

Dear TRS Member,

TRS recommends all members receive new estimates of retirement benefits before making any final decisions about retirement. This is true even if you've previously obtained an estimate.

Various factors over the course of a career will result in different annuity estimates based on the information available at the time of that estimate. Estimates are more accurate closer to retirement.

In particular, it is advised that members obtain new estimates because of a regulatory amendment that clarifies terms in an existing law. The amendment is expected to take effect for retirements beginning March 1, 2021.

The regulation being amended is a companion to a state law that limits how compensation increases from the last three years prior to retirement are used in the final average salary. In broad terms, the limit is the highest percentage compensation increase generally available to a district's or agency's certified employees. Specifically, increases used in determining an annuity are limited to either the greatest percentage increase for any one rank and step on the certified salary schedule of the school district or the percentage increase received by all other members employed in the agency.

The amendment clarifies terms to ensure definitions used are understood related to the law's limitations.

For example, earnings from extra duties and class overloads are supplemental to the primary position that earns service credit. Limitations may apply to extra duty earnings if those earnings exceed the greatest percentage increase described above. If a member's earnings from these examples do not exceed the allowable increase, then the limitations would not be applied to those earnings.

Estimates can be requested through Pathway, the member online account access website (<https://mss.trs.ky.gov>), or by calling 800-618-1687.

Sincerely,

TRS Member Services

*The law, [KRS 161.220 \(9\)\(b\)](#), and [proposed regulatory amendment of 102 KAR 1:340](#), which is titled "Calculation of final average salary," can be found using these embedded links and on the Legislative Research Commission website using links provided on the TRS website at <https://trs.ky.gov/administration>.*

Teachers' Retirement System of the State of Kentucky

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