The Retirement Program of Choice for Texas Cities Since 1948

- TMRS is a voluntary statewide retirement system with 888 participating cities (as of 12/31/2019).
- TMRS has approximately 114,300 contributing members and 69,600 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%, one of the lowest among large public plans.
- Each city’s unfunded liability is amortized over a closed period of no more than 20 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 based on benefits chosen.

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

Funded Status

- TMRS’ funded ratios for 2010 to 2019 are listed below.

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<tbody>
<tr>
<td></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>
<td>88.0%</td>
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Note: 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. The funded ratio is expected to increase in future years.
Assets

- TMRS administers a trust fund of approximately $31.9 billion.

Investment Returns

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

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<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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<tr>
<td>1-year return</td>
<td>14.71%</td>
<td>8.39%</td>
<td>6.41%</td>
<td>6.86%</td>
<td>7.80%</td>
<td>8.27%</td>
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Benefits

- The average annual benefit received by TMRS retirees or their beneficiaries as of 12/31/2019 was $18,333.
- TMRS paid a total of $1.44 billion in benefits in 2019, up from $1.3 billion in 2018.