What’s New on MyTMRS®?

TMRS continues to expand our online self-service capabilities. Two recent MyTMRS additions include the ability to update your communications preferences and change your contact information (address, phone, email) online. Previous popular features include running retirement estimates, viewing/printing statements and balance letters, and viewing current and historical information about contributions, beneficiaries, and service credit. What’s next? In 2017 you will be able to change your beneficiary information online instead of submitting a hard copy form!

New Security Feature – Dual Authentication
To protect your online capabilities and personal information, we’re adding a layer of privacy protection. If you have logged in to MyTMRS recently, we asked you to verify your contact information on file with TMRS and, in some cases, requested you to add another means of contact. If you have not logged in recently, we encourage you to do so right away! After signing in, you’ll see a window prompting you to verify your contact information, and you can change anything that is incorrect. We need a correct phone or email address so you can receive the second authentication factor when dual authentication begins next year. After you change your contact information, you’ll get a verification email from TMRS.

Importance of a Persistent, Personal Email Address
A long-standing (or persistent) email address is an important element in your TMRS membership. Remember, after retirement, you will no longer have your email address with the city, so it’s best to use an email address with a Gmail, Yahoo, Mac, or other permanent account in MyTMRS. If you change jobs, we can stay in touch, and you can continue to check your account information. In any other situation when you change your personal email address, be sure to update it on MyTMRS.

From the Executive Director
Dear TMRS Members,

Our front-page story describes new security features of MyTMRS. As part of the TMRSDirect™ initiative, we continue to add new functions to MyTMRS in order to enable online customer service. As with all changes to our online programs, we take every measure to safeguard your personal information.

We will be mailing Member Annual Statements to all participating members in March. If you move or need to update your address before then, log on to MyTMRS and change your address online, or complete a TMRS-CHNG (Address or Name Change) form and fax or mail it to TMRS. Of course, account information and estimates are also available 24 hours a day through MyTMRS.

The 85th Regular Session of the Texas Legislature will begin on January 10, 2017 (see story, page 2). The TMRS Board has settled on one legislative initiative and will continue discussion at their December meeting.

If you have questions, we’re here to help. Answers to questions about your account or your future retirement with TMRS may be found on our website at www.tmrs.com, by calling our phone center at 800-924-8677, or by sending an email to help@tmrs.com.

We hope you have an enjoyable holiday season!

Sincerely,

David Gavia
Executive Director

Continued on page 2
Get the Full Retirement Picture

To get a full picture of your retirement, sign up for a TMRS Regional Pre-Retirement Conference. These half-day conferences (with breakfast) are held in different cities around Texas and are open to employees from neighboring cities. At each Regional, the TMRS Travel Team provides an overview of your TMRS retirement, and a Social Security consultant summarizes the benefits you can expect from Social Security. Spouses are welcome!

To register online using EventBrite, go to the web calendar and click the link for the Regional Conference you wish to attend. After you register, you’ll get a reminder email two days before the event. We encourage you to bring a printout of your retirement estimates from MyTMRS so that you can ask questions about your benefits.

The calendar on the back of this issue lists the Regional Pre-Retirement Conference locations for the first part of 2017. The full year calendar of events for 2017, with confirmed dates, will be posted on the website in December. Links to register are provided online for each event.

Note about Financial Advisors

If you are an active member considering retirement, you may be solicited by financial service providers. TMRS has been informed that there may be financial service providers representing themselves as being affiliated with or having a special relationship with TMRS. No financial service provider is affiliated with, authorized by, or endorsed by TMRS. If a financial advisor represents him- or herself to you as being associated with TMRS, please contact us as soon as possible with as much information as you can provide. TMRS does not provide member information to financial or other vendors.

Legislative Update

During the legislative interim in 2016, the TMRS Advisory Committee on Benefit Design met twice to study topics selected by the Board of Trustees regarding potential benefit design changes. The TMRS Board appointed Trustees Bill Philibert and Roy Rodriguez as Chair and Vice-Chair, respectively, of the Advisory Committee on Benefit Design.

The Committee studied TMRS’ cost of living adjustment (COLA) structure and return-to-work provisions to identify the advantages and disadvantages of possible legislative changes for each study topic.

At its October meeting, the Board voted to have TMRS staff draft return-to-work legislation for introduction in the 85th Legislative Session. Staff will present this draft legislation to the Board at their December meeting for further discussion. The Board decided not to propose changes to the COLA benefit feature at this time.

The 85th Session of the Texas Legislature begins on January 10, 2017. TMRS will update its Legislative page during the session at www.tmrs.com/legislative.php.

E-newsletters for Employees

E-newsletters are sent to employees who have MyTMRS accounts. The most recent one explained dual authentication and reminded users about the communication preferences feature. Starting with this issue of INSIGHT, most MyTMRS users will receive an email that the publication is available online with a link to the newsletter, instead of receiving a printed copy. Electronic communication saves money and paper.

MyTMRS users who want to continue receiving a printed newsletter in the mail will need to specify that option in the Communication Preferences in MyTMRS (choose “E-mail notification and Mail”). If you are not a registered MyTMRS user, we will continue to send INSIGHT by mail. If you have questions about registering for MyTMRS or encounter problems logging in, call our phone center during normal business hours (800-924-8677) or send a note to MyTMRS-Help@tmrs.com.
Investment Overview

It is important to remember that TMRS is a long-term investor. 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. The Investment Department at TMRS works to make prudent and safe investments while attempting to realize the best returns. Assets are invested for a total return, given appropriate consideration for portfolio volatility (risk) and liquidity. Total return includes dividends, interest, and realized and unrealized capital appreciation. TMRS began asset diversification in 2008 and has continued to make strides toward Board-approved targets, while also adding new asset classes approved by the Board.

Remember that 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.

Severance Pay Reminder

If you are planning to separate from service and are negotiating a severance package with your city, be aware that funds granted as part of a severance payment may not be TMRS-eligible. If such payments are made at the time of separation, they may be part of your compensation as an “employee.” However, if payments extend past your termination, they are not considered TMRS-eligible compensation under the TMRS Act. If you have any questions about the effect of a severance arrangement on your TMRS-eligible compensation, please contact us at 800-924-8677. The Summer 2016 issue of INSIGHT (available on the website at www.tmrs.org/publications.php) included a detailed story on severance pay.

Asset Allocation as of 6/30/2016*

<table>
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<tr>
<th>Asset Class</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Core Fixed Income</td>
<td>25.2%</td>
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<tr>
<td>International Equities</td>
<td>16.5%</td>
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<tr>
<td>U.S. Equities</td>
<td>27%</td>
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<tr>
<td>Non-Core Fixed Income</td>
<td>6.8%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>6.8%</td>
</tr>
<tr>
<td>Real Return</td>
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<tr>
<td>Absolute Return</td>
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<tr>
<td>Unallocated Cash</td>
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Strategic Target Allocation

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Fixed Income</td>
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</tr>
<tr>
<td>International Equities</td>
<td>17.5%</td>
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<tr>
<td>U.S. Equities</td>
<td>17.5%</td>
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<tr>
<td>Non-Core Fixed Income</td>
<td>20%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>10%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>5%</td>
</tr>
<tr>
<td>Real Return</td>
<td>10%</td>
</tr>
<tr>
<td>Absolute Return</td>
<td>10%</td>
</tr>
</tbody>
</table>

* The sum of individual asset class allocations may not add up to 100% due to rounding.

2016 TMRS Board of Trustees

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

Bill Philibert, Vice Chair
Director of Human Resources and Risk Management, Deer Park

James “Jim” Paul Jeffers
City Manager, Nacogdoches

David Landis
City Manager, Perryton

Julie Oakley
Director of Finance, Lakeway

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.
# Calendar

**2016**

- **December 8-9**
  - TMRS Board of Trustees Meeting – Austin

- **December 23 & 26**
  - Holidays – (observed)
  - Christmas Eve and Christmas Day (TMRS office closed)

**2017**

- **January 2**
  - Holiday – (observed) for New Year’s Day (TMRS office closed)

- **January 16**
  - Holiday – Martin Luther King Jr. Day (TMRS office closed)

- **January or February**
  - Regional Pre-Retirement Conference – San Marcos

- **February 7**
  - Regional Pre-Retirement Conference – Tyler

- **February 20**
  - Holiday – Presidents Day (TMRS office closed)

- **February or March**
  - Regional Pre-Retirement Conference – Cedar Hill

- **March 23**
  - Regional Pre-Retirement Conference – Bryan

- **April 11**
  - Regional Pre-Retirement Conference – Conroe

- **April**
  - Holiday – Good Friday (TMRS office closed)

- **April**
  - Regional Pre-Retirement Conference – Abilene

- **May 2**
  - Regional Pre-Retirement Conference – Addison

- **May**
  - Regional Pre-Retirement Conference – Corpus Christi

- **May 29**
  - Holiday – Memorial Day (TMRS office closed)

*Check website in December 2016 for exact date.*

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# How to Contact TMRS

**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

**E-mail**

help@tmrs.com

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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.

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If you have questions, suggestions, or ideas for stories, send an e-mail to communications@tmrs.com.