2018 TMRS Annual Seminar

SAILING INTO RETIREMENT

Presentations available at www.tmrs.com/ats.php
SAILING INTO RETIREMENT

Embarking into Membership

Overview of TMRS

• Anthony Mills, Senior Regional Manager

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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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