



Your New TRSL Membership

November 2011

Welcome

Thank you for choosing a career in the field of education, and welcome to the Teachers' Retirement System of Louisiana (TRSL). Your membership in TRSL is an important part of your financial future. TRSL is your retirement plan.

Whether you are just starting out in your career or have years of experience, it's always a good idea to understand the basics about your membership in TRSL. We encourage you to keep your contact information current with TRSL so that you will always receive important membership information throughout your career.

With TRSL, you can rest assured that you and your loved ones have a safe, secure, and sound retirement plan.

About TRSL

TRSL is the largest public retirement system in the state. It's a defined benefit plan, which guarantees a benefit based on your age, years of service, and final average compensation at retirement, not on the amount of your contributions!

New TRSL members belong to one of two retirement plans:

- **Regular Plan** (most members are in this plan)
- **Plan B** (school food service employees in select parishes)

Each plan has slight differences in retirement eligibility requirements, employee contribution rates, and benefit computation methods.

NOTE: Academic and unclassified employees of higher education may choose the Optional Retirement Plan (ORP), a defined contribution plan. The decision to join the ORP is an irrevocable, lifetime decision. For more information, see our brochure, Optional Retirement Plan, available on our website at www.trsl.org.

Retirement eligibility

Starting January 1, 2011, newly hired public employees will have to meet different eligibility requirements for retirement and will have a different benefit structure than employees hired before that date. Act 992 of the 2010 legislative session created a new tier of retirement benefits for members whose first employment makes them eligible for membership in TRSL on or after January 1, 2011. Retirement eligibility requirements depend on when you became a member of TRSL or one of the other state retirement systems (state employees, school employees, state police).

Membership *before* January 1, 2011

Regular Plan eligibility	<ul style="list-style-type: none"> • 5 years of service at age 60* • 20 years of service at any age* (actuarially reduced) • 25 years of service at age 55 • 30 years of service at any age
Plan B eligibility	<ul style="list-style-type: none"> • 5 years of service at age 60* • 30 years of service at age 55
Final average compensation (FAC)	<ul style="list-style-type: none"> • Three-year FAC with 10-percent salary cap**

Membership *on or after* January 1, 2011

Regular Plan eligibility (Plan B eligibility same as listed above)	<ul style="list-style-type: none"> • 5 years of service at age 60* • 20 years of service at any age* (actuarially reduced)
Final average compensation (FAC)	<ul style="list-style-type: none"> • Five-year FAC with 15-percent salary cap**

*Excluding military service

**Salary caps limit the increase in salary allowable in each of the three or five years used to calculate the FAC (some exceptions apply).

NOTE: The 20-years-at-any-age retirement benefit is actuarially reduced depending on your age and years of service at the time of retirement. The reduction is based on the number of years it would have taken you to reach normal retirement if you had continued to work. The greater the number of years, the greater the reduction.

Refer to our publications on the Deferred Retirement Option Plan (DROP) and the Initial Lump-Sum Benefit (ILSB) for eligibility requirements and more detailed information. All TRSL publications are available on our website, www.trsl.org.

Funding your retirement

TRSL members (excluding Plan B members), do not participate in Social Security, so TRSL is your primary source of financial security.

As a member of TRSL, a percentage of your salary (8% for Regular Plan members; 5% for Plan B members) goes toward your retirement. Your employer also contributes to your retirement. These contributions are transferred to TRSL and maintained in a trust fund. TRSL pools and invests the contributions. Contributions and interest earned on TRSL investments pay for your future lifetime retirement benefits.

Calculating your retirement benefit

Your lifetime retirement benefit is determined by a formula defined in state law. It takes into account your years of service, the average of your highest years of salary consecutively earned, and a benefit factor.

This formula calculates the maximum retirement benefit for which you are eligible:

Benefit Formula	service credit
	×
	final average compensation (FAC)
	×
	benefit factor (2.0% or 2.5%)

You are given a full year of service credit for each full year worked, regardless of whether you were employed on a 9-, 10-, 11-, or 12-month contract.

Service credit is limited to one year (1.00) for any 12-month period, which begins July 1 and ends June 30 each year.

Benefits of TRSL membership

Once you have five years of TRSL service credit, you are considered vested. This is an important milestone because you and your family are now eligible for valuable benefits and financial protection through TRSL.

Survivor benefits

In the event of your death while in active service, survivor benefits are payable to your spouse and/or minor children in accordance with state law. There are differences in the benefits available to spouses and minor children which depend upon the member's years of service and whether he or she was actively employed at the time of death.

NOTE TO PLAN B MEMBERS: The eligible spouse of a Plan B member is entitled to receive survivor benefits if the member dies while actively employed and had at least 20 years of TRSL service credit. Social Security pays minor child benefits for Plan B members.

If you have fewer than five years of service credit, no survivor benefits are payable to a spouse and/or minor children. However, your accumulated contributions will be paid in a lump sum to your named beneficiary or succession.

Disability retirement

If you become disabled during a time of active, contributing membership, you may be eligible for disability retirement.

TRSL disability benefits are not normally provided for long-term disabling illnesses that do not prevent the member from performing his or her current job or are not considered to be permanent disabilities.

Membership before January 1, 2011

Eligibility	Members are eligible for disability retirement if they have five years of service.
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Membership on or after January 1, 2011

Eligibility	Members are eligible for disability retirement if they have 10 years of service credit, excluding service earned while on workers' compensation.
Benefits	<ul style="list-style-type: none"> The disability benefit computation is changed to a simple calculation based on regular retirement formula without reduction for age. Member selects retirement option when applying for disability. Upon the death of disability retiree, the option will be applied to his or her disability retirement benefit.

Deferred retirement

If you leave TRSL-covered employment with at least five years of service, you can leave your contributions on deposit, and apply for retirement at age 60 and receive a guaranteed benefit for life.

Withdrawing your contributions

If you permanently terminate employment with all eligible positions covered by TRSL, you may withdraw your contributions 90 days after termination. A refund includes only your member contributions. It does not include employer contributions or interest. By accepting a refund, you terminate membership and cancel service credit in TRSL.

NOTE: Your TRSL account cannot be used as if it were a personal bank account or an individual retirement account. You cannot borrow money from or assign your account, or attach it by a lien in bankruptcy, etc. Your funds must remain in your account until you retire or become an inactive member eligible for a refund.

Community property

Most payments or benefits that members receive from TRSL are considered community property in Louisiana and should be accounted for in any community property settlement. However, the court system ultimately determines which funds or payments are considered community property.

If you divorce, your ex-spouse may claim a portion of any payments and benefits that were earned during the time you were married. This is true even if the benefits are not payable until years after the divorce.

Planning for your retirement

It's never too early to start planning for your retirement. Unfortunately, many Americans don't start their planning until just before they stop working.

To help you prepare for your eventual retirement, TRSL offers numerous workshops around the state and a publication called *Planning for Your Retirement*. The workshop schedule and all publications can be found in the "My TRSL" section of our website, www.trsl.org. From there, you can also use our online benefits calculator to help you estimate your retirement benefits.