



**TRS
PEEHIP
RSA-I**

Benefits for 2023 & Beyond

**2023 AASBO Annual
Conference**





Always Get the Correct Information!

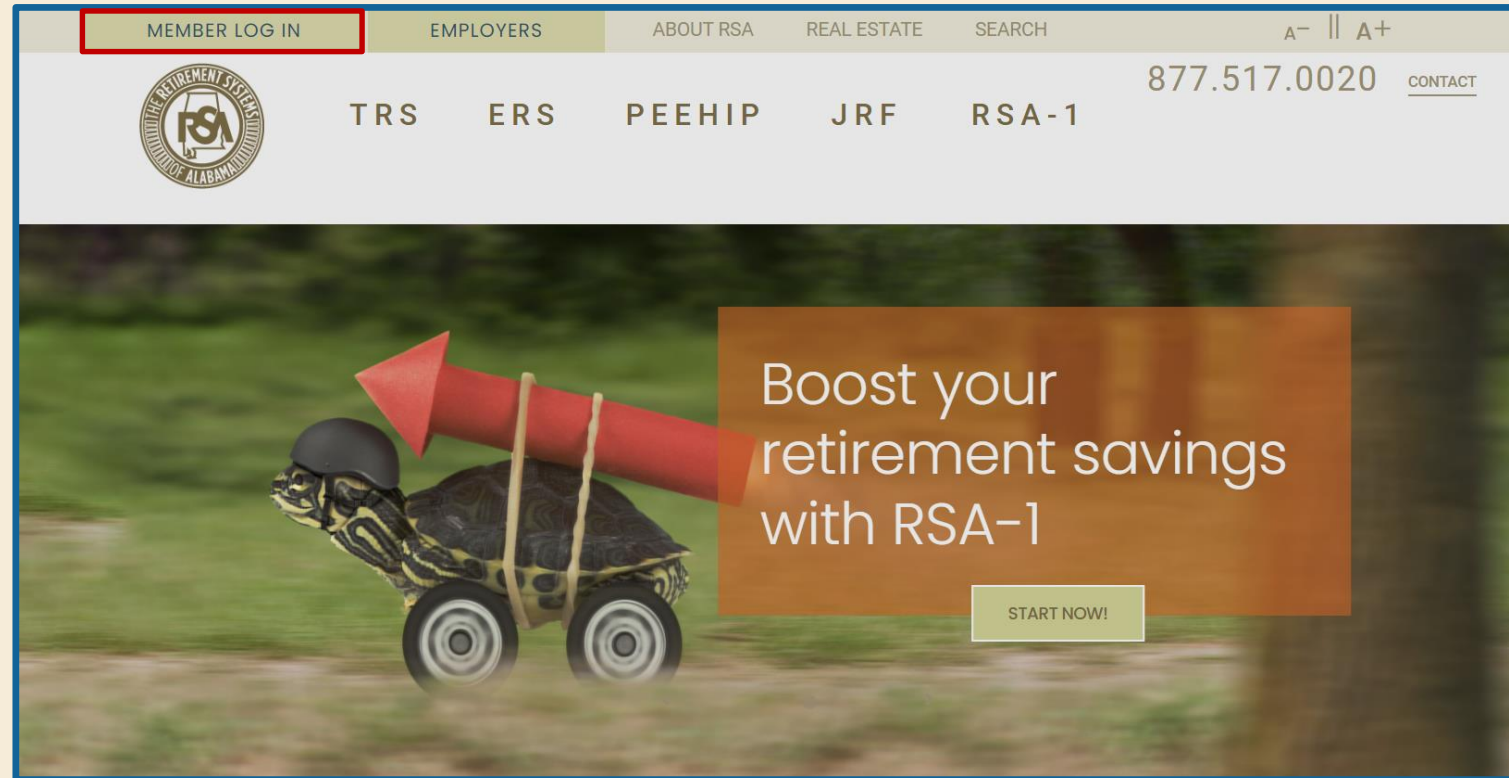
- Call to speak with a counselor.
- Attend a seminar.
- Read the *Advisor* newsletter.
- Download the TRS, PEEHIP, or RSA-1 Member Handbooks
- Check out the RSA website.
- Visit the Member Online Services (MOS) Portal.



RETIREMENT SYSTEMS OF ALABAMA

RSA-AL.gov

- ◇ PID Number
- ◇ Create:
 - User ID
 - Password
- ◇ Keep up with your accounts



TRS – A DEFINED BENEFIT PLAN

- Lifetime monthly benefit for retiree.
- Mandatory participation
 - TIER 1 ▪ TIER 2
- Members vest with 10 years of service credit.
- Formula used to calculate monthly benefit.

MEMBERSHIP: TIER 1 vs. TIER 2

TIER 1

- Began making contributions to RSA before January 1, 2013.
- Retirement Eligibility:
 - 25 years of service credit at any age, or
 - Age 60 with at least 10 years of service credit.

TIER 2

- Began making contributions to RSA on or after January 1, 2013.
- Retirement Eligibility:
 - Age 62 with at least 10 years of service credit, or
 - 30 years of service credit at any age with a 2% reduction per year from retirement eligibility age (62).

CONTRIBUTION RATES FY 2024

Members

TIER 1: 7.5% of
earnable compensation

TIER 2: 6.2% of
earnable compensation

Employer

- **12.59%** of **TIER 1** payroll

- **11.57%** of **TIER 2** payroll

TIER 1 RETIREMENT FORMULA

$$\begin{array}{ccccccc} \text{Average} & & \text{Years \&} & & \text{Benefit} & & \text{Maximum} \\ \text{Final} & \times & \text{Months of} & \times & \text{Factor} & \div & \text{Monthly} \\ \text{Salary}^* & & \text{Service Credit} & & (.020125) & 12 & \text{Benefit} \\ & & & & & = & \end{array}$$

*Average of the highest 3 years of salary *out of the last 10 years of service*.

TIER 2 RETIREMENT FORMULA

$$\begin{array}{ccccccc} \text{Average} & & \text{Years \&} & & \text{Benefit} & & \text{Maximum} \\ \text{Final} & \times & \text{Months of} & \times & \text{Factor} & \div & \text{Monthly} \\ \text{Salary}^{**} & & \text{Service Credit} & & (.0165) & 12 & \text{Benefit} \\ & & & & & = & \end{array}$$

**Average of the highest 5 years of salary *out of the last 10 years of service*.

TRS SERVICE CREDIT

Membership Service

Earned when working & making contributions to TRS.

Purchasable Service

Purchase eligible service for certain types of past employment or leave of absence.

Sick Leave Conversion

Unused sick leave converted to service credit to add to total service credit upon retirement.

Sick Days \div 15 =
Months of Service



APPLYING FOR RETIREMENT

A TWO-PART PROCESS

PART I

- ◇ Retirement Application
(due 30-90 days out)
- ◇ Retirement date is always
the 1st of a month.
- ◇ Direct Deposit Authorization
- ◇ P E E H I P Insurance Authorization

PART II

- ◇ Retirement Benefit Option
Selection
- ◇ Due before retirement date
- ◇ Income Tax Withholding



MONTHLY RETIREMENT BENEFIT CHOICES

BENEFICIARY BENEFIT IN PARENTHESES

1. MAXIMUM MONTHLY BENEFIT (PRORATED PAYMENT)
2. OPTION 1 – (REMAINING ACCOUNT BALANCE)
3. OPTION 2 – (100% SURVIVOR BENEFIT)
4. OPTION 3 – (50% SURVIVOR BENEFIT)

The retiree always receives a lifetime monthly benefit with any of the choices.

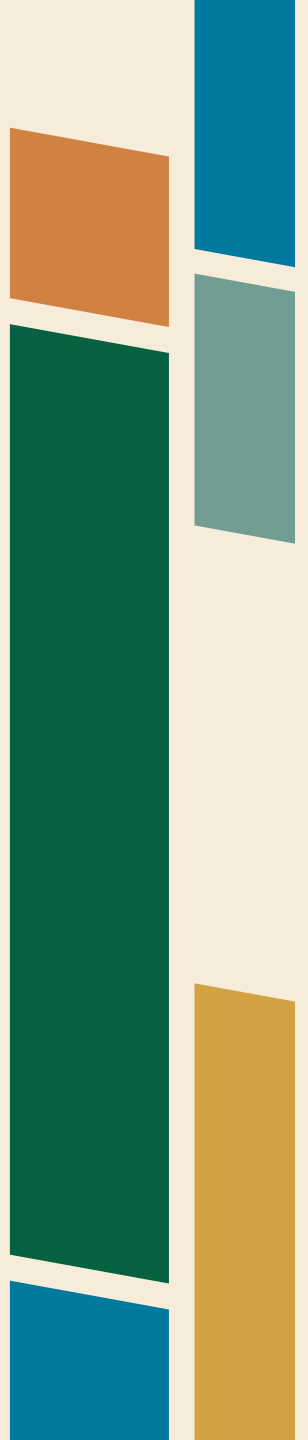
PRERETIREMENT DEATH BENEFIT

- Your beneficiary receives a monetary death benefit based on your:
 - Age
 - Service Credit
 - Employment Status, and
 - Eligibility for Retirement.



RSA DISABILITY RETIREMENT

- Not the same as Social Security Disability
- RSA Disability Retirement applicants must be:
 - Vested;
 - In service or on official leave of absence; and
 - Permanently incapacitated.
- Disability benefits are calculated using the same formula for Service Retirement benefits;
 - **Except** sick leave cannot be converted to service credit unless member is already eligible for a Service Retirement.



PARTIAL LUMP SUM OPTION PLAN (PLOP)

- ◇ In exchange for a reduced lifetime monthly benefit, the member may elect a partial lump sum payment at retirement.
- ◇ Payment amount is one month up to 24 months of the MAXIMUM MONTHLY BENEFIT (increments of \$1,000).
- ◇ Payment subject to 20% federal withholding, unless deferred.
- ◇ Not eligible with RSA Disability Retirement unless already eligible for Service Retirement.



PEEHIP

Health Insurance for Career & Retirement



PEEHIP OPEN ENROLLMENT

- Open Enrollment
 - Online: July 1 – Midnight of September 10
 - Paper: July 1 – Last business day of August
 - Open Enrollment changes become effective October 1.
- Special Enrollment (outside Open Enrollment period)
 - Enroll within 45 days of Qualifying Life Event:
 - Marriage
 - Birth, adoption, or legal custody of child
 - Involuntary loss of eligibility of other insurance coverage

FLEXIBLE SPENDING ACCOUNTS

ENROLL BETWEEN JULY 1 – SEPTEMBER 30 EACH YEAR

- Healthcare FSA contribution limit will increase to \$3,050 for plan year 2024. Carryover from plan year 2023 to plan year 2024 is \$570.
- Dependent Care Reimbursement Account (DCRA) contribution limit remains at \$5,000. No carryover.



PEEHIP HOSPITAL/MEDICAL INSURANCE

Blue Cross Blue Shield of Alabama Group 14000

- Preferred Medical Doctor
- Hospital Benefits
- Major Medical
- Drug Benefits administered by Express Scripts



BlueCross BlueShield
of Alabama



EXPRESS SCRIPTS®

VIVA Health Plan

- Participating Physicians
- Hospital Benefits
- Major Medical
- Drug Benefits
- Delta Dental Benefits
- Limited Coverage Area



SOUTHLAND OPTIONAL COVERAGE PLANS

Enrollment in any of the Southland Optional Plans may only be made during PEEHIP Open Enrollment.

- Cancer Plan
- Dental Plan
- Hospital Indemnity Plan
- Vision Care Plan



HAVE COVERAGE ELSEWHERE?

Supplemental Medical Plan

- Supplements a member's primary coverage provided by a spouse, former employer, or future employer.
- Active members and Non-Medicare retirees are eligible.
- Primary coverage cannot be Medicare, PEEHIP/VIVA, SEIB, LGHIP, TRICARE/Champus, Marketplace, or high deductible plan.

Southland Optional Plans

- Enroll in all 4 (individual or family coverage).
- Primary coverage cannot be another PEEHIP policy.

HEALTH COACHING PROGRAMS



- Online program teaching clinically proven health habits to reduce stress, improve sleep & increase weight loss without restrictive dieting

- One-on-one digital coaching with a Health Advisor to help manage weight
- Weekly lessons, calls, and text/email follow-up



- Blue Cross Blue Shield Disease Management programs focus on chronic health conditions of members.

RETIREE & DEPENDENT COVERAGE

Non-Medicare

- PEEHIP Medical & Prescription Drug Plans:
 - Blue Cross Blue Shield of Alabama
 - VIVA Health Plan (HMO)
- Supplemental Medical Plan
- Southland Optional Plans:
 - Cancer ■ Dental ■ Vision
 - Hospital Indemnity

Medicare Eligible

- PEEHIP UnitedHealthcare® Group Medicare Advantage (PPO) Plan
- Southland Optional Plans:
 - Cancer ■ Dental ■ Vision
 - Hospital Indemnity

RETIREE PEEHIP PREMIUMS

Visit www.rsa-al.gov to view approximate retiree premiums.

Premiums are based on:

Service*: Years of service at retirement

- 4% more for each year under 25
- 2% less for each year over 25

Age: Age at time of retirement:

- 1% more for each year under age 65
- Removed upon Medicare entitlement

Subsidy: \$108.14 per month for Plan Year 2023

- Removed upon Medicare entitlement



PLAN YEAR 2024 PREMIUM ASSISTANCE PROGRAM

DISCOUNTS FOR FAMILY SIZE AND HOUSEHOLD INCOME					
Family Size	<u>PERCENTAGE OF DISCOUNT BASED ON HOUSEHOLD INCOME</u>				
	50%	40%	30%	20%	10%
1	0 - \$14,580	\$14,581 - \$21,870	\$21,871 - \$29,160	\$29,161 - \$36,450	\$36,451 - \$43,740
2	0 - \$19,720	\$19,721 - \$29,580	\$29,581 - \$39,440	\$39,441 - \$49,300	\$49,301 - \$59,160
3	0 - \$24,860	\$24,861 - \$37,290	\$37,291 - \$49,720	\$49,721 - \$62,150	\$62,151 - \$74,580
4	0 - \$30,000	\$30,001 - \$45,000	\$45,001 - \$60,000	\$60,001 - \$75,000	\$75,001 - \$90,000
5	0 - \$35,140	\$35,141 - \$52,710	\$52,711 - \$70,280	\$70,281 - \$87,850	\$87,851 - \$105,420
6	0 - \$40,280	\$40,281 - \$60,420	\$60,421 - \$80,560	\$80,561 - \$100,700	\$100,701 - \$120,840
7	0 - \$45,420	\$45,421 - \$68,130	\$68,131 - \$90,840	\$90,841 - \$113,550	\$113,551 - \$136,260
8	0 - \$50,560	\$50,561 - \$75,840	\$75,841 - \$101,120	\$101,121 - \$126,400	\$126,401 - \$151,680



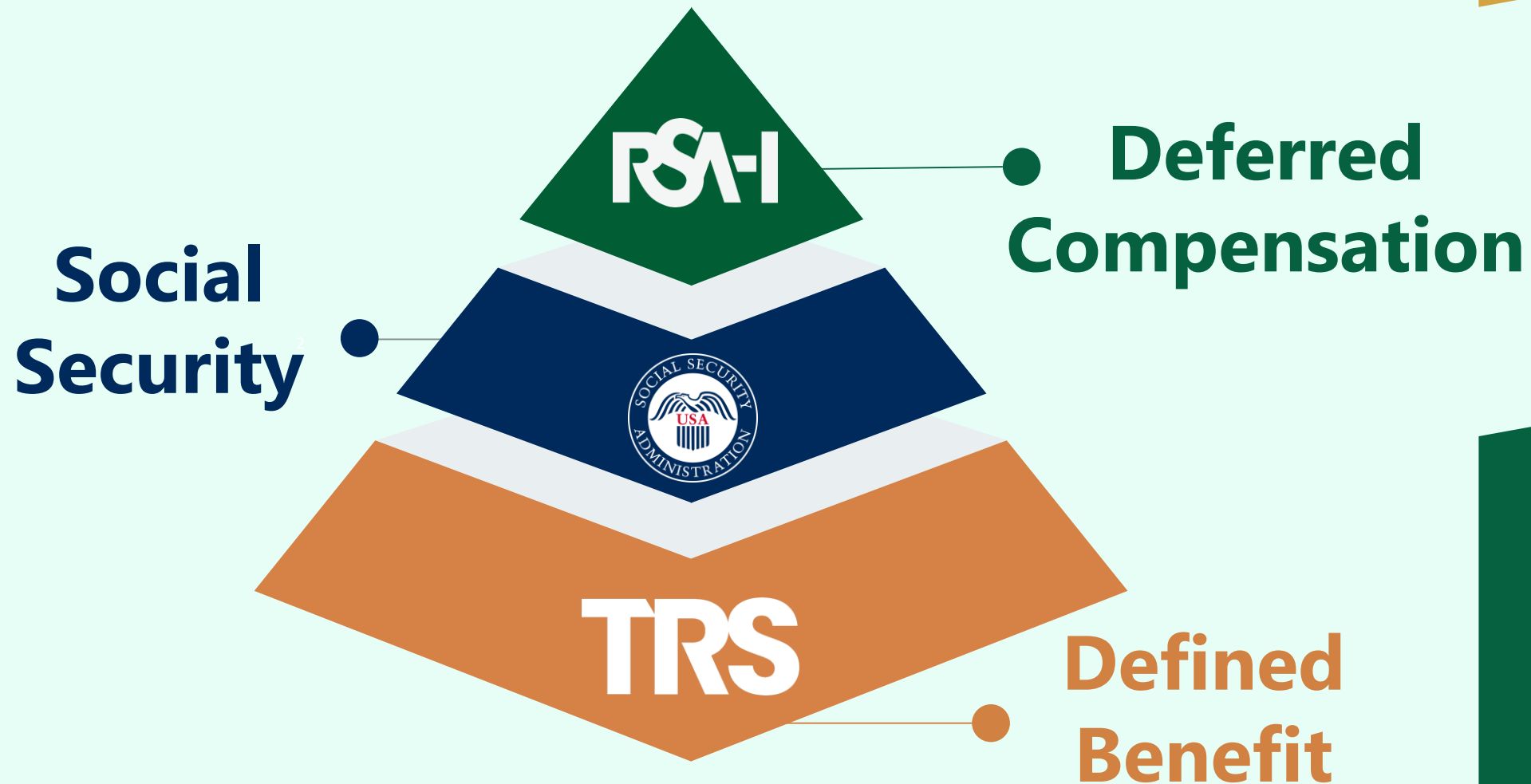
RSA-1

Save More for Retirement with RSA-1

A 457(b)
Deferred Compensation Plan

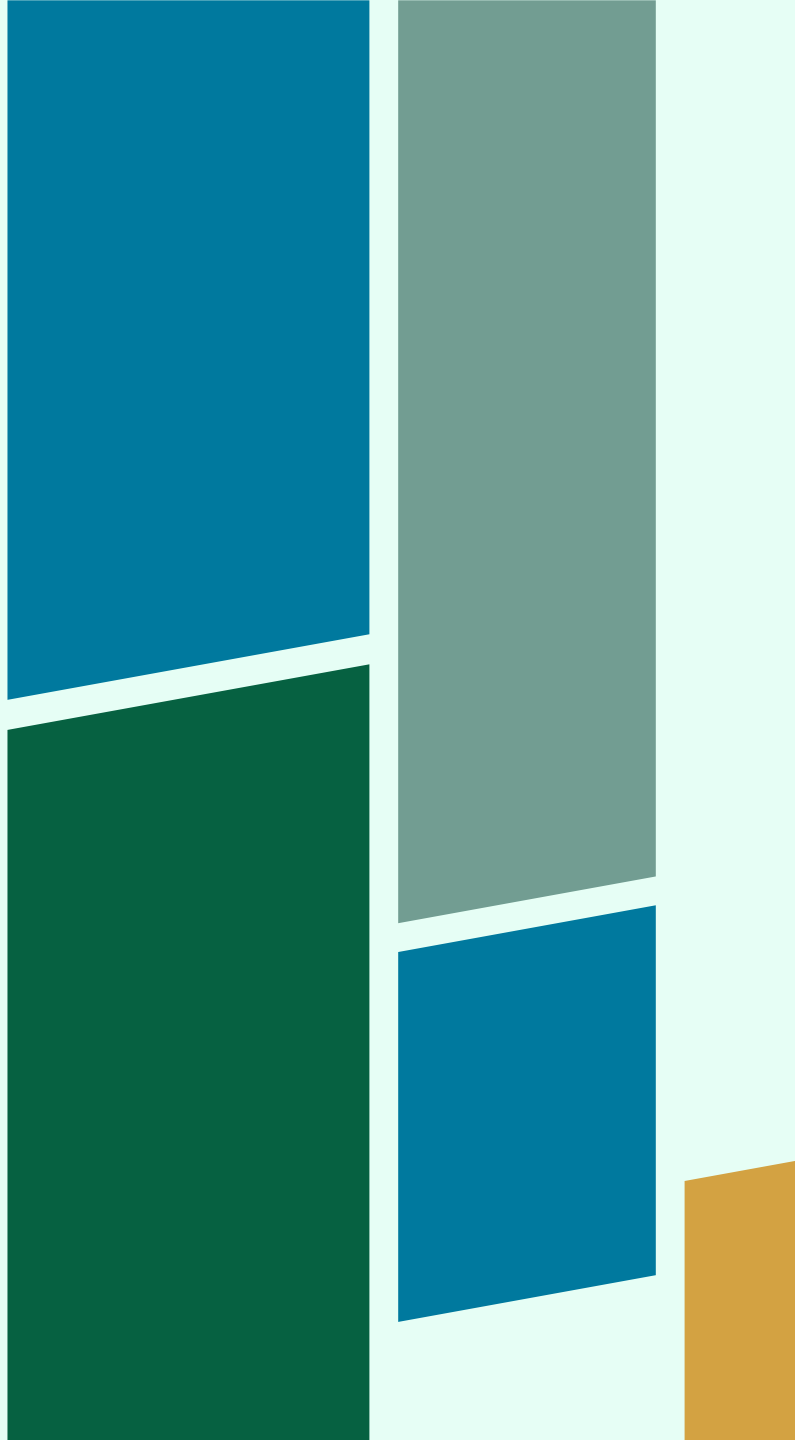


BUILDING UP RETIREMENT INCOME





SAVING WITH RSA-1

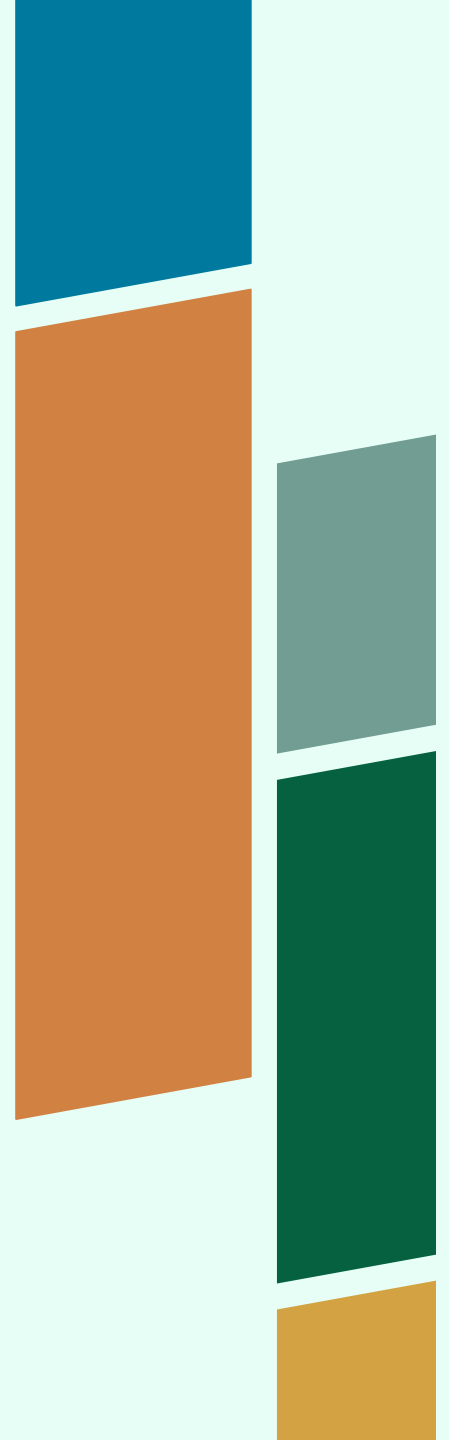
- Voluntarily defer a portion of your salary each pay period.
 - Invest deferred salary in RSA-1 allowing it to grow tax-deferred.
 - Save on income taxes while saving for retirement, and
 - Pay absolutely NO FEES!
- 

RSA-1 INVESTMENT OPTIONS

Choose among three investment options:

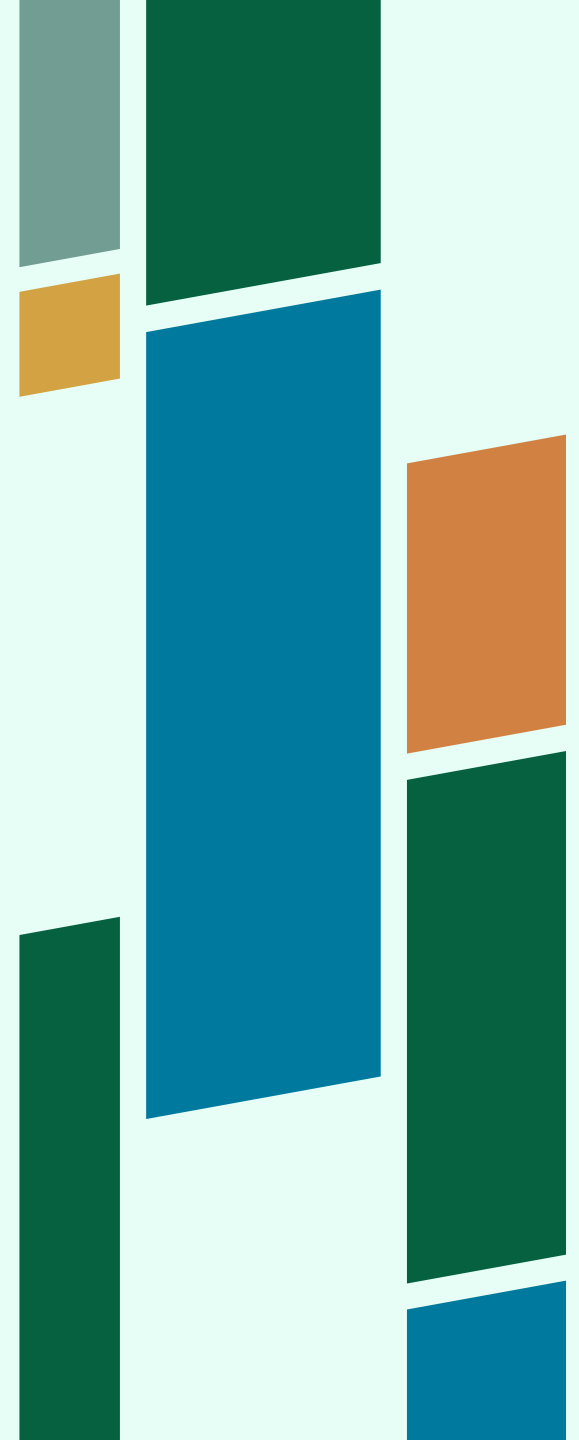
- 1. Fixed Income
- 2. Equity
- 3. Short-Term

Participants may change their investment options every 90 days.



DEFERRING SALARY TO SAVE

- Deferrals are deducted from each paycheck.
- No minimum deferrals. It could be just \$25.00.
- Change deferrals amounts at any time with payroll.
- The maximum contributions for 2023 are:
 - \$22,500.00/ year if under age 50.
 - \$30,000.00/ year if age 50 or older.
 - \$45,000.00/ year if eligible and participating in RSA - 1 "Catch Up."



AVAILABILITY OF RSA-1 FUNDS

1. Separation from service, regardless of age
 - Retirement, or
 - Termination of employment
- OR**
2. Attainment of age 70 ½
- OR**
3. Unforeseeable Emergency

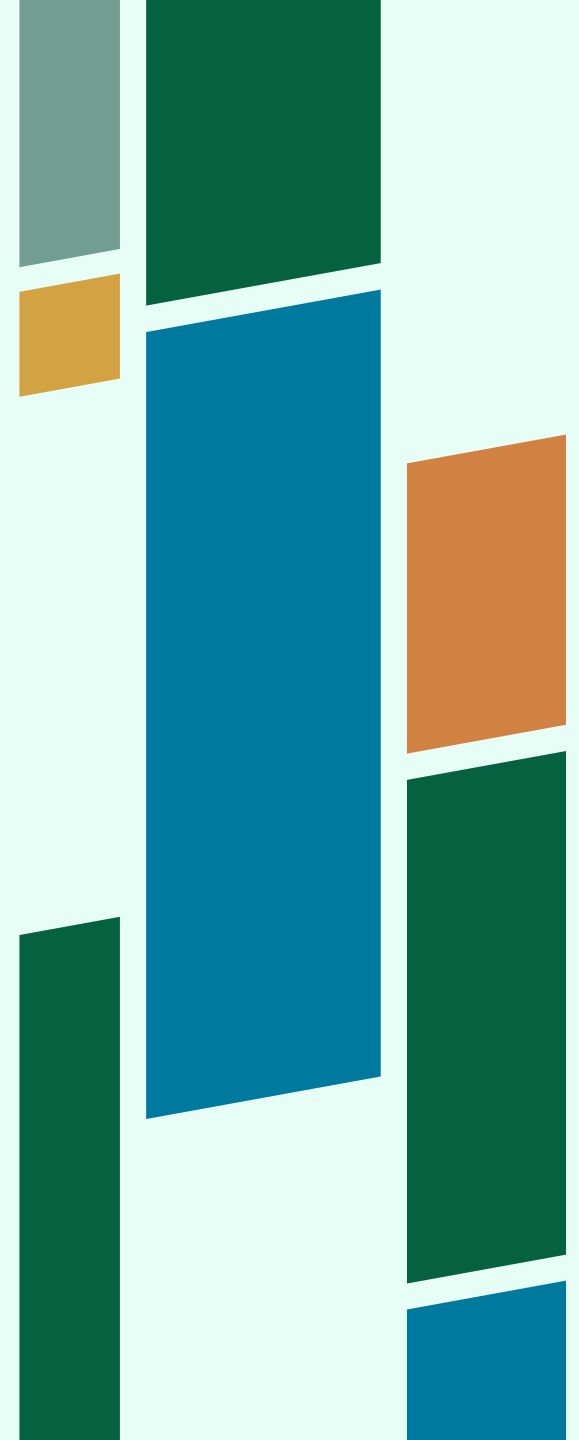


PURCHASE TRS SERVICE CREDIT WITH RSA-1

RSA-1 funds may be used to purchase permissive service credit with the TRS.

- Withdrawn Service
- Out-of-State Public Service
- Military Service
- Approved, unpaid medical leave of absence

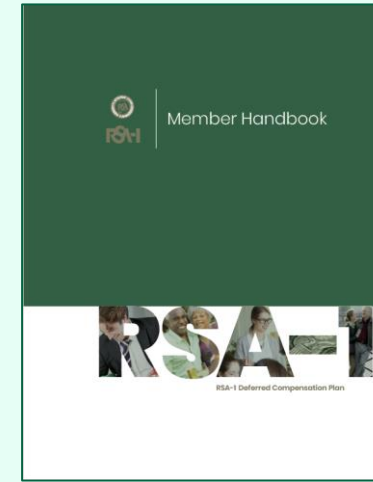
A simple transfer of money – no tax obligation.



START YOUR RSA-1 AT ANY TIME

Enrollment forms are found in the RSA-1 Handbook:

1. Enrollment Form (send to RSA)
2. Beneficiary Designation (send to RSA)
3. Investment Option Election (send to RSA)
4. Authorization-to-Defer (turn into Payroll)





Download plan handbooks & log in to your account by visiting our website:

www.rsa-al.gov

Email: trsinfo@rsa-al.gov

Email: peehipinfo@rsa-al.gov

Email: rsa1info@rsa-al.gov



TRS



PEEHIP



RSA-1