From the Executive Director

Dear TMRS Members,

As I mentioned last issue, I will be retiring this year. Counting the years I worked at the state Employees Retirement System, I have been in the profession of administering retirement programs for over 28 years. Retirement programs are complicated, but so is the “business” of retiring. There are things I know now that I wish I had known when I started my career. It’s never too early to start planning for retirement!

As you can see from the contents of INSIGHT, TMRS is devoting more resources to helping our members understand some of the issues you will be considering when preparing to leave the workforce. We have always been dedicated to ensuring our members and retirees understand the TMRS program, but we are expanding our focus to provide more information about other post-employment topics and to encourage our members to plan ahead. While TMRS cannot offer individual legal or financial advice, we can give you access to basic data and reliable sources that may help with your own decisions. The new columns on pages 4–6 of this issue offer tips useful to employees at various stages of their careers. Our programs in the field will increasingly reflect this new strategy.

I also want to take this opportunity to welcome our new Board members, Anali Alanis and Johnny Huizar, and to thank Jim Jeffers and Jim Parrish for their service on the Board (see page 3). The Board of Trustees provides the strategic direction that helps keep TMRS benefits strong.

I am proud to have been a part of the future security of tens of thousands of Texans. I believe I am leaving TMRS in excellent hands. The Board of Trustees has made changes in the last 10 years to ensure a strong and prosperous future for the System. Thank you all very much for your support of the System and your important work for the cities of Texas!

See you in retirement!

Sincerely,

David Gavia
Executive Director

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Timing of Buyback Option

If members are eligible for a buyback (reinstating previously refunded TMRS service), the change to USC eligibility in the TMRS Bill may affect their decision on when to execute the buyback. While a buyback may be executed as soon as a member is eligible, historically, members often wait until the time they retire to exercise this option. Members (particularly those who are no longer working for the city) who are eligible for a buyback, and who intend to exercise the buyback option, should contact TMRS at 800.924.8677 and request an estimate to determine if they want to exercise their buyback option before the January 1, 2022 change in eligibility occurs.
TRAINING FOR MEMBERS

Understanding Your Retirement

Regional Pre-Retirement Conferences

If you are getting close to retirement (or wish you were), sign up to attend a Regional Pre-Retirement Conference and learn more about your retirement with TMRS. See the back cover of this issue for a list of upcoming conferences. Links to self-register for each event using Eventbrite are posted on the TMRS website. View the 2020 schedule at tmrs.com | Calendars | Events & Training | Regional Conferences.

At these regional conferences, our Travel Team provides a comprehensive overview of retiring with TMRS, and will be on hand (along with a Social Security expert) to answer your account questions. Breakfast will be served, spouses are welcome, and the events are free. NOTE: You don’t have to be an employee of the host city — you’re welcome to attend any conference you wish.

Mid-Career Meetings

Are you still years away from retirement? Mid-Career Meetings are a great way to learn why your TMRS retirement benefits are important to you now. Mid-Career Meetings are free two-hour presentations designed for employees who are vested with TMRS and beginning to consider their future retirement. View the meeting’s presentation on the website at tmrs.com | Cities | Information | Resources for City Officials | Understanding the Value of Your Benefit.

Mid-Career Meetings for members are presented at individual cities upon request. If you are interested in bringing this type of event to your city, let your City Correspondent or HR Director know. If you have questions, contact the TMRS Travel Team at communications@tmrs.com.
Board Activities

TMRS Welcomes New Board Members...

On February 4, Governor Abbott appointed Anali Alanis and Juan Diego “Johnny” Huizar to the TMRS Board.

Mrs. Alanis is an Assistant City Manager for the City of Pharr, with over a decade of successful municipal experience. She coordinates the policies and programs of a number of municipal departments, including Police, Fire, Innovation & Technology, Human Resources and others.

Mr. Huizar is City Manager for the City of Pleasanton, where he oversees and manages all aspects of municipal government in conjunction with the city’s elected officials. He previously served as superintendent of the wastewater treatment plant and Director of Public Works.

For information on the Board members, see their press releases at: tmrs.com | About | TMRS Highlights | TMRS Information | Press Releases.

Also, at its meeting in January 2020, the TMRS Board of Trustees nominated and approved Bill Philibert for Chair and David Landis for Vice Chair for 2020.

...And Thanks Former Board Members

Jim Jeffers was appointed to the Board in 2014 and reappointed in 2016. He served on several Board committees, chairing and championing the Internal Audit Committee and adding his expertise to the Budget and Technology committees. Jim recently retired from his position as City Manager of Nacogdoches. His expertise and sense of humor will be missed!

Jim Parrish sat on the Board from 2011 to 2019, serving as Chair in 2016, 2017, and 2018. He helped guide TMRS through several major changes, including the adoption of generational mortality tables, a change of actuarial cost method, and the continued diversification of the System’s investments. We are grateful for his service representing TMRS.

2020 TMRS BOARD OF TRUSTEES

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

David Landis, Vice Chair
City Manager, Perryton

Anali Alanis
Assistant City Manager, Pharr

Jesús A. Garza
City Manager, Victoria

Juan Diego “Johnny” Huizar
City Manager, Pleasanton

Julie Oakley
City Manager, Lakeway

2020 BOARD COMMITTEES

Advisory Committee on Benefit Design
Chair David Landis, Vice Chair Anali Alanis

Budget and Compensation Committee
Chair Julie Oakley, Vice Chair Bill Philibert

Internal Audit Committee
Chair David Landis, Vice Chair Johnny Huizar

Legislative Committee
Chair Bill Philibert, Vice Chair Jesús A. Garza

Information about the Board meeting schedule, committees, agendas, minutes, and professional advisors may be found at tmrs.com | About | Board of Trustees.
Your MyTMRS® Account Is Important!

Now that you’re a TMRS member, have you created your MyTMRS account? MyTMRS is a personalized online program that gives you 24-hour access to your TMRS information — account balance, service credits, communication preferences, and other features. You can update your contact information and beneficiary designation (if spousal consent isn’t required), and view your annual statements. See the story at right about the importance of designating a beneficiary.

As you earn more and more service credit, you will want to run retirement estimates on MyTMRS. In most cases, you can enter any future eligible retirement date and see the estimated monthly benefit amounts across the different options available to you.

NOTE: When we refer to your MyTMRS “account,” we mean your individual, confidential record of your contributions (a percentage set by your city of your earnings), your service credits, and the interest credited on your contributions. Unlike a 401(k) or a bank account, your TMRS account is not able to be moved, and you cannot direct how it is invested. Nor can you borrow from it. By TMRS law, you are not able to take out the money in your account unless you stop working for all TMRS cities and refund or retire your account.

More Resources

Since you’re new to TMRS, you might be wondering how to find more information about your retirement plan. After you signed up at your city, TMRS mailed you a Member Benefits Guide (a comprehensive overview of the System). In addition to this booklet, the TMRS website — tmrs.com — is the best place to find facts about your benefits. You will find a Members dropdown menu that displays categories like Help for Members, Benefits, Retirement, and News from TMRS. Each column includes links to helpful information, including FAQs, a training schedule, publications, announcements, and videos. There is also a secure link to create your MyTMRS account.

We encourage you to explore the website and take advantage of the free resources available to you. If you have any questions, call our toll-free number (800.924.8677) or send us an email at www.tmrs.com/contact.php.

Keep Your Beneficiary Up-To-Date!

Because life changes can occur at any time, it is very important to ensure your beneficiary designation is up-to-date. Beneficiary data is shown on your Member Annual Statement and can be viewed through MyTMRS®, or you may request it in writing.

You can securely designate or change your beneficiary in MyTMRS by logging on and clicking the blue Update button on the right side of the Beneficiaries tab. Beneficiary choices that require spousal consent (if you are vested, married, and naming a beneficiary other than your spouse) still require a paper form and signatures of both you and your spouse. MyTMRS will alert you if spousal consent is necessary and will direct you to download the correct form.

TMRS recommends viewing your beneficiary designation and making any necessary adjustments after any major life changes (death, marriage, having a child, divorce).

After you become vested, you must resubmit a new beneficiary designation (through MyTMRS or by paper form). Even if you do not change your beneficiary, you MUST update the beneficiary after your vesting date for the designation to be valid.

Vesting is an important time to review your beneficiary because if you die without having a valid beneficiary designation on file at TMRS, payment of death benefits will be delayed until TMRS has completed a review of your marital and family history. Your surviving family members will be asked to file sworn Affidavits of Family History, to obtain sworn statements from disinterested witnesses, and to provide appropriate documentation to confirm all of the information provided on the Affidavits.

To avoid delays or unintended consequences, please maintain a valid beneficiary designation at all times.
For Mid-Career Members

Options for Retirement Savings

It’s never too early to prepare for the day you retire!

By this point in your career, you may have learned about your city’s plan options, heard a description of TMRS from your City Correspondent, or visited with a TMRS staff member at a city benefit fair. If you are vested, congratulations! This means you have earned the right to a future retirement with TMRS. As your retirement savings grow under TMRS, it is more and more important to keep your beneficiary designation current (see story on page 4).

Maximizing Other Available Benefits

TMRS administers an important retirement plan that might make up the majority of your retirement income, but your city may also offer you additional retirement savings options and other benefits. These may include: Social Security (see page 6), a deferred compensation plan (such as a governmental 457 plan), health care coverage, life insurance, long-term care insurance, and disability income protection (short-term and long-term).

One simple concept that most people are familiar with but that becomes more important as you plan ahead is the power of compounded interest. The annual interest credited to your TMRS account helps build the TMRS benefit you will earn at retirement, and generally, the earlier you put other money in another savings arrangement, whether personal or provided by your employer, the better the outcome. Even a small monthly savings made in your twenties can grow impressively over time.

Face-to-Face Training

To learn more about how TMRS as a plan works, talk to your City Correspondent or benefits administrator about bringing a Mid-Career Meeting to your city (see more information on page 2). If you are not able to attend a meeting, the presentation is available on the website here: www.tmrs.com/down/presentations/MidCareerMeeting.pdf.

What Does it Mean to Be Vested?

To become “vested” is to reach an important milestone in your tenure with the city. If you are vested (have attained five or ten years of TMRS service credit, depending on the option your city has chosen), you have worked enough years and established enough service credit to meet the minimum length-of-service requirement for retirement at age 60. Once vested, if you leave city employment, you may leave your deposits with TMRS and continue to receive interest credits on your account until you refund or retire, after meeting all eligibility requirements.

TMRS Annual Statement

2019

Member Deposits and Estimates of Retirement Benefits

Coming Soon — Member Statements

2019 Member Annual Statements for contributing and noncontributing members will be available in March. They are scheduled to be mailed from March 10 through March 20 and will also be available on MyTMRS® at that time. The Annual Statements show your account balance as of December 31, 2019 and provide beneficiary information and retirement estimates.

Statements Are Going Green

Beginning with the statement we issue in 2021, you will have the option of receiving your statement electronically only (through MyTMRS) by “opting out” of printed, mailed statements. You will be able to change from “Email Notification and Mail” delivery to “Email Notification Only” under your MyTMRS Communication Preferences.

For more information about MyTMRS, see the New Member story on page 4. MyTMRS is the best way to keep track of your TMRS retirement information. If you are not yet on MyTMRS, sign up now.
For Later-Career Members

Factor Social Security into Your Retirement Planning

For many TMRS members, Social Security is an important component of retirement planning. Even if your city does not participate in Social Security, you should consider creating a My Social Security account at www.ssa.gov, as early as possible. Creating an account helps protect you from someone else claiming your account and will provide an overview throughout your career of any covered earnings, estimates, disability, and survivors’ benefits. If you are married, your spouse should also create an account. As your work situation changes, your coverage may change too, so your online account will help you keep an eye on this benefit.

If your city does participate in Social Security or you are otherwise eligible, then you will be able to draw your benefit at an eligibility age that depends on your age and circumstances. The estimated amount of your benefit can be viewed on My Social Security and in your Social Security statements. If you have a good idea of that amount and know when you will draw it, you’ll see how it adds to your complete retirement picture.

TMRS strongly encourages you to consult a Social Security office or a professional advisor to assist in your decisions. If you can, attend a free TMRS Regional Pre-Retirement Conference (see page 2 and the back cover). The conference includes a presentation by a Social Security expert and provides an opportunity for you to ask questions.

Sources, and for more information:

The main website for Social Security, www.ssa.gov, provides a wealth of information and resources. The main Social Security phone number is 800-772-1213. You can also visit your local Social Security office.

Beware of Social Security Scams!

If someone contacts you about a problem with your Social Security account, be careful! In recent years, scammers have targeted many Americans with phone calls or emails that claim “your Social Security number has been compromised” or “there is a problem with your Social Security account.”

A January 9, 2020 announcement from the U.S. Inspector General says that the Social Security Administration (SSA) will NEVER:

- Threaten you with arrest or other legal action unless you immediately pay a fine or fee
- Promise a benefit increase or other assistance in exchange for payment
- Require payment by retail gift card, cash, wire transfer, internet currency, or prepaid debit card
- Send official letters or reports containing personally identifiable information via email

If you receive a call or email that you believe to be suspicious, hang up or do not respond. The SSA encourages you to report Social Security phone scams using a dedicated online form, at https://oig.ssa.gov. Please share this information with your friends and family to help spread awareness about phone scams.

For more information, visit https://oig.ssa.gov/scam.

**Investment Update**

The TMRS Board of Trustees establishes the System’s investment policies and provides oversight to ensure that those policies are implemented. TMRS’ Investment Department oversees the System’s investment portfolio and its management. The Board approves the Investment Policy Statement (IPS), which governs the investment and management of assets for TMRS.

As an institutional, long-term investor, TMRS invests the System’s assets 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.

In accordance with the Investment Policy Statement effective January 1, 2019, US Equities and Non-US Equities asset classes have been combined into the Global Equities asset class. At its meeting on September 26, 2019, the TMRS Board approved a new portfolio target allocation effective January 1, 2020: 30% Global Equities, 10% Core Fixed Income, 20% Non-Core Fixed Income, 10% Real Return, 10% Real Estate, 10% Absolute Return, and 10% Private Equity.

Go to the TMRS website for information on the investment program. Asset allocation charts and other materials are posted under About | Investments, with separate tabs containing information about Policy, Reports, Asset Allocations, Advisors, and Contacts.

**Federal Law Changes Pension Distribution Rules**

The SECURE Act, which became law on December 20, 2019, increases the age at which required minimum distributions from a retirement plan must begin — from age 70½ to 72, effective for anyone who turns 70½ in 2020 or later.

Other provisions of the SECURE Act affect savings and other retirement options available to Americans, but TMRS has not identified any other effects applicable to the TMRS plan.
Thinking about retirement? Attend a Regional Conference in your area!

Sign up online at tmrs.com | Members | Retirement | Regional Pre-Retirement Conferences.

2020 Calendar

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>March 18</td>
<td>Regional Pre-Retirement Conference – Bryan-College Station</td>
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<tr>
<td>March 24–25</td>
<td>Board of Trustees Meeting – Austin</td>
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<tr>
<td>April 7</td>
<td>Regional Pre-Retirement Conference – Lufkin</td>
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<tr>
<td>April 10</td>
<td>Holiday – Good Friday (TMRS office closed)</td>
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<tr>
<td>April 28</td>
<td>Regional Pre-Retirement Conference – Victoria</td>
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<tr>
<td>May 12</td>
<td>Regional Pre-Retirement Conference – Denton</td>
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<tr>
<td>May 25</td>
<td>Holiday – Memorial Day (TMRS office closed)</td>
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<tr>
<td>May 26</td>
<td>Regional Pre-Retirement Conference – Killeen</td>
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<tr>
<td>May 28–29</td>
<td>Board of Trustees Meeting – Austin</td>
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<tr>
<td>June 9</td>
<td>Regional Pre-Retirement Conference – Midland</td>
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<td>June 11</td>
<td>Regional Pre-Retirement Conference – Mansfield</td>
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<tr>
<td>June 25–26</td>
<td>Board of Trustees Meeting – Austin</td>
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<tr>
<td>July 3</td>
<td>Holiday – Independence Day (observed)</td>
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<tr>
<td>July 15</td>
<td>Regional Pre-Retirement Conference – Texarkana</td>
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<tr>
<td>July 21</td>
<td>Regional Pre-Retirement Conference – Sherman</td>
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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

Need Help?
www.tmrs.com/contact.php