

insight

The Newsletter for TMRS® Members

Nancy Goerdel Retires



In February 2014, TMRS' Chief Investment Officer, Nancy Goerdel, begins her retirement. She is looking forward to spending time with her family. Ms. Goerdel held key investment positions since joining TMRS in 1998. She became the CIO in 2010. Since 1998, the System's assets grew from \$7.6 to \$22 billion and TMRS' investment strategy diversified from primarily long bond investing into a diversified strategy beginning in 2008.

After announcing her retirement, Ms. Goerdel said, "It's hard to believe I've been with TMRS 15 years! I've seen a lot of changes during that time, both at the fund and investment program levels. It's been an exciting opportunity, and I'll retire knowing that the program is in very good hands with a great team of professionals. I've enjoyed my time at TMRS and will definitely miss everyone!"

TMRS Welcomes New CIO, T.J. Carlson



T.J. Carlson, former CIO of the Kentucky Retirement System, joined the TMRS staff in late 2013 as the next CIO of the System. He was formerly an Investment Principal at Ennis Knupp & Associates, and has filled the roles of CIO for the Marshfield Clinic in Wisconsin, CIO of the West Virginia Investment Management Board, and Senior Investment Officer for the Iowa Public Retirement System. ■

Legislative Summary

During the 83rd Regular Legislative Session, which lasted from January 8 through May 27, 2013, members of the legislature filed several bills that proposed changes to TMRS, but none of these bills passed. Other bills were filed that addressed such topics as confidentiality and transparency for all pension systems in Texas, and some of these bills passed. However, the protection of member and retiree personal information was not affected.

continued on page 2

From the Executive Director



Dear TMRS Members,

TMRS is constantly working to ensure that your benefits remain soundly funded and sustainable in the future. Over the past few years, we have made changes to our funding methodology and investments. The latest change adopted by our Board of Trustees affects the life expectancy tables that determine the amount of retirees' monthly benefits. This change will affect new retirements beginning in 2015 and will be phased in over a 13-year period, so the closer you are to retirement, the less the change will affect you. We want all members to understand that once you receive a TMRS annuity, it is for the rest of your life. See the story on page 3 for more information.

This issue also includes a summary of the 2013 legislative sessions, Board of Trustees changes, and notes about interest crediting and return-to-work rules. We have had a major change in our Investment staff (see story at left). Our Chief Investment Officer, Nancy Goerdel, is retiring at the end of January. We are sorry to see her go, wish her much joy in her retirement, and welcome her successor, T.J. Carlson.

If you have any questions about TMRS, please contact us. Our analysts can help you personally during regular business hours, and our website at www.tmr.com offers access to your personal account information and estimates through MyTMRS® (see story, page 2).

Sincerely,

David Gavia
Executive Director

After the 83rd Regular Session came to an end, Governor Perry called three special sessions during the summer. None of the legislation that passed during these sessions affected TMRS or other pension systems.

In preparation for the next scheduled Regular Session of the 84th Legislature, which will convene on the second Tuesday in January, 2015, the Lieutenant Governor and Speaker of the House will announce interim study charges for the standing committees in their respective chambers. If you have ideas or suggestions to enhance TMRS' plan design, contact Dan Wattles, Director of Governmental Relations, at dwattles@tmrs.com. ■

MyTMRS

Through the online tool MyTMRS, you can check your account information and run retirement estimates at any time. To register for MyTMRS, click on the MyTMRS button on the TMRS website and follow the prompts. After you register, an e-mail confirmation will be sent to you.

In MyTMRS, you can check the following:

- Your personal information (name, date of birth, and current address)
- Your current balance information and current statement
- Your beneficiary(ies) name, date of birth, and relationship to you
- Your eligibility for a Supplemental Death Benefit (an option that may be chosen by your city) and your vested status and retirement eligibility
- Your retirement annuity estimates for your first eligibility or on whatever other dates you'd like to view.
- Under the Documents tab, you can view your Annual Statements.

Any estimates you run beginning in January 2014 will include new factors in the calculation (see story on page 3). ■

2014 TMRS Board of Trustees

Roel "Roy" Rodriguez, PE, Chair

Assistant City Manager/MPU General Manager, McAllen

Julie Oakley, Vice Chair

Director of Finance, Lakeway

James "Jim" Paul Jeffers

City Manager, Nacogdoches

David Landis

City Manager, Perryton

Jim Parrish

Assistant City Manager – Administrative Services, Plano

Bill Philibert

Human Resources Director, Deer Park

The TMRS Act provides that the administration of TMRS is entrusted in a six-member Board of Trustees, appointed by the Governor with the advice and consent of the Senate. TMRS Board members serve six-year staggered terms, and Board members are unpaid volunteers who are also members of TMRS through their city employment.

Current Advisory Committee Members

Individual Class Members

Allen Bogard, Sugar Land, City Manager
Michael Dane, San Angelo, Assistant City Manager / CFO
Dean Frigo, TMRS Retiree
Victor Hernandez, Lubbock, City Councilmember
Randle Meadows, TMRS Retiree
Neil Resnik, Addison, City Councilmember
Charles Windwehen, TMRS Retiree

Group Class Representatives

Joe Angelo, City of San Antonio
David Crow, Arlington Professional Fire Fighters
Jerry Gonzalez, Service Employees International Union, San Antonio
Scott Kerr, Texas State Association of Fire Fighters
Kevin Lawrence, Texas Municipal Police Association
Mike Perez, Texas City Management Association
Bob Scott, Government Finance Officers Association of Texas
Gregg Shipley, Combined Law Enforcement Associations of Texas
Monty Wynn, Texas Municipal League
Vacancy, Texas Municipal Human Resources Association ■

TMRS Estimates Include New Life Expectancy Factors

When you run an estimate of your TMRS benefit on MyTMRS, request an estimate from TMRS, or see your estimate on the Annual Statement you receive in March, the estimate amount will be based on life expectancy factors adopted by the TMRS Board of Trustees in December 2013.

Maintaining sustainable benefits for all members and retirees is the top priority of TMRS, and the System has undertaken a series of changes since 2007 to ensure that TMRS continues to be well-funded and that our members' benefits stay secure. As part of that effort, after months of study by the TMRS actuary, the Board voted to adopt new mortality tables for calculating member benefits.

Why the Change Was Needed

TMRS annuities provide a retirement benefit for life. The life expectancy of Americans is longer than it was in 1981, the last time TMRS updated its mortality table for calculating annuities. Because life expectancy is longer, the pool of money that pays your benefit (contributions, interest, and Updated Service Credit if any) needs to stretch farther.

With the continued use of an outdated mortality table, higher city contributions have been effectively "subsidizing" the difference between the annuity calculation and a retiree's longer lifetime of payments. Changing the tables helps cities continue to afford to participate in TMRS and will make benefit levels more sustainable for future employees.

How the Change Affects Benefit Calculations

It is important to understand that no current retiree's benefit will be affected. In addition, once you retire with TMRS, the monthly amount calculated at the time of your retirement will not decrease.

As a TMRS member, if you retire under the plan, your contributions, city matching funds, and interest earnings are not affected. However, use of the new life expectancy factors will result in a member's retirement benefit being slightly smaller than the benefit calculated under the old life expectancy factors. The new life expectancy factors are being phased in over 13 years beginning in January 2015. Phasing in the new tables will minimize the impact on the benefits of active members closest to retirement.

For more detailed information on this issue, see the Retiree Mortality Tables FAQ and the one-page flyer on the TMRS website.

Each individual calculation may vary, depending on city plans and member choices. Any estimates you run as of January 2014 will include the new life expectancy factors in the calculation. If you are thinking about retiring in the next few years, be sure to take a look at the calendar on page 4, which shows Regional Pre-Retirement Conferences planned for the first half of 2014. ■

Retirement Planning

When planning for your retirement with TMRS, you may wish to take a look at all your retirement choices, savings plans, and other factors that will affect your retirement income. Your choice of a retirement option, whether or not to take a partial lump sum distribution, and the timing of your retirement are very important decisions. If you are approached by financial product providers who offer to maximize your retirement income by investing a portion of your TMRS benefit, we encourage you to get advice from an independent financial advisor who is not affiliated with the product being offered to help you make the decision. ■

Interest Credits for Member Accounts

Interest credited to member accounts at the end of every calendar year is at least 5% by law. Members are guaranteed this level of interest earnings, and the amount is reflected in the account balance as of January 1 of every year. Take a look at your account on MyTMRS (see story on page 2) after January 1 to see your interest credit for 2013! ■



TEXAS MUNICIPAL RETIREMENT SYSTEM
PO Box 149153 • Austin, Texas 78714-9153

PRESORTED STANDARD
US POSTAGE PAID
AUSTIN, TEXAS
PERMIT NO 2644

Calendar How to Contact TMRS

2014

January 20	Holiday (Martin Luther King, Jr. Day)
February 11	Regional Pre-Retirement Conference – Schertz
February 17	Holiday (President’s Day)
February 20-21	TMRS Board of Trustees Meeting – Austin
March 4	Regional Pre-Retirement Conference – Brownsville
March 18	Regional Pre-Retirement Conference – Plano
March 20-21	TMRS Board of Trustees Meeting – Austin
April 9	Regional Pre-Retirement Conference – Lufkin
April 18	Holiday (Good Friday)
April 23	Regional Pre-Retirement Conference – Eagle Pass
May 15-16	Joint Meeting of TMRS Board of Trustees and TMRS Advisory Committee – Austin
May 21	Regional Pre-Retirement Conference – Amarillo
May 26	Holiday (Memorial Day)
May 29	Regional Pre-Retirement Conference – Portland
June 18	Regional Pre-Retirement Conference – San Angelo
June 19-20	TMRS Board of Trustees Meeting – Austin
June 24	Regional Pre-Retirement Conference – Killeen
July 4	Holiday (Independence Day)

Location

1200 North Interstate 35, Austin, TX 78701

Mailing

P.O. Box 149153, Austin, TX 78714-9153

Toll-free

800.924.8677

Local (in Austin)

512.476.7577

Fax

512.476.5576

Website

www.tmr.com

E-mail

phonecenter@tmrs.com

Copyright 2014, Texas Municipal Retirement System.

INSIGHT is an informal presentation of information about TMRS and related issues. If any specific questions of fact or law should arise, the statutes will govern.

TMRS, MyTMRS, and the TMRS logo are registered trademarks of the Texas Municipal Retirement System. If you have questions, suggestions, or ideas for stories, send a fax or an e-mail to the editor at 512.225.3781 or communications@TMRS.com.