



Teachers' Retirement System

of the State of Kentucky
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SERVICE RETIREMENT

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Service Retirement Eligibility

You are eligible for an unreduced retirement benefit at any age once you have earned 27 years of service credit, or at age 60 with at least five years of service credit.

Members with a start date prior to July 1, 2008, are eligible for a reduced retirement benefit at age 55 with at least five years of service credit. The reduction is 5 percent for each year under age 60 or under 27 years of service, whichever is less.

Members since July 1, 2008, are eligible for a reduced retirement benefit at age 55 with at least 10 years of service credit. The reduction is 6 percent for each year under age 60 or under 27 years of service, whichever is less.

The age used for determining eligibility and any reductions is as of the first day of the month following your birthday.

How to Calculate Retirement

TRS uses a set benefit formula to calculate your retirement. For a straight life annuity with refundable balance (Option I), the formula is:

$$\text{Service Credit} \times \text{Multiplier} \times \text{Final Average Salary} = \text{Annual Benefit}$$

Defining the Formula

Service credit is the total number of years you have in TRS, including part-time service after July 1, 2002.

Multiplier is the value assigned to each year of service a member earns in TRS. Higher multipliers are used as members reach milestones set out by law. Higher multipliers mean a greater retirement annuity. Multipliers vary based on entry date, years of service and type of employer. Please refer to the charts for multipliers below.

Final average salary is the highest five salaries if you have 27 years of service *or* are 55 and vested. It is the highest three salaries if you have 27 years *and* are 55.

Multipliers

Multipliers for Non-university (see note)

Years of Service	Entry Prior to July 1, 2002	Entry on or after July 1, 2002	Entry on or after July 1, 2008
1 – 10.0	2.5%	2.0%	1.7%
10.01 – 20.0	2.5%	2.5%	2.0%
20.01 – 26.0	2.5%	2.5%	2.3%
26.01 – 30.0	2.5%	2.5%	2.5%

Note: Years prior to 1983-84 are at 2 percent. When each new multiplier tier attained, all prior years convert to the new multiplier, up to 30 years of service. Any years above 30 (and only those years) use 3 percent multiplier.

Application deadlines apply to every month of the year.

Multipliers for University (see note)

Years of Service	Entry Prior to July 1, 2008	Entry on or after July 1, 2008
1 - 10.0	2%	1.5%
10.01 - 20.0	2%	1.7%
20.01 - 26.99	2%	1.85%
27+	2%	2.0%

Note: For each new multiplier tier attained, all prior years convert to the new multiplier. The maximum multiplier used for university members is 2 percent.

Retirement Estimate

You may request an estimate of benefits at any time. If you are in your final year before retirement, please request a benefits estimate prior to your retirement date. Estimates may be obtained using TRS's website estimator at <https://trs.ky.gov/WebEstimator/index.html>, by using the Pathway member self-service site at www.mss.trs.ky.gov or by contacting TRS. To use the TRS website estimator, please use Internet Explorer.

Application for Service Retirement

Your service retirement application must be completed on the Pathway member self-service portal or filed on forms furnished by TRS.

Copies of your official, government-certified birth certificate, signed Social Security card and marriage certificate are required. If selecting a lifetime option for your beneficiary, copies of the beneficiary's Social Security card, birth certificate and signed spousal acknowledgement form (if applicable) are required.

You must submit the retirement application to TRS one month before your retirement date.

If you also have service in a reciprocal retirement system (Kentucky Retirement Systems or Judicial Form Retirement System), a separate application must be filed with the appropriate system(s) by the required deadline. The retirement date must be the same for all systems. Contact the reciprocal agency for applications, deadlines and filing information.

Payment of Annuities

Retirement annuities are payable at the end of each month. Your monthly annuity is deposited via electronic funds transfer (EFT) directly into the account of your financial institution.

Taxes

Under federal law, members must pay taxes on their tax-sheltered annuities beginning with the first retirement check. TRS will withhold federal taxes on the taxable portion of your annuity.

TRS does not withhold state taxes. Members with service credit after Jan. 1, 1998, will need to determine whether their annuity is subject to Kentucky income tax. Only the portion of a retirement annuity that is based upon service earned after Jan. 1, 1998, will be subject to Kentucky income tax. Kentucky taxpayers are eligible for an annual pension exclusion of \$41,110.

This document is intended for general information only. Relevant law will prevail over any conflict with this document. As the law is subject to change, contact TRS prior to making important retirement decisions.

February 2017

Retirement Application Deadline Examples	
Retirement Date	Application Deadline
Jan. 1	Dec. 1
May 1	April 1
July 1	June 1