

insight

The Newsletter for TMRS® Members

Retirement Estimate Calculator Added to MyTMRS®

The latest feature added to MyTMRS is an online Retirement Estimate Calculator. This calculator allows you to create retirement estimates on the TMRS website by typing in your own potential retirement dates.

TMRS implemented a new online registration process and password management function this summer. If you have not logged in to MyTMRS since then, you'll need to re-register. The new registration process is completely online, and within minutes you will be ready to use the online retirement estimate calculator. Follow these steps:

1. **Go** to www.TMRS.com
2. **Click** on MyTMRS
3. **Register** for MyTMRS if you haven't already done so (you'll receive an e-mail verification within minutes)
4. **Log in** to MyTMRS using your chosen user name and password
5. **Choose** "Retirement Estimate" from the pulldown menu
6. **Click** on "Request New Estimate" and enter a future retirement date
7. **Read** and agree to the disclaimer
8. **View** your estimate on screen (it will show all the annuity and PLSD options)
9. **Print** your estimate if you wish, using your browser's print command

You can run as many estimates as you wish, for any month after you become eligible to retire. You will also be able to redisplay the last 10 estimates you have run for yourself during the past 60 days. If you encounter an error message when you use the calculator, call TMRS at 800-924-8677 and a real person will help you!

If you have questions or suggestions for MyTMRS or the TMRS website, e-mail webmaster@TMRS.com. ■

From the Acting Executive Director

Dear TMRS Members,

I am honored to have been named Acting Executive Director by the TMRS Board, and I promise to do everything I can to ensure that TMRS continues to be a sound source of retirement benefits for employees of Texas cities.

There is a lot of news in this issue of *INSIGHT*. We are pleased to be rolling out an online estimate calculator so you can run your own retirement estimates through MyTMRS (see story at left). I hope you will register for MyTMRS and take a look at the new service.

The economy seems to be stabilizing, but we know that many cities struggled with tough choices in this year's budget process. An article in this issue (p. 3) talks about TMRS' ongoing plans to diversify our investments to reduce the risks associated with being invested in only one class of assets.

In general TMRS has weathered the economic downturn well, and we are working to keep the System strong into the future, while continuing to provide the high-quality customer service our members deserve.

Please call on us whenever we can help you with your retirement program.

Sincerely,



David Gavia
Acting Executive Director & General Counsel

Executive Director Departs, Interim Team in Place

Executive Director and Chief Investment Officer Eric Henry announced his departure from TMRS this past August. He resigned his position to pursue another opportunity, as the Chief Investment Officer of the United Auto Workers VEBA (voluntary employee benefit association, a health care trust). After his announcement, the TMRS Board of Trustees appointed General Counsel David Gavia as Acting Executive Director. The Board also appointed Nancy Goerdel, TMRS' Director of Public Investments and Asset Allocation, as Acting Chief Investment Officer. These senior staff members will fill the roles vacated by Eric Henry while the Board performs a national search to replace him.

Mr. Henry's two years at TMRS were extremely productive ones. The investment, actuarial, and communication initiatives that began during his tenure will continue as planned. In response to his departure, TMRS Board Chair Carolyn Linér said, "The Board tremendously appreciates all Eric has done for us, and we will be seeking someone to continue the outstanding work he has begun."

About Our Interim Officers



David Gavia joined TMRS as General Counsel in 2001 and remained in that position until August 2009, when he was named Acting Executive Director. Prior to his employment at TMRS, he worked as Assistant General Counsel in the benefits/tax area for the Employees Retirement System of Texas. David received his bachelor of science degree in business administration from Trinity University in San Antonio and his law degree from the University of Texas at Austin. David is a member of the National Association of Public Pension Plan Attorneys. He is also a Certified Public Accountant and worked for a national accounting firm before entering law school.



Nancy Goerdel is the Acting Chief Investment Officer and the Director of Public Investments and Asset Allocation for TMRS. Ms. Goerdel joined TMRS in 1998 as Investment Officer to assist with the management of the organization's all-fixed income allocation. She has been instrumental in moving TMRS to a total return objective and continues to be involved in TMRS' diversification efforts. Nancy has been involved in public fund investing for over 30 years, 20 at a senior level. Before joining TMRS, Nancy was Chief Investment Officer of the Iowa Public Employees Retirement System and Deputy Director for Investments at the Employees Retirement System of Texas. She received her bachelor of science degree from Stephen F. Austin University. ■

RETIREMENT PLANNING Pre-Retirement Resources

As you prepare for your retirement day, there are many resources available to you in addition to the help offered by your City Correspondent.

- **Talk to an Expert** – Call TMRS' toll-free number and ask to speak to a Member Services Analyst.
- **Web Tutorials** – In the "Members" area, there are several "How Do I..." tutorials addressing pre-retirement planning. To get an idea of post-retirement issues, it also makes sense to scan the "How Do I's" under the "Retirees" area.
- **Retirement Estimates** – Estimates are now available online through MyTMRS (see story, page 1); they are also available by mail or fax through the website and the Phone Center (call 800.924.8677). Run as many estimates as you like to help make decisions about your retirement!
- **Regional Pre-Retirement Conferences** – Each year, we plan at least six free one- or two-day events designed to help you understand your TMRS benefits and make plans for your retirement. These are held in different regions of Texas. We will post the 2010 locations on the website soon.
- **Publications** – Sections devoted to planning retirement are included in the *Member Benefits Guide*, *TMRS Facts*, and the *Retiree Factsheet*.

Mortality Table Rumors

Persistent rumors keep cropping up that TMRS plans to change its mortality table by the end of the year. These rumors are simply not true. **TMRS has no immediate plans to change the mortality table** (also called the "life expectancy" table) for calculating retirement annuities.

If, at a future date and after consulting with its actuary, the TMRS Board determines that we need to adjust the life expectancy table due to demographic changes (people living longer), we will notify cities and members well in advance, and any changes in the table will be made gradually. For now, we can assure you that mortality tables are not changing right away. ■

Investments in Transition

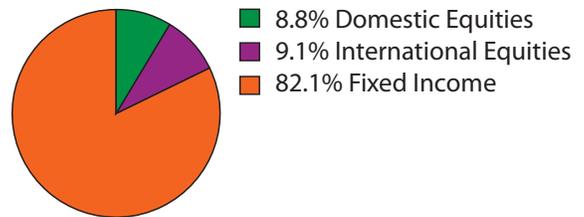
At the end of 2008, the TMRS retirement fund was valued at \$14.6 billion, invested 88% in fixed income securities with a 12% allocation to equities. The initial move into equities, half in U.S. stocks and half in foreign stocks, was invested passively in index funds, a lower-cost approach. That allocation to equities was a first step toward diversification of the portfolio, pending legislation that was subsequently adopted in 2009. The passage of HB 360 allowed TMRS investments to be managed toward a total return objective, and to be more fully diversified.

How TMRS Is Diversifying

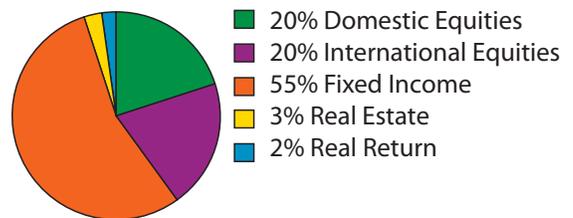
In June 2009, the Board adopted an Investment Policy that reflects the change from an income to a total return objective and approved a strategic asset allocation policy that fully diversifies the investment portfolio. TMRS plans to implement the allocation over a 5-year period (see the charts at right).

TMRS will make a gradual, deliberate, and prudent transition to the target allocation, focused on managing risk while improving the potential for future returns. TMRS is a true long-term investor. Over time, the diversified portfolio is projected to earn a 7% annual return. ■

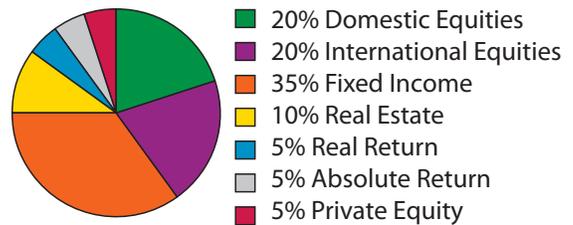
Currently, TMRS investments are allocated between fixed income and equity investments:



At the end of 2010, the asset mix target will be:



The asset allocation target for 2013 is:



Interest Credit for 2009

The member interest credit for 2009 will be 5%. Interest will be credited to accounts on December 31, 2009, based on the member's account balance as of January 1, 2009. This interest credit will appear on MyTMRS in early January and also on the Annual Statement you receive in spring 2010. In past years, the Board of Trustees determined an annual interest credit rate for members and cities at its September meeting. This rate generally changed annually as a result of investment performance. Under the new law affecting TMRS which passed in the last session of the Texas Legislature (HB 360), members will receive an annual interest credit of at least 5% annually.

Also as a result of HB 360, the city interest allocation will be determined by the Board of Trustees in February 2010 after taking into account the System's 2009 net investment income (which now also includes changes in market value) and reserve guidelines established by the Board. ■

Board of Trustees

Carolyn Linér, Chair
Director of Human Resources/Civil Service • San Marcos

Ben Gorzell, Jr., Vice Chair
Chief Financial Officer • San Antonio

Pat Hernandez
Municipal Court Judge • Plainview

April Nixon
Chief Financial Officer • Arlington

Roel "Roy" Rodriguez, P.E.
Assistant City Manager / MPU General Manager • McAllen

H. Frank Simpson
City Manager • Missouri City

Keeping Us Current

Once again, we are issuing a friendly reminder to always keep your mailing address current with TMRS. If we do not have a valid address for you, you will not receive your Annual Statement, mailed estimates, future TMRS newsletters, or be able to register with my TMRS.

Remember, to change your address in our records, you need to complete a TMRS-CHNG (Address or Name Change) form, sign it, and fax it to 512.476.5576 or mail it to P.O. Box 149153, Austin, TX 78714-1953.



TEXAS MUNICIPAL RETIREMENT SYSTEM
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PRESORTED STANDARD
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Calendar

2009

- November 11** Holiday (*Veterans Day*)
- November 26-27** Holiday (*Thanksgiving*)
- December 4** TMRS Board of Trustees Meeting - Austin
- December 24-25** Holiday (*Christmas*)

2010

- January 1** Holiday (*New Year's Day*)
- January 18** Holiday (*Martin Luther King, Jr. Day*)
- February 15** Holiday (*President's Day*)
- February 19** TMRS Board of Trustees Special Meeting - Austin
- March 12** TMRS Board of Trustees Meeting - Austin
- April 2** Holiday (*Good Friday*)
- May 7** Joint Meeting of the TMRS Board and Advisory Committee - Austin
- May 31** Holiday (*Memorial Day*)
- June 18** TMRS Board of Trustees Meeting - Austin

How to Contact TMRS

Location

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