



Post-Retirement Seminar

June 4, 2022

9 am – 1 pm



Agenda



Odds & Ends, Introductions, and

TRS Update

9:00 am – 9:30 am

Estate Planning

9:30 am – 11:00 am

Break

11:00 am – 11:20 am

Elder Care Law

11:20 am – 12:50 pm

TRS Update

as of May 2022



Stats – Membership



○ Membership

- Actively Contributing Members: 236,974
- Retirees and survivors: 141,058
- Active, non-contributing & other: 30,000+
- Total: *approx.* 408,000+

Stats – Our Most Wise Retirees as of May 2022 (incl. Survivors)



- 9,067 retirees who are at least 85 years old.
- Over 3,000 retirees who are at least 90 years old.
 - About 80% are women
 - About 20% are men
- 70 retirees are at least 100 years old!
 - 63 of them are women (90%).
 - At last check, 2 are 107! The oldest male is 101.
 - At age 110 you become a super centenarian. Per Wikipedia, only 200-350 persons worldwide are at least 110!!

Retirees on TRS Website



- Web Usage Among Retirees remains busy!
 - During FY2021, retirees did
 - Over 4,000 online address changes
 - 10,000 online direct deposit changes
 - About 35,000 online requests for 1099R forms, and
 - 42,000 tax withholding changes online.
- Reminder: at age 62, the state tax exemption is \$35,000 and goes up to \$65,000 at age 65...only applies to retirement income.

Retired, but Working



- **Already retired, but came back to work under TRS**
 - 11,100 retirees came back to work in some capacity during FY2021 with a TRS-covered employer.
 - As a reminder, there are a number of return-to-work positions you can do while receiving your TRS pension:
 - There are no restrictions on jobs not covered under GA TRS.
 - TRS positions at 49% salary and time are ok, or jobs at the normal hourly rate for up to half the working hours in each month. (Over 5,700 retirees came back part-time in FY21)
 - You can do two 49% jobs for separate TRS-covered employers.

Retired, but Working



- You can return full-time temporary (up to 3 months); and then drop back down to 49% for 9 months if desired. (Over 5,200 retirees came back temporary in FY21)
- Substitute teach as much as you want at the normal daily rate of pay
- Be a classroom aide for 1 hour less than an aide who is full-time at a given school.
- There are even some full-time jobs permitted; for example, retiring from k-12 and then working for the BOR under the ORP retirement plan or for a technical college under ERS retirement.

HB 385 – Return to Work



- Effective 7/1/22 until 6/30/26
- Retiree may return to work full time and collect TRS pension and awarded COLAs, if...
 - Retired for at least 1 year
 - Obtained 30 years of creditable service
 - Position is classroom instruction in area of highest need as determined by assigned RESA
 - Employer pays both employee and employer contributions
 - Service credit is not earned while reemployed

Stats – Benefits Paid



- Total benefits paid to retirees during FY21 was \$5.4B
- For our service retirees
 - The average years of service was 25.67 years
 - The average age at retirement 59.0 years
 - The average benefit was \$3,456/month, or \$41,472 per year.
- We processed 6,835 new retirements in FY21.
- So, where does the money come from to pay you each month?....

Funding Sources



- Over the past 10 years (through 6/30/21), total funding came from the following sources:
 - Member contributions: 7.6% (stable)
 - Employer contributions: 19.4% (stable)
 - From State funds: 52% of total (10.1%) Er contributions
 - From Local funds: 48% of total (9.3%) Er contributions
 - Investment income: 73.0%: Earnings on investments and employee contributions- **not taxpayer contributions**- have historically made up the majority of pension plan payments. (trending upwards)



Asset Allocation

- As of 6/30/21:
 - Stocks comprise 71.6% of total assets, which now totals \$73.2B
 - 79% of stocks are managed in-house and placed into 16 “mirrored-index” funds, for example, funds similar to the S&P 500 and 600
 - 21% of stocks come through recommendations made by external investment consultants
 - Bonds and treasury notes comprise 25.3% of total assets, which totals \$26B
 - Cash, property, and receivables make up about 3%
 - Alternative investments accounts for \$0.01B (0.1%)

Plan Assets



- For FY2020, our total return was 5.42%, which was among the best in the nation.
- For FY2021 the real rate of return on investments was 29.19%! This was the 4th best year since 1975! (that's going back over 45 years!)
- The average rate of return over the last 10 years was 9.78%, which is well over the current target assumed rate of 7.25%.
- Our total portfolio rate of return for FY21 was also above our target rate for the 20-year and 30-year periods.

Plan Assets



- FYI: Ga TRS is the 23rd largest pension system in the nation. In the last few years, we have gone up 2 places.
- As for funding levels, we are now at 81.3%, which is a significant increase over last year's level of 76.2%.
- As of 5/1/22 the System's assets had a market value of \$92.9B.
 - As of 1/1/2022, system assets were \$105.8B, which was about our peak.
 - As of 6/30/21, \$102.2B
 - As of 6/30/20, \$81.2B

Economic Impact of TRS Pensions

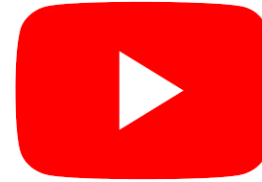


- Your pensions are significant boosters for Georgia's economy- to the tune of \$8.9 Billion/yr.!
 - You buy things, which provides income to the sellers, who then spend more and put that money back into GA
 - The increased business induces companies to hire more employees, who then spend more in GA.
- So thanks for being such great supporters of Georgia's economy !!

Recommendations Like & Follow Us!



Like & Follow Us @TRSGEORGIA and
Your Retirement in Focus on Spotify!



SCAN OUR QR CODES TO FOLLOW!



Open your Camera App, Hover over code and Tap the link!