time service working 5 days per week).
 - This would mean someone who has been in a substitute position for 2 years who becomes regularly employed on August 3, 2015 for the first time.
- *It does not mean:*
 - Someone who worked for a TRS employer, even if it was a different county or TRS employer, in the past even if it was 20 years ago.
 - Someone who has withdrawn their retirement contributions and has not paid them back to TRS.

New Enrollment Forms & TRS Tier II Brochures

- TRS will be sending out New Enrollment forms and TRS Tier II brochures to employers.
- The Enrollment form will ask questions to help you determine which Tier of benefits they are eligible for so you can provide them the proper brochure.
- **Please be certain to provide the correct brochure to new hires.**
- If you or the new hire are uncertain as to which Tier of TRS benefits they will be eligible for, please contact Jessica McCullough, TRS Enrollment, at (800) 654-4406 ext. 52455 for assistance.

Amendments Affecting TRS Provisions

- Military service credit (affects both Tier I and Tier II employees)
- Regular retirement age
- Deferred retirement age
- Early/Reduced Retirement age
- Vesting
- Retirement eligibility
- Use of unused sick and annual leave at the time of retirement for additional retirement service credit
- Teachers Retirement System (TRS) and Public Employees Retirement System (PERS) reciprocal service credit

Amendments Affecting TRS Provisions

Military service credit



TRS Military Service Credit

- Existing TRS members who do not qualify for the non-contributory Draft military service credit and those first hired on or after July 1, 2015 may purchase up to 60 months of active military service if:
 - 1) Existing member completes at least a complete fiscal year of contributory service after July 1, 2015 or a new member completes at least a complete fiscal year of contributory service after date of hire and submits a request to purchase military service on a TRS form during these 12 months (this form will be posted to the CPRB website at www.wvretirement.com);
 - 2) Active military duty occurs prior to the date on which the member first becomes an employee of a participating public employer; and
 - 3) The employee pays the actuarial reserve purchase amount within 48 months after July 1, 2015 for existing TRS members, or 48 months after the date on which the employee and employer contributions are first received for future employees hired for the first time on or after July 1, 2015 and while he/she is still employed with a participating public employer and still making contributions to TRS; if the employee ceases employment prior to completing the purchase in full, he/she is not eligible to purchase.

TRS Military Service (cont.)

- Military service purchase can be made by lump sum or in installment payments.
- Interest of 7.5% will accrue on outstanding balance until paid in full.
- TRS staff will send out cost after the one (1) complete fiscal year information has been submitted to TRS.
- Employee can purchase all or part of their eligible military service (1 month or up to 60 months) of qualifying (i.e. active duty service of at least 30 or more consecutive calendar days, honorable discharge) military service.
- If installment payment option is selected, the member must execute a contract specifying the number of months being purchased and the payments required.

TRS Military Service (cont.)

- Military service will be computed by adding the total number of days in each period of active military duty eligible to be purchased, and divide by 30; fractions of 0.5 will be rounded up
- If an employee is employed for the first time after July 1, 2015, works 8 months, quits, then is re-employed at a later date for one (1) complete fiscal year...he/she could request a cost and purchase eligible military service after the one (1) complete fiscal year service and contributions have occurred. (Cost will be greater because age is greater.)
- USERRA military service purchases are still eligible under USERRA laws for those called to active duty while employed.

TRS Tier II Provisions

Regular & Deferred Retirement Ages

Regular retirement age increases to age 62 for an employee who goes directly into retirement with no break in service.



Deferred retirement (when an employee has a break in service between employment and retirement) age increases to 64 for those with less than 20 years of TRS service, and age 63 for those with 20 or more years of service.

TRS Tier II Provisions

Early/Reduced Retirement Ages

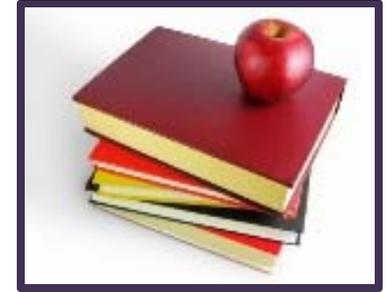
- An employee who is working may elect to take a reduced annuity between the age of 60 and 62 so long as he/she has 10 years of contributing service.
- An employee who is working with 20 or more years of service may elect to take a reduced annuity between the age of 57 and 62.
- An employee who is working with 30 or more years of service may take a reduced annuity between the age of 55 and 62.

Amendments Affecting TRS Tier II Provisions

Vesting / minimum years of service for an annuity increases to
10 years of contributing service.



TRS TIER II Provisions



Teachers Retirement System (TRS) & Public Employees Retirement System (PERS) Reciprocal Service Credit

- Those who first become a member of TRS on or after July 1, 2015 must be employed for 10 years under TRS and 10 years under PERS to receive reciprocal service credit.
- Those who first become a member of TRS on or after July 1, 2015 may not use compensation amounts received under PERS in TRS final average salary calculation and vice versa.

Options no longer available to TRS TIER II members



- Accrued unused sick and annual leave eligible to purchase additional retirement service credit.
- Retire at any age with 35 years of service.
- Retire at age 55 with 30 years of service.
- Retire with a reduced annuity at an age of less than 55 with 30-35 years of service.

Questions?

