Introduction to TMRS

Texas Municipal Retirement System

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Introduction to TMRS

• Overview
• City Services
• Travel Team
• Example Member Presentation
• Resources for Cities
Overview – How TMRS Works for Cities
The City Services Team

City and Actuarial Services
Left to right: Leslee Hardy, Eric Davis, LaShelle Ruiz, and Ariel Chou.
• 866 cities have chosen to participate in TMRS. This number increases each year.

• The plan covers almost 107,000 employees and over 56,000 retirees/annuitants.

• Participating cities vary in size from over 6,000 employees (San Antonio non-uniformed employees) to just 1 employee (15 TMRS cities).

• 86% of TMRS cities are fully or partially covered by Social Security; for those cities that do not participate in Social Security, TMRS is an even more important benefit.

*As of 12/31/15 TMRS Comprehensive Annual Financial Report (CAFR)*
Six-member Board of Trustees appointed by the Governor, approved by the Texas Senate.

Board members are unpaid; serve staggered six-year terms.

The Board exercises fiduciary responsibility for investments.

Board members (and their cities) are members of TMRS.
Basic City Plan Options

**Employee Deposit Rate**
- 5%, 6%, or 7% of gross compensation
- 5% interest paid on Dec 31 of each year
- All employees contribute at same level

**Employer Match**
- 1:1, 1.5:1, 2:1
- Match applied toward deposits & interests

**Vesting Requirements**
- 5 or 10 years of service

**Retirement Eligibility**
- Vested and age 60, or 20 or 25 years of service at any age
• Cities may add, modify, or discontinue options in order to better serve employees

• Plan changes are made by ordinance at the City Council level (see pages 2 and 3 of flyer).

• TMRS Actuarial staff and Travel Team can run various scenarios to see the cost impact of changing plan options.

• TMRS can send sample ordinances to cities upon request.

• Any plan change by ordinance must be filed with TMRS.
The TMRS Travel Team: Outreach to Cities and Employees
The Travel Team

Travel Team

Clockwise: Sean Thompson, David Rodriguez, Anthony Mills, Colin Davidson, Lorraine Moreno, and Shannon Lucero.
The Travel Team Covers Texas

TMRS Region 1
David Rodriguez – Sr. Regional Manager
Colin Davidson – Regional Manager
regionone@tmrs.com

TMRS Region 2
David Rodriguez – Sr. Regional Manager
Lorraine Moreno – Regional Manager
regiontwo@tmrs.com

TMRS Region 3
Anthony Mills – Sr. Regional Manager
Sean Thompson – Regional Manager
regionthree@tmrs.com

TMRS Region 4
Anthony Mills – Sr. Regional Manager
Shannon Lucero – Regional Manager
regionfour@tmrs.com
The Travel Team Provides:

- Employee education and counseling
- City Council meetings and planning sessions
- Regional Pre-Retirement Conferences
- Presence at most major association meetings
- Plan change modeling
- E-mail accessible for questions – help@tmrs.com
Sample Member Presentation

• This presentation (light blue slides) contains information City Correspondents need to know as administrators of TMRS at their cities
• Travel Team members regularly give these types of presentations, tailored to your city
  • Sample information in [brackets]
  • See your City Plan for your plan choices
What Is TMRS – For Members

for
City of [Sample City]
[September 26, 2016]

Presented by
David Rodriguez, Senior Regional Manager
drodriguez@tmrs.com
Employees Contribute

Your city has chosen:

• [7%] Employee Deposit Rate
City Match and Vesting

• [2 to 1 Match – 200%]
• 5 Year Vesting
  • At vesting, confirm beneficiary
• [Survivor Benefits]
When Can Employees Retire?

Your city has chosen:

- Age 60 with 5 years of service
- 20 years of service at any age
Your Retirement Date...

- Service with other cities – meet the highest requirement

- Service with other Texas Retirement Systems – Proportionate Retirement
Estimates and Retiring

• Use MyTMRS to run as many estimates as you need
• Review all information on estimates and report any changes or corrections to TMRS immediately!
• When you are ready to retire, request or print a retirement packet
Monthly Payment Plans

7 Payment Plans

- All plans pay an annuity for retiree’s lifetime
- All plans ensure return of member’s accumulated deposits and interest
- All plans are equal in value

SEE THE ONLINE VIDEO “RETIREMENT ANNUITY OPTIONS” FOR DETAILS!
“Pop-Up” Provision

If a retiree...

- Has selected joint survivor option AND
- Beneficiary dies before retiree

Then – monthly payments increase to Retiree Life Only option
Partial Lump-Sum Distribution

You may choose a partial lump-sum distribution (PLSD) under any option when you retire.

<table>
<thead>
<tr>
<th>Retirement Options</th>
<th>None</th>
<th>12 months</th>
<th>24 months</th>
<th>36 months</th>
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<tbody>
<tr>
<td>Retiree Life Only</td>
<td>3,398.74</td>
<td>3,105.23</td>
<td>2,811.72</td>
<td>2,558.76</td>
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<tr>
<td>100% Survivor</td>
<td>2,410.13</td>
<td>2,202.00</td>
<td>1,993.86</td>
<td>1,814.49</td>
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<tr>
<td>75% Survivor</td>
<td>2,601.53</td>
<td>2,376.86</td>
<td>2,152.20</td>
<td>1,958.58</td>
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<tr>
<td>50% Survivor</td>
<td>2,825.69</td>
<td>2,581.66</td>
<td>2,337.64</td>
<td>2,127.34</td>
</tr>
<tr>
<td>5-yr Guaranteed</td>
<td>3,365.40</td>
<td>3,074.77</td>
<td>2,784.14</td>
<td>2,533.67</td>
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<tr>
<td>10-yr Guaranteed</td>
<td>3,235.63</td>
<td>2,956.20</td>
<td>2,676.78</td>
<td>2,435.97</td>
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<tr>
<td>15-yr Guaranteed</td>
<td>3,055.58</td>
<td>2,791.71</td>
<td>2,527.83</td>
<td>2,300.42</td>
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</tbody>
</table>
PLSD and Taxes

- PLSD payments are income
- 20% withheld unless rolled over
- 10% penalty if under 59½
  - Exception for age 55!
  - 50 for police and fire!*
- Taxable $ can be rolled over (all or part)

*Retired public safety officers may wish to file a HELPS form for insurance deductions (pre-tax dollars)
Additional Optional Provisions

- Updated Service Credits – considers salary changes and plan improvements
- [50%] COLA (as a retiree) – based on CPI
- Restricted Prior Service Credit
- Military Service Credit
- Supplemental Death Benefits
Current Issues

• Increased scrutiny on public retirement systems

• Economic downturn causing tight budgets for employers

• Ongoing need to make funding as efficient as possible
QUESTIONS?
Texas Municipal Retirement System

Resources for TMRS Cities

2016 Annual Training Seminar
September 7-9, 2016 • Sheraton Austin at the Capitol
Training Events for City Personnel

• Annual Training Seminar
  – We’re glad you’re here!
  – 2017 Annual Training Seminar set for October 25-27 in Grapevine

• City Correspondent Certification Courses
  – In depth courses for City Correspondents and other TMRS administrators in cities
  – Highly recommended for anyone administering TMRS benefits in cities – covers everything in depth

• Executive Workshops
  – Overview sessions for city decision-makers; held in 5-6 cities around Texas annually

See the Events Calendar on the TMRS website for workshop and seminar dates and places
Training Events for City Employees

• Benefit Fairs
  – Contact the Travel Team for a representative to come to your city

• Pre-Retirement Regional Seminars
  – TMRS works with cities within regions to get the word out to employees who are thinking about retiring or just want to know more about their benefits
  – Employees sign up online on their own using Eventbrite
TMRS Website: www.tmrs.com

Information about all aspects of TMRS

- **Public Information and Governance** - Board Minutes and Agendas, presentations and reports, Legislation, Investments, Public Info page

- **Training** – Events / Registration (Calendar) and tutorials

- **Finance** – Eye on GASB, City plan provisions

- **Administration** – “How Do I” and FAQ pages for common issues, printable PDFs - forms and publications
What Is **TMRSDirect**?

• Strategic initiative to transform TMRS administration from paper-based to “Straight-Through Processing” — reducing paperwork, improving data accuracy, enhancing security, and increasing the speed of data updates

• TMRS’ online systems, MyTMRS® and the City Portal, are included as part of **TMRSDirect**
Online tool (accessed through a secure web URL) that gives TMRS cities web-based administration

- Member enrollment
- Estimates for members
- Administrative reports
- Confidential GASB documents
Member self service

- Change address/contact info
- Run estimates
- View account balance and service credits
- View and print Annual Statements
- View beneficiary(ies)

Retiree/Annuitant self service

- Change address/contact info
- Verify annuity amount
- View and print tax documents (1099-Rs)
- Change withholding election
- View beneficiary(ies)
- View and print annual Account Statements
TMRS Communications and Publications (email and print)

• E-bulletins — emails directed to city officials
  – Board reports and important news for city staff
  – Sign up online: www.tmrs.org/pubs_bulletins.php

• Specialized publications for cities
  – Main Street (print and online)
  – Informational flyers as needed

• CAFRs / Actuarial Valuations / Special publications

• Web postings — late-breaking news, reminders

• Facebook page
Texas Municipal Retirement System

CITIES

THE POWER OF PARTNERSHIP

TMRS

THE POWER OF PARTNERSHIP

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