

**December TMRS Board Meeting, APR Changes,
Annual Seminar Survey, End-of-Year Reminder for Cities**

TMRS Board of Trustees December Meeting Summary

The TMRS Board of Trustees met on December 5 and 6. The Board:

- Heard investment performance reports on the System's portfolio and on real estate investments. A report for the quarter ending September 30, 2013, is available [here](#).
- Reviewed the equity asset class.
- Approved investment pacing plans for real estate, equities, and non-core fixed income for 2014.
- Approved revisions to the Investment Policy Statement (IPS).
- Approved the 2014 TMRS operating budget.
- Approved the annuity purchase rate (APR) factors based on generational mortality tables (see story below).
- Approved and adopted final amendments to TMRS Rules 123.1 and 129.12, relating the new mortality tables.
- Approved naming the TMRS Board Room for former Board Chairman H. Frank Simpson. Mr. Simpson passed away in April 2013 after serving on the Board for 10 years.
- Adopted a resolution honoring the service of retiring Board member April Nixon.
- Elected Roy Rodriguez as Board Chair for 2014 and Julie Oakley as Vice Chair.

Reminder about APR (Mortality Table) Changes

In October 2013, the TMRS Board of Trustees approved new mortality tables for use in calculating retirement annuities. Since then, TMRS staff has attended several city meetings to help explain the changes. These changes were needed due to the increased life spans of the population and to keep cities from subsidizing benefits based on outdated mortality factors. Updating the APR factors will help cities sustain current benefit levels.

We appreciate all you do to get the word out to your employees, including distributing the flyer that appeared in *Main Street*, and using the FAQ and flyers posted on the website (see

links below). Our January 2014 issue of *INSIGHT*, which goes to all TMRS members, will contain an in-depth article explaining the change to members.

Key implementation dates are as follows:

- Retirement estimates using the new mortality factors will be available early in January 2014, either from TMRS or by using the online MyTMRS benefit calculator.
- Only retirements effective January 2015 and later will be affected by the new APR calculation.

Here are a few key points to keep in mind when discussing this change with your employees:

- **Retirements effective before January 2015 will not be affected.**
- **No current retiree's benefit will be affected.**
- This change was needed to address the improving life expectancies of the TMRS group of employee members.
- The new APR factors effective for retirements in January 2015 and later will be phased in over a 13-year period to minimize the impact on future retirees.
- The closer a person is to retirement, the less his or her monthly annuity amount will be affected by this change.
- Once a person is retired, his or her retirement benefit will not be reduced.

For further details, see the [Mortality Table FAQ](#) and the [one-page flyer](#) that we encourage you to distribute to employees.

Annual Seminar Well Attended – Please Take Our Survey!

The TMRS Annual Training Seminar, “Ahead of the Curve,” was held in Austin November 19 and 20 at the Austin Sheraton Hotel. There were more than 150 registrants this year and over 100 TMRS cities were represented. Since the seminar was based in Austin, we hosted more than 20 additional visitors from the Legislature, other retirement systems and Austin-based agencies. The seminar started out with remarks from TMRS Board Trustee Julie Oakley, House Pensions Committee Chair Representative Bill Callegari, and TMRS Executive Director David Gavia. Our keynote speaker, Karen Friedman, from the Pension Rights Center, discussed the need for a national pension policy. Pension expert Keith Brainard from the National Association of State Retirement Administrators and investment economist Dr. Jim Kee of Southwest Texas Money Management rounded out the general sessions. TMRS thanks its cities for their robust interest in the System and our speakers for their presentations.

After this year's seminar, we are on a mission to get more TMRS cities involved in the Annual Seminar. We are asking cities to participate in an online survey to help us plan future seminars in a manner that best suits your needs, including time of year and location. If you attended the 2013 seminar, and particularly, if you were NOT able to attend, we need your feedback. Please take a moment to answer the questions in our short survey at <https://www.surveymonkey.com/s/GQ8D6Z2>

TMRS Thanks April Nixon

April Nixon served on the TMRS Board from April 2007 through November 2013, when she retired from her position as Chief Financial Officer of the City of Arlington. April's tenure on the Board began just as TMRS undertook the most significant changes in the System's history, including asset diversification. As Board Chair in 2011, she helped oversee passage of SB 350, which restructured the System's internal accounting funds, a move that reduced many cities' contribution rates while improving their funded ratios. Her willingness to listen to employees and employers served the Board, the TMRS staff, members, cities, and retirees very well. TMRS extends deepest gratitude to April for her service and wishes her all the best in retirement.

END-OF-YEAR REMINDER

Don't Forget Those Ordinance Changes!

The year is almost over, so if your city is adopting or had adopted an ordinance changing TMRS provisions (such as Annuity Increases or Updated Service Credits), to be effective January 1, 2014, send TMRS a copy of the ordinance right away! By law, these changes must be transmitted to TMRS before the ordinance's effective date. The last date of acceptance before January 1 is December 31, 2013.

IMPORTANT: If you have already sent in your ordinance and have not received an acknowledgment from TMRS, please call or e-mail LaShelle Ruiz at 800-924-8677 or lruiz@tmrs.com ASAP.

NOTE - Previously issued e-bulletins are posted in the E-Bulletin section under the City Services tab on the TMRS website.