

# insight

The Newsletter for TMRS® Members

## Important Legislation Passes!

HB 360, "relating to the crediting and charging of investment gains and losses on the assets held in trust by the Texas Municipal Retirement System and providing a guaranteed minimum credit to employee accounts," passed the Texas House and Texas Senate unanimously. The bill was signed by Governor Rick Perry and became law on May 26, 2009.

HB 360 amends the TMRS Act by providing for the following:

1. Guarantee members an annual interest credit of at least 5.00% and a 5.00% discount rate used in setting the annuity purchase rate for retirees
2. Include unrealized gains and losses in the crediting/charging of interest to city accounts
3. Credit variable annual interest rates to cities, including negative rates

These changes enable TMRS to continue the diversification of the System's investments, which will enhance risk management, support higher returns, and help mitigate the need for future city contribution rate increases.

TMRS thanks everyone involved in helping pass HB 360. We are particularly grateful to the primary sponsors, House Chairman Edmund Kuempel and Senate Chairman Tommy Williams and their staffs. Thanks also to the TMRS Board of Trustees for their leadership and the TMRS Legislative Stakeholder Group (now the TMRS Advisory Committee) for their role in preparing for this session.

## Other Legislation

Two bills were introduced that would have affected TMRS:

- SB 1358 – would have provided an additional COLA option for retirees that could have been adopted by cities
- HB 1344 – would have created a statutory basis for the TMRS Advisory Committee

Neither of these bills passed. The TMRS Board took no position on either bill, although TMRS staff acted as resources at the Legislature's request.

If you have any questions or comments on legislation, contact TMRS' Director of Government Relations, Eddie Solis, at [esolis@TMRS.com](mailto:esolis@TMRS.com). ■



## From the Executive Director

Dear TMRS Members,  
I hope your summer is off to a great start.

TMRS has been serving Texans now for more than 60 years. The System has undergone many changes in that time, in size, in the benefits offered, and in technology and customer service.

The legislative session we have just concluded has made a fundamental adjustment to the way that TMRS benefits will be funded in the future, providing a guarantee to members and allowing further asset diversification (see story at left). Diversifying assets will improve returns over time and help cities continue to afford the retirement benefits they provide.

This issue of *Insight* also contains exciting news about new customer service initiatives on our website (page 2). Soon, you will be able to use MyTMRS to produce a retirement estimate as a self-service feature.

This year, we are combining our 2008 "Summary Annual Financial Report" with *Insight*. As you can see from the financial report (see insert), TMRS had a better year in 2008 than most retirement funds did. We are continuing to make changes in the System to ensure that your retirement is secure and that TMRS' future is as successful as its past.

Sincerely,

Eric Henry

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TEXAS MUNICIPAL RETIREMENT SYSTEM

# Improvements to MyTMRS

Last fall, TMRS rolled out a redesigned website for cities, members, retirees, and others interested in the System. The MyTMRS feature, an important part of the website, allows you to look at your account information (member deposits, beneficiaries, etc.) online using a secure user name and password. TMRS has recently made some upgrades to the usability of MyTMRS, and more are planned.

Under the new, more user-friendly MyTMRS, you will be able to request your password through a protected server rather than waiting for your password to be mailed to you. The process will be similar to procedures you may use with your bank or other service provider and is designed to provide high security along with convenience of use.

As part of this new system, and to ensure the confidentiality of your records, TMRS will be asking all MyTMRS users to re-register. You may register on-line the first time you use MyTMRS after the new system is in place, and you will receive your confirmation e-mail within minutes.

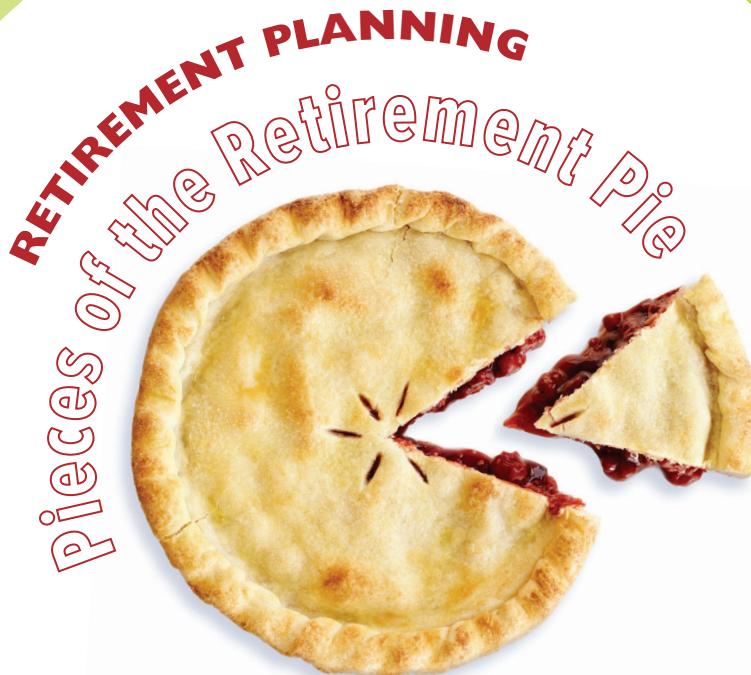
Also just around the corner is a new addition to MyTMRS: a benefit calculator that will enable you to obtain retirement estimates online in real time. With the new improvement, you will be able to see your estimates onscreen. Stay tuned to the website for an announcement of this feature.

We hope you will find these changes helpful. If you have suggestions for MyTMRS or the website, e-mail [webmaster@TMRS.com](mailto:webmaster@TMRS.com). ■

## How Can HELPS Help Me?

As you approach retirement, if you are a Public Safety Officer, you qualify to have health insurance premium payments deducted from your retirement annuity and transmitted as direct payments to your health insurance provider. This provision was created under the Pension Protection Act of 2006, Healthcare Enhancement for Local Public Safety, or HELPS. If you qualify, the amount you may deduct from taxable income on your tax return may not exceed \$3,000 in one year.

Your last employing city will need to certify your status as a Public Safety Officer, as defined in the Omnibus Crime Control and Safe Streets Act of 1968, for you to be eligible for this benefit. You may apply for HELPS anytime after you begin receiving an annuity.



**W**orkers in the United States sometimes think of their retirement as a "pie" made up of slices from different income sources. These slices may be a combination of Social Security, a guaranteed pension (such as your TMRS retirement annuity), IRAs, 457(b)s, 401(k)s, and personal savings and investments.

As you approach retirement, it is important to add up all of your income sources in addition to your TMRS pension. How much money will you need to live comfortably? If you have less than you had hoped, you may want to put aside additional investments in a safe plan such as a governmental 457(b) or an IRA to increase your total post-retirement income.

When planning for your post-retirement income needs, it is important to figure your "replacement ratio." This ratio is the percentage of your ending salary that you can expect to receive in retirement benefits from all sources — in other words, the percentage derived when you divide your initial retirement income from all sources by your gross salary at retirement. In the past, income needs at retirement were assumed to be lower than after retirement (such as 75% or 82% of final salary), but recently experts are recommending that retirees try to get closer to 100% of their final salary after retirement, to factor in health care costs. ■

# Mortality Table Info

From time to time, we get questions from members on whether we are changing the mortality table used to compute retirement annuities. For retirement calculations, the mortality table shows the amount of time you are expected to live after retirement.

**TMRS has no imminent plans to change the mortality table that is used to calculate retiree benefits.**

However, as you may know, the life expectancy of Americans has been steadily increasing for almost a century. Eventually, these potential increased years of benefits will have to be addressed, possibly during the next actuarial experience study of TMRS, presented in 2011. If the mortality table is to be changed, it is likely that the change will be made gradually, and it will be announced in TMRS publications and on our website.

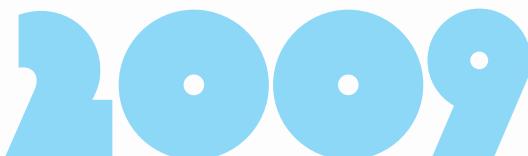
## Keep Your Address Current

Did you know that changing your address through your HR department or through other city offices isn't an official change of address with TMRS?

To change your address in our records, you need to complete a TMRS-CHNG (Address or Name Change) form, sign it, and fax it to 512.476.5576 or mail it to P.O. Box 149153, Austin, TX 78714-1953.

If we do not have a valid address for you, you will not receive your annual statement, estimates, or TMRS newsletters. So don't forget to keep your address information updated with TMRS.

## Board Changes



In early March, Governor Rick Perry reappointed April Nixon of Arlington and H. Frank Simpson of Missouri City to the Board of Trustees of the Texas Municipal Retirement System for terms to expire February 1, 2015.

On March 31, the Texas Senate confirmed these two and two earlier TMRS Board of Trustees appointments: Carolyn M. Linér of San Marcos, and Ben Gorzell, Jr. of San Antonio.

Ms. Linér, who serves as the Chair of the TMRS Board of Trustees for 2009, was reappointed to the Board for a six-year term to expire February 1, 2013. Mr. Gorzell, who was appointed in 2008 to serve through 2013, is Vice Chair for 2009.

## Board of Trustees

**Carolyn Linér, Chair**  
Director of Human Resources/  
Civil Service • San Marcos

**Ben Gorzell, Jr., Vice Chair**  
Director of Finance • San Antonio

**Pat Hernandez**  
Municipal Court Judge • Plainview

**April Nixon**  
Chief Financial Officer • Arlington

**Roel "Roy" Rodriguez, P.E.**  
Assistant City Manager /  
MPU General Manager • McAllen

**H. Frank Simpson**  
City Manager • Missouri City

**TMRS**

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PO Box 149153 • Austin, Texas 78714-9153

PRESORTED STANDARD  
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TMRS 2008  
Financial  
Report  
Inside

## 2009 Calendar

July 3	Holiday ( <i>Friday before Independence Day</i> )
July 8	Regional Pre-Retirement Conference, Abilene
August 21	Joint Meeting of the TMRS Board of Trustees and Advisory Committee, Austin
September 7	Holiday ( <i>Labor Day</i> )
September 25	TMRS Board of Trustees Meeting
October 23	TMRS Board of Trustees Meeting, Fort Worth
November 11	Holiday ( <i>Veterans Day</i> )
November 26-27	Holiday ( <i>Thanksgiving</i> )
December 4	TMRS Board of Trustees Meeting, Austin
December 24-25	Holiday ( <i>Christmas</i> )

## How to Contact TMRS

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If you have questions, suggestions, or ideas for stories, send a fax or an e-mail to the editor at 512.225.3781 or [communications@TMRS.com](mailto:communications@TMRS.com).