

Chapter Ten: Post-Retirement Matters

Collecting contributions from employees who are TRS annuitants

Do not remit TRS or THIS Fund contributions from TRS annuitants unless TRS post-retirement employment limitations are exceeded or the annuitant returns to service during the same school year in which he or she last contributed to TRS. See “Employment limitations for TRS annuitants” for information about post-retirement employment limitations.

Eligibility for a TRS retirement annuity (80 IL Administrative Code 1650.511)

To be eligible for a TRS retirement annuity, the Illinois Pension Code requires members to terminate active service. To satisfy the termination of service requirement, the retiring member must comply with the following guidelines:

- The member must formally resign from his or her teaching position.
- The member must wait at least 30 calendar days from the date of resignation before performing any duties requiring teacher licensure for the same employer.
- The member cannot prearrange post-retirement employment with the same employer prior to the effective date of retirement.

Designations such as “temporary,” “interim,” and “independent contractor” will not suffice to establish termination of active service if the continued employment is with the same employer.

Annuitants who have established termination of service may not return to post-retirement teaching in the same school year they last contributed to TRS.

Once pension eligibility is established, annuitants must comply with post-retirement employment limitations.

Employment limitations for TRS Tier 1 annuitants (80 IL Administrative Code 1650.511)

When annuitants return to teaching and are receiving a TRS retirement annuity, certain restrictions apply regarding from whom annuitants may accept employment, the type of position in which they may be employed, and the number of days and hours they may work.

Employment limitation

TRS annuitants may be employed in any positions that are not TRS-covered positions without limitation. For example, an annuitant may be employed by any college, university or private school. In addition, he or she may be employed by a TRS-covered employer in a position not covered by TRS without limitation. For example, an annuitant may be employed as a bus driver for any number of days or hours.

An annuitant who relinquishes his or her teaching license and continues in the same position must adhere to the termination of service requirements and to the post-retirement limitations.



An annuitant whose pre-retirement job no longer requires teacher licensure due to a change in job title or a minor change in job duties is subject to the termination of service requirements and the post-retirement limitations.

Once members are retired, they may not resume employment in a TRS-covered position, including substitute and summer school teaching, in the same school year in which they last contributed to TRS. The school year is July 1 through June 30. Therefore, if a member retires during the school year, the member may teach summer school following retirement only if his or her first day of teaching is after June 30.

If a member waited to attain a certain age in order to retire, he/she cannot return to TRS-covered employment until the day following the retirement date. For example, a member's last day of work is June 2, 2018. He turns 55 on September 20, 2018, and his retirement annuity commences on that day. The annuitant cannot return to TRS-covered employment until September 21, 2018.

For questions regarding the termination of service requirements and/or post-retirement limitations, contact the Employer Services Department at (888) 678-3675 or via email at employers@trsill.org.

120 days/600 hours limitation

Following the school year in which a member last contributed to TRS, an annuitant may be employed in a TRS-covered position for up to 120 paid days or 600 paid hours per school year and still receive a retirement annuity. **The 120 days/600 hours limit is in effect through June 30, 2020.**

For post-retirement employment purposes, the Illinois Pension Code equates one full day with five hours. Therefore, if an annuitant works only full days (five or more hours per day), each day would be counted toward the 120 days limitation. If an annuitant works all partial days or a combination of full and partial days, the time worked would be counted toward the 600 hours limitation. Each full day (five or more hours) would be counted as five hours, even if the annuitant actually worked more than five hours on that date. For partial days, the actual number of clock hours worked would be counted. For example if an annuitant worked on two days during a given week, three hours on Tuesday and seven hours on Thursday, a total of eight hours (three for Tuesday and five for Thursday) would be counted toward the 600 hours limitation. It is not permissible for an annuitant to combine partial days into full day equivalents to use the 120-day limitation when the 600-hour limitation applies. For example, an annuitant who works half days (3.5 hours per day) cannot work 180 days and count 90 days against the post-retirement limitations. Time must be counted toward the 600-hour limitation. TRS recommends that each annuitant maintain a record of his or her time worked.

Only work that requires teacher licensure is subject to the days or hours post-retirement employment limitation. This work includes:

- summer school,
- substitute teaching and
- attendance during the work week at teachers' institutes, workshops and parent/teacher conferences scheduled in the school calendar.

All time that a teacher or administrator is required to be present for duties requiring teacher licensure is subject to the limitation. For teachers, this includes preparation periods and time



before, between, and after classes. For administrators, this includes all time that is required to be spent on administrative duties, such as attendance at board meetings and contract negotiations. Paid sick, personal, and vacation days are subject to the post-retirement employment limitation.

Extra duties that do not require teacher licensure (e.g., coaching, lunchroom supervision, chaperoning) are not subject to the 120 days or 600 hours post-retirement employment limitation.

Exceeding the limitations

If an annuitant exceeds the post-retirement employment limitations after retiring for one complete school year,

- TRS must be notified;
- the retirement annuity will be suspended;
- the annuitant will re-enter active membership;
- the employer must remit TRS contributions on all creditable earnings after the employment limitations are exceeded; and
- the member's insurance will be cancelled effective the 1st of the month following re-entry into active service.

There are two circumstances in which an annuitant will be required to repay all annuity payments in full from the date of retirement:

- if teaching is resumed in the same school year in which the annuitant last contributed, or
- if the annuitant exceeds employment limitations in the first school year following retirement.

Special consequences apply if an annuitant exceeds the employment limitations following a teacher's retirement under any 5&5 Early Retirement Incentive (ERI) program. All enhanced age and service credit are forfeited and may not be used again at retirement. No member or employer ERI contributions will be refunded.

Employment limitations for TRS Tier 2 annuitants

In addition to the employment limitations indicated for Tier 1 annuitants, Tier 2 annuitants have the following additional restrictions:

- The law suspends a Tier 2 member's retirement benefits if the member accepts full-time employment in a position covered by another pension system that has reciprocal rights with TRS.
- For those Tier 2 members who first become a member on or after Jan. 1, 2012, the law suspends the annuitant's retirement benefits if the annuitant accepts a contractual position from the same employer from which he or she retired. Failure to notify TRS as well as his or her contractual employer of his or her retirement status prior to accepting contractual employment may result in a Class A misdemeanor and a fine of \$1,000.



Employment limitations for single-sum retirement benefit recipients

A member with fewer than five years of creditable service who taught after July 1, 1947, is eligible to receive a single-sum retirement benefit at age 65. To be eligible, the member must terminate TRS-covered employment.

Upon receipt of the single-sum benefit, a member may teach in TRS-covered positions without restriction. Contributions are not required, regardless of the number of days or hours worked.

Reciprocal Retirement

A member who retires under the Illinois Retirement Systems Reciprocal Act must adhere to the post-retirement employment limitations of each retirement system that is, or will be, paying retirement benefits. The member must adhere to the post-retirement limitations of the system under which he or she returns to work. Therefore, the member should contact each applicable reciprocal system regarding employment limitations. All systems will discontinue benefits if the limitations are exceeded.

Retirement with CTPF

A teacher who retired under the Chicago Teachers' Pension Fund (CTPF) independently is allowed to be employed in a TRS-covered position without limitation for CTPF purposes. However, the teacher will qualify as a TRS member and must contribute to TRS if he or she is employed in a TRS-covered position for more than 120 days or 600 hours. If the teacher does not exceed the 120 days/600 hours post-retirement limits, he/she should not be included on the Annual Report.

Health insurance available after retirement

The Teachers' Retirement Insurance Program (TRIP) offers several coverage options. Each option provides prescription drug benefits and comprehensive coverage for medically necessary services; however, the benefits under each option may differ. Benefit recipients have the choice of a traditional major medical indemnity plan or one of several managed care plans. The availability of the different coverage options will vary based upon the benefit recipient's permanent address.

Medicare Advantage TRAIL Program

Effective February 1, 2014, the state began a new Medicare Advantage Program called Total Retiree Advantage Illinois (TRAIL) for annuitants and survivors enrolled in both Medicare Parts A and B. Visit www.cms.illinois.gov/thetrail for eligibility information.

MyBenefits Service Center

The State of Illinois offers a web-based online enrollment platform entitled MyBenefits Service Center. All plans administered by the State of Illinois, including the Teachers' Retirement Insurance Program (TRIP), will use this enrollment platform beginning September 2016.

The site is designed specifically for members to streamline benefit options into a one-stop shop for insurance needs. This includes learning more about current insurance benefits, making enrollment decisions, changing current coverage and finding contact information for all plan administrators.



The new website is <http://MyBenefits.illinois.gov>. You can access this website via your computer, smartphone or tablet. Members also have the option to call a customer service representative for further assistance or enrollment over the phone, Monday through Friday, 8 a.m. - 6 p.m. CST at 844-251-1777 or TTY at 844-251-1778.

Eligibility

In addition to current participants, enrollment in TRIP is open to:

- any member who has eight or more years of TRS service credit and is receiving a monthly retirement benefit.
- any beneficiary who is receiving a survivor benefit through a member who had eight or more years of service credit.
- any member who is receiving a disability benefit, regardless of the years of service credit.

Enrollment

Enrollment in TRIP is available at four different times:

- when a member applies for monthly survivor, disability, or retirement benefits. TRS will mail the member a TRIP Health Insurance Participation Election form. This form must be completed and returned within 30 days after the effective date of the annuity benefits for enrollment in the program. The insurance becomes effective the first day of the first full month of annuity benefits or the first day of the month in which the enrollment form is received, whichever is later. The effective date of coverage may be delayed for up to four full months after the effective date of the annuity. However, the enrollment form must still be received within 30 days of the effective date of annuity benefits. If both husband and wife or civil union partners are benefit recipients, both must complete the election forms.
- when a benefit recipient turns age 65. Approximately 60 days before a benefit recipient's 65th birthday, a Health Insurance Participant Election form will be mailed to benefit recipients not currently enrolled in the health insurance program. The benefit recipient has six months from the date he or she becomes eligible for Medicare to enroll in the plan. If the benefit recipient is not eligible for Medicare, he or she has 30 days from his or her 65th birthday to enroll in the plan. The insurance becomes effective the first of the month in which the benefit recipient turns 65 or the first of the month in which the election form is received by TRS, whichever is later.
- when coverage by a former plan is involuntarily terminated. At retirement, an annuitant may elect to continue coverage with another plan rather than enroll in TRIP. If this occurs, the annuitant and eligible dependents may enroll in TRIP when coverage under the other plan is involuntarily terminated. The Health Insurance Participant Election form along with a letter from the plan stating the effective date of termination must be returned no later than 30 days after the effective date of termination of the plan's coverage. The insurance becomes effective the first day of the month following cancellation of coverage with the other plan.
- during the annual Benefit Choice Period (usually May 1 through May 31 each year). The insurance becomes effective on July 1.



Administration

TRIP is administered by Central Management Services (CMS). TRS acts as an agent for CMS in collecting the member contribution and employer contributions to help fund the Teachers' Health Insurance Security (THIS) Fund, which finances TRIP. No TRS monies are used to fund TRIP.

Premium payment

A benefit recipient's premium will be based upon his or her residence and accessibility to a managed care plan. Premiums are deducted from the annuitant's monthly annuity received at the end of the month of coverage. If the annuity is not sufficient to cover the premiums, the benefit recipient will receive a direct pay statement that requires monthly payments.

Employers may pay a portion or all of an annuitant's share of the premium for participating in TRIP. TRS will accept the annuitant's premium cost for each designated benefit recipient from the employer. In addition, the employer may also elect to pay premiums for a benefit recipient's dependents. The employer is responsible for notifying TRS of any coverage changes. If an employer makes premium payments for annuitants or dependents who have changed their TRIP coverage, CMS may refund a maximum of six months of prior payments.

The retiring member receives a TRIP Health Insurance Participation Election form with the initial Retirement Application form. This form contains a section where the employer agrees to pay monthly premiums. The retiring member is responsible for contacting the employer to obtain the authorization. If the employer agrees to pay the monthly premium, the district representative must sign the form and identify the employer name and number.

The first time TRS receives a signed Health Insurance Participation Election form, the employer will be sent a Health Insurance Premium Payment Agreement to be completed and returned to TRS. This authorizes TRS to bill the district monthly for the TRIP premium.



TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

TRS ILLINOIS
 2815 W Washington St | PO Box 19253
 Springfield IL 62794-9253
 Richard W. Ingram, Executive Director
 members@trsill.org | http://www.trsil.org
 877-927-5877 (877-9-ASK-TRS) | FAX: 217-753-0964

CMS ILLINOIS
 DEPARTMENT OF CENTRAL
 MANAGEMENT SERVICES

**Teachers' Retirement Insurance Program (TRIP)
 Participation Election**

1. TRS member information. Be sure to check "yes" or "no" for deferred coverage. If enrolling based on retirement, you may delay the effective date of coverage up to four months after the effective date of your benefits. If you check "yes," indicate the month and year you wish the effective date of coverage to begin.

Jane A Doe 1234 Main St Apt B Anytown IL 12345	Social Security number: County of residence: Home telephone number: Gender: Date of birth:	xxx-xx-9999 County (555) 555-1234 Male 01/01/1957
Email address		
Effective date of retirement	Marital status <input type="checkbox"/> M <input type="checkbox"/> S <input type="checkbox"/> CU	Deferred coverage <input type="checkbox"/> Yes <input type="checkbox"/> No
		Effective date of deferred coverage

Please attach your Medicare card. If you are ineligible for Medicare coverage, attach a copy of the verification letter you received from the Social Security Administration. Please call (877) 927-5877 to ask about the Medicare Advantage Plan.

2. Authorized signature

I agree to abide by all Group Insurance Program rules when I enroll. I authorize the annual established premiums to be deducted from my benefit check. I understand that if the amount of my benefit check is insufficient to cover the premiums, I will be direct billed from TRS. I understand it is my responsibility to review my check and verify the amounts of the insurance deductions are accurate. Falsification of the information contained on this form may result in the Department of Central Management Services (CMS) imposing a financial penalty, including, but not limited to, repayment of all premiums the Program made on behalf of the enrolled individual, as well as expenses incurred by the Program. All information furnished on this election is true and complete to the best of my knowledge. This authorization will remain in effect until further written notice.

By signing, I certify that this information is correct. I am aware that pursuant to the Illinois Pension Code, 40 ILCS 5/1-135, any person who knowingly makes any false statement or falsifies or permits to be falsified any record in an attempt to defraud the Teachers' Retirement System is guilty of a Class 3 felony. Please be advised that if the TRS Board has a reasonable suspicion that a false record has been filed with the System, it is required to report the matter to the appropriate state's attorney for investigation.

Signature (member or legal representative)	Date
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3. School district authorization for paying premium. If the school district is paying your portion of the monthly premium or your portion and your dependent's premium, the district representative **must** complete the appropriate information and sign the appropriate line. The district representative must also identify the district name and TRS code.

Are you paying for (select one): Member Member and spouse or civil union partner Member and all dependents

Will you pay (select one): Managed Care Non-Accessible Teachers' Choice Health Plan (TCHP) Accessible Teachers' Choice Health Plan (TCHP)

Will you pay rate increases? Yes No

If one of the above boxes is not selected, please indicate a specified dollar amount or percentage rate:

Monthly dollar amount _____ Percentage rate of total premiums _____

Effective date of paying premium _____ (required entry) Termination date of paying premium _____ (required entry)

District name and TRS code	District representative's signature	Date
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Complete form and mail to:
 Teachers' Retirement System of the State of Illinois
 2815 West Washington
 P. O. Box 19253
 Springfield, IL 62794-9253

TRS will acknowledge receipt of this form.



TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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DEPARTMENT OF CENTRAL
MANAGEMENT SERVICES

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Jane A Doe 1234 Main St Apt B Anytown IL 12345		Social Security number: xxx-xx-9999 County of residence: County Home telephone number: (555) 555-1234 Gender: Male Date of birth: 01/01/1957	
Email address			
Effective date of retirement	Marital status <input type="checkbox"/> M <input type="checkbox"/> S <input type="checkbox"/> CU	Deferred coverage <input type="checkbox"/> Yes <input type="checkbox"/> No	Effective date of deferred coverage

2. Authorized signature

I agree to abide by all Group Insurance Program rules when I enroll. I authorize the annual established premiums to be deducted from my benefit check. I understand that if the amount of my benefit check is insufficient to cover the premiums, I will be direct billed from TRS. I understand it is my responsibility to review my check and verify the amounts of the insurance deductions are accurate. Falsification of the information contained on this form may result in the Department of Central Management Services (CMS) imposing a financial penalty, including, but not limited to, repayment of all premiums the Program made on behalf of the enrolled individual, as well as expenses incurred by the Program. All information furnished on this election is true and complete to the best of my knowledge. This authorization will remain in effect until further written notice.

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Will you pay (select one): Managed Care Non-Accessible Teachers' Choice Health Plan (TCHP) Accessible Teachers' Choice Health Plan (TCHP)

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District name and TRS code	District representative's signature	Date
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