



# TRS Member Benefits



## AT A GLANCE



### What is TRS?

The Teachers' Retirement System (TRS) is a defined benefit plan qualified under Section 401(a) of the Internal Revenue Code. Since its inception in 1941, the plan has provided disability and service retirement benefits to members and survivor benefits to qualified beneficiaries.

A defined benefit plan provides the employee with a specific benefit at retirement by calculating the retirement benefit based on a formula. Benefits are payable monthly for the lifetime of the member, possibly continuing for the lifetime of his or her beneficiary. The *Code of Alabama 1975*, Section 16-25 contains the actual language governing the plan.

### Mandatory Participation

Participation in the TRS is mandatory if a person is employed in a position eligible for coverage in a non-temporary capacity on at least a one-half time basis earning at least the federal minimum wage. Once enrolled, the member must continue participation until employment is terminated. Temporary employees with a specific termination date not exceeding one year are ineligible, but temporary employees employed longer than one year must begin participation in the TRS at the beginning of the second consecutive year of employment.

### Contributions to RSA

Contributions to the RSA for your retirement benefit come from three sources: Employer (taxpayer), Member, and Investment Earnings (the largest portion). Member contributions are based on percentages of earnable compensation, but earnable compensation cannot exceed 120% for Tier 1 and 125% for Tier 2 of base pay. *See box for explanation of Member Contributions.*

### Service Retirement

Service retirement benefits are available to members who cease TRS-covered employment and meet minimum service and age requirements. The monthly retirement benefit is paid for life without interruption unless there is a return to full-time employment with a TRS or ERS agency, or to temporary employment in excess of Postretirement limits. A member is eligible to receive retirement benefits under either of the following conditions:

#### Tier 1

- ◆ Member has at least 10 years of service credit and has attained the age of 60
- Or
- ◆ After accumulating 25 years of service credit at any age.

#### Tier 2

- ◆ Member has at least 10 years of service credit and has attained the age of 62

### Tier 1 and Tier 2

**Tier 1** plan member: Any member of the Retirement Systems who had service for which he or she received credit in the ERS or in the TRS prior to January 1, 2013.

#### Member Contributions

Regular Employees	7.5%
Full-time, Certified State Firefighters Correctional Officers Law Enforcement Officers	8.5%

**Tier 2** plan member: Any member of the Retirement System who first began eligible employment with an ERS or a TRS participating employer on or after January 1, 2013, and who had no eligible service in the ERS or the TRS prior to January 1, 2013.

#### Member Contributions

Regular Employees	6.0%
Full-time, Certified State Firefighters Correctional Officers Law Enforcement Officers	7.0%

## Disability Retirement

If the career of a TRS member is cut short because of permanent disability, the member may qualify for monthly disability benefits. To qualify for a disability benefit, the member must meet all the following conditions:

1. The member must have 10 years of creditable service.
2. The member must be in-service. A member is considered in-service if currently working or on official leave of absence for one year, which may be extended for no more than one additional year. A member will not receive service credit for periods of leave without pay.
3. The RSA Medical Board must determine the member to be permanently incapacitated from further performance of duty. The Medical Board bases its determination upon information provided by the member's physician.

### Calculating Your Retirement

*Average Final Salary x Years and Months of Service x Benefit Factor / 12 = Maximum Monthly Benefit*

**Tier 1 Example:** Average Final Salary: \$42,000 and Service Credit: 27 years and 6 months  
 $\$42,000 \times 27.5 \times .020125 / 12 = \$1,937.03$  per month

**Tier 2 Example:** Average Final Salary: \$42,000 and Service Credit: 27 years and 6 months  
 $\$42,000 \times 27.5 \times .0165 / 12 = \$1,588.13$  per month

## Keeping You Informed

**RSA Website** ([www.rsa-al.gov](http://www.rsa-al.gov))

The RSA website includes all TRS publications and forms, the RSA monthly newsletter (*Advisor*), financial reports and retirement videos. News from RSA features updates on policies, procedures, new legislation, federal laws, and other late-breaking events

**MOS** <https://mso.rsa-al.gov/>

If you haven't already, create an online account with RSA's Member Online Services to view your TRS and RSA-1 statements or change your address.

**RSA Newsletter**

The monthly *Advisor* is mailed to each RSA active member, RSA retired member, and any other persons or organizations interested in the RSA.

**Annual Statement of Account**

The TRS provides each member a Statement of Account for the year ending June 30. The statements are mailed to the TRS member's current address on record. You may also view your account statement online.

**TRS Publications and Forms**

The TRS Member Handbook presents an overview of mandatory participation, creditable service, vesting, disability and service retirement, preretirement death benefits and postretirement employment. Each new member is mailed a handbook and one can be requested at any time. Forms and all publications are available on our website at [www.rsa.al.gov](http://www.rsa.al.gov).

**Seminars**

The RSA offers its members several opportunities for retirement education. Retirement Preparation Seminars are offered at various sites throughout Alabama. This program helps members to begin or continue their planning and preparation for retirement. The RSA also offers mid-career seminars for members with 1-19 years of service credit. These seminars are called Control Your Money Game and are half-day seminars to help you get and stay on the right track for retirement. Individual counseling appointments are offered across the state as well as in Montgomery at our RSA Headquarters. Contact Member Services to make an appointment.

***For questions regarding your benefits or to set up an appointment, please call  
Member Services at 877.517.0020 or 334.517.7000***

