

Facts for the 84th Texas Legislature

The TMRS Board of Trustees is not recommending any legislative changes in 2015.

TMRS Overview

TMRS administers a retirement program for 860 Texas cities, covering over 108,000 contributing members, and providing benefits to more than 47,000 annuitants. As one of the oldest public sector cash balance plans in the United States, TMRS offers a choice of benefits so that each participating city can design a plan to suit its needs and budget.

System Highlights

- TMRS is a statewide retirement system that cities elect to join.
- TMRS is a “hybrid” cash-balance defined benefit retirement plan rather than a traditional, formula-based defined benefit plan.
- TMRS does not receive any state funds and does not administer a health care plan.
- Benefits are based on a member’s account balance at retirement. The retirement benefit is funded through mandatory employee deposits, city contributions, and investment income.

Local Control

- Benefits chosen can be prospectively modified by each city to control costs.
- Each city’s benefit program stands on its own by having its own actuarial assets, liabilities, and funded ratio.

Conservative Plan Features

- TMRS’ Investment Return Assumption is 7%, one of the lowest among large public plans.
- Each city’s unfunded liability is amortized over a closed period of no more than 30 years.
- Double-dipping is not permitted.
- Contribution “holidays” are not allowed; every city must pay the contribution to fund the benefits it chooses.

Funded Status

- TMRS’ funded status was 84.1% as of 12/31/2013.

2008	2009	2010	2011	2012	2013
74.4%	75.8%	82.9%	85.1%	87.2%	84.1%

Benefit Payments

- The average “original” annual annuity received by TMRS retirees as of 12/31/13 was \$16,024.
- TMRS paid a total of \$1.03 billion in benefits in 2014*, up from \$946.5 million in 2013 and \$865 million in 2012.

* Preliminary. Final 2014 figures to be released in May 2015.

Continued on reverse



Investment Returns and Fees

- TMRS administers \$23.71 billion in assets, as of 12/31/2014**

Annual Investment Return Averages

2008	2009	2010	2011	2012	2013	2014**
-1.3%	10.2%	9.0%	2.4%	10.1%	9.86%	5.81%

Annual Return Averages as of 12/31/2014**

	3-year average	5-year average	10-year average	20-year Average	30-year Average
Gross	7.40%	8.29%	7.14%	7.83%	9.41%
Net of Fees	7.26%	8.18%	7.09%	7.80%	9.39%

- Investment management fees are among the lowest in the industry, just .072% in 2014.**
- TMRS' total administrative costs in 2014** were 0.146% of net assets.

** Preliminary. 2014 final figures to released in May 2015.

TMRS Coverage

TMRS does not cover employees in Houston, Dallas, Austin, Fort Worth, Galveston, or El Paso, which have their own local plans. For San Antonio, TMRS covers only non-uniformed employees. In 39 TMRS cities, fire fighters are members of a separate local plan.

Governance

TMRS is governed by a six-member Board of Trustees, appointed for six-year staggered terms by the Governor, with the approval of the Senate. The Board has chartered a 19-member Advisory Committee, composed of representatives of constituent employee and employer groups, as well as elected officials, retirees, and employees.

For further assistance

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