

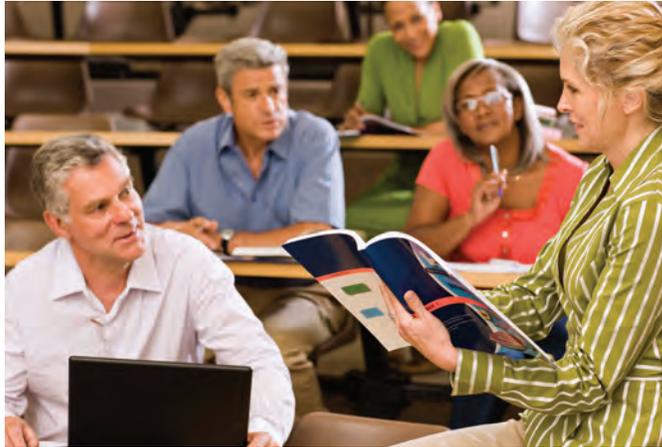
# Chapter 10: Applying for and Receiving Retirement Benefits

*This is an exciting time for you. Your teaching career is almost complete. You have new experiences waiting.*

The retirement process begins with you contacting us about your plan to retire and ends approximately 60 to 90 days after your retirement date when you receive your first annuity payment.

## Personalized retirement interview

You may take advantage of our personalized retirement interview by calling a TRS benefits counselor or logging on to the secure member area of our website. When you plan to retire, you should contact us approximately three to four months before your retirement date.



Simply provide your Social Security number, the date you will retire, and your federal withholding status and number of exemptions to start the process. During your interview, we will discuss any optional service or credit under reciprocal systems, upgrading any pre-July 1998 service credit, enrolling in the Teachers' Retirement Insurance Program, and signing up for direct deposit.

TRS will complete the retirement forms with you over the telephone or online in about 15 minutes. You should receive your personalized forms within 10 business days.

## Effective date of retirement

Once you meet the eligibility requirements (see [Chapter 8: "Retirement Benefits"](#)), your retirement annuity will begin on the later of:

- the day following the last day for which you earn salary that counts toward retirement, or
- the day on which you attain the minimum qualifying age.

## Annuity payments

You will receive your first annuity payment approximately 60 to 90 days after we receive a signed application form, any remaining payments due from

you, and the Supplementary Report and Sick Leave Certification forms from your employer.

A notification of first payment letter will be mailed to you when your retirement paperwork is completed. This notification will contain your member ID to create an online account in the secure member area if you haven't already established one. You will need your

member ID, Social Security number and your birth date to set up your account. Once you are in the secure area online, you may view your monthly annuity checks and year-end statement.

The Office of the Comptroller mails payments on the last working day of each month. The payment you receive on the first day of the month represents the annuity you earned for the preceding

month. Please notify us if your payment has not arrived after 30 days from the issue date.

To protect our annuitants, we have the right to suspend retirement annuities if two payments remain uncashed. Once we learn the circumstances behind the uncashed payments, we will mail the suspended payments to the annuitant.

## Direct deposit

Annuitants, beneficiaries, and disability recipients are encouraged to have payments electronically deposited into a bank or other financial institution. Direct deposit is a safe and convenient way to ensure that your payments are received automatically each month.

To authorize direct deposit of benefit payments, you and your financial institution must complete and sign the Depository Agreement for TRS Benefit Payments form. Please return the agreement form with original signatures no later than the 15th day of the month. Your next check will be mailed directly to your home address. In following months, your payment will be directly deposited into your account on the first banking day of each month. You will not receive a monthly statement from TRS.

## **IRS Section 415 benefit limitations**

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Section 415 of the Internal Revenue Code imposes limitations on benefits paid by qualified plans, like TRS. TRS must determine if your retirement annuity exceeds the federally-allowed payment limit.

If your retirement annuity exceeds the payment limit, the excess balance of your monthly retirement annuity will be paid from the Teachers' Retirement Excess Benefit Fund. You will receive two annuity payments each month because payment is being made from two separate funds, the Teachers' Retirement Trust Fund and Excess Benefit Fund.

For example, if you receive \$7,000 per month from the Teachers' Retirement Trust Fund and \$1,000 from the Teachers' Retirement Excess Benefit Fund, the federal withholding will be taken from the Teachers' Retirement Trust Fund and will be based on a monthly pay of \$8,000 and your filing status (single, married, etc.).

You will receive a 1099-R and a W-2 annually for taxes. All federal withholding will appear on your 1099-R and will be taken out of your Teachers' Retirement Trust Fund annuity payment.

Your first year in retirement, TRS will send a letter in January explaining that you receive a benefit from the Excess Benefit Fund. You will receive a W-2 for those benefits but the benefit is not subject to Illinois state income tax. Keep this letter in the event it is requested by the Illinois Department of Revenue.