Be informed. Be prepared.
Understanding your Retirement Account

Debra Schmitt
Client Services Manager
OUTLINE

- RETIREMENT PROJECTION
- SERVICE & SALARY HISTORY
- "MY OTRS" CLIENT PORTAL
PROJECTIONS - FOR PLANNING PURPOSES

A Retirement Projection is provided to clients who wish to begin planning for their retirement event within two or more years of retirement eligibility or to determine cost feasibility when considering purchased service credit.

The Year indicates future years based on a July 1st date of retirement. Changes to this benefit will occur throughout the year but are not considered to be too significant in the initial planning stages of retirement.

The Age shown reflects the client’s age as of July 10th for each respective year. The Early Retirement Multiplier represents the amount of the reduction (if any) a client could receive any given year prior to meeting eligibility based on the Rule of 80.

The Final Average Salary represents the current highest average earnings including fringe benefits based on the Rule of 80 requirements. Capped salaries and EESIP (Wear Away) have been taken into account if applicable. This projected salary of $49,857.14 includes a growth rate of 0.00%. Same note for “Not Changing Tier Average.”

Service is awarded in full at the end of each full year worked. Sick Leave service credit may be granted upon retirement. This projection was prepared without sick leave credit.

The Option Benefit reflects the gross monthly benefit the client could receive with no Partial Lump Sum payment considered. Options 2 and 3 are calculated using a joint annuitant birthdate of 8/15/65. (Same as sample client) (w/o JA DOB. Options 2 and 3 are provided if the joint annuitant’s date of birth is known.)
RETIREMENT YEAR AND AGE

- JULY 1 Retirement Dates on Projection
  - 1st day of month used for retirement dates.
  - Fiscal Year ends June 30 for full credit July 1.
  - June 1 retirement dates if eligible by June 10.

- AGE as of the July 10th
  - Grace period for birthdates 1st – 10th of month.
  - Same grace period as the last day worked.
**MEMBER SERVICE STATEMENT**

**Year - Listed by ending year:**

**Last Year - based on Employer’s Year-End Report**

Tier salaries at bottom are used in retirement calculations.

### Sample Client

<table>
<thead>
<tr>
<th>Year</th>
<th>Salary</th>
<th>Credit</th>
<th>Service Tier</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>$30,000.00</td>
<td>1.00</td>
<td>Pre-95: $40K</td>
</tr>
<tr>
<td>1992</td>
<td>$31,000.00</td>
<td>1.00</td>
<td>Pre-95: $40K</td>
</tr>
<tr>
<td>1993</td>
<td>$32,000.00</td>
<td>1.00</td>
<td>Pre-95: $40K</td>
</tr>
<tr>
<td>1994</td>
<td>$33,000.00</td>
<td>1.00</td>
<td>Pre-95: $40K</td>
</tr>
<tr>
<td>1995</td>
<td>$34,000.00</td>
<td>1.00</td>
<td>Pre-95: $40K</td>
</tr>
<tr>
<td>1996</td>
<td>$35,000.00</td>
<td>1.00</td>
<td>Post-95: Uncapped</td>
</tr>
<tr>
<td>1997</td>
<td>$36,000.00</td>
<td>1.00</td>
<td>Post-95: Uncapped</td>
</tr>
<tr>
<td>1998</td>
<td>$37,000.00</td>
<td>1.00</td>
<td>Post-95: Uncapped</td>
</tr>
<tr>
<td>1999</td>
<td>$38,000.00</td>
<td>1.00</td>
<td>Post-95: Uncapped</td>
</tr>
<tr>
<td>2000</td>
<td>$39,000.00</td>
<td>1.00</td>
<td>Post-95: Uncapped</td>
</tr>
<tr>
<td>2001</td>
<td>$40,000.00</td>
<td>1.00</td>
<td>Post-95: Uncapped</td>
</tr>
<tr>
<td>2002</td>
<td>$41,000.00</td>
<td>1.00</td>
<td>Post-95: Uncapped</td>
</tr>
<tr>
<td>2003</td>
<td>$42,000.00</td>
<td>1.00</td>
<td>Post-95: Uncapped</td>
</tr>
<tr>
<td>2004</td>
<td>$43,000.00</td>
<td>1.00</td>
<td>Post-95: Uncapped</td>
</tr>
<tr>
<td>2005</td>
<td>$44,000.00</td>
<td>1.00</td>
<td>Post-95: Uncapped</td>
</tr>
<tr>
<td>2006</td>
<td>$45,000.00</td>
<td>1.00</td>
<td>Post-95: Uncapped</td>
</tr>
<tr>
<td>2007</td>
<td>$46,000.00</td>
<td>1.00</td>
<td>Post-95: Uncapped</td>
</tr>
<tr>
<td>2008</td>
<td>$47,000.00</td>
<td>1.00</td>
<td>Post-95: Uncapped</td>
</tr>
<tr>
<td>2009</td>
<td>$48,000.00</td>
<td>1.00</td>
<td>Post-95: Uncapped</td>
</tr>
<tr>
<td>2010</td>
<td>$49,000.00</td>
<td>1.00</td>
<td>Post-95: Uncapped</td>
</tr>
<tr>
<td>2011</td>
<td>$50,000.00</td>
<td>1.00</td>
<td>Post-95: Uncapped</td>
</tr>
<tr>
<td>2012</td>
<td>$51,000.00</td>
<td>1.00</td>
<td>Post-95: Uncapped</td>
</tr>
<tr>
<td>2013</td>
<td>$52,000.00</td>
<td>1.00</td>
<td>Post-95: Uncapped</td>
</tr>
<tr>
<td>2014</td>
<td>$53,000.00</td>
<td>1.00</td>
<td>Post-95: Uncapped</td>
</tr>
</tbody>
</table>

### Service Tiers

- **Post-95: Uncapped**
  - 19 Years
  - $52,000.00

- **Pre-95: $40K**
  - 5 Years
  - $40,000.00
Salaries at bottom of Member Statement are averaged in Final Average Salary Column.

If FAS amount is changing, then more than one salary tier is being used. FAS shows a weighted salary average.

If FAS does not change, then only the Uncapped Salary Average is being used.
REGULAR ANNUAL COMPENSATION =
- Salary + Fringe – Flex Benefit Allowance

INCLUDES:
- Employer-paid group health, disability, or life insurance
- Annuities & pension contributions provided on a periodic basis to all qualified members of the employer.

EXCLUDES:
- Flexible Benefit Allowance 26-105
- National Board Certification.
- Allowances or expense reimbursements
- Payments for termination/retirement or payment for unused leave
- Some employer-paid deferred comp plans (if not provided to all TRS members of the employer).

SALARY REDUCTION AGREEMENTS FOR DEFERRED COMP
* It may reduce taxable income, but will not reduce your TRS salary.
• Purchased service:
  • Does not change membership date.
  • Tier value depends on the year performed.

• Fractional Service depends on year performed.
  • Service Through FY2013
    • Fractions must be combined into whole years.
    • May qualify for 90-day round up provision if .75 or more.
  • Since FY2014:
    • All fractions are used in retirement calculations.
  • Since FY2017:
    • Service Rounded to Tenths.
    • 0.95 rounded = 1.0; 0.94 rounded = 0.90
SICK LEAVE = Wild Card

- Not on Member Service Statement, but may be added to retirement projections & estimates.
- TIER: Same value as earliest membership year.
- May be used to reach Comb80 or Comb90 and may be worn away in EESIP.
- May be combined with service prior to FY2014.
  - May NOT be split to combine with different years.
  - Fractional service combined before sick leave added.
- Round-Up Provision on service prior to FY2014.
  - After combining fractional service, you have at 0.75 +
  - Must have 120 days of sick leave at retirement.
  - Must complete the final contract year.
EARLY RETIREMENT MULTIPLIER

- If Multiplier < 100%, then you have not yet reached Normal Retirement Eligibility.
  - Age Matters
  - Waiting Helps, Even If Not Working

- 100% = Normal Retirement Eligibility
  - Reached Comb 80, Comb 90, or Age
  - If not working, don’t wait to retire.
EESIP = Education Employees Service Incentive Plan

- Normal Retirement Eligibility = July 1.
- Each year worked beyond eligibility, moves 2 years to UNCAPPED tier.
- Projections include EESIP, if applicable.
FINAL 5 COLUMNS: LET’S TALK MONEY!

- **GROSS MONTHLY BENEFIT**: 5 different options

- **CONSULT YOUR TAX PROFESSIONAL**
  - Pay Federal taxes, but not FICA (social security).
  - State taxes (may have exclusion for TRS retirees).
  - Professional Dues OREA or RPOE (optional).
  - Insurance premiums (may not tax-defer premiums).

- **PLSO (Partial Lump Sum Option) Amounts Are Not Provided On 10-Year Projections.**

<table>
<thead>
<tr>
<th>Max Option Benefit</th>
<th>Option 1 Benefit</th>
<th>Option 2 Benefit</th>
<th>Option 3 Benefit</th>
<th>Option 4 Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,326.67</td>
<td>$2,326.20</td>
<td>$2,192.50</td>
<td>$2,257.59</td>
<td>$2,314.27</td>
</tr>
</tbody>
</table>
MY OTRS CLIENT PORTAL

>21,000 Registered Users
Access client portal through TRS link:
https://www.ok.gov/TRS
MY OTRS CLIENT PORTAL
ACCESSIBLE ANY TIME

- Print Account Balances
- Check History of Service & Salaries
- Get Estimate of Retirement Benefits
  - Add or change number of sick leave days
  - Add or change joint annuitant date of birth
  - Provides the amount of TRS insurance subsidy.
- Edit Personal or Contact Information
- Review Benefit Payments (Retirees)
TRS Insurance Subsidy

- 10 years service = TRS Subsidy $100-$105
- Please contact your insurance provider for insurance-related questions.

<table>
<thead>
<tr>
<th>FINAL AVERAGE SALARY</th>
<th>10 - 14 Years of Service</th>
<th>15 - 24 Years of Service</th>
<th>25 or more Years of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $20,000</td>
<td>$103.00</td>
<td>$104.00</td>
<td>$105.00</td>
</tr>
<tr>
<td>$20,000 - $29,999</td>
<td>$102.00</td>
<td>$103.00</td>
<td>$104.00</td>
</tr>
<tr>
<td>$30,000 - $39,999</td>
<td>$101.00</td>
<td>$102.00</td>
<td>$103.00</td>
</tr>
<tr>
<td>$40,000 or More</td>
<td>$100.00</td>
<td>$101.00</td>
<td>$102.00</td>
</tr>
</tbody>
</table>
TRS contact information is at the top of your retirement projection.

I will do my best to address all of your questions

Please return surveys to Registration Table

Range:
Very Satisfied = 5
Not satisfied = 1

Comments or suggestions appreciated.