

# TRS NEWS

TEACHER RETIREMENT SYSTEM OF TEXAS \* JULY 2009

## Texas Legislature enacts new laws affecting TRS members, retirees

*The 81st Texas Legislature, Regular Session, adjourned in early June after enacting laws that will impact many TRS members and retirees.*

*Listed below are descriptions of some TRS-related laws approved during the session. Changes in the law will go into effect on September 1, 2009, unless otherwise noted. As additional information becomes available, TRS will post it on its Web site, [www.trs.state.tx.us](http://www.trs.state.tx.us).*



### Active member group benefit presentations planned statewide

Beginning in September, TRS will conduct benefit presentations in a group setting in 31 cities throughout Texas. The presentations will review the full array of TRS benefits available to TRS active members and will also cover issues for members considering retirement in the 2009-2010 school year.

Presentation times and locations are included on pages 4-5 in this issue.

Beginning September 1, active members may register for group sessions online through the "What's New" page of the TRS Web site located at [www.trs.state.tx.us](http://www.trs.state.tx.us) or call TRS toll-free at 1-800-223-8778. Reservations will be taken on a first-come, first-served basis.

**Members who register for group presentations are *not* automatically registered for individual appointments.**

**Members who make individual appointments do not need to attend a group presentation. (See separate article and schedule in this issue for individual appointments.)**

rate from 6.4% to 6.644%.

### TRS ADMINISTRATION

**HB 3480 by Truitt** provides for changes to laws affecting TRS and 403(b) plans, including provisions requiring the Texas Department of Insurance, Texas Department of Banking, and the State Securities Board to promptly

### SUPPLEMENTAL PAYMENT FOR RETIREES

If the attorney general rules favorably, a one-time supplemental payment will be paid to TRS retirees who retired on or before December 31, 2008 and who are eligible for a December 2009 annuity payment. The supplemental payment would also be payable to certain beneficiaries receiving continuing payments and certain other annuitants (e.g., an alternative payee under Section 804.005, Government Code). The supplemental payment would be equal to the **lesser** of the gross amount of the annuitant's December 2009 annuity or \$500.

According to the legislation, the supplemental payment would be paid from the State General Revenue fund rather than from the TRS pension trust. Because of the source of funding, the supplemental payment is contingent "upon issuance of an attorney general

opinion that indicates that the payment is constitutionally and statutorily permissible." If the attorney general concludes that the payment is permissible, TRS would assist the Comptroller to issue the supplemental payment in early January 2010.

### SENATE BILL 1 - GENERAL APPROPRIATIONS ACT

In addition to the above-mentioned supplemental payment, Senate Bill 1 provided for a 6.4% state contribution rate to the TRS pension trust and a 1% state contribution rate to TRS-Care, the TRS retiree health care program. If the attorney general concludes that the one-time supplemental payment to eligible annuitants is found not to be permissible under Texas law, then the general revenue funds approved by the legislature for that purpose will instead be deposited into the TRS pension fund, effectively raising the state contribution

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# Memo

## TO MEMBERS

From Executive Director Ronnie G. Jung

This year's summer newsletter brings you a great deal of information related to your TRS benefits and how to learn more.

Since the last *TRS News* issue in March, the TRS fund has rebounded considerably from the effects of the global economic downturn. Since last February, when the fund was valued at \$70.6 billion, it has grown by more than \$12 billion. By June, the fund had reached \$83 billion. This growth illustrates the importance of sticking to long-term asset allocations set by the TRS Board.

Investing has become increasingly complex, and so has the language used to describe it. To help members and retirees better understand this ever-changing language, TRS has created a new section of the TRS Web site called "Investments in Plain English."

The new section features a glossary of terms related to the TRS trust fund, which will be expand-

ed in coming months and will include answers to commonly asked questions. To view this section of the site, please visit the TRS home page at [www.trs.state.tx.us](http://www.trs.state.tx.us). We also welcome your feedback and suggestions regarding new terms to include.

TRS is also pursuing a variety of new ways to help you better understand your TRS benefits. In this issue is a summary of recently passed legislation. Please take a few minutes to read how these new laws may affect you. To view the laws directly, please visit the Legislative Reference Library Web site at [www.lrl.state.tx.us](http://www.lrl.state.tx.us).

Building on the success of last year's fall 2008 Report Card Tour meetings, TRS staff and trustees will meet with active members and retirees again this fall in a series of town hall-style meetings. The meetings will provide participants with an opportunity to learn about the health of the trust fund, as well as receive updates on key issues affecting the agency and its investments. They will also offer members and retirees with an opportunity to directly raise issues with TRS trustees and staff members and ask questions.

Details for this fall's meetings will be posted on the TRS Web site ([www.trs.state.tx.us](http://www.trs.state.tx.us)) and publicized through many education associations. Those who sign up for TRS' new *TRS-Connect* program (see page 3 of this issue) will be notified by e-mail as soon as meeting dates, times and locations are finalized.

Last but not least, we invite active members to attend TRS benefit presentations scheduled in 31 cities around the state. A list of dates, times and locations is included in this issue.

Best wishes for the remaining of the summer.



### Active member, one-on-one counseling appointments planned across Texas

Beginning in September, TRS will once again conduct one-on-one counseling appointments in 10 cities across Texas during the 2009-2010 school year. **The one-on-one counseling locations and dates are listed on page 8 of this issue.**

Thirty (30) individual counseling appointments will be available on each trip. These one-hour appointments are designed for active members who are eligible to retire and are **considering retirement in the 2009-2010 school year**. These individual appointments will be offered to members on a **first-come, first-served basis, and only with a pre-arranged appointment**.

Beginning August 10, 2009, to schedule a one-on-one appointment, members must call TRS toll-free at 1-800-223-8778 to speak to a benefit counselor by the deadlines listed on the schedule. These deadlines allow for TRS to prepare and send retirement packets to members ahead of time. Members will also receive a confirmation letter with their appointment date and time.

TRS looks forward to this opportunity to both enhance and expand customer service for TRS members.

**Members who make individual appointments do not need to attend a group presentation.**

**Members who register for group presentations are not automatically registered for individual appointments. (See separate article and schedule in this issue for group presentations.)**

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[www.trs.state.tx.us](http://www.trs.state.tx.us)

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Executive Director

The Teacher Retirement System of Texas does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services. A copy of the complete TRS plan is available at the above address during normal business hours.

## TRS-Connect to offer new way to keep up-to-date on TRS benefits

Beginning August 15, TRS members and retirees will be able to sign up to receive TRS information and a variety of publications electronically when they register their e-mail addresses through the agency's new *TRS-Connect* program.

Many members have already signed up to receive *TRS News* issues via e-mail. However, by now signing up for *TRS-Connect*, they also can receive e-mail notification of member meetings and a variety of publications, including the *TRS Benefits Handbook*, brochures, and their annual statements. E-mail notices will contain hyperlinks to the latest publications posted on the TRS Web site.

"There is no better way to learn quickly of news relating to your TRS benefits than by signing up for this new program," explained TRS Deputy Director Brian Guthrie. "We will e-mail subscribers whenever we announce a Webcast, broadcast a TRS-TV episode or publish the latest benefit information."

### ***Subscribing is Voluntary, Easy and Safe***

*TRS-Connect* will be added to the TRS Web site on August 15. At that time, instructions on how to register will be placed on the TRS Web site's home page. To be eligible for the program, TRS participants must be an active member, annuitant or a beneficiary currently receiving a payment from TRS.

Members will be asked to provide one e-mail address, which will only be used by TRS for communication purposes. Since members' personal e-mail addresses are confidential by law, TRS has no plans to share this information with outside parties.

When registering for *TRS-Connect*, members can choose which publications and announcements they would like to receive by selecting from a menu of options. Subscriptions to these publications and announcements may be modified at any time. Members will simply follow a step-by-step process to sign in, provide their member number and e-mail address, select their notification options and click on the submit button. Members will then receive an e-mail message asking them to "activate" their e-mail address. They will be able to do this by clicking a link within the message and following the directions on the screen that appears. This activation *must* be done in order to receive subscriptions. Also, to ensure that a member's computer does not treat TRS e-mail as spam, members may need to add the subscription address to their list of senders from whom they will accept e-mail.

### ***A Note about "Secure Information"***

Access to certain documents, such as the Annual Statement of Account, is protected. Therefore, members wishing to receive these documents electronically will receive an e-mail message containing a link that will take them to their statement on the TRS Web site. A password will be required for access to these documents. To request a password, visit the TRS Forms page on the TRS Web site ([www.trs.state.tx.us](http://www.trs.state.tx.us)) and click on form TRS 608I. Then, just print out the form, complete it, and return it to TRS.

For more information on the *TRS-Connect* program, please review the list of frequently asked questions found at [www.trs.state.tx.us](http://www.trs.state.tx.us) beginning August 15.

## Eric McDonald appointed to TRS Board of Trustees

Governor Rick Perry has appointed Eric C. McDonald of Lubbock to serve on the Teacher Retirement System of Texas (TRS) Board of Trustees. McDonald replaces Jim Lee of Houston, who stepped down from the board earlier this year.



McDonald is owner and chief investment officer of McDonald Capital Management. He is a chartered financial analyst and an advisory board member of the Texas Tech Student Managed Investment Fund and State Board of Education Permanent School Fund Investment. He is also a board member of the Texas Tech Ranching Heritage Association Endowment and South Plains Council of the Boy Scouts of America and past president of the Rotary Club of Greater Lubbock. McDonald received a bachelor's degree from the University of Texas at Austin and a master's of business administration from Texas Tech University. His term on the TRS Board expires Aug. 31, 2013.

"We are very pleased to welcome Mr. McDonald to the board," TRS Board Chair Linus Wright said. "His experience in investments and financial analysis should enable him to make valuable contributions that will benefit TRS and our members."

**YOUR BENEFICIARIES  
DEPEND ON YOU  
TO KEEP THEIR  
DESIGNATIONS CURRENT**

**Visit the TRS Home Page  
to see why this is so  
important and easy to do!**



# 2009-2010 Group Benefit Presentation Schedule

September 17, 2009 through August 7, 2010

## PLEASE NOTE: THE SCHEDULE BELOW REFLECTS GROUP PRESENTATIONS.

REGISTRATION FOR GROUP PRESENTATIONS IS AVAILABLE  
ONLINE AT [WWW.TRS.STATE.TX.US](http://WWW.TRS.STATE.TX.US) BEGINNING SEPTEMBER 1, 2009 ("WHAT'S NEW" PAGE).

### LAREDO

Texas A&M International University  
Student Center Theater, 5201 University Boulevard  
Monday, October 5  
5:30 p.m. - 7:30 p.m.

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### LUBBOCK

Region XVII ESC, Conference Center  
(North Entrance), 1111 West Loop 289  
Monday, November 16                      Monday, February 22  
5:30 p.m. - 7:30 p.m.

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### MESQUITE

John D. Horn High School (Auditorium)  
3300 East Cartwright Road  
Thursday, September 24  
5:30 p.m. - 7:30 p.m.

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### MIDLAND

Region XVIII ESC  
2811 LaForce Boulevard  
Monday, November 9                      Monday, April 19  
5:30 p.m. - 7:30 p.m.

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### NACOGDOCHES

Stephen F. Austin State University  
Baker Pattillo Student Center, Room 2.201  
222 Vista Drive  
Tuesday, February 16  
5:30 p.m. - 7:30 p.m.

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### RICHARDSON

Richardson ISD, Administration Building Auditorium  
400 South Greenville Avenue  
Thursday, February 4  
5:30 p.m. - 7:30 p.m.

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### SAN ANGELO

Region XV ESC  
612 South Irene  
Thursday, November 19  
5:30 p.m. - 7:30 p.m.

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### SAN ANTONIO

Region XX ESC Conference Center  
1314 Hines Avenue  
Thursday, October 22                      Thursday, April 22  
5:30 p.m. - 7:30 p.m.

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### SUGAR LAND

Fort Bend ISD Annex Building  
3119 Sweetwater  
Wednesday, February 3                      Wednesday, April 21  
5:30 p.m. - 7:30 p.m.

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### TEXARKANA

District Services Building  
1600 Waterall  
Thursday, April 1  
5:30 p.m. - 7:30 p.m.

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### TEXAS CITY

College of the Mainland  
Learning Resources Center - Teachers Auditorium L-131  
1200 Amburn Road  
Thursday, March 4  
5:30 p.m. - 7:30 p.m.

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### TYLER

UT Tyler, 3900 University Boulevard  
Robert R. Muntz Library  
Thursday, October 8                      Thursday, February 11  
5:30 p.m. - 7:30 p.m.

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### VICTORIA

Region III ESC  
1905 Leary Lane  
Thursday, October 22  
5:30 p.m. - 7:30 p.m.

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### WACO

Region XII ESC  
2101 W. Loop 340  
Wednesday, November 18                      Thursday, April 8  
5:30 p.m. - 7:30 p.m.

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### WICHITA FALLS

Region IX ESC  
301 West Loop 11  
Monday, April 5  
5:30 p.m. - 7:30 p.m.

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# Important notice about Medicare Part D

Medicare Part D, the new prescription drug benefit established under the Federal Medicare Prescription Drug, Improvement, and Modernization Act of 2003, went into effect January 1, 2006.

Medicare Part D is available to everyone with Medicare Part A and/or Part B through Medicare prescription drug plans and Medicare Advantage Plans that offer prescription drug coverage. Individuals can enroll in a Medicare Part D plan when they are first eligible and each year from November 15th through December 31st. Like other insurance, participants will pay a monthly premium and pay a share of the cost of prescriptions. **Enrollment for eligible individuals is optional.**

**It has been determined that for plan year 2009-2010, with the exception of TRS-Care 1, all plans offered under TRS-Care and TRS-ActiveCare (including the HMOs offered under TRS-ActiveCare) will continue to be creditable coverage. TRS-Care 1 is non-creditable coverage.**

Creditable coverage means that, on average, your coverage is equal

to or better than the Medicare Part D standard plan. Having creditable coverage allows you to enroll in a Medicare Part D plan during future annual Medicare Part D enrollments without penalty (higher premium) as long as you do not go 63 days or longer without creditable coverage.

**Most individuals enrolled in TRS-Care 2, TRS-Care 3, or any plan offered under TRS-ActiveCare, probably should not take any action to enroll in a Medicare Part D plan and keep only their coverage under the applicable TRS plan in the upcoming year.**

**Most individuals enrolled in TRS-Care 1 should strongly consider enrolling in a Medicare Part D plan.** If you are enrolled in TRS-Care 1 and do not enroll in Medicare Part D when you are first eligible, you will pay a significant premium penalty should you choose to enroll in a Medicare Part D plan at a later date. If, after your initial Medicare Part D enrollment period, you go 63 days or longer with only your TRS-Care 1 coverage, should you choose to enroll in Medicare Part D, your premium under a Medicare

Part D plan will be at least 1% higher per month for every month that you did not have Medicare Part D coverage. For example, if you go 19 months without Medicare Part D coverage, your premium will always be at least 19% higher than what you would have otherwise paid.

For people with limited income and resources, extra help paying for Medicare prescription drug coverage is available. Information about this extra help is available from the Social Security Administration (SSA) Online, which is located at [www.socialsecurity.gov](http://www.socialsecurity.gov), or you may call them at 1-800-772-1213 (TTY 1-800-325-0778).

Additional information regarding Medicare Part D for TRS-Care and TRS-ActiveCare participants is available on the TRS Web site, [www.trs.state.tx.us](http://www.trs.state.tx.us). For additional information regarding your options under Medicare Part D, visit [www.medicare.gov](http://www.medicare.gov) and read the "Medicare & You" handbook, which you will receive from Medicare every year once you are eligible for Medicare Part D. You may also be contacted directly by Medicare-approved prescription drug plans.

## TRS Group Long Term Care Insurance - 2009 Enrollment Opportunities

In March, *TRS News* announced the new carrier for the TRS Group Long Term Care Insurance (LTC) Program, Genworth Life Insurance Company (Genworth Life). The following information explains how to apply under the new program.

### Starting August 1, 2009

· New TRS members may enroll in the program within 90 days of their first TRS-covered employment date with guaranteed coverage or streamlined underwriting depending on the plan they choose. Their spouses under the age of 66 may apply during this time with streamlined underwriting.

· Retirees and eligible family members under age 80 may enroll with full underwriting. New retirees under age 60 may apply during their initial enrollment period for TRS-Care and receive streamlined underwriting depending on the plan they choose.

· Coverage will be effective October 1, 2009, or the first of the month following application approval, whichever is later.

### September 15 – November 15, 2009

· TRS active contributing members and their eli-

gible family members will be able to learn about the program and enroll through a dedicated Web site or call 1-866-659-1970 to order an enrollment kit.

· Active contributing members can apply without evidence of insurability or with streamlined underwriting, depending on their age and plan chosen. Spouses under age 66 may apply with streamlined underwriting during this time. Eligible family members may apply subject to underwriting requirements.

· This limited-time opportunity will end November 15, 2009. After this fall, members and eligible family members will be subject to full underwriting.

· Coverage will be effective December 1, 2009, or the first of the month following application approval, whichever is later.

Persons with Aetna long term care insurance who chose not to transfer coverage to Genworth must pay premiums to Aetna directly after September 1.

Look for more information in the mail or at your school districts. If you have any questions, please call 1-866-659-1970, Monday through Friday, 7 a.m. to 7 p.m. CT.

## TRS-Care Retirees Advisory Committee

### Appointments planned for early 2010

In February 2010, TRS will fill five expiring seats on the Retirees Advisory Committee (RAC), an advisory committee for TRS-Care. The Texas Insurance Code requires that the committee be comprised of nine members with staggered four-year terms.

Five positions will expire on January 31, 2010: one active school administrator, two retired teachers, one active teacher, and one retired member of the auxiliary personnel of a school district.

RAC responsibilities include holding public meetings on group coverage, recommending minimum standards and plan features, and recommending changes to rules and legislation affecting TRS-Care. The committee meets twice a year in Austin.

TRS evaluates nominees based on the following criteria:

- length of experience as a TRS member and/or retiree
- participation in education-related volunteer programs
- professional activities and experience serving on committees, boards, and decision-making organizations, especially related to health care or other benefits
- credentials, awards, or other meritorious recognition
- participation in TRS-Care (for retired nominees)
- geographic diversity
- experience in health care benefits or a related field

Anyone required to register as a lobbyist under Chapter 305, Govt. Code, is ineligible for appointment. To be nominated to one of the five positions, submit your resume and a cover letter to TRS, attention Chief Benefit Officer, by October 16, 2009.

Your cover letter should state the position you are applying for and why you should be considered for committee membership.

## Texas Legislature

*Continued from page 1.*

ly notify TRS of any final order finding a violation of the law. The law also adds certain requirements for third-party administrators of 403(b) plans.

**HB 3347 by Truitt** impacts TRS members and annuitants in several ways. The bill updates state law governing the TRS retirement plan to maintain compliance with federal tax code requirements for qualified governmental plans.

· The bill changes state law governing the definition of salary and wages in the TRS plan to include “differential pay” for active duty military under the federal “Heroes Act” (Heroes Earnings Assistance and Relief Tax Act of 2008).

· The bill conforms state law to federal law for members who die while performing active military duty. It provides that the designated beneficiary of a member who died on or after January 1, 2007, while the member was performing qualified military service as defined in federal law, is eligible to receive additional benefits to the same extent as if the member had resumed employment and been employed at the time of death.

· The bill allows a non-spouse beneficiary to roll over an eligible distribution to an Individual Retirement Account (IRA); thereby electing to continue the deferral of taxes on those funds as permitted under the federal Pension Protection Act of 2006 and the Worker, Retiree, and Employer Recovery Act of 2008.

· The bill makes other needed updates to keep TRS rollover provisions consistent with federal law rollover provisions, such as permitting rollovers to Roth IRAs.

The bill also provides statutory authorization for retired public safety officers participating in the University of Texas and Texas A&M University retiree health programs to deduct their qualified health insurance premiums (the federal HELPS Act) from their TRS retirement annuities.

## Health Care

**HB 806 by Gallego** provides that a health benefit plan must provide coverage for prosthetic devices (limited to devices designed to replace, wholly or partly, an arm or a leg), orthotic devices, and professional services related to the fitting and use that equals the coverage provided for such devices under Medicare law. The new law will be applied to TRS-Care and TRS-ActiveCare beginning September 1, 2010.

**HB 1138 by Shelton**, relates to information required on health plan identification cards. TRS will issue new cards with the required information. The law will be applied to TRS-Care and TRS-ActiveCare beginning September 1, 2010.

**HB 1191 by Flores** provides that a TRS retiree may select TRS-Care coverage during the first 90 days after retirement. The law applies only to members who retire on or after September 1, 2009.

**HB 2000 by McCall** requires health benefit plan coverage for certain amino acid-based elemental formulas used for the diagnosis and treatment of (i) immunoglobulin E and non-immunoglobulin E mediated allergies to multiple food proteins; (ii) severe food protein-induced enterocolitis syndrome; (iii) eosinophilic disorders; and (iv) impaired absorption of nutrients caused by certain disorders. The bill also provides utilization review. The new law will be applied to TRS-Care and TRS-ActiveCare beginning September 1, 2010.

**SB 704 by Nelson** makes several changes affecting pharmacy benefit manager (PBM) contracting. The new law allows TRS-Care and TRS-ActiveCare participants to obtain a multiple-month supply of any drug at participating retail pharmacies under the same terms as mail order. The retail pharmacy must accept the same reimbursement terms as those for mail order. Participation by retail pharmacies under this provision is voluntary. The law will be applied to TRS-Care and TRS-ActiveCare beginning September 1, 2010.

CHANGE SERVICE REQUESTED

## 2009-2010 Individual Field Counseling Appointments

To schedule an individual field counseling appointment, you must call 1-800-223-8778.

**AMARILLO:** **Region XVI ESC**  
**5800 Bell Street**  
September 21 & 22, 2009  
*(Deadline to register: September 1, 2009)*  
**and**  
March 29 & 30, 2010  
*(Deadline to register: March 8, 2010)*

**LAREDO:** **Texas A&M International University**  
**5201 University Boulevard**  
October 5 & 6, 2009  
*(Deadline to register: September 14, 2009)*

**EL PASO:** **El Paso ISD, Development Center**  
**6500 K Boeing Drive**  
October 19 & 20, 2009  
*(Deadline to register: September 28, 2009)*  
**and**  
April 12 & 13, 2010  
*(Deadline to register: March 22, 2010)*

**EDINBURG:** **Region I ESC**  
**1900 West Schunior**  
October 26 & 27, 2009  
*(Deadline to register: October 5, 2009)*  
**and**  
January 25 & 26, 2010  
*(Deadline to register: January 4, 2010)*

**MIDLAND:** **Region XVIII ESC**  
**2811 LaForce Boulevard**  
November 9 & 10, 2009  
*(Deadline to register: October 19, 2009)*  
**and**  
April 19 & 20, 2010  
*(Deadline to register: March 29, 2010)*

**LUBBOCK:** **Region XVII ESC, Conference Center**  
**1111 West Loop 289**  
November 16 & 17, 2009  
*(Deadline to register: October 26, 2009)*  
**and**  
February 22 & 23, 2010  
*(Deadline to register: February 1, 2010)*

**WICHITA FALLS:** **Region IX ESC**  
**301 West Loop 11**  
April 5 & 6, 2010  
*(Deadline to register: March 15, 2010)*

**KILGORE:** **Region VII ESC**  
**1909 North Longview Street**  
December 7 & 8, 2009  
*(Deadline to register: November 16, 2009)*

**ABILENE:** **Region XIV ESC**  
**1850 Highway 351**  
January 11 & 12, 2010  
*(Deadline to register: December 21, 2009)*

**BEAUMONT:** **Region V ESC**  
**2295 Delaware Street**  
February 8 & 9, 2010  
*(Deadline to register: January 18, 2010)*



# TRS Group Long Term Care Insurance Program

FALL ENROLLMENT CAMPAIGN ★ SEPTEMBER 15 – NOVEMBER 15, 2009

## Plan Today

In these uncertain times, it is often difficult to manage your plans for the future. You may dream about enjoying time with your family and friends, taking vacations, pursuing hobbies and living a comfortable and fulfilling life.

But, are your plans adequately protected from the impact of an unforeseen accident, illness or chronic disease?

An unexpected long term care event could require you to spend savings and assets you've earmarked

for other things like retirement.

During the TRS initial enrollment period, you have a chance to get the facts and decide whether long term care insurance might be a simple way to add some certainty to your financial future.

## There is an affordable solution

The costs for long term care services are high and keep rising. Each year, Genworth Financial performs a cost of care survey. The costs discussed below are from the current study, 2009 Genworth Financial annual Cost of Care Survey conducted by CareScout.

Today in Texas it costs about \$18 per hour to have a licensed non-certified

aide come to your home. If you need around-the-clock care, a private room in a Texas nursing facility averages approximately \$58,056 a year. Since typical stays can average three years, your care could cost hundreds of thousands of dollars, particularly if the cost of care continues to increase.

Where will the money to pay for care come from- your savings, your family, the government? These are options many of us would prefer not to rely on.

*Many people think only the elderly need long term care, but here's the reality: 42% of people receiving long term care services are under age 65.\**

### REALITY CHECK – ARE YOU COVERED?

There are many myths and misconceptions about long term care and long term care insurance. Knowing the realities might help you decide whether insurance should be a part of your plan.

#### **“It won't happen to me.”**

**Reality:** People need long term care services far more often than you think. A Georgetown University report shows that seven in ten people who reach age 65 will need long term care at some point during their lives.

#### **“My insurance will cover me.”**

**Reality:** Health and disability insurance were not designed to cover the costs for long term care. TRS-ActiveCare does not cover long term care expenses.

#### **“My friends and family will take care of me.”**

**Reality:** Caregiving is very difficult. People who go through it are often unprepared for the physical and emotional strain. Consider these issues as you think about whether relying on friends and family would be a good option for you.

#### **“The government will pay for it.”**

**Reality:** Government programs like Medicare and Medicaid may cover some long term care expenses, but there are limitations:

- Medicare is designed to cover healthcare and has significant limitations when it comes to covering long term care.
- Medicaid does pay for long term care but requires recipients to first use most of their assets and income to pay for care.

#### **“My savings will cover the cost.”**

**Reality:** Your savings and investments may pay for some of your long term care needs. However:

- You are likely planning to use your savings for other purposes.
- You could need long term care services before you have saved enough money to cover those expenses.

\* “Long Term Care Financing: Policy Options for the Future.” Pg 7. Feder, Komisar & Friedland, June 2007; Health Policy Institute, Georgetown University.

# The Carrier

At their December, 2008, Board meeting, the TRS Board of Trustees selected Genworth Life Insurance Company to replace Aetna as the underwriting carrier for the TRS Group Long Term Care Insurance Program, effective September 1, 2009. Aetna's decision to disengage from the group long term care insurance market resulted in a search for a new carrier. The board selected Genworth Life based on the terms of its proposal.

With more than 30 years of experience and over one million policyholders, Genworth Life is a long term care insurance industry leader. Today, almost 1 in 3 people who own long term care insurance have Genworth Life coverage.

## Advantages of the TRS Group LTCI Program

This Program enables you to:

- Obtain a valuable benefit at competitive group rates.
- Benefit from an easy application process, without medical underwriting or with streamlined underwriting, depending on your age and the plan you choose.
- Continue coverage should you leave the group.
- Easily tailor a plan to fit your needs and your budget.
- Include your spouse and other eligible family members in this valuable Program.
- Payroll deductions may be available.

In the coming months, TRS will provide details to current enrollees and others who may be considering this valuable addition to their financial plans. Please watch for personalized communications and general notices about future opportunities to apply for TRS group long term care insurance coverage.

For details about this Program, available beginning July 15, 2009:

- Go to [www.genworth.com/grouplhc](http://www.genworth.com/grouplhc)
  - For Members, Group ID: TRS  
Access Code: grouplhc
  - For Retirees, Group ID: TRSRetiree  
Access Code: grouplhc
- Or Call 866.659.1970  
A TRS Program expert will be available to answer your questions.

## Answers to frequently asked questions about the TRS Group Long Term Care Program

### Q. Who should buy long term care insurance?

**A.** Anyone could suddenly be in a situation where long term care services are needed. A broken bone, chronic disease, or severe cognitive impairment, such as Alzheimer's, could mean months or years of ongoing care. Long term care insurance is specifically designed to help pay for long term care.

### Q. Shouldn't members wait until they're older?

**A.** Buying early offers several advantages. Premium rates are primarily based on age. Typically, the older the age, the higher the premium rate. Another very good reason not to wait is that an accident or illness could happen at any time. If this occurs, it may not be possible to meet even modified underwriting requirements for coverage.

### Q. Is long term care insurance affordable?

**A.** The cost of long term care insurance coverage varies depending on your age, where you live, and the options chosen. Many people find the premiums to be more affordable than they expect. Compare what you could pay for just one year in a nursing home to the total you might pay in premiums.

### Q. Why should members enroll now?

**A.** With the TRS Group Long Term Care Insurance Program, you can take advantage of the competitive group rates, and you'll never be younger, so the rates will never be lower. In addition, depending on your age and plan chosen, there may be limited or no underwriting requirements. If you wait, you take the risk that you may develop a health condition that keeps you from qualifying.

### Q. Can members wait until the next enrollment period?

**A.** There currently is no plan to offer this coverage in the future under the same application conditions. We can offer no guarantee the same application conditions will be available in the future.

### Q. Is home care covered?

**A.** Yes, this comprehensive group long term care insurance program will reimburse for covered care provided at home as well as an assisted living facility, nursing home, and in the community.