The Retirement Program for Texas Cities Since 1948

- TMRS is a statewide retirement system that cities may elect to join (890 cities as of 12/31/2019).
- TMRS has over 113,900 contributing members and over 61,400 retirees and beneficiaries (as of 12/31/2019).
- TMRS does not cover employees in Houston, Dallas, Austin, Fort Worth, Galveston, or El Paso, which have their own local plans. TMRS covers only the non-uniformed employees in San Antonio. In 39 TMRS cities, fire fighters are members of a separate local plan.
- 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, does not administer a health care plan, and operates on a calendar year basis for fiscal reporting purposes.
- Benefits are based on a member’s account balance at retirement. The retirement benefit is funded through mandatory employee deposits plus interest, mandatory city matching contributions, and investment income.

Local Control

- Each city chooses from a menu of benefit options to design a retirement program that suits its needs.
- Certain benefits chosen can be prospectively modified by each city to control costs.
- Each city stands on its own by having its own actuarial assets, liabilities, and funded ratio.

Conservative Plan Features

- TMRS’ Investment Return Assumption is 6.75%*.
- Each city’s unfunded liability is amortized over a closed period of no more than 30 years.
- Each member’s benefits are advance funded over the member’s working career.
- Double-dipping is not permitted.
- Contribution “holidays” are not allowed; every city must pay the Actuarially Determined Employer Contribution (ADEC) based on benefits chosen.

* Adopted by the TMRS Board of Trustees on 7/30/2015.

Funded Status

- TMRS’ funded ratios for 2010 to 2018 are listed below.

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</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>82.9%</td>
<td>85.1%</td>
<td>87.2%</td>
<td>84.1%</td>
<td>85.8%</td>
<td>85.8%</td>
<td>86.3%</td>
<td>87.4%</td>
<td>87.1%</td>
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† The decrease in TMRS’ funded ratio from 2012 to 2013 was primarily due to the TMRS Board adopting a change in the actuarial cost method from Projected Unit Credit to Entry Age Normal (EAN). The EAN method funds benefits evenly over a member’s career and will reduce volatility in future city contributions.

Note: The 2019 funded ratio will be available in May 2020.
Assets‡
- TMRS administers a trust fund of approximately $31.0 billion.

Investment Returns‡
- Investment returns (as of 12/31/2019; Net of Fees)

<table>
<thead>
<tr>
<th></th>
<th>1-year return</th>
<th>3-year average</th>
<th>5-year average</th>
<th>10-year average</th>
<th>20-year average</th>
<th>30-year average</th>
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</thead>
<tbody>
<tr>
<td>1-year return</td>
<td>14.54%</td>
<td>8.34%</td>
<td>6.38%</td>
<td>6.85%</td>
<td>7.79%</td>
<td>8.27%</td>
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</tbody>
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Benefits‡
- The average “original” annual annuity received by retired TMRS members at retirement was $18,253 (this is the average of all the initial retirement annuities of retiring TMRS members from 1997 through 2018).
- TMRS paid a total of $1.46 billion in benefits in 2019, up from $1.3 billion in 2018.

‡ Preliminary. Final 2019 figures will be available in May 2020.

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