

# 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 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. Active members of the Employees' Retirement System (ERS) and student employees are not eligible for TRS participation. 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 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.

## 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 State Employees	7.5%
Full-time, Certified State Firefighters	8.5%
Correctional Officers	
Law Enforcements Officers	

**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 State Employees	6.2*%
Full-time, Certified State Firefighters	7.2%
Correctional Officers	
Law Enforcements Officers	

*\*Effective October 1, 2021, the member contribution rate increased by 0.20% per Act 2021-237.*

### 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 made for life without interruption unless there is a return to full-time employment with a ERS or TRS 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 (age 56 for certified, full-time firefighter and law enforcement officer).

### 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. **A member who terminates employment is not eligible to apply for disability retirement.**
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: \$35,000 and Service Credit: 27 years and 6 months  
 $\$35,000 \times 27.5 \times .020125^* / 12 = \$1,614.19$  per month

**Tier 2 Example:** Average Final Salary: \$35,000 and Service Credit: 27 years and 6 months  
 $\$35,000 \times 27.5 \times .0165^* / 12 = \$1,323.44$  per month

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

