

## TDA Enhancements for 2025

In the first half of 2025, we will roll out enhancements to your TDA online experience: redesigned screens that are easier to use, plus some new options to give you more control of your TDA contributions. We'll announce those changes on our website and social media next year. But here's what else is changing in the meantime:

### TRS Changes

- You can choose whatever TDA contribution rate works best for you — with no restrictions. The Full-Year, Full-Contribution (FYFC) rate election will no longer be offered. (FYFC allowed members to make the maximum allowable TDA contribution with equal deductions from every paycheck of the year.)
  - Want to frontload your TDA contributions so that you'll reach your annual maximum by the end of this school year? You can do it. Want to make smaller, steady investments in TDA all year long? You can do that too — as little as 1% can add up over time.
  - Our TDA Calculator will still be available online when you're choosing a contribution rate. The calculator lets you enter data from your paystub to see how TDA contributions will affect your paycheck.
  - If you had selected FYFC for 2024, your TDA contributions will continue in 2025 at the same numeric rate (until you reach your maximum or choose a different rate).

### IRS Changes

- Starting in 2025, there will be different limits on “catch-up” contributions for members aged 60 to 63. The Internal Revenue Service currently allows additional contributions from all participants aged 50 and older; that amount is capped at \$7,500 in 2024. The new rule allows members between age 60 and 63 to make catch-up contributions of up to 1½ times that amount.

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## Fall 2024

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# Let's Get Social

Our social media platforms have lots of great TRS information:

- **Head to our Facebook page**

- Tap our TRS profile picture to see our Facebook Stories for polls, weekly updates, etc.

- **Follow us on Instagram for tips and reminders, including:**

- Updating your beneficiary and personal information with TRS.
- Organizing and making digital copies of your legal documents.
- Keeping loved ones informed about your estate preferences.

- **Follow us on Threads and X for daily news updates and fun posts.**

- **Connect with us on our YouTube channel:**

- Access recordings of TRS Board and Investment meetings.
- Watch helpful tutorials.



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In fact, follow TRS on all our social media platforms.

## Learn the Lingo: Total Service Credit

The world of pensions has a language of its own. In this issue, we look at **Total Service Credit** and its related components.

Total Service Credit is one of the key factors (along with Final Average Salary) used to determine the amount of your pension benefits after retirement. In general, Total Service Credit equals the sum of the following types of service.

- **Membership Service:** Any credited service you performed since joining TRS.
- **Optional Service:** Any service credit you have the option to claim or purchase, including:
  - **Prior Service:** Creditable service you performed with a New York City or New York State public employer before joining TRS.
  - **Amann Service:** Creditable service that you performed with a City or State public employer during a leave of absence from your TRS-eligible position or after separating from service. Typically, this is substitute teaching or per diem service.
  - **Military Service:** Creditable U.S. military duty you performed before joining TRS or during a leave of absence from your TRS-eligible position.
- **Transferred Service:** If you transferred your membership from another retirement system into TRS, your service credit in that system transferred to TRS with you.

### How much Total Service Credit do you have?

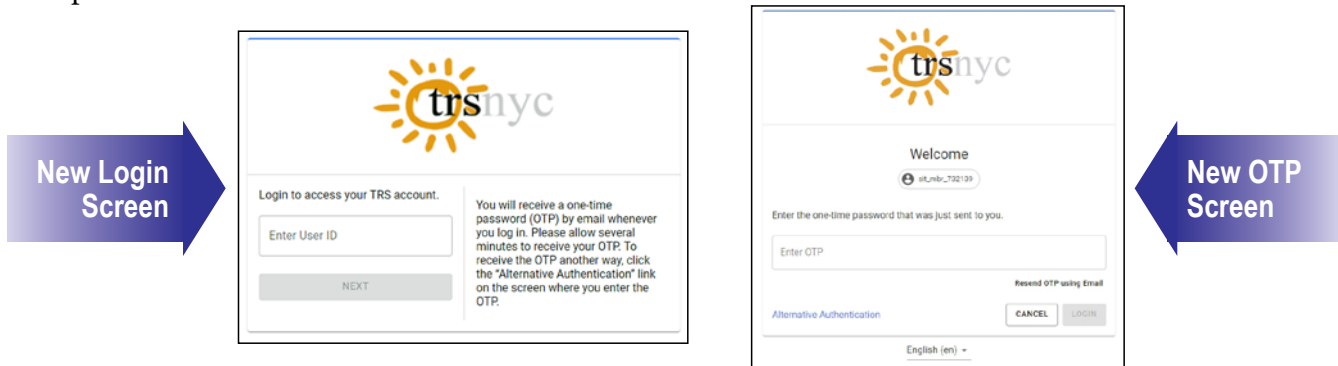
Refer to your most recent Annual Benefits Statement (ABS) for the answer. See page 3 for a related article.

# Website Login Will Change

Later this year, TRS will update the process for members to log in to the secure section of our website. We will introduce “two-factor authentication” for increased account security. As a result, the login screens and steps will look different, as shown below. The first time you log in after this upgrade, you will need to enter a one-time password (OTP) in addition to your username and password. The OTP will be sent to the email address you have on file with TRS. You may be able to avoid the OTP step in the future by checking the **Remember Me** box and entering a nickname for your device. **Update: The Remember Me option is no longer available so you will receive a OTP every time you log in.**

As part of the new login steps, you will no longer see the “security image” that is currently displayed each time you log in. Also note: If you have not logged in to TRS’ site for several years, you may need to register as a new user.

The exact date for this upgrade is not set, but we will post a message on our homepage in advance — which is our standard practice for all website maintenance work.



## Annual Benefits Statement

Consider your Annual Benefits Statement (ABS) to be a yearly checkup on your TRS retirement accounts. Each fall TRS provides you with this detailed report, which is available to view at any time in the secure section of our website. (Log in to [www.trsnyc.org](http://www.trsnyc.org) ► **Documents** ► **Annual Benefits Statement**).

### ABS Highlights

Your ABS shows your total service credit, eligibility for benefits, and designated beneficiaries—all as of June 30. Benefit estimates and projections are also provided to retirement-eligible members and those who are nearing retirement age.

### What You Should Do...

Review your ABS for completeness. You may also want to download or print a copy, especially if you are considering retirement within a few years. Do you need to update information on your account, such as beneficiary designations? Log in and make changes. Do you disagree with the information in your ABS? Submit an ABS inquiry online after logging in.

### Is There Prior Service for You?

It’s worth taking the time to check. Purchasing credit for prior service increases your **Total Service Credit** — which will increase the amount of your retirement benefits.

If TRS is aware of service credit that’s available for you to purchase, it is shown in the **Total Service Credit Details** section of your ABS, along with instructions on next steps. For your convenience, TRS offers several ways to make a purchase of service credit, including payroll deductions.

TRS receives service records from the New York City Department of Education for most titles, but not from other employers. So, members need to make sure their past employers in New York State supply the documentation TRS needs to determine whether their service is creditable.

**Note:** Members who joined TRS this school year will receive their first ABS next fall.

# Semiannual Investment Results: 6/30/2024

## 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 [www.trsnyc.org](http://www.trsnyc.org) ► **Investments** ► **Investment Returns**.

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	20.26%	5.60%	11.53%	9.81%
Balanced Fund**	8.85%	1.32%	4.00%	N/A
International Equity Fund	10.98%	0.80%	6.46%	4.98%
Sustainable Equity Fund	27.38%	7.91%	16.69%	12.35%
U.S. Equity Index Fund***	22.34%	8.13%	N/A	N/A
International Equity Index Fund***	10.68%	0.44%	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.

\*\* 10-year investment return is not available for the Balanced Fund, which began on 1/1/2018.

\*\*\* 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.

## Five-Year Performance vs. Benchmarks

### Diversified Equity Fund:

0.47% Hybrid Benchmark

1.54% Global Market Composite Benchmark

### Balanced Fund:

0.17% Balanced Fund Composite Benchmark

### International Equity Fund:

0.84% International Equity Fund Composite Benchmark

### Sustainable Equity Fund:

2.70% Sustainable Equity Fund Composite Benchmark

## 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 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

**\$74.93 Billion\***

### TDA Total Investments

**\$49.05 Billion\***

\* As of 6/30/2024 (unaudited)

# Continuing Ed about Your TRS Benefits

It pays to get smart about your TRS benefits. Whether you're starting your career or making retirement plans, TRS offers educational programs on many aspects of membership. See below for the current schedule of online classes. Full descriptions of the classes are available at [www.trsnyc.org](http://www.trsnyc.org) ►

## Resources ► Educational Programs

- **Getting Ready for Retirement–Tier IV, Part 1**  
Wednesday, November 6 (3:00 p.m. to 5:30 p.m.)
- **Getting Ready for Retirement–Tier IV, Part 2**  
Thursday, November 7 (3:00 p.m. to 5:30 p.m.)
- **Getting Ready for Retirement–Tier IV, Part 1**  
Tuesday, November 12 (3:00 p.m. to 5:30 p.m.)
- **Getting Ready for Retirement–Tier IV, Part 2**  
Wednesday, November 13 (3:00 p.m. to 5:30 p.m.)
- **Filing for Retirement Online–Tier IV**  
Thursday, November 14 (3:00 p.m. to 5:00 p.m.)
- **Retirement Payment Options for Tiers III/IV/VI**  
Tuesday, November 19 (3:00 p.m. to 5:00 p.m.)
- **TDA Annuitization at Retirement**  
Wednesday, November 20 (3:00 p.m. to 5:00 p.m.)
- **Introduction to the TDA Program**  
Tuesday, November 26 (3:00 p.m. to 5:00 p.m.)
- **Understanding the Age 55 Retirement Program**  
Tuesday, December 3 (3:00 p.m. to 5:00 p.m.)
- **Tier III/IV Service Retirement Plans**  
Wednesday, December 4 (3:00 p.m. to 5:00 p.m.)
- **What is Service Buyback?**  
Wednesday, December 5 (3:00 p.m. to 5:00 p.m.)
- **Final Average Salary for Tier III/IV**  
Wednesday, December 11 (3:00 p.m. to 5:00 p.m.)
- **Getting Ready for Retirement–Tier IV, Part 1**  
Tuesday, December 17 (3:00 p.m. to 5:30 p.m.)
- **Getting Ready for Retirement–Tier IV, Part 2**  
Wednesday, December 18 (3:00 p.m. to 5:30 p.m.)
- **Tier III/IV Service Retirement Plans**  
Tuesday, January 7 (3:00 p.m. to 5:00 p.m.)
- **Tier VI–Planning for Tomorrow**  
Wednesday, January 8 (3:00 p.m. to 5:00 p.m.)
- **Introduction to the TDA Program**  
Thursday, January 9 (3:00 p.m. to 5:00 p.m.)
- **Understanding the Age 55 Retirement Program**  
Tuesday, January 14 (3:00 p.m. to 5:30 p.m.)
- **TDA Annuitization at Retirement**  
Thursday, January 23 (3:00 p.m. to 5:00 p.m.)
- **Getting Ready for Retirement–Tier IV, Part 1**  
Tuesday, January 28 (3:00 p.m. to 5:30 p.m.)
- **Getting Ready for Retirement–Tier IV, Part 2**  
Wednesday, January 29 (3:00 p.m. to 5:30 p.m.)
- **Filing for Retirement Online–Tier IV**  
Thursday, January 30 (3:00 p.m. to 5:00 p.m.)



# Paper Check Fraud Is on the Rise

For many, there's a comfort level with writing paper checks to pay for services. Unfortunately, this practice has become less safe. When you drop a letter, card, or payment statement in the mailbox or at the Post Office and it somehow gets lost in the mail — what sometimes happens is that it's stolen.

Imagine stealthy fraudsters rifling through a mailbox under cover, snatching checks you intended for bills or loved ones. Skilled criminals can use chemical compounds to erase your handwriting and replace it with their own details. If they get their hands on one of your checks, they have the tools to deplete your entire bank account. And while bank account balances up to \$250,000 are federally insured and protected, it can take more than 30 days to retrieve your missing funds!

According to a recent *New York Times* article about this troubling trend, banks and credit unions were expected to file nearly 540,000 suspicious-activity reports tied to check fraud in 2023 — more than double the number from 2021.<sup>1</sup>

## One Solution: Electronic Payment

Once considered a scary and untrusted option by some, Electronic Fund Transfer (EFT) may now be a better way to complete transactions. Here's why:

When a paper check is intercepted, thieves have access to a lot of important account information, including your:

- Account number
- Bank routing number
- Signature
- Address
- Check number



That's plenty of information to use for identity theft.

When you make electronic payments to TRS or other institutions in a secure, controlled environment, it minimizes your risk for theft. EFT is a transfer of funds between two regulated financial systems. Your personal information is not on a piece of paper that is traveling outside of your control. So for the next payment you make, consider paying electronically.

### EFT: Safer for Receiving Payments, Too

Of course, receiving your payments electronically is safer than being paid by check. About 96% of TRS retirees receive their retirement benefits directly in their bank accounts each month. No worries about mail delays, damage, or theft.

For most members who are still working and paid on the New York City payroll, payments from TRS (such as loans) are paid into the same account where they receive their pay. After you retire, TRS will deposit your retirement allowance into the same account — unless you designate a different one — but your retirement allowance will be paid by EFT.

<sup>1</sup> *New York Times*, published Dec. 9, 2023; updated June 3, 2024.

## TDA Enhancements for 2025 *(Continued from page 1)*

- At press time, the IRS had not yet announced its contribution limits for 2025, but we will publish the [details](#) on our website once this occurs. We will also send an email update to all TDA participants, so be sure you have an email address registered with TRS!

### Get with the TDA Program!

About 75% of TRS members contribute to the TDA. Are you one of them? If not, now is a great time to start! Make retirement contributions your priority in 2025. Upcoming TDA changes will give you more opportunities to set and meet your financial goals.

To learn more about the TDA Program, visit [www.trsnyc.org](http://www.trsnyc.org) ► **Discover TDA**. Or sign up to attend a free TDA class at [www.trsnyc.org](http://www.trsnyc.org) ► **Resources** ► **Educational Programs**.



# Money-Saving Tips

Discovering ways to stretch a dollar is always beneficial. Here are some tips we hope you can use. Apply these strategies to see how your savings add up.

## Pay with cash

Remember when cash was king? It still is when you want to minimize your spending. When you wave a credit card or smartphone for purchases, it's easy to lose track of your spending. So, a simple money-saving hack is to pay with cash for most purchases.

## Pay down credit card balances

Interest on those credit card purchases is a leading obstacle to saving money. Make it a priority to get your credit card balance to zero or as close to zero as possible. Also, use credit cards that have lower interest fees.

## Delay purchases

You see a sweater you like. A lot. One click will add it to your shopping cart. The money-saving strategy? Wait 7 days. If you still love the sweater, buy it. If it was just an infatuation, you saved yourself the cost of a sweater.

## Automatic transfers

Schedule a portion of every paycheck to go toward long-term savings. This systematic approach can reduce the amount of money available for discretionary spending, while at the same time building up your savings.

## Plan meals

"What's for dinner?" Knowing the answer to that question ahead of time can be less expensive than deciding when you're hungry. Plan and prepare meals a few days in advance.

# TRS JUMBLE

Who doesn't love a Jumble game? For decades, you've seen the scrambled word game in newspapers. Maybe these days you play it online. Well, here's a TRS version of a Jumble to tease your brain.

Unscramble these jumbled words, one letter to each box, to form words. Then use the letters in the circles to solve the final retirement-related clue.

To check your answers, visit: [www.trsnyc.org/jumble](http://www.trsnyc.org/jumble)

**HAVE FUN!**

EVDTSE

=

VCSREIE

=

IOVINS

=

OLRACHS

=



Final Clue: Joining the TRS Tax-Deferred Annuity (TDA) Program was a great ...

Answer:



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

## IN-SERVICE NEWS

Volume XXIX, Number 2

### TEACHERS' RETIREMENT BOARD

Thomas Brown, Chairperson  
 Bryan Berge  
 Gregory Faulkner  
 Brad Lander  
 Victoria Lee  
 Christina McGrath

### EXECUTIVE DIRECTOR

Patricia Reilly



**Does TRS have the correct mail and email address for you? Log in to [www.trsnyc.org](http://www.trsnyc.org) to check and make updates!**

## Publications

The following TRS publications were recently updated and are available on our website ([www.trsnyc.org](http://www.trsnyc.org) ► **Publications**):

• *Benefits in Brief (Tier VI)*

• *TDA Loans*

## Calendar

**January 1, 2025:** Effective date of investment election changes received by December 1, 2024.

**January 2025:** Expected distribution of 1099 forms for any distributions made from members' TRS accounts in 2024.

**February 2025:** Posting of Quarterly Account Statements for the fourth quarter of 2024.

**April 1, 2025:** Effective date of investment election changes received by March 1, 2025.

TRS offices will be closed to observe official New York City holidays on the following dates: **November 5, 11, and 28, December 25, 2024, and January 1, 20, and February 17, 2025.**



Use the TRS website to get early access to this newsletter and other communications from us.

Stay informed between issues of *In-Service News*. Please follow TRS on social media. 