



## NEWSLETTER

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## **UNDERSTANDING THE TEACHER RETIREMENT SYSTEM (TRS): A COMPREHENSIVE GUIDE FOR INSURANCE AGENTS**

### **Introduction:**

**As an insurance agent, it is crucial to have a comprehensive understanding of different retirement systems to better serve your clients. One widely utilized retirement system in the United States is the Teacher Retirement System (TRS). This article aims to provide insurance agents with a thorough overview of TRS, its key features, and the ways it impacts the retirement planning of teachers.**

### **Understanding TRS:**

**The Teacher Retirement System is a pension plan specifically designed for educational professionals, including teachers, administrators, and school support staff. It is a government-operated retirement program aimed at providing secure and sustainable retirement benefits to educators who have served in public schools.**



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### Key Features of TRS:

#### 1. Defined Benefit Plan:

TRS is a defined benefit plan, meaning that retirees receive a predetermined monthly benefit based on their years of service and average salary. The benefit calculation formula often considers factors such as age at retirement, years of service, and the formula multiplier.

#### 2. Employer and Employee Contributions:

The TRS is funded through a combination of employer (school district) and employee contributions. The employer is typically responsible for a significant portion of the contributions. Depending on the state or specific agreements, the contribution rates may vary.

#### 3. Vesting Requirements:

**To qualify for retirement benefits under TRS, teachers usually need to meet specific vesting requirements. These requirements generally involve a minimum number of years of service, ranging from 5 to 10 years. After meeting the vesting requirement, teachers become eligible to receive a pension upon retirement.**

#### 4. Retirement Age and Payout Options:

**TRS typically establishes a specific retirement age at which teachers become eligible for full retirement benefits. This age may vary across states and could range from 55 to 62. In some cases, teachers may have a reduced retirement benefit if they retire before the designated age. TRS may also offer various payout options, such as a single-life annuity, joint-and-survivor annuity, or lump-sum payment.**



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### **5. Cost-of-Living Adjustments (COLAs):**

Many TRS plans provide periodic cost-of-living adjustments to retirees to help offset inflation. These COLAs can be crucial for retirees to maintain their standard of living over the long term. However, the implementation and frequency of COLAs can vary depending on the state or plan.

### **Implications for Insurance Agents:**

**Understanding TRS is essential for insurance agents working with teachers or educational professionals. Here are a few ways it impacts retirement planning:**

#### **1. Supplemental Retirement Products:**

Insurance agents can help teachers complement their TRS pension by offering supplemental retirement products such as 403(b) plans, annuities, or individual retirement accounts (IRAs). These additional retirement vehicles can help bridge the gap between the TRS benefit and a teacher's desired retirement income.

#### **2. Health Insurance Considerations:**

TRS often includes health insurance provisions for retirees, which can impact the overall retirement planning. Insurance agents should be familiar with these provisions and help teachers navigate their options to ensure comprehensive health insurance coverage during retirement.



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### **3. Education on Survivor Benefits:**

TRS often provides survivor benefits for the spouse or dependents of deceased teachers. Insurance agents can play a vital role in educating teachers about these benefits, clarifying beneficiary designations, and assessing the need for additional life insurance coverage to protect their loved ones.

#### **Conclusion:**

A solid understanding of the Teacher Retirement System (TRS) is essential for insurance agents who work with teachers. By familiarizing themselves with the key features of TRS, insurance agents can offer valuable advice and comprehensive retirement planning solutions that align with teachers' long-term financial goals. Remember, staying updated with the latest changes and developments in TRS will provide you with a significant advantage in assisting educational professionals in securing their retirement.

# Foresters Financial



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### **CARRIER FEATUERS : FORESTER FINACIAL**

Foresters Financial is an international financial services provider with a unique history that began in 1874 when they set out to provide access to life insurance for average, working families. Foresters financial strength, as measured by A.M. Best Company, is rated "A" (Excellent) and has been for the past 23 years!

- Quote without logging in at <https://forestersmobile.com/>
- Get contracted through <https://bit.ly/3zc03xE>
- Email [Sales@limitreal.com](mailto:Sales@limitreal.com) for case design assistance



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### BE THE SOLUTION FOR FAMILIES

Americans are underprepared for future health costs, planning for children's college and future retirement plans. Engage with your natural market with opened ended questions and helpful solutions!

Conversation starters:

- The average cost to raise a child to 17 years old is \$233,610
- 81% of Gen Xers are without a financial plan for retirement
- 80% of working individuals have retirement savings of less than 1 year of income
- 92% of older adults have at least one chronic disease



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### UNDERWRITING ABC

Take out the guesswork before submitting a policy. Use these Simple Questions to find the most suitable Product for your client. Happier Clients and great results means more referrals!

- Smoking status is not only tobacco – Ask if they use any nicotine product including vaping
- Check the Carrier Height and Weight Chart located in the Back Office
- Ask if they have any medical diagnosis or medications – Call Pre Sales Support!
- After calling the carrier Pre-Sales Support line, reach out to [Sales@limitreal.com](mailto:Sales@limitreal.com) for assistance



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### FINANCIAL ADVICE FOR THE MONTH

#### IUL Cash Value As Education Fund

Solutions that can unlock a better alternative to 529 Education Plans with Life Insurance for children. Leverage the Tax code 7702 to your families advantage!

##### **529 plans**

- Offer no protection for Critical injury or Critical illness events
- Limited to specific investment options
- Restricted to Educational expenses only

##### **IUL Cash Value**

- Grows with compounding interest and tax advantages
- No restrictions of use. Fund their first home, a business, trade school or other pursuits
- Be protected with living benefits

A life insurance policy structured under tax code 7702 offers unparalleled flexibility, tax advantages, and peace of mind. It's more than just an education savings plan - it's a comprehensive financial tool that adapts to your family's changing needs. Don't just invest in your child's education, invest in their future.



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### RECOGNITION

#### Take pride in your life

Share your life insurance policy's proud photos and use the hashtag **#MyPolicyMyPride!** Make sure to tag **@LimitReal.LLC**. You can also send your photos to [compliance@limitreal.com](mailto:compliance@limitreal.com) for a chance to be showcased on LimitReal social media platforms.

#### Agent Stories

Let's boast about our clients! Share your stories and we would be delighted to showcase your client and agent success stories in our Hello Monthly Newsletter.



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### RECOGNITION

**July 2024**

**Top Entrepreneurs - Gloria Ewere**

**Top Producers - Gloria Ewere**

**Top Rookie - Rosemary Udofia**

**Top Senior Business Director -**

**Top Business Executive Director - Vivian Nsi**

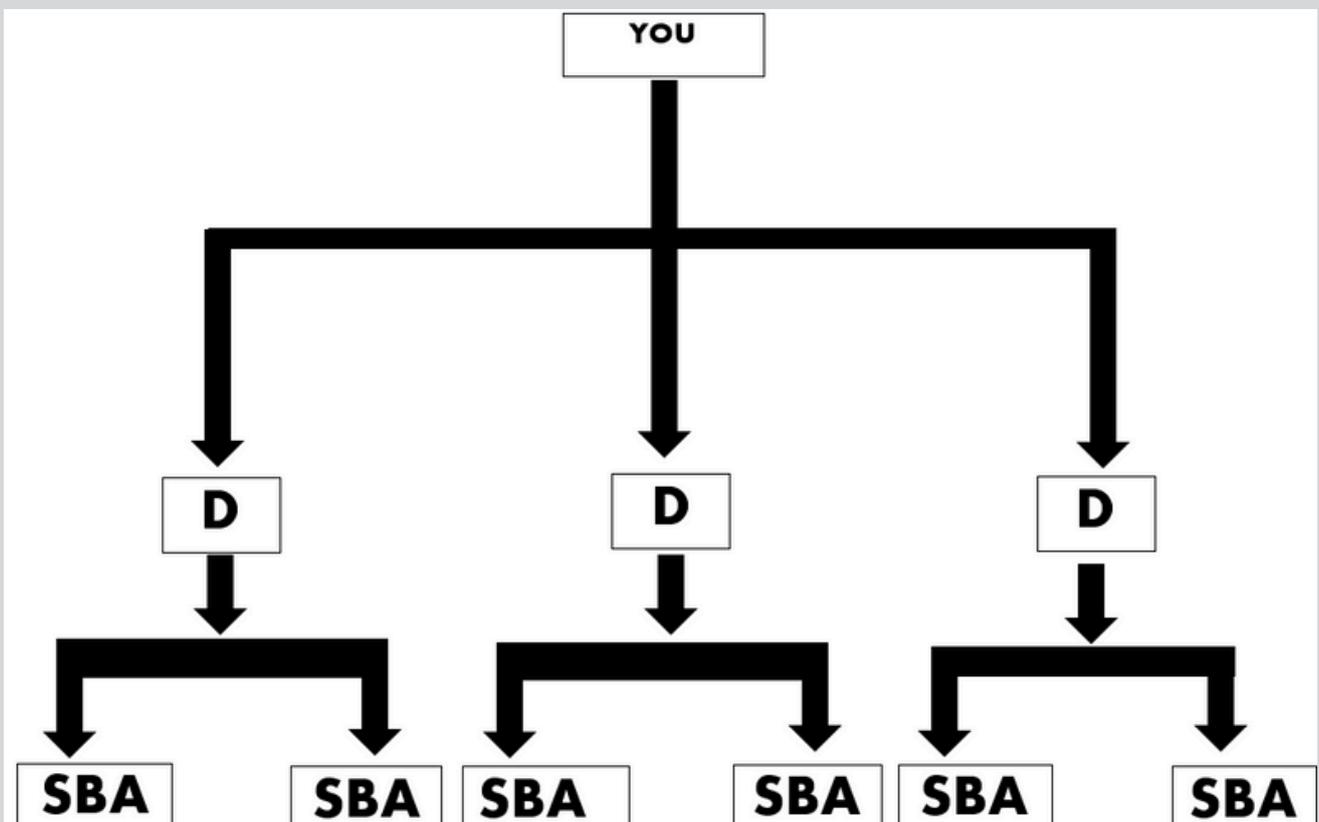
She's rapping her promotion from Business Associate (40%) to Senior Business Associate (50%). **Congratulation** Gloria Ewere.



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### ACCELERATED BUSINESS DIRECTOR IN 30 DAYS



Do you know you can accelerate from 40% to 70% in 30 days? e-mail [Sales@limitreal.com](mailto:Sales@limitreal.com) for more information.