

**Guide
to
TMRS
for the
82nd Texas Legislature**

**Texas Municipal Retirement System
2011**

Texas Municipal Retirement System (TMRS®)

Summary

- Established in 1947 by the Texas Legislature, began operations in 1948, and is administered in accordance with the Texas Municipal Retirement System Act (Texas Government Code, Title 8, Subtitle G)
- Governed by a six-member Board of Trustees, appointed by the Governor with the advice and consent of the Senate
- Is a qualified retirement plan under Section 401 of the Internal Revenue Code
- Provides a hybrid plan design with Defined Contribution and Defined Benefit features, sometimes referred to as a “cash balance” plan
- Each municipality that decides to participate in TMRS chooses its level of benefits from a menu of options
- Benefits are funded by members and city contributions and investment income
- Receives no state funding
- Has 842 member cities, 142,013 employee accounts, and 39,817 retired members*
- Paid \$743.5 million to retirees and \$49 million to refunded members in 2010
- Economic impact in Texas is large; in 2006 alone, TMRS benefits resulted in \$1.32 billion in annual spending and 9,365 permanent jobs†
- Assets as of September 30, 2010 were \$17.9 billion. Asset classes were broken down as follows:
 - 29.61% in domestic and international equities
 - 70.23% in domestic fixed income
 - 0.16% in unallocated cash

* As of January 11, 2011

† As determined in an economic study by the Perryman Group

HB 997 by Truitt SB 350 by Williams

HB 997 by Truitt and SB 350 by Williams contain the TMRS Board of Trustees' recommendation for restructuring TMRS funds — the internal accounts that hold employee and city contributions and that pay retirement benefits. This legislation would combine the three current accounts into a single account within the retirement trust fund. This single structure is common to nearly all retirement funds.

This “restructuring” 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.

For detailed information on restructuring, please see the TMRS publication “TMRS Fund Restructuring Questions and Answers” available on the TMRS website, www.tMrs.com, or by request.

The Board's recommendation was made following the unanimous recommendation of the TMRS Advisory Committee on Retirement Matters, a 19-member body that includes individual representatives from TMRS cities, retirees, elected officials, pension experts, and group representatives for the following organizations:

- Arlington Professional Fire Fighters
- Combined Law Enforcement Associations of Texas (CLEAT)
- Government Finance Officers Association of Texas (GFOAT)
- City of San Antonio
- Service Employees International Union, San Antonio (SEIU)
- Texas City Management Association (TCMA)
- Texas Municipal Human Resources Association (TMHRA)
- Texas Municipal League (TML)
- Texas Municipal Police Association (TMPA)
- Texas State Association of Fire Fighters (TSAFF)

Contact TMRS

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