



TRS VESTING



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



Introduction

Understanding the requirements
and benefits of becoming vested

This presentation was designed to help you understand the requirements and the benefits of becoming vested in TRS.



Topics of Discussion

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

The topics of discussion will be:

How service is credited in TRS

What vesting means

What is paid up service

The Requirements for vesting

And

The benefits of vesting for you



How Service is Credited

Based on number of contract days worked during the school year

Part-time—work at least 50% 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 1st through June 30th.

As a permanent part time employee that 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 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 1 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 membership service, *or*
- 5 years of membership service, **plus** 3 years Alaska BIA service, *or*
- 12 years combined part-time and full-time membership service

There are several ways to meet the vesting requirements under 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 BIA service
- 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 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

The 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.



Please Note:

You may end TRS employment and still receive a monthly retirement benefit at retirement age

However—

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

Please Note:

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

However

You must leave your contributions in 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 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 TRS or PERS covered position to be eligible to pay back refunds plus interest.



To 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 towards 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.

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 towards vesting unless the refund plus interest is repaid to TRS.



www.state.ak.us/drb

For more information about TRS vesting, please see your *Teachers' Retirement System Information Handbook* or read the handbook on our web site.



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