

**Legislative Report, Year-End Investment Report, City Portal Update,
Board Meetings and Regional Conferences, Retiree Information**

Board Meeting Dates for 2011

The Board meeting dates for calendar year 2011 are as follows:

- February 24-25 • TMRS Board of Trustees Meeting • Austin
- March 24-25 • TMRS Board of Trustees Meeting • Austin
- May 19-20 • Joint Meeting of the TMRS Board and Advisory Committee • Austin
- June 16-17 • TMRS Board of Trustees Meeting • Austin
- July 21-22 • Joint Meeting of the TMRS Board and Advisory Committee • Austin
- September 21-22 • TMRS Board of Trustees Meeting • Austin
- October 12 • TMRS Board of Trustees Meeting • Houston (in conjunction with TML)
- December 1-2 • TMRS Board of Trustees Meeting • Austin

Note that, depending on final agendas, some of these meetings will be conducted in one day rather than in two. For a complete listing of TMRS events, check the [web calendar](#) periodically.

TMRS Legislation Filed

Legislation has been filed by State Representative Vicki Truitt (HB 997 [link to online version](#)) and State Senator Tommy Williams (SB 350 [link to online version](#)) for consideration by the 82nd Texas Legislature, to restructure the System's internal accounting structure. The TMRS Board of Trustees adopted the legislative proposal on September 24, 2010.

In brief, restructuring TMRS funds will provide more efficient funding, reduce year-to-year volatility in city contribution rates, and result in lower contribution rates and improved funded ratios for most cities — without reducing member or retiree benefits. This change was recommended by TMRS' consulting actuary and supported by all 19 members of the TMRS Advisory Committee. TMRS has spent much of the past year presenting the proposal to cities, members, and retirees. Cities received letters in August that provided estimates of the contribution reductions that may result from restructuring. For a detailed discussion of restructuring, please see the booklet "[TMRS Fund Restructuring Q&A](#)," available on the website. A four-page pamphlet, "[Guide to TMRS for the 82nd Legislature](#)," is also available on the website. Check the [Legislative page](#) for regular updates.

If you would like more information about the TMRS legislation proposed for the 82nd Texas Legislature, contact TMRS' Governmental Relations Director, Dan Wattles, at [dwattles@tmrs.com](mailto:d wattles@tmrs.com).

Investment Overview for 2010

The TMRS total investment return for 2010 was 9.02%. Domestic equities were the strongest performer for the year, returning 16.8% followed by international equities at 8.4%, and fixed income at 6.5%. This performance was supported by the increase in the total equity allocation during the year from 23.0% to 33.7%.

In addition, during 2010, the TMRS Board of Trustees approved the implementation of the 5% real return asset class through a global inflation-linked bond portfolio, and selected Colchester Global Investors to invest those assets. The Board also selected a real estate consultant, ORG Portfolio Management, to assist in implementing the 10% real estate allocation, and approved a pacing plan for 2011 that reflects a multi-year implementation of the entire allocation.

The asset allocation at year end was: Fixed Income 66.26%, Domestic Equities 17.27%, and International Equities 16.47%.

2011 Pre-Retirement Conferences

The first pre-retirement conference for 2011 was held in Brownsville on January 25. The conference was very well attended — more than 300 employees and spouses from 14 cities attended. The next pre-retirement conference will be held this week in Brenham.

Here's the complete list of conferences planned statewide in 2011:

- January 25 — Brownsville
- February 2 — Brenham
- March 8 — Cedar Hill
- March 29 — Live Oak
- May 3 & 4 — Pasadena
- May 18 — Abilene
- May 24 — Tyler
- June 2 — San Angelo
- June 23 — Addison
- July 19 — Wichita Falls

TMRS City Portal Update

So far, 44 cities have signed up to access the TMRS City Portal. The City Portal allows cities to access data for their city's employees, run reports, and produce estimates.

City staff must attend training on portal use and sign a confidentiality agreement before they can gain access to the system. TMRS will be providing training opportunities for cities that want

access. Next up is a webinar in February. Watch for more information regarding the City Portal on the website. If you'd like to sign your city up, contact LaShelle Ruiz at lruiz@tmrs.com.

Tax and Year-End Notes for Retirees

- **COLA letters.** Each year, TMRS mails letters to those retirees who receive benefit increases greater than \$10. Approximately 20,000 TMRS retirees and beneficiaries will receive letters in January notifying them of the change in their monthly benefit amount.
- The **1099-R forms** that retirees will need for reporting their retirement income were sent on January 24. Retirees should allow 7–10 business days for delivery.
- For retirees who are using the **federal HELPS provision**, letters were mailed January 19 with instructions for how to claim this deduction on their tax return. The annual letter is provided to help retirees with tax reporting for HELPS insurance deductions. The 1099-R will not change.
- January annuity payments reflect the new **2011 tax withholding tables**. If you are advising any retiree who would like to change his/her withholding election, please instruct the retiree to submit a new [IRS W-4P Withholding Certificate for Pension or Annuity Payments](#).

Rate Reminder Letters Sent to Cities

Look for your city's 2011 contribution rate reminder letter, if you have not already received it. This letter is a simple reminder of the contribution rate that your city should use beginning with the January 2011 payroll report, due in our office by February 15, 2011.

NOTE - Previously issued e-bulletins are posted in the E-Bulletin section under the [Publications](#) page on the TMRS Website.