

TEACHERS' RETIREMENT SYSTEM TIER II

The State Teachers' Retirement System (TRS) was established on July 1, 1941 for the purpose of providing retirement benefits for teachers and school service personnel. During the 2015 Legislative session, legislation passed creating a second tier of retirement benefits for those hired for the first time and first become a member of TRS on or after July 1, 2015 (Tier II). TRS is a defined benefit plan that currently has approximately 41,594 active members and 36,394 retirees. An active member contributes 6% of his or her gross monthly salary into TRS and the employer contributes an additional 7.5% of the member's gross monthly salary into TRS.

TIER II RETIREMENT BENEFITS

In order to qualify for regular retirement benefits, a Tier II member of TRS must meet eligibility requirements.

A Tier II member who is working in covered employment at the time of retirement may:

- ✂ **Retire** with full benefits at age 62 with 10 or more years of service, excluding non-USERRA purchased military service.
- ✂ **Retire** with reduced benefits at age 60 with 10 or more years of service, excluding non-USERRA purchased military service.
- ✂ **Retire** with reduced benefits at age 57 with 20 or more years of service, excluding non-USERRA purchased military service.
- ✂ **Retire** with reduced benefits at age 55 with at least 30 years of contributing service, excluding non-USERRA purchased military service.

A member with 10 or more years of service who terminates employment prior to retirement, but does not withdraw his or her employee contributions, will be eligible for deferred retirement benefits at age 64, or at age 63 with 20 years of contributing service, excluding non-USERRA purchased military service.

**Final Average Salary x Years of Service x 2% =
Annual Retirement Benefit under
Straight Life annuity option**

A regular retirement benefit under the Straight Life annuity option is an amount equal to 2% of a member's final average salary multiplied by the member's years of service credit paid in equal monthly installments. Final average salary refers to the average of the 5 highest fiscal year salaries out of the last 15 fiscal years of contributing service. Normally, this figure will come from the last 5 years of employment.

Retirement benefits are not automatic. You must apply to the Consolidated Public Retirement Board (CPRB) for your retirement benefits. Distributions must start by April 1 of the year following the later of:

- a) the date you reach age 72 if you were born after June 30, 1949; b) the date you reach age 70 1/2 if you were born before July 1, 1949; or c) the date upon which you terminate employment.

Retirement benefits are credited to retiree accounts by direct deposit on the 25th of each month. If the 25th falls on a weekend or holiday, checks are processed on the prior full business day.

ANNUITY OPTIONS UPON RETIREMENT

STRAIGHT LIFE: A lifetime annuity payable monthly to the retiree that is determined under the regular benefit formula without adjustment. There are no death benefits payable under this option.

100% JOINT & SURVIVOR: A reduced annuity payable monthly to the retiree for his or her lifetime. Upon the death of the retiree, the named survivor will receive the same amount for his or her lifetime.

50% JOINT & SURVIVOR: A reduced annuity payable

monthly to the retiree for his or her lifetime. Upon the death of the retiree, the named survivor will receive one-half of the monthly payment for his or her lifetime.

10 YEAR CERTAIN - 120 Payments: A reduced annuity payable monthly to the retiree for the retiree's lifetime. If the retiree dies before receiving 120 monthly payments, the remainder of those 120 monthly payments shall be payable to the retiree's named beneficiary or the retiree's estate.

The benefit option you elect is extremely important. Once you receive any benefits under the option you select, you will NOT be allowed to change your benefit option unless you qualify under the provisions of WV Code §18-7A-26 or 18-7A-28.

Any accumulated contributions, if any, remaining in the retiree's account at the time of the retiree's or survivor's death will be refunded to the named beneficiary or the member's estate.

SICK AND ANNUAL LEAVE UPON RETIREMENT

A Tier II member is not eligible to use sick and/or annual leave for additional retirement service credit.

RETIREMENT BENEFIT ESTIMATE

Upon request prior to retirement, an estimate of potential benefits under all 4 retirement annuity options can be provided so that the member can make an informed decision regarding his or her retirement options.

DISABILITY RETIREMENT

A member may qualify for disability retirement benefits if he or she has at least 10 years of service credit, and has been unable to work because of the disability for at least 6 months. Only 5 years of service credit is necessary if the disability is a direct and total result of an act of student violence directed toward the member. All disability retirement applications must be approved by the CPRB. If a member who retires on the basis of disability returns to service, the Board shall discontinue payment of his or her disability.

DEATH PRIOR TO RETIREMENT

If an active member 50 years of age or older with 25 years

of credited service dies, the surviving spouse, if named as sole beneficiary, will receive a lifetime annuity based on 100% Joint & Survivor annuity option. If a member dies and does not meet these age and service requirements, all funds are paid to the designated beneficiary(ies).

If a member wishes to change his or her beneficiary prior to retirement, he or she must complete a new beneficiary form in its entirety and submit it to the CPRB prior to the member's death in order for it to be effective.

The member should keep a copy of his or her beneficiary form for his or her records. If a member's family situation changes (birth, death, marriage, divorce, etc.), he or she should re-evaluate their beneficiary designation.

TERMINATION OF EMPLOYMENT

If a member terminates employment prior to the time he or she qualifies for retirement benefits and has accrued at least 10 years of contributing service, he or she may leave his or her accumulated contributions on deposit until they qualify for deferred retirement benefits. The member may also choose to withdraw his or her accumulated contributions from the plan after termination of his or her employment. However, he or she may not withdraw the employer's contributions. Employer contributions remain with the retirement system. **Once the member withdraws contributions from the system, he or she forfeits all future retirement and disability benefits.** A member who is terminating employment should consult with the CPRB before deciding whether or not to withdraw his or her accumulated contributions.

MILITARY SERVICE

Active duty military service up to 5 years may be purchased by TRS members in accordance with the WV Code §§ 18-7A-17a and 18-7A-17b. A Tier II member interested in purchasing active military service and/or National Guard service performed prior to his or her membership in TRS must notify TRS in writing that he or she requests to purchase military service during their first complete fiscal year of employment. After completion of a complete fiscal year of retirement contributions, TRS will calculate the actuarial reserve purchase amount and

notify the member. Said military service purchased will not count as contributing service for vesting or retirement eligibility.

Members who have a break in employment as a result of being called to active military service may be eligible to purchase additional military service credit as provided by federal law USERRA.

Military service credit may not be used under more than 1 retirement system administered by the CPRB. Military service will be credited to the member's account at the time of retirement.

WORKING AFTER RETIREMENT

Any retiree who accepts public school employment, other than as a college teacher, for a period of no more than 140 days during the school year, and who is not considered in any way a permanent or regular employee, is considered to be temporary and shall continue to receive his or her normal monthly benefit. The retiree will receive a reduction in their retirement annuity if the temporary employment exceeds 140 days. A retiree may teach college level courses on a non-contract basis for less than 7 hours of college credits per semester without a loss of benefits.

OUT OF STATE SERVICE

TRS members may purchase service credit for "public" school teaching service performed in another state, or for service as a teacher for employment with the federal government of the United States. Service credit purchased shall not exceed the lesser of 10 years or 50% of the member's total service at the time of his or her TRS retirement. Purchased out-of-state service may not be used to establish eligibility for retirement benefits in TRS. Additionally, such service must be withdrawn from the other State or Federal retirement system.

WORKERS' COMPENSATION

TRS members receiving Workers' Compensation benefits may purchase credited service for time absent from work due to temporary disability if the member returns to work with a covered employer within 1 year following cessation of workers' compensation benefits. A maximum of 2 years may be purchased by lump sum payment. Payment must be made within 2 years of the end of the disability period.

QUESTIONS

Should you have any questions regarding the Teachers' Retirement System, please feel free to contact us in writing or by phone at the West Virginia Consolidated Public Retirement Board, Monday through Friday, 8:00 a.m. to 5:00 p.m. For additional information, you may also want to visit our website at www.wvretirement.com

STATE OF WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD

4101 MacCorkle Avenue, S.E.
Charleston, West Virginia 25304
Telephone: (304) 558-3570 or
(800) 654-4406 (nationwide)

Fax: (304) 558-1394 or
(304) 558-5455

Website: www.wvretirement.com

E-mail: CPRB@wv.gov

Executive Director

Jeffrey E. Fleck

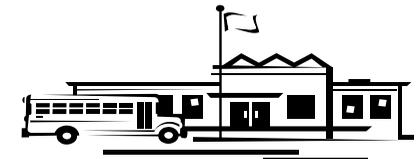
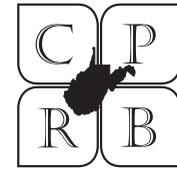
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Note: Information contained in this brochure illustrates the CPRB's understanding of the current provisions of the Teachers' Retirement System. These provisions are contained in the current plan statutes, and are subject to modification by the West Virginia Legislature each year. This brochure is for general guidance purposes only. In the event there is a discrepancy between information contained in this brochure and the WV State Code and Rules or any applicable case law, the language in the Code and Rules or any applicable case law shall prevail.

TIER II TEACHERS' RETIREMENT SYSTEM (TRS)

**FOR THOSE HIRED FOR THE FIRST TIME
AND FIRST BECOME A MEMBER OF TRS**

**ON OR AFTER
JULY 1, 2015**



**A Defined Benefit Retirement Plan
for Teachers
and School Service Personnel**

**Administered by:
The West Virginia
Consolidated Public Retirement Board
(CPRB)**