



A Message from TRS Annuitant Trustee & IRTA Member Doug Strand

Fall 2020

Hello TRS/IRTA Members,

Trying to stay with Mr. Bob Lyons notes to members from the TRS meetings, we had a two-day meeting October 29th and 30th, 2020 by way of a virtual computer meeting (like Zoom). The agenda was moved around a little to have an important issue put first on the meeting's list of items to be discussed. That being the

search for a new TRS Executive Director. Three firms were reviewed and the firm of Korn Ferry from Los Angeles, CA was retained.

The new defined contribution (DC) plan was discussed and one of the funds was removed, a global world fund. This is the (SSP) plan for your active teachers still working, not for us retired educators. It is projected to be working by this spring/summer. SSP is the “supplement savings plan” that has some of the lowest fees for the various funds offered. They can be a regular pre-tax plan or a Roth plan. Contact the TRS to learn more this spring for active educators still working. This would have been nice to have years ago as an extra retirement supplement.

The investment committee discussed the MWBE report that showed around 20% of our funds are managed by female and/or minority owned money management firms. This is one of the many goals of the TRS. It was also started years ago when the TRS was developing an emerging money managers program.

Information was presented in the areas of Equity, Real Assets, Income and Diversifying Strategies. Advisor, RUK presented information on fixed income, The Federal Reserve, global trade, inflation, and other possible items that might affect our investments in the capital markets. The advisor, AKSIA gave a presentation on public debt and private debt along with a range of goals. We were also informed on what is happening with fees being charged by money management firms so we can continue to keep pressure on lowering the fees that TRS is being charged.

On Friday, the Audit committee reviewed several different issues that were being resolved.

We were introduced to Mr. Mike Kennedy from Korn Ferry who will be directing the search for the new executive director’s position. He is based out of Atlanta, GA.

There will be a TRS Trustee election this May 2021, for 2 active educators and one retired educator position. Mr. Larry Pfeiffer, the other IRTA representative on the TRS Board of Trustees, is running again for the spot he currently holds. I would strongly support him for that position again.

Once again, we heard from Advisor Segal on our actuarial numbers needed from the State of Illinois for the years ahead. They say it (2022) should be 8.8 billion, but the state is at 5.6 billion (2021 is 5.14 billion), there is a short fall as you can see which has happened in the past. The unfunded liability will continue to rise. We know Illinois has had a rough 2020 but we need to keep pressure on our Legislators to keep funding what they promised for all our retirements (the other 4 state ones as well).

There are 116,261 active Tier I educators and 46,814 Tier II educators. Tier II will outnumber Tier I roughly in 2026-2027. There are 124,791 retired educators who receive roughly 6.92 billion a year from the TRS. There was, at last I heard from IRTA Membership Chair (Mike Schmidt), only 39,000+ IRTA members. We have over 80,000 members that need to join IRTA to help protect our benefits and pension. Help get those people to get involved and support the IRTA.

It is getting cold this fall, please be careful, keep yourself protected from getting ill. I am sure we all know of someone who has been hit by this virus. Be safe and stay healthy so you can enjoy your retirement.

Respectfully,
TRS Trustee and IRTA Member
Douglas Strand

