

SAILING INTO RETIREMENT

2018

TMRS Annual Seminar



Presentations available at www.tmrs.com/ats.php



Embarking into Membership

Overview of TMRS

- Anthony Mills, Senior Regional Manager

TMRS History and Membership

- 886 cities (not Houston, Dallas, Ft. Worth, Austin, El Paso, or Galveston)
- 110,000 contributing members*
- 62,700 retirees and beneficiaries*
- Governed by 6-member Board appointed by Governor with Senate approval
- Participating cities vary in size from over 6,000 employees (San Antonio non-uniformed employees) to just 1 employee (12 TMRS cities)



*As of 12/31/17, TMRS CAFR

Benefits Are Sustainable

- Each city chooses its own benefit design.
- TMRS cash balance design bases benefits on accumulated deposits and interest, not a formula.
- The average “original” TMRS benefit received by retired TMRS members at retirement was \$18,971 (an average of all the initial retirement annuities of retiring TMRS members from 1997 through 2017).



Cities Pay Required Contributions

- Each city is funded as a separate entity and must pay the Actuarially Determined Employer Contribution (ADEC) to advance fund all benefits over 25 years.
- No “pension holidays”
- In the event that a city cannot afford its contributions, benefits may be prospectively reduced by the city to reduce costs.



Assumptions Are Realistic



- TMRS assumes an annual investment return of 6.75%
- Other actuarial assumptions are examined and adjusted as needed
- TMRS has modernized its life expectancy tables



System Soundness by the Numbers

SYSTEM

- TMRS' System funded ratio is 87.4% and System-wide UAAL is \$3.99 billion (as of 12/31/17 valuation)
- All city plans are funded over a closed period of no more than 25 or 30 years

CITY

- Contribution rates* vary depending on benefits (e.g., 2.31% for cities with 5% / 1:1 match with no USC/COLA, vs. 15.76% for cities with a 7% / 2:1 match and repeating USC/COLAs)
- Weighted average contribution rate for all cities as of the 12/31/17 valuation is 13.08%



*Average rates weighted by payroll

Customer Service Initiatives

- Increased communications
 - Expanded topic flyers, e-newsletters, social media, videos
- Added online capabilities in MyTMRS®
 - Beneficiary changes (in most cases)
 - Withholding changes
 - Opt out of printed publications
- Increased website resources
 - GASB 75 Resources webpage
 - Redesigned website – mobile-friendly, My City Plan



Events for Cities

- TMRS' Annual Seminar
- Executive Workshops
- Regional Conferences for members
- City Correspondent Certification Courses
- Visits to cities from Travel Team (city council meetings, member benefit fairs)



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Questions



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