

# Benefits report

A publication of the  
Teachers' Retirement System  
of the City of New York



## TRS Is Open for Business

Happy summer! We're publishing our Spring 2021 issue in June so that we may include updates on some pending legislative issues; please see page 3.

TRS' biggest news is that we continue to move toward resuming regular operations as the COVID-19 pandemic recedes. On May 3, we reopened our Member Services Center to visitors by appointment only. Face coverings are currently required for all visitors, and other health protocols will be enforced, consistent with the latest guidance from health officials.

Until further notice, unscheduled visitors are not permitted, except to use the drop box in the entrance. To schedule an in-person appointment or a video meeting with a Member Services Representative, please use the simple [online form](#) available through the homepage of our website.

As we close out the school year, we find that our membership adapted well to interacting with TRS remotely since March 2020. While our call volume has been consistently high throughout the pandemic, members have embraced the alternative contact methods that we introduced, such as email and video conference. Similarly, we shifted our educational programs to be exclusively online over the past year, and member participation skyrocketed. The online platform has allowed us to reach more members than we could in the classroom setting, so we plan to continue online offerings even after we can resume onsite programs.

As July approaches, we are also closing out our second straight spring of online retirement filing. For 2021, we enhanced the retirement "e-form" that we debuted last year, and we also improved the follow-up process where our representatives review filings and contact prospective retirees. Like online educational programs, online retirement filing is an option that we will continue to offer members, even when we are back to full pre-pandemic operations at 55 Water Street.

Undoubtedly, the pandemic has brought about tremendous challenges—and far too many personal tragedies. But we appreciate the patience and support of our membership who weathered these challenges with us, and we look forward to the future.

Please monitor our website over the summer and follow us on social media for additional updates on services.

## Spring 2021

**Investment Results:** *Performance updates for our Passport Funds / 2*

**Required Minimum Distributions:** *Required again in 2021 / 3*

**Legislative Update:** *Two bills pending in Albany / 3*

**Power of Attorney:** *Simpler form introduced / 3*

**Publications:** *Updated materials / 4*

**Calendar:** *Key dates to remember / 4*

# Semiannual Investment Results: 12/31/2020

## TRS Passport Funds

TRS' Passport Funds are available to all Tax-Deferred Annuity (TDA) Program participants and members in Tiers I and II for a portion of their funds in the Qualified Pension Plan (QPP).

For more recent investment results, please visit our website. For more details about the Passport Funds, please review our annual *Fund Profiles* booklet.

### Annualized Investment Returns

	1 Year	3 Year	5 Year	10 Year
Fixed Return Fund (TDA/UFT)*	7.00%	7.00%	7.00%	7.00%
Fixed Return Fund (All Others)*	8.25%	8.25%	8.25%	8.25%
Diversified Equity Fund	18.20%	11.96%	13.36%	11.77%
Balanced Fund**	8.67%	5.62%	N/A	N/A
International Equity Fund	14.53%	6.83%	10.13%	6.71%
Sustainable Equity Fund	38.67%	17.78%	16.37%	13.42%
U.S. Equity Index Fund***	20.78%	N/A	N/A	N/A
International Equity Index Fund***	11.07%	N/A	N/A	N/A

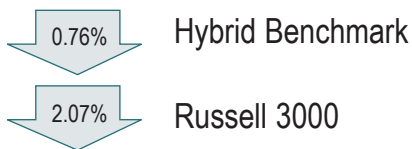
\*Returns for the Fixed Return Fund are set by New York State Law. Currently, members affiliated with the United Federation of Teachers are credited with 7% annually on TDA investments in the Fund. Other members' TDA investments in the Fund, and any member's QPP investments in the Fund, are currently credited with 8.25% annually. Historical rates are published on our website. For retirees and annuitants who have Fixed Return Fund investments, the guaranteed return is factored into their monthly payments. Funds that members allocate to the Fixed Return Fund are invested with the Pension Fund.

\*\*5- and 10-year investment returns are not available for the Balanced Fund, which began on 1/1/2018.

\*\*\*3-, 5-, and 10-year investment returns are not available for the U.S. Equity Index and International Equity Index funds, which began on 1/1/2020. The 1-year returns shown above represent the returns of the underlying mutual funds that the U.S. Equity Index Fund and the International Equity Index Fund are invested in. **Members were credited with the actual returns of these funds, which were 41.28% and 29.91%, respectively, for the 1-year period.** The differential between the returns of the Funds and those of the underlying mutual funds is due to the size and timing of the cash flows into/out of the Funds relative to the Funds' size. Note that the returns of the underlying mutual funds (cited in the chart) do not include the 0.18% administrative expenses that apply to all of the funds except the Fixed Return Fund.

### Five-Year Performance vs. Benchmarks

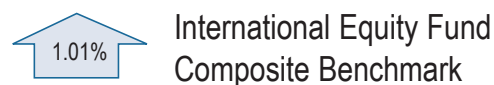
#### Diversified Equity Fund:



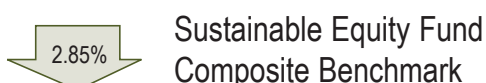
#### Balanced Fund<sup>1</sup>:



#### International Equity Fund:



#### Sustainable Equity Fund:



<sup>1</sup> As of 1/1/2018, the Bond Fund became the Balanced Fund, so no 5-year comparison is available. A 3-year comparison is shown above.

### TRS Plans

TRS offers two plans to members.

All members participate in the Qualified Pension Plan (QPP), a defined-benefit plan that is funded by employer contributions and member contributions. TRS also administers a Tax-Deferred Annuity (TDA) Program, a supplemental defined-contribution plan. The TDA Program is funded by member contributions.

**QPP Total Investments**  
**\$69.28 Billion\***

**TDA Total Investments**  
**\$43.33 Billion\***

\* As of 12/31/2020 (unaudited)

## RMDs Return in 2021

If you “deferred your TDA” and are maintaining your Tax-Deferred Annuity (TDA) Program account during retirement, you will eventually be subject to RMDs—Required Minimum Distributions. The Internal Revenue Service (IRS) waived the distributions for 2020, but they are required once again in 2021.

In general, the IRS requires distributions of TDA funds to begin as of the later of: the year you retire, or the year you reach 72 (70½ if you were born before July 1, 1949). In May, TRS mailed a packet about the 2021 RMD to all members reaching age 72 or older this year.

If you are due an RMD and do not respond to TRS’ mailing, we will issue you a payment in December 2021 that meets the IRS requirements. If you want to receive your RMD sooner, or if you want to choose another way to meet the requirement, you have until October to file an RMD election on our website (or use the form enclosed in our mailing).

If you can’t find your letter from TRS, log on to the secure section of TRS’ website and check the **Documents** section.

## Legislative Update

As we went to press, two bills related to TRS were awaiting the Governor’s signature to make them law.

One bill would make TRS membership mandatory for paraprofessionals in educational titles.

A separate bill would close TRS’ TDA Beneficiary (TDAB) program to new participants. The TDAB program currently allows beneficiaries of deceased members to maintain an account in TRS’ Tax-Deferred Annuity Program. It was established to give beneficiaries an alternative to receiving a payout of TDA benefits.

However, with competitive alternatives such as Inherited IRAs now available in the marketplace, there is no need to continue to offer the TDAB program. Existing TDAB accounts are not affected by this legislation.

We will publish updates about both of these items on our website and social media.

### Early Retirement Incentive

There will be no early retirement incentive for TRS members in 2021. A law enacted earlier this year authorized but did not require the City to offer a retirement incentive to certain employees, including some Department of Education (DOE) employees who are TRS members. May 31 was the deadline for establishing a DOE retirement incentive. However, the DOE elected not to participate, so the matter is closed.

## Need to File a Power of Attorney with TRS?

Power of Attorney (POA) documents executed in New York State on or after June 13, 2021 must comply with a new state law that simplifies the statutory form and the approval process.

If you currently have a POA document on file with TRS, no action is needed; the new law does not affect existing POA arrangements.

However, if you need to establish a new POA arrangement relating to your retirement account—or modify an existing POA—please consult your attorney or refer to the updated “[TRS Special Durable Power of Attorney](#)” (code BK75) on our website.



Teachers' Retirement System of the City of New York  
Public Information Office  
55 Water Street, New York, NY 10041

## BENEFITS REPORT

Volume XXVI, Number 2

### TEACHERS' RETIREMENT BOARD

Debra Penny, Chairperson  
John Adler  
Thomas Brown  
Natalie Green Giles  
David Kazansky  
Lindsey Oates  
Scott M. Stringer

### EXECUTIVE DIRECTOR

Patricia Reilly



## Publications

The following TRS publications have recently been updated and are available on our website:

• [QPP Loans](#)

• [TDA Loans](#)

## Calendar

**July 1, 2021:** Effective date of retiree investment election changes received by May 1, 2021 (QPP changes, TDA annuitant changes) or May 31, 2021 (changes for deferred TDA accounts).

**July 2021:** Mailing of EFT Quarterly Statements and posting of TDA Quarterly Statements for the second quarter of 2021.

**September 2021:** New York State's 2021 Cost-of-Living Adjustment takes effect; eligible retirees will receive up to \$252 (\$21 per month) from the COLA.

**October 1, 2021:** Effective date of retiree investment election changes received by August 1, 2021 (QPP changes, TDA annuitant changes) or August 31, 2021 (changes for deferred TDA accounts).

**October 2021:** Mailing of EFT Quarterly Statements and posting of TDA Quarterly Statements for the third quarter of 2021.

**October 31, 2021:** Deadline for filing RMD elections with TRS; see story on page 3.

Mailing of monthly retirement benefit checks generally occurs three business days before the end of each month.

Please remember that TRS offices will be closed on the official New York City holidays occurring **July 5, September 6, and October 11, 2021**. On Fridays from **July 9** through **September 10**, we will close at 1:00 p.m.

Stay informed between issues of *Benefits Report*. Please follow TRS on social media. And check our website frequently for updates on our operations and services!

