

Texas **Municipal** Retirement System

Spring 2019

RETIREMENT**WISE**

TMRS

Providing Retirement Security for Texas Municipal Employees



**TEXAS
WILDLIFE**

**TMRS in the 86th Legislative Session
MyTMRS® – A Handy Tool for Retirees**

In This Issue

Features

Board of Trustees Activities	3
TMRS Bills Filed in the Texas Legislature	4
2018 Tax and Withholding Information	5
Retiree Services	5
It's a Wild, Wild Life	6
Investing for the Future	8
Protect Your Data with MyTMRS	10
What is Option Reselection?	10

Departments

From the Executive Director	2
2019 Board of Trustees	3
Prevent Payment Delays	8
To Your Health — Managing Chronic Diseases	9
Have Lunch with TMRS!	9
Retirement Account Statements	11
Calendar	11
Socialize with TMRS	11

Contact TMRS

Toll-free

800.924.8677

Local (in Austin)

512.476.7577

www.tmr.com

Need Help?

www.tmr.com/contact.php

Fax • 512.476.5576



From the Executive Director

Dear TMRS Retirees,

Very best wishes to all the retirees and beneficiaries who receive *RetirementWise* from us, either in the mail, by downloading the newsletter from our website, or by viewing it online.

I hope all of you are enjoying the retirement you earned as a valuable employee of a TMRS city. *RetirementWise* is a quick way to keep up with what's happening at TMRS, and there's already a lot going on in 2019.

Our cover story on Texas wildlife reminds us of how our cities exist alongside natural habitats. In this issue, you can also read about what you can do on MyTMRS, important reminders about options available in some post-retirement circumstances, and other topics that may be of interest to you.

Our main story is about the legislation that TMRS has requested for passage during the current session of the Texas Legislature. As you likely know, TMRS has pursued a number of initiatives in the last 10 years that have strengthened our System and helped to ensure its long-term sustainability. The proposed changes we are seeking in the current Session are mainly administrative and do not make major changes in any benefits or the underlying financial and actuarial structures of TMRS, but they will provide some much-needed modifications to our governance and operations.

If you have questions or comments about any element of TMRS, please do not hesitate to contact us.

I hope the rest of your 2019 is great!

Sincerely,

David Gavia

Executive Director

2019 Board of Trustees



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



David Landis, Vice Chair
City Manager
Perryton



Jesús A. Garza
City Manager
Kingsville



Jim Jeffers
City Manager
Nacogdoches



Julie Oakley
Assistant City Manager
Lakeway



Jim Parrish
Deputy City Manager –
Administrative Services
Plano

The Board of Trustees is composed of six Governor-appointed members serving staggered six-year terms. Trustees are all TMRS members, serving their cities as well as volunteering their time and expertise to guide the retirement system.

Board Activities

At its meeting in December 2018, the TMRS Board of Trustees nominated and approved Bill Philibert for Chair and David Landis for Vice Chair for 2019. The Board also appointed committees to assist with its governance of TMRS.

Board Committees for 2019

Advisory Committee on Benefit Design
Chair Jesús A. Garza, Vice Chair David Landis

Budget Committee
Chair Julie Oakley, Vice Chair Jim Jeffers

Compensation Committee
Chair Julie Oakley, Vice Chair Bill Philibert

Internal Audit Committee
Chair Jim Jeffers, Vice Chair David Landis

Legislative Committee
Chair Bill Philibert, Vice Chair Jim Parrish

Technology Committee
Chair Jim Parrish, Vice Chair Jesús A. Garza

Advisory Committee

The Board's largest committee is the Advisory Committee on Benefit Design. In addition to two Board representatives, it is currently made up of 10 members, three of whom are "individual class" Board appointees and seven of whom are "group class" members, nominated by seven organizations and approved by the Board. The Board assigns the Committee topics to study, such as potential benefit design changes or other issues during each Interim Session. The Committee provides a direct voice for TMRS cities, constituent organizations, members, retirees, and elected officials to share their perspectives on important matters.

More information about the Board meeting schedule, committees, agendas, minutes, and professional advisors may be found on www.tmr.com | *About | Board of Trustees*. The list of Advisory Committee representatives and its meeting summaries may also be found under the Board link, Advisory Committee tab. ▼

Three Easy Ways to Remember Your Direct Deposit Dates

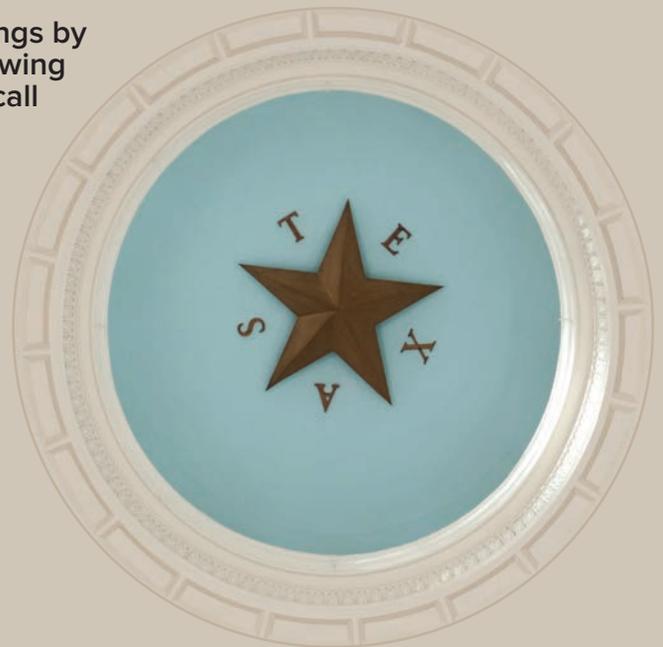
1. Your annuity is electronically transferred to your account on the **last business day of every month**.
2. In the last issue of *RetirementWise* (Fall 2018), we included the 2019 calendar that you can cut out of the magazine. Next year's calendar will be printed in the Fall 2019 issue.
3. You can access the Direct Deposit calendar 24/7 from the TMRS website. Go to www.tmr.com | *Retirees | Direct Deposit Calendar* to view or print the calendar.

TMRS Bills Filed in the 86th Legislature

Proposed changes to the TMRS Act that were endorsed by the TMRS Board of Trustees were filed in the Texas Senate on February 28 (SB 1337, by Senator Joan Huffman) and in the House of Representatives on March 1 (HB 2821, by Representative Dan Flynn). These proposed statutory changes will improve the administration and operations of TMRS. We will post updates on the TMRS Legislative page during the session (www.tmr.com/legislative.php).

The Board of Trustees, after receiving input from TMRS' Advisory Committee, approved the proposed changes contained in the legislation at its meeting on December 6, 2018. The legislative recommendations include:

- Providing flexibility for scheduling Board meetings by removing specific month requirements and allowing Trustees to participate by video or conference call
- Incorporating existing common law protections from liability into the TMRS Act, as has been done for the other Texas statewide systems
- Clarifying the Board's authority to hire external legal counsel in addition to internal staff
- Amending the TMRS Act relating to confidentiality of member and retiree information to be similar to the other statewide retirement systems and the Public Information Act and to add protection for audit working papers
- Updating the definition of "security" to better reflect the diverse investment portfolio of the System's trust fund
- Clarifying that the maximum amortization period for a city's unfunded actuarial accrued liability is 30 years, and clarifying the Board's authority to set amortization periods and policy
- Amending the law relating to Prior Service Credit (PSC) to require that a city, or a city department, that has not previously participated in TMRS and that has an existing retirement plan would have 0% PSC when it joins TMRS
- Allowing TMRS to offer members and retirees an option to receive annual statements and other information electronically
- Clarifying changes to the post-retirement portion of the Occupational Disability provisions so that TMRS can require post-retirement medical examinations or information for affirmation of continuing disability and removing the income test required by current law



Detailed information about the provisions and other bills that may affect TMRS is available on the TMRS website under *About | Legislative News*. ▼

2018 Tax Filing and Withholding Information

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 2018 on January 22, 2019. You may also view and print your 1099-R form through MyTMRS. TMRS cannot give tax guidance; please consult a tax professional for additional information.

You have the right to elect to change the amount withheld or to not have any withholding from your annuity, either of which may 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. **If you are happy with your withholding selection, you do not need to make any changes.**

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 allowances. 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.

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 2019 stating the amount TMRS deducted and remitted toward your 2018 insurance premium payments. In accordance with IRS instructions, the exclusion from income is not reflected in box 2a of the retiree's 2018 Form 1099-R. More information about this exclusion and how to report it can be found in the instructions to the 2018 Form 1040, 1040A, or IRS Publication 575: Pension and Annuity Income, which can be viewed or downloaded from the IRS website. ▼

Staying on Top of Tax Law Changes

TMRS strongly recommends you review the effect of the Tax Cuts and Jobs Act of 2018 on your tax filing situation. The publication Tax Reform – Basics for Individuals and Families (www.irs.gov/pub/irs-pdf/p5307.pdf) summarizes the changes. Starting in 2019, the IRS will revise more than 400 taxpayer forms and publications, but for tax year 2018, filers will continue to use the existing forms. If you haven't already done so, you might want to run the Withholding Calculator (www.irs.gov/individuals/irs-withholding-calculator) to determine if you need to make any adjustments to withholding for next year.



Retiree Services

Want to stay up-to-date on your TMRS benefits? Use the Retirees tab on our website to find announcements, flyers, and quick links to resources. There's also a How Do I? web page for retirees, where you'll find answers to commonly asked questions: www.tms.com / Retirees.

IT'S A WILD, WILD LIFE!

In a state as big and diverse as Texas, animal species range from the iconic armadillo to the reclusive flying squirrel. If you enjoy the great outdoors, you may encounter all kinds of creatures. Some are surprise visitors, such as the bobcat or fox that makes its way onto a suburban patio. Others seem to be everywhere, such as the white-tailed deer of the Hill Country. Texas is home to many game animals that may be hunted during season, as well as nongame, exotic, endangered, threatened, and protected species.

Wildlife-related hobbies for retirees may include photographing creatures in their natural habitat, counting wildlife populations, or hunting the game animals that make Texas their home. For volunteer opportunities and other information about Texas wildlife, see the Texas Parks and Wildlife page: <https://tpwd.texas.gov/huntwild/wild>.

Can you identify these four-footed critters and the regions of Texas they inhabit?

Extra credit: Which four species can be hunted with a Texas hunting license? (Answers on back cover.)



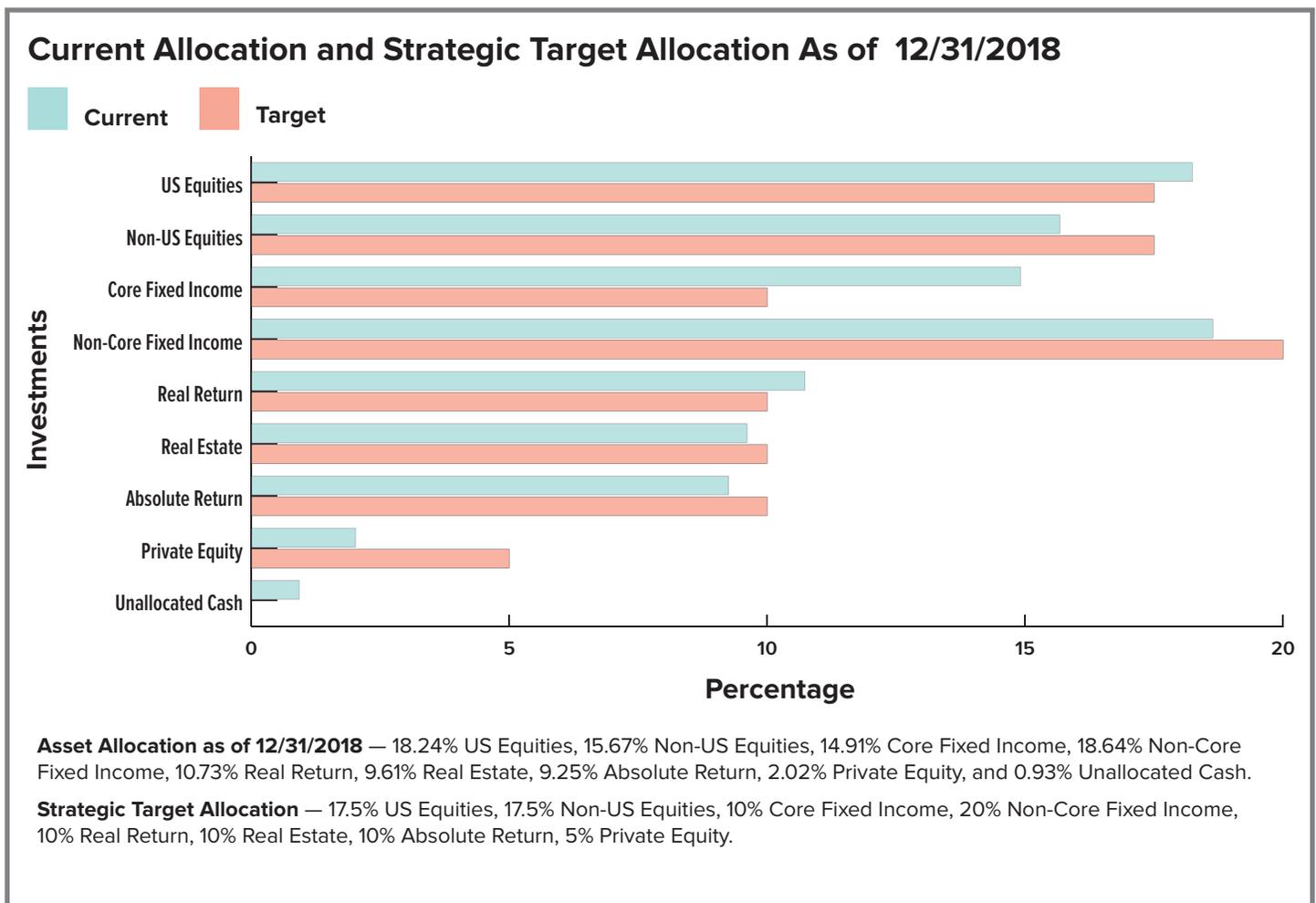


Investing for the Future

At the System level, TMRS' investments help provide the means for the plan to be well funded far into the future. The overall objective of TMRS' Investment program is to ensure that members, retirees, and beneficiaries are provided the benefits they have been promised by their employers at a reasonable and predictable cost to the employers.

TMRS invests in U.S. and non-U.S. Equities, Core Fixed Income, Non-Core Fixed Income, Real Return, Real Estate, Absolute Return, and Private Equity. To review information about the Investment program, including the Investment Policy Statement, go to the TMRS website. Asset allocation charts and other materials are posted under *About | Investments*, with separate tabs containing information about Policy, Reports, Assets, Advisors, and Contacts.

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. Remember, your benefit is not affected by TMRS' investment performance. ▼



Prevent Payment Delays!

If you've recently opened a new bank account or changed banks, don't forget to let TMRS know. If you haven't notified TMRS, you may not get your monthly payment on time. Update your direct deposit information by mailing or faxing TMRS a new Direct Deposit Authorization form (TMRS-80E). You may download and fill in / print this form from the TMRS website: www.tmr.com/down/forms/TMRS_80E_new.pdf. If you send your bank's form, make sure the TMRS form is attached in order to prevent any payment delays. ▼

To Your Health



MANAGING CHRONIC DISEASES

According to the National Council on Aging, about 92 percent of seniors have at least one chronic disease and 77 percent have at least two. A chronic condition is one that is long-lasting in its effects or that develops over time.

The four primary chronic diseases for seniors are heart disease, stroke, cancer, and diabetes. In the U.S., these four conditions are among the most common and costly — causing two-thirds of deaths each year. Obesity is a growing problem among older adults, and making lifestyle changes can help reduce obesity and associated chronic conditions.

You can take steps to alleviate these conditions. The National Center for Chronic Disease Prevention and Health Promotion recommends meeting with a physician for an annual checkup, maintaining a healthy diet, and following an exercise routine to help manage or prevent chronic diseases. Knowing your genetic predisposition to these diseases can help you be proactive on checkups and heed the warning signals. Stopping smoking and reducing alcohol consumption also help.

For more information, visit www.cdc.gov (Centers for Disease Control and Prevention) and its subsidiary, the NCCDP (National Center for Chronic Disease Prevention and Health Promotion, www.cdc.gov/chronicdisease/). ▼

Have Lunch with TMRS!

If your city has an association for city retirees that meets regularly, we'd like to hear from you. TMRS is happy to send a representative to a future meeting to update your retirees on TMRS topics. Contact us at communications@tmrs.com to schedule a Retiree Luncheon. ▼

Protect Your Data

with MyTMRS®

MyTMRS is the online tool that gives you access to your TMRS information. If you haven't already done so, now is the time to create a MyTMRS account. TMRS safeguards your personal information using security technologies and strong identity verification procedures, but this is only part of the solution. Registering is the most important step, to give you control of your account and put its security in your hands.

Once registered, you will be able to access, review, and make changes to your account. Similar to your personal bank account, the more you monitor your account, the less likely fraudulent activity will go undetected. Click the MyTMRS button on www.tmr.com and follow the instructions to create an account.

Useful MyTMRS Features for Retirees

- Download a proof of income using the “Printable annuity verification letter” link. It generates a letter that can be printed, faxed, or emailed.
- Change your tax withholding by clicking the “Update federal income tax withholding” link and following the prompts. You'll receive an immediate confirmation message and an email that a change was made.
- Download copies of your 1099-R tax document, HELPS statement (for retired public safety officers), and your Retirement Account Statement.
- Make changes to your beneficiary designation **if you are eligible** (Retiree Life Only or Guaranteed Term options).
- Use MyTMRS to update your Supplemental Death Benefit beneficiary (if your city participates).

Some Beneficiary Changes CANNOT Be Made on MyTMRS

TMRS understands there may be times when you'll need to make changes to your beneficiary designation after retirement. As a retiree, you may only change your beneficiary under certain conditions. If your beneficiary dies, or you marry or divorce after retirement, you may be eligible to change your beneficiary and/or retirement option. **These changes cannot be made online.** Please contact TMRS at 800.924.8677 for assistance with a circumstance like this or if you have questions about post-retirement changes. ▼



What Is Option Reselection?

Option reselection is available only in certain circumstances related to changes in your marital status or spouse. Option reselection means you are choosing a different retirement payment option for your annuity **AFTER** retirement – an action that is not permitted except as provided in the TMRS Act.

If you marry after retirement, you may be eligible (described below) to change your payment plan and beneficiary designation to provide a survivor benefit for your new spouse. **IMPORTANT: This change can only be made once, and the proper paperwork must be filed with TMRS before the first anniversary of the date of the post-retirement marriage. Option reselection cannot be made in MyTMRS.**

You may be eligible for option reselection if you selected the Retiree Life Only Benefit or a Guaranteed Term option at retirement and you marry after retirement. You may also be eligible if you selected a Lifetime Survivor Option at retirement, your beneficiary predeceases you or, if your beneficiary was your spouse, you are awarded 100% of your annuity in a divorce after retirement, and then you remarry after retirement. Changing your option does not increase the total benefit you and your new spouse will receive. Depending on the new option you choose and the age of your new spouse, your monthly payment will likely be reduced to pay the cost of the additional survivor benefit.

Please contact TMRS at 800-924-8677 with any questions regarding eligibility for option reselection and for additional instructions for any post-retirement beneficiary changes or option reselection changes. Remember, option reselection *cannot* be made in MyTMRS. ▼

Retirement Account Statements

Annual account statements for TMRS retirees are now available on MyTMRS® and were also mailed to benefit recipients on February 8. The statements show the payment and withholding amount, retirement plan option, retirement date, beneficiary designation, and amount of COLA (if applicable) in effect for 2019. ▼

Calendar 2019

March	28-29	Board of Trustees Meeting – Austin
	28	Annuity checks mailed
	29	Direct deposit of annuity payments
April	19	Holiday – Good Friday
	29	Annuity checks mailed
	30	Direct deposit of annuity payments
May	27	Holiday – Memorial Day
	30-31	Joint Meeting of the Board of Trustees and the Advisory Committee on Benefit Design
	30	Annuity checks mailed
	31	Direct deposit of annuity payments
June	20-21	Board of Trustees Meeting – Austin
	27	Annuity checks mailed
	28	Direct deposit of annuity payments
July	4	Holiday – Independence Day
	30	Annuity checks mailed
	31	Direct deposit of annuity payments
August	22-23	Board of Trustees Meeting – Austin
	29	Annuity checks mailed
	30	Direct deposit of annuity payments



2019 Retirement Account Statement

About Your Statement

You currently receive a retirement benefit administered by the Texas Municipal Retirement System (TMRS). Your Retirement Account Statement (on the reverse) confirms your retirement option, your retirement date, your beneficiary information, and your monthly TMRS retirement benefit payment in effect for calendar year 2019. In addition, the statement may include the following information:

- Cost of Living Adjustment (COLA)** – If your city has chosen to provide a Cost of Living Adjustment (COLA) in 2019 and you have been retired at least one calendar year, the amount will be shown. COLAs are granted at the discretion of each TMRS city and are based on the annual change in the Consumer Price Index.
- Federal Income Tax Withholding** – Federal tax law governs the taxation of your monthly benefit. If you elected to have federal withholding deducted from your monthly payment, this statement will show the amount of your withholding.

MyTMRS® — Online Account Access

Your retirement account information, including statements, contact information, beneficiary(ies), and 1099-R forms, is available 24 hours a day on MyTMRS. Sign up and log in at www.tmr.com.

In MyTMRS, you can change your withholding instructions, communications preferences, contact information (including your email address), and, in certain circumstances, update your beneficiary. If you are able to update your beneficiary, a blue Update button will appear when you click on the Beneficiaries tab.

TMRS, MyTMRS, and the TMRS logo are registered trademarks of the Texas Municipal Retirement System.

You have the right to elect to change the amount withheld or to not have any withholding from your annuity, 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.**

- Other Adjustments** – If your statement shows "Other Adjustments" to your monthly benefit, these may include payments made under a court order or at the request of eligible Public Safety Officers who wish to have TMRS pay their insurance premiums pursuant to federal law.

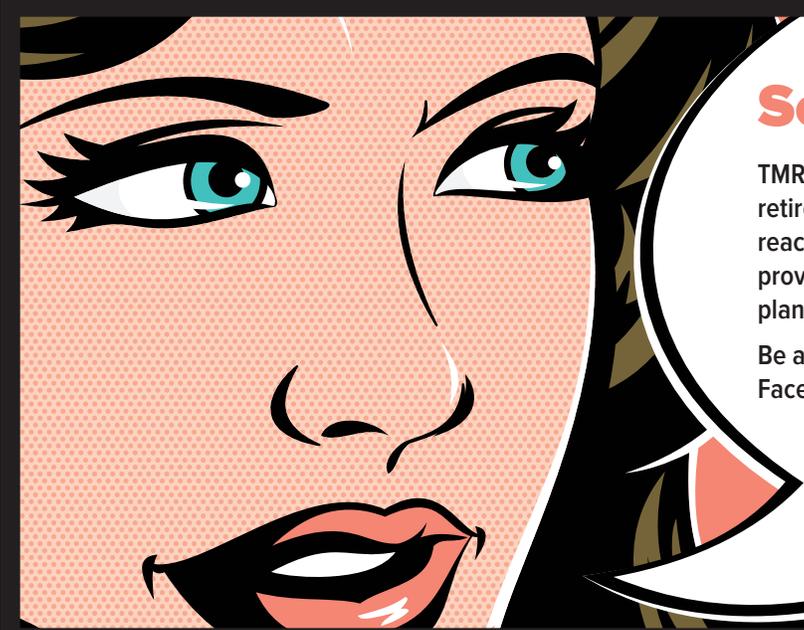
Phone Center
Toll free • 800.924.8677
Local • 512.476.7577
Fax • 512.476.5576
8 am to 5 pm (Mon – Fri.)

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

Website
www.tmr.com

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

Headquarters Building
1200 North Interstate 35
Austin, TX 78701



Socialize with TMRS!

TMRS is dedicated to engaging and educating members, retirees, and cities, and we are employing more ways to reach you. We expanded our social media initiatives to provide regular posts on benefits, retirement processes, plan design, and TMRS events.

Be a part of the conversation! Like and Follow us on Facebook, Instagram, and LinkedIn. ▼







Follow Us on Social Media!

RETIREMENTWISE

Texas Municipal Retirement System

P.O. Box 149153 • Austin, Texas 78714-9153

PRESORTED STANDARD
U.S. POSTAGE
PAID
AUSTIN, TEXAS
PERMIT NO 2644



Answers to Texas wildlife quiz, pages 6-7:
1) Opossum (statewide except for Trans-Pecos West)
2) Raccoon (statewide)
3) Jack rabbit (statewide except for East Texas)
4) Bobcat (statewide)
5) Alligator (eastern third of state)
6) Coyote (statewide)
7) Armadillo (statewide except for Trans-Pecos West)
8) White-tailed deer (statewide)
9) Javelina (West and Southwest Texas)
Species that may be hunted with a license:
Jack rabbit, alligator, white-tailed deer, and javelina