

Get Ready to Retire

AASBO Conference

May 1, 2024

Eleanor Thomas

TRS Retirement Executive





TOPICS

- Steps to take prior to retirement
- Part I retirement application
- Disability retirement
- Part 2 option selection
- Retirement cancellation

Steps to Take Prior to Retirement



Verify Service Credit

Members should have TRS verify their service credit

Service credit is calculated by dividing the units worked by the full-time units required each year

Employers may need to complete the ***Certification of Service*** form for any years in question

<https://www.rsa-al.gov/trs/forms/>

Please note that TRS cannot assist members with questions about employee pay scales





Certification of Unpaid Leave

Members may be eligible to purchase service credit for unpaid military, medical, and maternity leave. If there is a question about a period of work, certification may be required. Upon request from the member, the employer should complete and submit the ***Certification of Leave Without Pay*** form.

<https://www.rsa-al.gov/trs/forms/>



Certification of Unpaid Leave

The Contract Salary and Days Contracted should reflect a full year

Dates and Type of Leave Maternity Leave 8/1/2022-10/31/2022

School Year July 1 - June 30	Contract Salary	Actual Salary Paid	Days Paid	Days Contracted	Time Basis (Full, 3/4, 1/2, 1/4)
2022-2023	\$54,000.14	\$39,561.50	137	187	Full

137/187 days paid = 73% of the contract worked

73% X 12 = 9 months of credit earned

This member may be eligible to purchase 3 months of credit

Request an Estimate

Members can use the Member Online Services Portal <https://mso.rsa-al.gov> or request estimates from TRS

There are 2 deductions from the retirement check:

- Federal income tax
- PEEHIP

(PEEHIP can provide a calculation of the premium prior to retirement)



The image shows a 'Monthly Budget' spreadsheet. The top section is titled 'Monthly Budget' and contains two tables. The first table compares 'PROJECTED MONTHLY INCOME' and 'ACTUAL MONTHLY INCOME'. The second table compares 'Projected Cost' and 'Actual Cost' for various categories, with a 'Difference' column. A pen is pointing to the 'Difference' column.

PROJECTED MONTHLY INCOME		ACTUAL MONTHLY INCOME	
Income 1	€ 2,500.00	Income 1	€ 2,500.00
Extra income	€ 500.00	Extra income	€ 500.00
Total monthly income	€ 3,000.00	Total monthly income	€ 3,000.00

	Projected Cost	Actual Cost	Difference
HOUSING	€ 1,500.00	€ 1,400.00	€ 100.00
Mortgage or rent	€ 60.00	€ 100.00	€ (40.00)
Phone	€ 50.00	€ 60.00	€ (10.00)
Electricity	€ 200.00	€ 180.00	€ 20.00
Gas	€ 50.00	€ 48.00	€ 2.00
Water and sewer			€ -
Cable			€ -
Waste removal			€ -
Maintenance or repairs			€ -
			€ 1,788.00

Part 1 The Application for Retirement

Members can retire on the first day of any month in which they are not working.

Example: A 9-month employee can retire on June 1 because they do not work in June. They can receive their retirement checks while they receive their contract payoff.

Tier 1 Retirement Eligibility	Tier 2 Retirement Eligibility
25 years of service credit at any age	30 years of service credit with a 2% reduction for each year under age 62
10 years of service credit at age 60	10 years of service credit at age 62

Members can convert sick days into retirement credit with some limitations

Part 1 The Application for Retirement

Part 1 must be submitted to TRS
30 to 90 days prior to the
requested retirement date.

We can accept a faxed or
uploaded copy to meet the
deadline, but the original
document must be submitted to
TRS.



Filing the Application

Common reasons that TRS returns the *Application for Retirement* application to members:

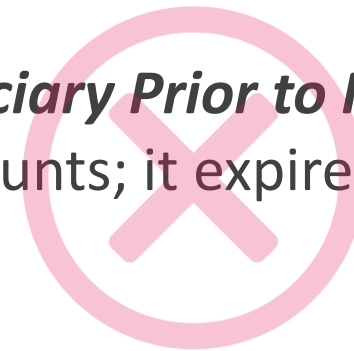
- No member signature
- Invalid or missing notarization (signature dates must match)
- No retirement date
- Incomplete or conflicting beneficiary information



Tips on Beneficiary Designation

If a member designates more than one beneficiary at retirement, he or she will only be permitted to choose the maximum or option 1 benefit. Please note that the member must complete the ***Multiple Beneficiaries Attachment*** form to designate more than 1 beneficiary.

The ***Designation of Beneficiary Prior to Retirement*** form is only for active accounts; it expires as of the retirement date.



Tips on Beneficiary Designation

It is imperative that the beneficiary's name, date of birth, and social security number are correct on the form. Errors affect insurance coverage, beneficiary payments, and the calculation of option 2 and 3 retirement benefits.

Tips on Beneficiary Designation

Option 2 and 3 survivor benefits are calculated using the ages of the member and beneficiary. Once retired, a retiree cannot name a new beneficiary to receive the lifetime survivor benefit unless they become divorced from the beneficiary or if the beneficiary predeceases the retiree.

A younger beneficiary = a lower option 2/3 retirement benefit for the retiree

Common Errors on the Direct Deposit Authorization form:

Name(s) of Person(s) on this Account

John Smith

Mary Smith

Joint Financial Institution Account Holder(s) Signature(s)

John Smith's signature

Mary Smith's signature

The bank will list the names of joint account holders on page 2. Those individuals must sign the agreement on page 1.

Disability Retirement

The *Application for Disability Retirement* and the *Physician's Report of Disability* must both be submitted to TRS 30 to 90 days prior to the retirement date.

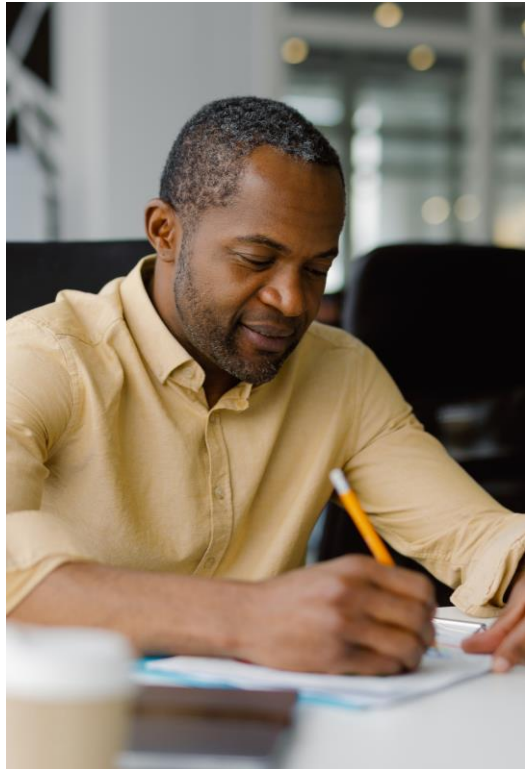
Eligibility Requirements:

A member must have at least 10 years of service credit and be **in-service** with a TRS employer.

A member can be on a leave of absence for one year, which can be extended for an additional year

If employment is terminated, the member cannot apply for disability retirement

Part 2 The Application for Retirement



TRS will send Part 2 – option selection - to the member after certification is received and calculations are complete

The retirement option selection must be submitted to TRS prior to the retirement date.

If the form is not received by the deadline, the member will be assigned the maximum retirement benefit.

The option cannot be changed as of the retirement date.

Cancelling Retirement

A member must cancel their retirement prior to the retirement date by submitting a Retirement Cancellation Form or a signed statement to TRS.



Cancelling a retirement with RSA does not guarantee that the employer will allow the employee to return to work.

Thank you for your
continued
partnership.



Eleanor Thomas
TRS Benefits
rsa-al.gov
877-517-0020

