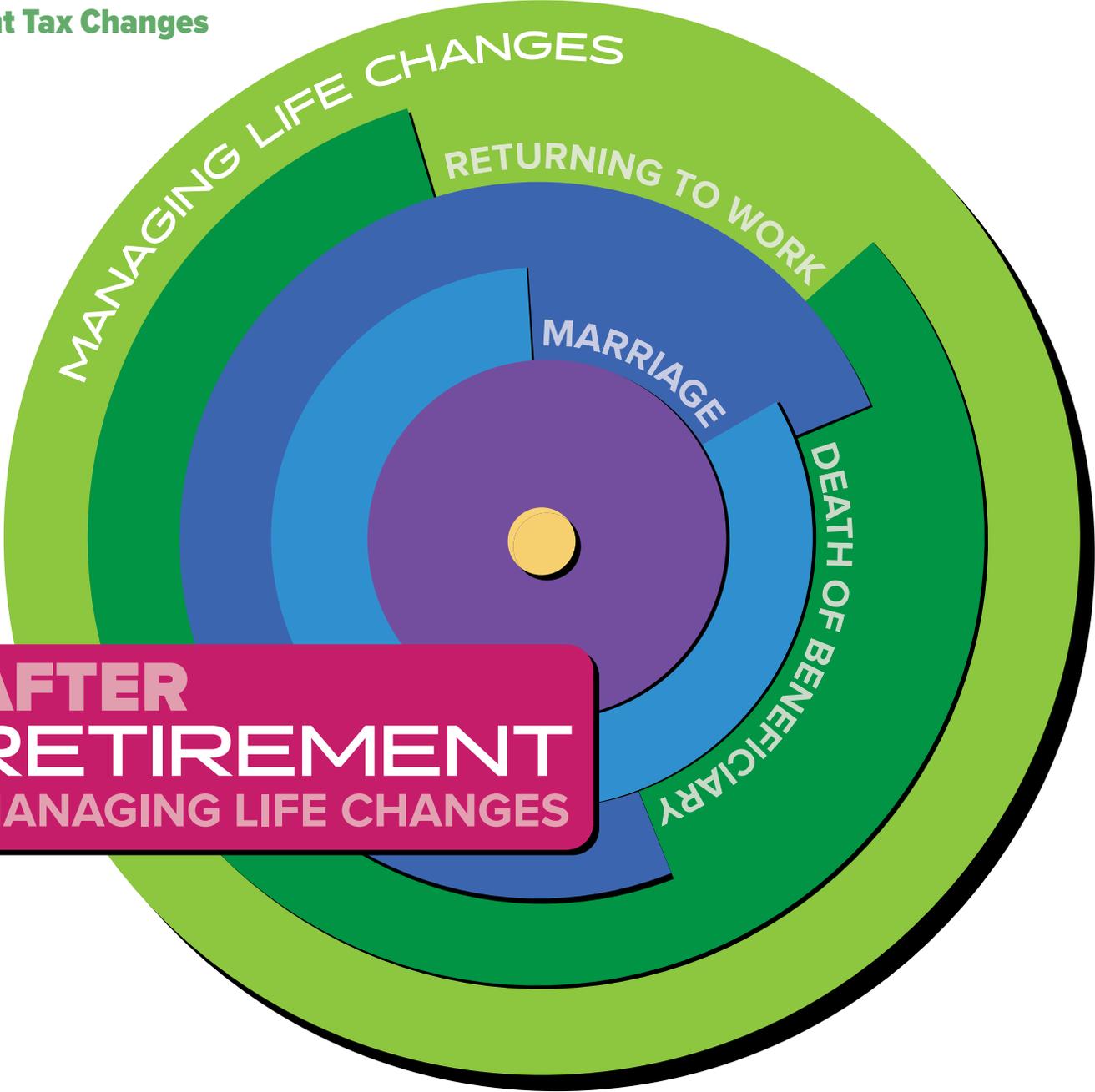


RetirementWise

Texas Municipal Retirement System • Providing Retirement Security for Texas Municipal Employees

**MyTMRS® Offers
Security Against Fraud**

**Important Tax Changes
for 2018**



**AFTER
RETIREMENT
MANAGING LIFE CHANGES**

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Board News 2018 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

Jesús A. Garza

City Manager, Kingsville

James “Jim” Paul Jeffers

City Manager, Nacogdoches

David Landis

City Manager, Perryton

Julie Oakley, CPA

Assistant City Manager, Lakeway



From the Executive Director

Dear TMRS Retiree,

You know firsthand that retirement is one of the major life changes you will experience. However, retirement brings with it even more life changes, some of which may have an impact on your retirement benefit. The

cover story (page 4) explains what options you and your beneficiaries have when you experience major changes.

We send information about TMRS to you in this magazine twice a year, but you can also find explanations about your benefits on the **TMRS website, www.tmr.com**. This past summer we upgraded the TMRS website, and in the previous issue of *RetirementWise* we described the changes. I encourage you to explore the website and let us know if you have any questions!

The story on page 7 describes the security of our online application, MyTMRS. Signing up and taking control of your confidential information is important. Other stories in this issue cover TMRS Board News, the Advisory Committee, investments, and tax information.

If you have questions, consult the website and use our secure contact form at **Contact TMRS → Need Help?** This sends your question directly to TMRS staff, who will respond quickly during normal business hours (8:00 a.m. to 5:00 p.m., Monday through Friday).

I hope you and yours have an enjoyable spring!

Sincerely,

David Gavia
Executive Director

Governor Appoints Two to TMRS Board



Governor Abbott has announced two appointments to the Board of Trustees of the Texas Municipal Retirement System. The Governor reappointed TMRS Chair Jim Parrish, Deputy City Manager of Plano (left), for a second term and Jesús A. Garza, City Manager of Kingsville (right), for his first term. Both terms end February 1, 2023. Mr. Garza replaces Roy Rodriguez, City Manager of the City of McAllen, who has provided exemplary service to the system, its members, and our cities since 2005.

2018 Tax Information & Withholding Elections

If you are happy with your withholding selection, you need not make any changes.

Your TMRS monthly benefit is subject to federal income tax. Information about your annuity is reported to the IRS on the 1099-R form, which you will need to file your income taxes. TMRS mailed 1099-R forms for 2017 on January 22, 2018. You may also view and print your 1099-R form through MyTMRS.

You have the right to elect to change the amount withheld or to not have any withholding from your annuity, either of which will change the net amount of your annuity payment. You may change your withholding at any time of the year, and any election you make remains effective until revoked by you. You may change or revoke your withholding elections online through your account on MyTMRS or by filing

a new IRS Form W-4P (available on the TMRS website) with TMRS. **Please note that if you file a Form W-4P, it must be submitted to TMRS, not the IRS.** If you do not provide TMRS with specific withholding instructions, the IRS requires us to withhold as if you were married and claiming three withholding allowances. The IRS also requires that we advise you that you may incur penalties under the IRS' estimated tax payment rules if your payments of estimated tax are not adequate and sufficient tax is not withheld from your annuity payment. TMRS cannot give tax advice. Please consult a tax professional if you have questions.

HELPS Insurance Premiums

If you are an eligible retired or disabled public safety officer and you have filed the "Application for Insurance Premium Deductions" (TMRS_HLPS) form to have TMRS deduct and pay accident, health, or long-term care insurance premiums from your TMRS annuity, you received a letter from TMRS in January 2018 stating your 2017 insurance premium payments. In accordance with IRS instructions, the exclusion from income is not reflected in box 2a of the retiree's 2017 Form 1099-R. More information about this exclusion and how to report it can be found in the instructions to the 2017 Form 1040, 1040A, or IRS Publication 575: Pension and Annuity Income, which can be viewed or downloaded from the IRS website. ■



TMRS Thanks Roy Rodriguez for His Service

Roel "Roy" Rodriguez, PE, City Manager of McAllen, joined the TMRS Board of Trustees in August 2005. During his time on the Board, Mr. Rodriguez oversaw important changes in TMRS to ensure the future soundness of the System, including major legislation in 2009 and 2011 and diversification of the TMRS investment portfolio. TMRS is grateful for his wisdom and care as Trustee.

Due to changes in the federal tax law effective January 1, 2018, the tax tables that affect withholding amounts for your monthly benefit changed. Your withholding amounts beginning with your January 2018 payment changed to reflect the 2018 tables and your current withholding election. You may wish to consult a tax professional for additional information.

On March 1, the IRS updated their online Withholding Calculator (<https://www.irs.gov/individuals/irs-withholding-calculator>) to include the new withholding tables. If you want to change your TMRS withholding, you will need to submit a new Form W-4P (not a W-4) to TMRS.

Retirement Account Statements

In mid-February, TMRS mailed a Retirement Account Statement to all annuitants. If you did not receive your statement, you can check your address on file with TMRS by using MyTMRS or calling 800-924-8677. Your Retirement Account Statements are also available to view or print on MyTMRS. ■

TMRS Is on Facebook and YouTube

Stay updated on news from your retirement system.



AFTER RETIREMENT MANAGING LIFE CHANGES



Life doesn't end at retirement! Retirees may experience second and third careers, changes to their families, different residences, and other major life changes, some of which may affect their retirement benefits. Returning to work after retirement, option re-selection after a marriage or divorce, and death of a beneficiary are significant events that require your consideration in relation to your TMRS benefits.

RETURNING TO WORK

In general, returning to work after retiring with TMRS will not affect your retirement benefit UNLESS you return to work in a TMRS-eligible position at your last employing city before retirement. In that case, your TMRS benefit will be suspended, stopping the monthly benefit payments. Under the TMRS Act, any suspended payments will be forfeited and will not be paid at a later date. When you retire again, your previous benefit will resume.

Example: Janet retired from the City of Sampleville and started receiving her annuity payments. After retiring, she takes a TMRS-eligible position in Questionville. Both cities participate in TMRS, but since she did not return to the city from which she retired, Janet's benefit would NOT be suspended during the time she's employed at Questionville, and a second TMRS retirement account would be created at TMRS. However, if she had returned to a TMRS-eligible position at Sampleville, her

annuity would have been suspended and the suspended payments forfeited.

If you return to work for any TMRS city in a position that normally requires 1,000 hours per year or more, you will again become a contributing member of TMRS.

Your annuity payments will not be suspended if you return to work after retirement for:

- Any employer that is not a TMRS city; or
- A different TMRS city from the one that employed you immediately preceding your retirement date with TMRS. (Note: This assumes your new employment does not start before you receive your first annuity payment.)

Example: If Janet retired from Sampleville and then accepted a job with an auto company, her annuity would not be suspended.

If you return to work for your last employing city more than eight years after you retire, different rules may apply. Please contact TMRS for more information.

Remember that for any retirement to be effective, you must have a bona fide separation from service with all TMRS cities. This means that you cannot have a prearrangement, written or oral, to return to work for your current city, whether in a TMRS-eligible or a non-TMRS-eligible position.

CHANGING YOUR OPTION AFTER RETIREMENT

If you marry after retirement, you may be eligible to change your annuity option to provide a survivor benefit for your new spouse. To be eligible to make this change, you must have selected the Retiree Life Only or a Guaranteed Term option at retirement.

If you retired under a Lifetime Survivor Option, your beneficiary dies, and you remarry, you may also be eligible to make this change.

IMPORTANT: In either case, if you are eligible and want to change your annuity option, you must complete and file the necessary re-selection forms with TMRS before the first anniversary of the date of your post-retirement marriage. Also, this change can only be made once. Your recalculated monthly benefit amount will depend on the new option you choose and the age of your new spouse.

If you divorce after retirement, you may also be eligible to change your retirement option. Please contact TMRS regarding eligibility for option re-selection. If you have questions, send an email to divorce@tmrs.com.

Example: Ernesto retired from the City of Whatnot. At the time of retirement, he chose the Retiree Life Only retirement option. After receiving his benefit for several years, he marries Dolores.

At that time, he may decide to change his option so that Dolores can receive a survivor benefit. Six months after their marriage, he calls TMRS informing us he wants to make this change. TMRS sends Ernesto the paperwork, and it is completed and received before the first year anniversary of his marriage. His monthly benefit will be recalculated to his Lifetime Survivor Option choice.

IF YOUR BENEFICIARY DIES

Should your beneficiary die, contact us as soon as possible. If at retirement you chose one of the Survivor Lifetime Options that provide a lifetime survivor benefit and your designated beneficiary dies before you, your benefit will “pop up” to the amount of the Retiree Life Only benefit. *Exception:* If you retired prior to September 1, 1997, your benefit will not pop up unless you previously elected to have your benefit recalculated to include the pop-up option.

NOTE: It is always important to keep your beneficiary information current with TMRS. ■

DEATH BENEFITS

What Happens to My TMRS Benefit When I Die?

At your death, your remaining retirement benefits, if any, will be paid to your beneficiary, depending on the retirement option you chose. Your personal representative or a family member should notify TMRS at the time of your death. We will advise your designated beneficiary in writing of the proper forms to submit.

What Is a Supplemental Death Benefit?

Some cities have adopted the Supplemental Death Benefit (SDB) for retirees. If the city from which you retired offers this additional benefit at the time of your death, then when you die, your beneficiary will receive a separate lump-sum payment of \$7,500. View **My City Plan** on the TMRS website to see if the city from which you retired offers an SDB for retirees. You can designate a different beneficiary than your retirement option beneficiary for this benefit. **NOTE:** This is not a “guaranteed” benefit, as cities can elect to change whether or not they offer SDB benefits for retirees each year.

TMRS Advisory Committee

The Advisory Committee on Benefit Design serves at the direction of the TMRS Board of Trustees. The Board directs this committee to study potential plan benefit design changes or other matters during each Legislative Interim period. The Advisory Committee provides a direct voice for TMRS cities, constituent organizations, members, retirees, and elected officials to share their perspectives on matters of interest to the Board.

The Board of Trustees previously approved a revised charter for the Advisory Committee that became effective January 1, 2018. The new charter modified the size and composition of the Committee, providing for three “individual class” Board appointees and up to three discretionary at-large appointees, plus seven “group class” members, nominated by seven municipal organizations and approved by the Board.

TMRS greatly appreciates the hard work of all current and former Advisory Committee members, who volunteer their time to provide input to the Board. We thank them for their dedication to the System and for keeping TMRS a strong, secure retirement plan. ■

Advisory Committee on Benefit Design

- Trustee David Landis, Chair

Current Committee Members

Individual Class Representatives

- George Kauffman, TMRS Retiree
- Bryan Langley, Assistant City Manager / Chief Financial Officer, City of Denton
- Julie Masters, Mayor, City of Dickinson

Group Class Representatives

- Bonita Hall, Texas Municipal Human Resources Association
- Paulette Hartman, Texas City Management Association
- Kevin Lawrence, Texas Municipal Police Association
- David Riggs, Texas State Association of Fire Fighters
- J.J. Rocha, Texas Municipal League
- Greg Shipley, Combined Law Enforcement Associations of Texas
- Casey Srader, Government Finance Officers Association of Texas

Past Members

Since its inception in 2008, 53 individual and group class appointees have served on the Advisory Committee. A list of the past members is posted on the TMRS website.

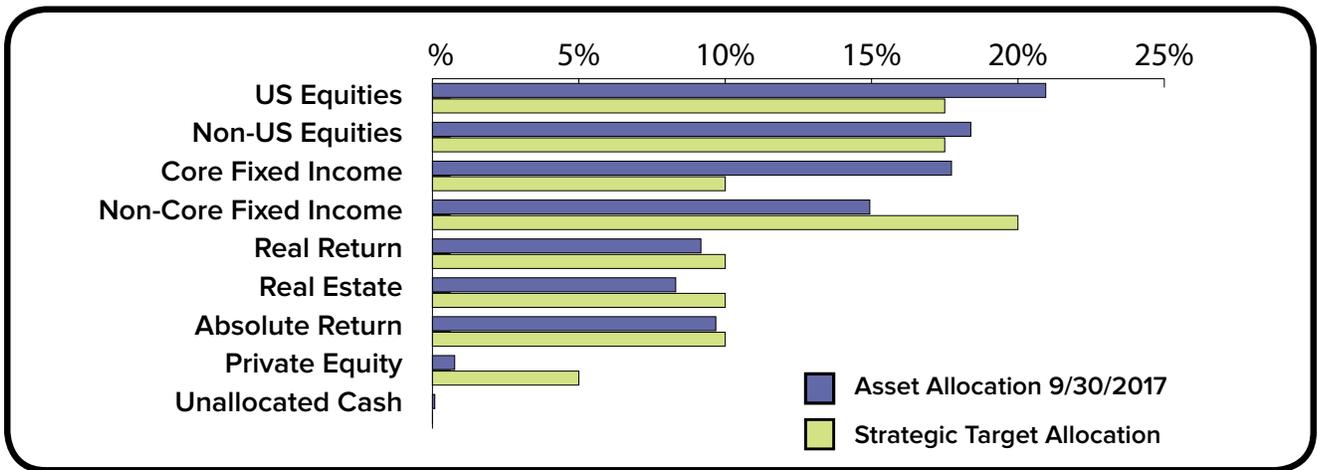
For more information, navigate to

www.tmr.com → About → Board of Trustees → Advisory Committee

TMRS Investments Keep the Plan Strong

The Investment department at TMRS provides the “financial engine” that helps provide interest credits and helps cities afford their TMRS programs. Investment materials, including quarterly reports and investment manager selection presentations, are posted on the TMRS website, usually immediately after meetings of the Board of Trustees. Go to www.tmr.com → **About** → **Investments**.

As an institutional, long-term investor, TMRS invests the System’s assets for a total return, given appropriate consideration for portfolio volatility (risk) and liquidity. Total return includes dividends, interest, and realized and unrealized capital appreciation. As a retiree, your monthly payments are guaranteed for life and are not affected by investment returns. ■



Tips and Tricks –

Keeping Your Home in Great Shape

As the seasons change, so do the maintenance needs of our homes. Here’s a checklist of home maintenance tasks to protect your investment.



Winter

- Drain and insulate outdoor faucets and drip slowly on “hard freeze” nights.
- Check your hot water heater level to be sure its water level isn’t too low.



Summer

- Review your emergency plan and restock your disaster supply kit.
- Inspect your sprinkler system, keeping an eye out for damaged pipes or pooling water to avoid a larger issue.



Spring

- Clean winter grime off the outside of your home with a power washer; clean windows, doors, and siding.
- Have your HVAC systems serviced to keep them running efficiently.



Fall

- Keep your gutters clear of leaves and debris to protect your roof and foundation.
- Have your chimney professionally inspected and cleaned.
- Test smoke and carbon monoxide detectors. ■

MyTMRS® Offers Security Against Fraud

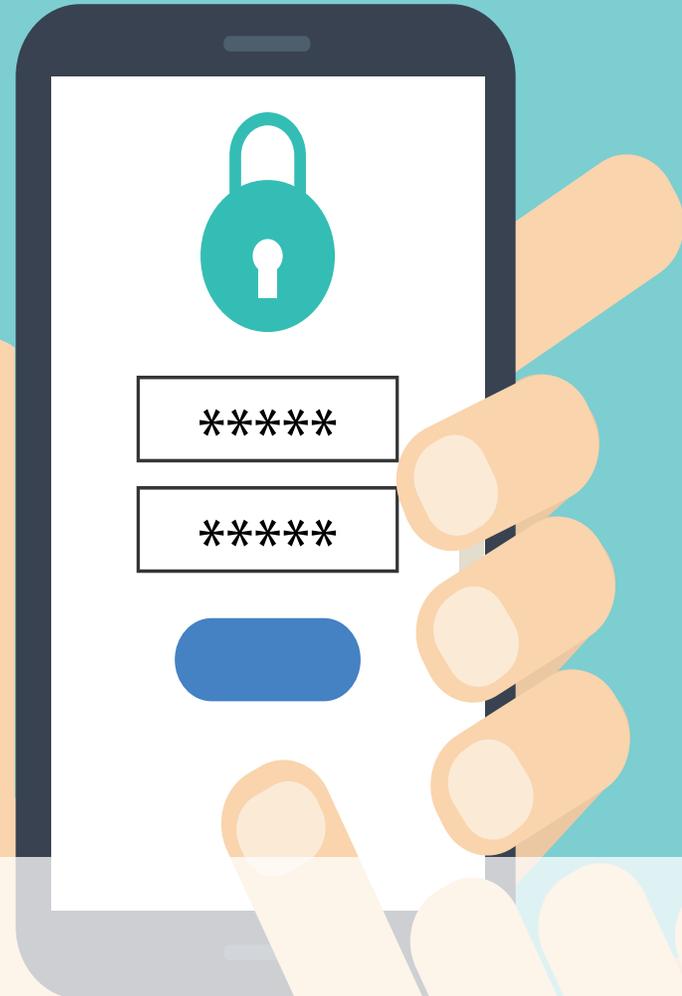
TMRS takes every precaution to keep your personal information safe. However, fraudulent online activity continues to increase, leaving vulnerable consumer data at risk. One easy step you can take to help protect your retirement information from being used to commit identity theft or fraud is to create an account on MyTMRS. If you have not yet registered for MyTMRS, you should sign up as soon as possible. “Unclaimed” accounts can be targets for abuse if an imposter registers for them.

MyTMRS users have an added layer of protection against data thieves because MyTMRS accounts require a strong password and answers to security questions known only to you.

TMRS takes many precautions to guard against fraud, including “dual factor authentication” for your MyTMRS account. This means that after signing in and verifying your contact information, you’ll be prompted to request an email, text, or phone call from TMRS which contains a separate security code. Keeping your account contact information current is important too, so that logging in is easy and TMRS can notify you of important events.

If you have questions about registering for MyTMRS or problems logging in, call our Phone Center during normal business hours (800-924-8677). ■

We strongly encourage all TMRS retirees to register so you can manage and control your own personal information with MyTMRS.



MyTMRS Features

On your MyTMRS home page, you’ll see a Payment Summary breaking down the components of your monthly annuity, your withholding election, your COLA (if provided), and whether the city from which you retired participates in Supplemental Death Benefits (SDB). Tabs and quick links allow you to view account details and also update your information online.

What You Can View / Print:

- **Membership summary** — service credit breakdown at retirement (available for four years after retirement)
- **Beneficiaries** — for retirement and SDB, if offered
- **Documents** — annual statements, 1099-Rs, HELPS statements, if applicable (past four years viewable)
- **Transactions** — annuity payments and rollovers, if any (past four years viewable)
- **Annuity verification letter**
- **Payment dates**

What You Can Update:

- **User information** — user name, email address, password, security questions
- **Contact information** — home address, phone numbers
- **Communication preferences** — choose email only, or email and mail delivery for *RetirementWise*
- **Beneficiaries** — depending on your option and if you are required to get spousal consent
- **Tax withholding election**

TMRS Retiree Luncheons

Let us know if you're interested in attending a Retiree Luncheon. City retiree organizations provide opportunities for social interaction and networking. If your city has a retired city employee group and you'd like to have us work with them to plan a TMRS Retiree Luncheon, please send contact information to communications@tmrs.com. ■

Looking for the Direct Deposit Calendar?
Go to the TMRS website:

www.tmrs.com → Retirees page → Direct Deposit Calendar

Calendar

March	22-23	Board of Trustees Meeting – Austin
	29	Annuity checks mailed
	30	Direct deposit of annuity payments
	30	Holiday – Good Friday
April	27	Annuity checks mailed
	30	Direct deposit of annuity payments
May	24-25	Joint Meeting of the Board of Trustees and the Advisory Committee on Benefit Design – Austin
	28	Holiday – Memorial Day
	30	Annuity checks mailed
	31	Direct deposit of annuity payments
June	28-29	Board of Trustees Meeting – Austin
	28	Annuity checks mailed
	29	Direct deposit of annuity payments
July	4	Holiday – Independence Day
	30	Annuity checks mailed
	31	Direct deposit of annuity payments

How to Contact TMRS

Toll-free • 800.924.8677

Local (in Austin) • 512.476.7577

Website • www.tmrs.com

Need Help? • www.tmrs.com/contact.php

Fax • 512.476.5576

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