

# insight

The Newsletter for TMRS® Members

## MyTMRS® Expands — Now You can Update Your Address Online

If you are not currently using MyTMRS to access your retirement account online, you should consider signing up as soon as possible. To use MyTMRS, you must first register for an account. Go to [www.tmr.com](http://www.tmr.com) and click on MyTMRS to register.

TMRS continues to expand the capabilities of our online, self-service application. On MyTMRS, you can run retirement estimates for any future date, as well as see full current and historical information about your contributions, beneficiaries, and service credit. Earlier this year, we added the ability to change your contact information — address, phone number, and email address — online. You no longer need to send in a hard copy form to change this information! Remember to always keep your mailing address up-to-date; MyTMRS gives you the quickest way to do that.

### Easiest Way to Keep Email Current

When you sign up for MyTMRS, it's best to use a "persistent" email address (a non-work email address such as a yahoo or gmail account). A persistent email is one you plan to have for a long

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## A Note About Security

TMRS is very careful to protect your privacy. Registration on MyTMRS requires account-protection steps and challenge questions. In other TMRS transactions, instead of using your Social Security number, we use a Member ID number to identify your account. Just as you protect your SSN by not carrying your card, you should follow the same security measures by never sending us your SSN or other private information via email. All portions of our website that require you to enter personal information are encrypted, which means no one besides TMRS can see the data you enter. ▲



### From the Executive Director

Dear TMRS Members,

I hope your holidays are full of cheer. We at TMRS wish you and yours a Merry Christmas and a great year in 2016.

The latter half of 2015 has continued to see TMRS improve many aspects of our program, not only in customer service but in the fundamental structure of the System. Articles in this issue outline some of the changes we have undertaken to ensure that TMRS continues to provide sound benefits for all current and future System members.

As you probably know, the debate over how to provide secure retirement for American employees continues at all levels of government. We are proud at TMRS that our System continues to be well funded and that our cash balance plan design is a model that others are studying.

If you have any questions about TMRS, please contact us. Our analysts are able to answer questions during regular business hours, and our website at [www.tmr.com](http://www.tmr.com) offers lots of additional information. Also, MyTMRS is a useful application that gives you 24-hour online access to your account (see story, at left).

Sincerely,

David Gavia  
Executive Director

time. Keeping the same email address means you will not miss out on future communications from TMRS as we expand our electronic communications with members. Also, if you change jobs, we can stay in touch, and you can continue to check your account information on MyTMRS.

If you have questions about MyTMRS or problems logging in, call our phone center during normal business hours (800-924-8677) or send a note to [MyTMRS-Help@tmrs.com](mailto:MyTMRS-Help@tmrs.com). ▲

## Look for Annual Statements in March 2016

Every year, TMRS mails an Annual Statement to all participating members. Your statement will arrive in March. If you move or need to update your address before then, log on to MyTMRS and change your address online (see story, page 1), or complete a TMRS-CHNG (Address or Name Change) form and fax or mail it to TMRS. ▲

## Legislative Update

The 84th Legislative Session ended on June 1, 2015. During the session, no TMRS-related legislation passed, and therefore no changes were made to the law that governs TMRS. The 85th Legislative Session will convene the first Tuesday in January 2017. In the legislative interim during 2016, the TMRS Board will be working with its advisors to discuss any potential legislative changes that might affect TMRS.

This past November, the Lieutenant Governor and the Speaker of the House of Representatives released their interim charges to the Senate and House standing committees. In both the Senate and the House, there are no charges specific to TMRS. However, the Senate State Affairs Committee will be reviewing the legislative changes made to the Employees Retirement System and Teacher Retirement System of Texas the past two sessions and will also review state debt and state pension liabilities. The House Pensions Committee will study pension issues that relate to investment goals, rates of return, actuarial soundness, one-time funding methods, and the impact of GASB 67 and 68 on the state's pension systems.

If you have any questions, contact Dan Wattles, Director of Governmental Relations, at [dwattles@tmrs.com](mailto:dwattles@tmrs.com). ▲

## All About Beneficiaries

When you started your job with the city and you became a member of TMRS, you initiated a long-term investment in your future retirement. As with all investments, your beneficiary designation is extremely important. Who will receive your money if you should die before retirement?

**New Member?** Verify your beneficiary information through MyTMRS or the confirmation letter that you receive through the mail after you become a new member. Your beneficiary information is confidential and cannot be confirmed by phone. If you need to designate or update a beneficiary and you are not yet vested (having 5 or 10 years of service credit depending on your city's plan), send in the Beneficiary Designation for Non-Vested Members form (TMRS-0007). If you are vested, send in the Beneficiary Designation for Vested Members form (TMRS-007V). TMRS forms are available from [www.tmrs.com](http://www.tmrs.com) or from your city.

**Life Change?** Whenever your work status changes or your family status changes – Did you get married? Have or adopt a child? Get a divorce? – you should review your beneficiary designation. You may change your beneficiary designation at any time until you retire. If you get a divorce, consult the divorce publication on the TMRS website under the TMRS Benefits tab.

**Vested?** As a vested member, in the event you die prior to retirement, your beneficiary is entitled to your retirement benefits. For that reason, it is crucial that you update your beneficiary designation after you become vested by completing the Beneficiary Designation for Vested Members form (TMRS-7V). Because your member status changed from non-vested to vested, you must complete a new beneficiary designation, even if naming the same beneficiary.

If you have any questions about your beneficiary designation, view the online video about this important decision at [www.tmrs.com/video\\_designating\\_your\\_beneficiary.php](http://www.tmrs.com/video_designating_your_beneficiary.php). ▲

# 2015 Investment Overview

The guiding principles of the Investment department at TMRS ensure that we make prudent and safe investments while trying to realize the best returns. Our strategy is designed to provide members, retirees, and beneficiaries the benefits they have been promised by their employers at a reasonable and predictable cost to the employing cities. Assets are invested with a total return posture, given appropriate consideration for portfolio volatility (risk) and liquidity. Total return includes dividends, interest, and realized and unrealized capital appreciation.

## Diversification Progress

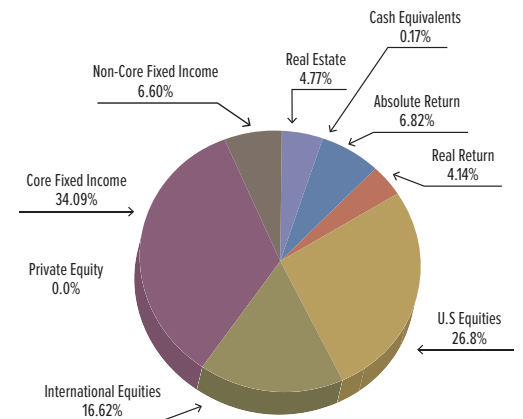
TMRS began its asset diversification in 2007 and has continued to make adjustments to the target asset allocation. In the past two years, the TMRS Investment department has added new asset classes. In addition to Fixed Income, U.S. and non-U.S. Equities, Real Estate, and Real Return, TMRS added the Absolute Return asset class in 2014 and the Private Equity class in 2015.

## Long-Term View

When you read or hear about stock market fluctuations, keep in mind that TMRS is a long-term investor. Even when markets are down, your individual member account balance cannot be reduced. Active TMRS members are guaranteed a 5% interest credit on their accounts every year, regardless of market returns. And, after you retire, your annuity is guaranteed for life.

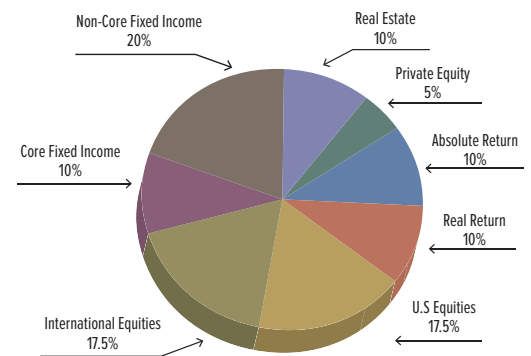
Investment return summaries and updates to TMRS' Investment Policy are posted online after TMRS Board meetings. ▲

Allocation as of 9/30/2015\*



\* Allocations may not total 100% due to rounding

Target Allocation Adopted July 2015



## TMRS Changed Its Long-term Investment Return Assumption

The primary financial objective of TMRS is to pre-fund the long-term costs of promised benefits to plan members and beneficiaries at an approximate level percent of payroll from year to year. The Actuarial Funding Policy describes the funding mechanism for this objective.

For many years, TMRS' long-term rate of return assumption was 7.00% (a 3.00% inflation rate, plus 4.00% real return). In light of continuing low inflation and the investment outlook for the new target asset allocation adopted in July 2015, TMRS' consulting actuary recommended the 7% assumption be lowered to 6.75% (2.5% annual inflation plus 4.25% annual real rate of return). In July, the TMRS Board of Trustees also approved the annual investment return assumption of 6.75%. This change does not affect the annual credit to member accounts or any retiree's benefit. ▲

## 2015 TMRS Board of Trustees

**Julie Oakley, Chair**  
Director of Finance, Lakeway

**Jim Parrish, Vice Chair**  
Deputy City Manager – Administrative Services, Plano

**James "Jim" Paul Jeffers**  
City Manager, Nacogdoches

**David Landis**  
City Manager, Perryton

**Bill Philibert**  
Human Resources Director, Deer Park

**Roel "Roy" Rodriguez**  
City Manager, McAllen

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.



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

PRESORTED STANDARD  
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**Calendar**      **Thinking about retirement?  
Attend a regional conference in your area!**      **How to Contact TMRS**

January 12	<b>Regional Pre-Retirement Conference – Richardson</b>
January 18	Holiday (Martin Luther King, Jr. Day)
February 15	Holiday (Presidents Day)
February 18-19	TMRS Board of Trustees Meeting – Austin
February 25	<b>Regional Pre-Retirement Conference – Round Rock</b>
March 10	<b>Regional Pre-Retirement Conference – San Angelo</b>
March 23-24	TMRS Board of Trustees Meeting – Austin
March 25	Holiday (Good Friday)
March 31	<b>Regional Pre-Retirement Conference – Mercedes</b>
April 5	<b>Regional Pre-Retirement Conference – Irving</b>
April 21	<b>Regional Pre-Retirement Conference – Denton</b>
May 11	<b>Regional Pre-Retirement Conference – Beaumont</b>
May 17	<b>Regional Pre-Retirement Conference – Hurst</b>
May 19-20	TMRS Board of Trustees Meeting – Austin
May 30	Holiday (Memorial Day)
June 22	<b>Regional Pre-Retirement Conference – Schertz</b>
June 23-24	TMRS Board of Trustees Meeting – Austin
July 12	<b>Regional Pre-Retirement Conference – Nacogdoches</b>

**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.tmrs.com](http://www.tmrs.com)

**E-mail**  
[help@tmrs.com](mailto:help@tmrs.com)

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 If you have questions, suggestions, or ideas for stories, send an e-mail to [communications@tmrs.com](mailto:communications@tmrs.com).