



# TRS Vesting

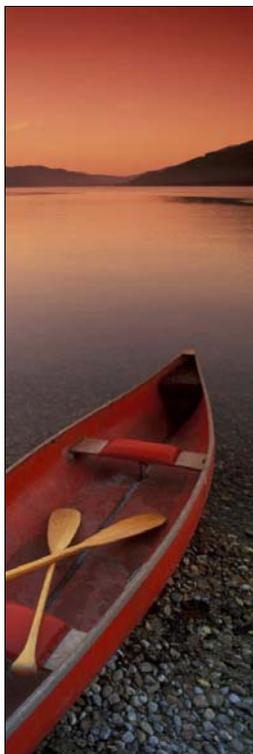


**Teachers' Retirement System**

**Division of Retirement and Benefits**  
PO Box 110203  
Juneau, AK 99811-0203  
(907) 465-4460

Welcome to the Division of Retirement and Benefits presentation on vesting in the Teachers' Retirement System, commonly referred to as the TRS.

This presentation is for Tier I and II members of the TRS, and does not apply to Tier III members of the new Defined Contribution Retirement Plan.



# Introduction

---

Understanding the requirements and benefits of becoming vested

◆ Tier I

- Members who first entered the TRS before July 1, 1990.

◆ Tier II

- Members who first entered the TRS after June 30, 1990, but before July 1, 2006.

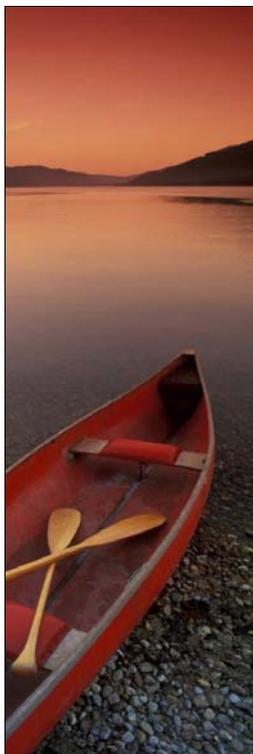


This presentation was designed to help you understand the requirements and the benefits of becoming vested in the Teachers' Retirement System.

But first we will begin by defining Tiers I and II in the TRS:

You are a member of Tier I if you first entered the TRS before July 1, 1990.

You are a member of Tier II if you first entered the TRS after June 30, 1990, but before July 1, 2006.



## Topics of Discussion

- ◆ How service is credited
- ◆ Vesting means. . .
- ◆ Paid-up service means. . .
- ◆ Vesting requirements
- ◆ Benefits of vesting



The topics of discussion in this presentation will be:

How service is credited in the TRS;

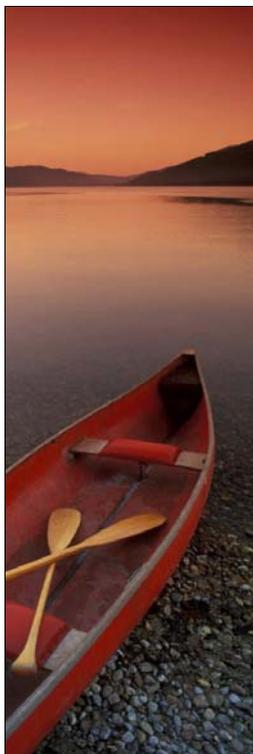
What vesting means;

What is meant by the term “paid-up service;”

The requirements to become vested;

And

The benefits of being vested.



## How Service is Credited

Based on number of contract days worked during the school year

Part-time work—at least 50 percent of the normal workweek (*credited in proportion to full-time credit*)

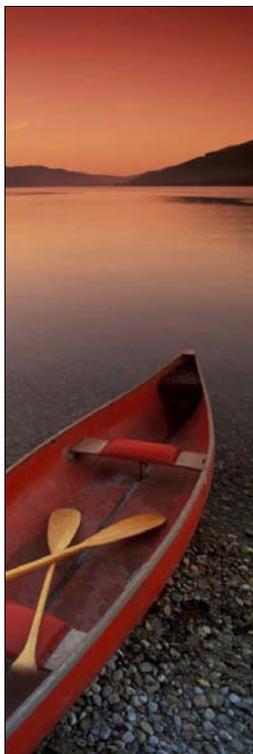


### How Service is Credited

Service is credited based on the number of contract days that you work during a school year. A school year is defined as July 1 through June 30.

As a permanent part-time employee who works at least 50% of the normal workweek: service will be credited in proportion to full-time credit.

For example: If you work a 60% contract for 172 days in a year, you will receive .6 (or 6 tenths) of a year of credit.



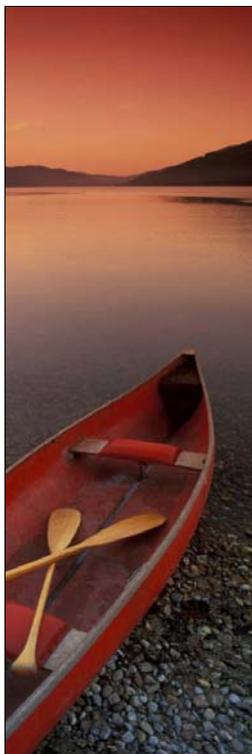
## Membership Service Chart

0 to 8 days	=	no credit
9 to 26 days	=	.1
27 to 44 days	=	.2
45 to 62 days	=	.3
63 to 80 days	=	.4
81 to 99 days	=	.5
100 to 117 days	=	.6
118 to 135 days	=	.7
136 to 153 days	=	.8
154 to 171 days	=	.9
172 days or more	=	1.0



This is an example of the Membership Service chart for TRS service credit.

If you work full-time for 172 days **or more** in a school year, you will receive one year of membership credit. Any service worked less than 172 days, is credited according to the breakdown on this chart.



## Vesting Requirements

### **Paid-up service for at least:**

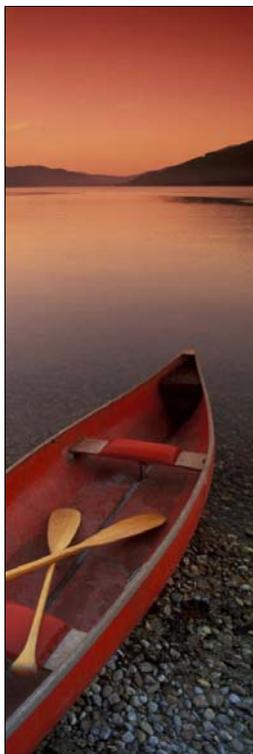
- ◆ 8 years of membership service; or
- ◆ 5 years of membership service, **plus** 3 years of Alaska Bureau of Indian Affairs (BIA) service; or
- ◆ 12 years combined part-time and full-time membership service



There are several ways to meet the vesting requirements under the TRS:

- You may have 8 years of paid-up TRS membership service;
- You may have 5 years of paid-up membership service, plus 3 years of paid-up Alaska Bureau of Indian Affairs (BIA) service; or
- You may have 12 years of combined part-time and full-time membership service. At least one **full** year must be **either** part-time or full-time.

Please note that if you first entered the TRS prior to July 1, 1975, there may be other options. Please contact the division for more information.



## Benefits of Vesting

**Vesting guarantees pension benefits when you are eligible to retire:**

- ◆ For your lifetime
- ◆ Can include continuing benefits for your surviving spouse
- ◆ Includes retirement health insurance options



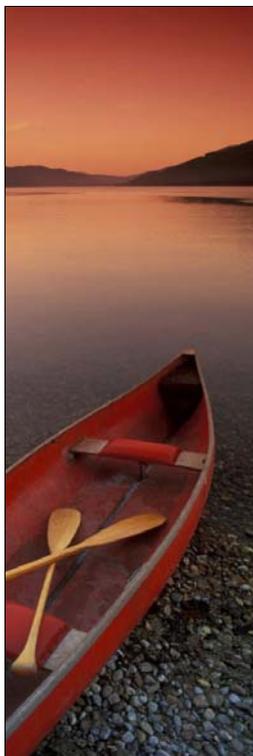
### **Benefits of vesting**

Vesting guarantees pension benefits when you are eligible to retire.

This pension benefit is for your lifetime.

The pension can include continuing benefits for your surviving spouse's lifetime in the event of your death.

The pension will include retirement health insurance options for you and all eligible dependents.



## Ending TRS Employment

You may end TRS employment and still receive a monthly retirement benefit at retirement age (if vested)

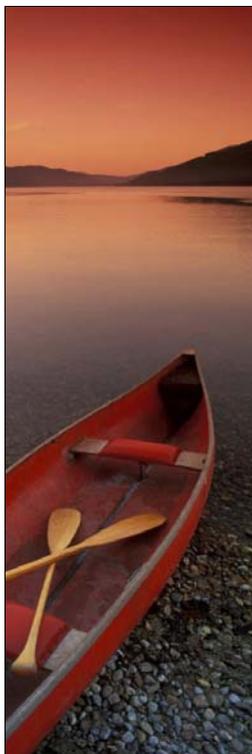
**However, please note—**

You **must leave** your contributions in the TRS to stay vested



Once vested, you may end TRS employment and still receive a monthly retirement benefit at retirement age.

However, please note, you **must leave** your contributions in the TRS to stay vested.



## Refunding Contributions

- ◆ All TRS members can refund their contributions when they end employment
- ◆ Refunds mean—no longer vested and no benefits
- ◆ Must be re-employed in a TRS or PERS covered position before July 1, 2010, to pay back refunds



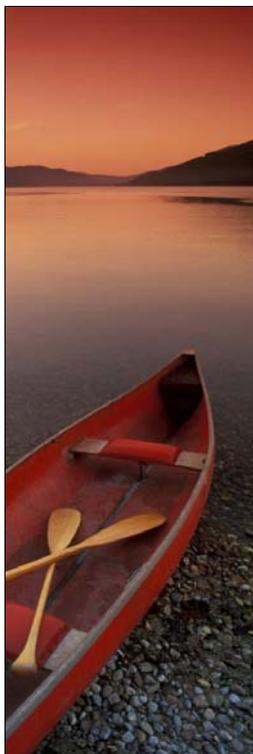
### Refunding Contributions

All TRS members are eligible to refund member contributions plus any interest earned when they end employment.

If you take a refund, this means that you are no longer vested and therefore not eligible for any benefits.

You must become re-employed in a PERS or TRS covered position **before** July 1, 2010, to be eligible to pay back refunds plus interest.

You are not required to have the indebtedness paid off before July 1, 2010, you simply must have returned to covered employment before that date. If you do not, you will forfeit your service and your tier. The right to reinstate service will be repealed as of July 1, 2010.



## Review

---

- ◆ Vesting equals 8 paid-up years *or* 12 years combined part-time and full-time membership teaching years
- ◆ Vesting qualifies members for pension and health benefits when they retire
- ◆ Service with refunded contributions does not count toward vesting

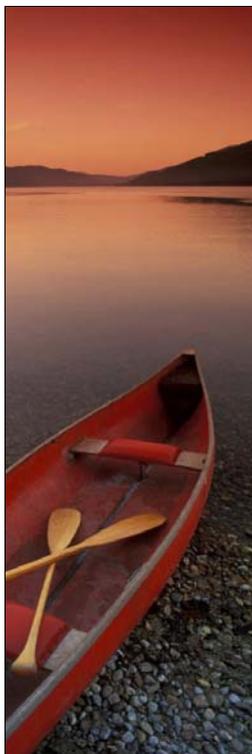


To review what has been covered in this presentation:

Vesting is acquired by accruing 8 years of membership service or 12 years of combined part-time and full-time membership service. (Remember, that at least one **full** year must be **either** part-time **or** full-time, but **not both** combined.)

Vesting means being eligible for lifetime pension and health benefit options when you are eligible to retire.

Refunding of TRS contributions makes the service ineligible to count toward vesting unless the refund plus interest is repaid to the TRS.



## More Information

---

For more information about TRS vesting, see your *Teachers' Retirement System Information Handbook* or visit our website: [www.state.ak.us/drb](http://www.state.ak.us/drb)



For more information about TRS vesting, please see your Teachers' Retirement System Information Handbook or visit our website, where you may read the handbook, at: [www.state.ak.us/drb](http://www.state.ak.us/drb)