



# **TCDERS: Doing Retirement Right**

**Amy Bishop, TCDERS Executive Director**

# Overview

## Today's topics...

- Who we are
- Our mission and services
- Investment return assumption



# Who We Are



# TCDRS serves hardworking Texans

- TCDRS members and employers are public servants
- Reliable benefits

**20-25**  
new employers  
join each year

More than  
**800**  
employers

More than  
**330K**  
members and  
retirees

All figures as of Dec. 31, 2020.

# New TCDRS Employers in 2020

Bexar County ESD 5	Howard County AD	Reeves County ESD No. 2
Bexar County ESD #12	Lake Fork SUD	San Marcos HA
East Central SUD	Menard County HD	Seis Lagos UD
Fort Bend County ESD #7	Morris County AD	Throckmorton CAD
Harris County ESD #7	Northeast Gaines County ESD #1	Uvalde County AD
Hickory Creek SUD	Real County AD	Walker County ESD #2
Housing Authority of the City of Mission	Reeves County ESD No. 1	Woodbine SUD



# TCDRS is strong and responsibly funded

- One of the best-funded retirement systems in the nation
- \$37 billion in assets

**\$37B**  
in assets

**8.5%**  
35-year return

**87%**  
funded

All figures as of Dec. 31, 2020.

# We Do Retirement Right



Savings-based  
benefits



Responsible  
plan funding



Flexibility and  
local control

## **Our Mission**

**TCDRS' mission is to partner with Texas counties and districts to provide reliable benefits by:**

- Helping members retire with confidence
- Helping employers make informed decisions





# **Our Mission: Members**





# Patsy Berry

Long-distance hiker

- Kaufman County court reporter
- 37 years of service
- Retired in August 2012

Photo by Gerald McLeod





# Bert Dorrestyn

Bluewater sailor

- Bexar County Appraisal District employee
- 12 years of service
- Retired in December 2012

Photo courtesy of the Dorrestyns



# Willy Culberson

Cattle rancher and community volunteer

- Travis County STAR Flight pilot
- 50-year career in aviation
- Retired in 2017

Photo by Kelly E. Lindner













## **Best-in-class Services**

**We help members retire with confidence through these services:**

- Online account and website resources
- Individual benefit counseling
- Group retirement seminars
- Targeted webinars
- Modern, tailored communications

[Investments](#)[About Us](#)[Library](#)[Contact Us](#)[Members](#)[Employers](#)[Español](#)[LOGIN](#)[REGISTER](#)[Need Help?](#)

# Your Partner on the **Road to Retirement**

Texas County & District Retirement System

OUR MISSION







## Financial literacy: Knowledge is power

Family, work, school and more make demands on your time and on your money. Managing it all is a balancing act. When it comes to your financial life, the more you know about managing money, the better you'll be able to keep moving forward with what you've got.



## How can I improve my credit score?

The short answer is make your payments on time. Of course, there's [more to it than that](#). While having zero debt

# New & Upcoming Services

## What's new:

- Powerful new Customer Relationship Management (CRM) tool for the call center

## **New & Upcoming Services**

### **Coming soon:**

- Messaging and security center for the member account at [TCDRS.org](https://TCDRS.org)





# **Our Mission: Employers**





## **Best-in-class Services**

### **We help employers make informed decisions through these services:**

- Personalized, in-person presentations to boards and courts
- Annual conference
- Webinars and training videos
- Modern, tailored communications
- TCDRS Plan Customizer
- Economic modeling and special studies



**Ralph**

[ralph@tcdrs.org](mailto:ralph@tcdrs.org) 512-637-3354



**Erika**

[erika@tcdrs.org](mailto:erika@tcdrs.org) 512-637-3264



**Amy**

Employer Services Manager

[amyc@tcdrs.org](mailto:amyc@tcdrs.org) 512-637-3224



**Kristina**

Prospective Employers

[kristina@tcdrs.org](mailto:kristina@tcdrs.org) 512-637-3303



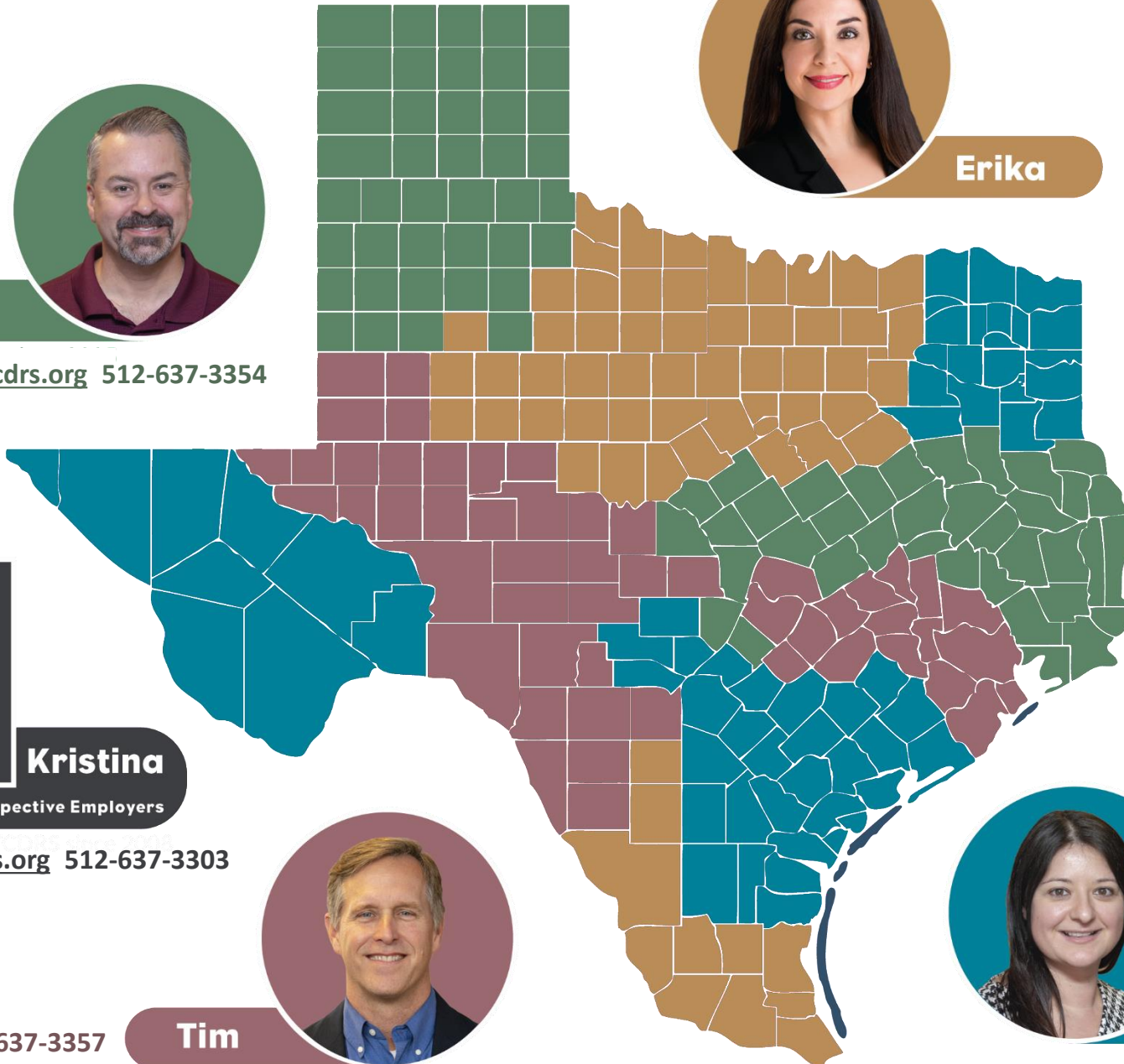
**Tim**

[tim@tcdrs.org](mailto:tim@tcdrs.org) 512-637-3357



**Roxanne**

[roxanne@tcdrs.org](mailto:roxanne@tcdrs.org) 512-637-3204







# Investment Return Assumption

---





# Investment Earnings Fund Benefits



**Estimated**

74¢

Investment  
Earnings

15¢

Employer  
Contributions

11¢

Employee  
Deposits

# Basic Funding Equation



$$\text{Benefits} = \text{Contributions} + \text{Investment Earnings}$$

For ease of illustration, the boxes reflecting money coming into the plan are shown as the same size. However, investments fund most of the benefits.

# Long-Term Outlook

- Looking forward, our long-term outlook anticipates rates and returns below historical norms.
- Forecasts have decreased across asset classes.
- TCDRS' portfolio long-term projected net return is 7.5%.

# Soundness Requires Synchronizing





## **Soundness Requires Synchronizing**

- The investment return assumption determines how much funding is expected to come from investments vs. employers.
- The assumption has been lowered to 7.5% from 8.0% to keep plans in balance.
- Lowering the assumption causes employer rates to increase.

# Soundness Requires Synchronizing



**Keeps Plans  
in Balance  
for the  
Future**





## **Soundness Requires Synchronizing**

It is important to synchronize so that:

- You have the best information for making decisions.
- Rates will be more stable over time.
- Plans will be responsibly funded.
- Will meet actuarial and audit standards.

# Mitigating Employer Rate Increases

The board used tools to smooth the one-time impact of the assumption changes:

- Reset liabilities to 20 years
- Used \$800 million of reserves
- Remaining reserves balance is \$1 billion



# You Have Choices

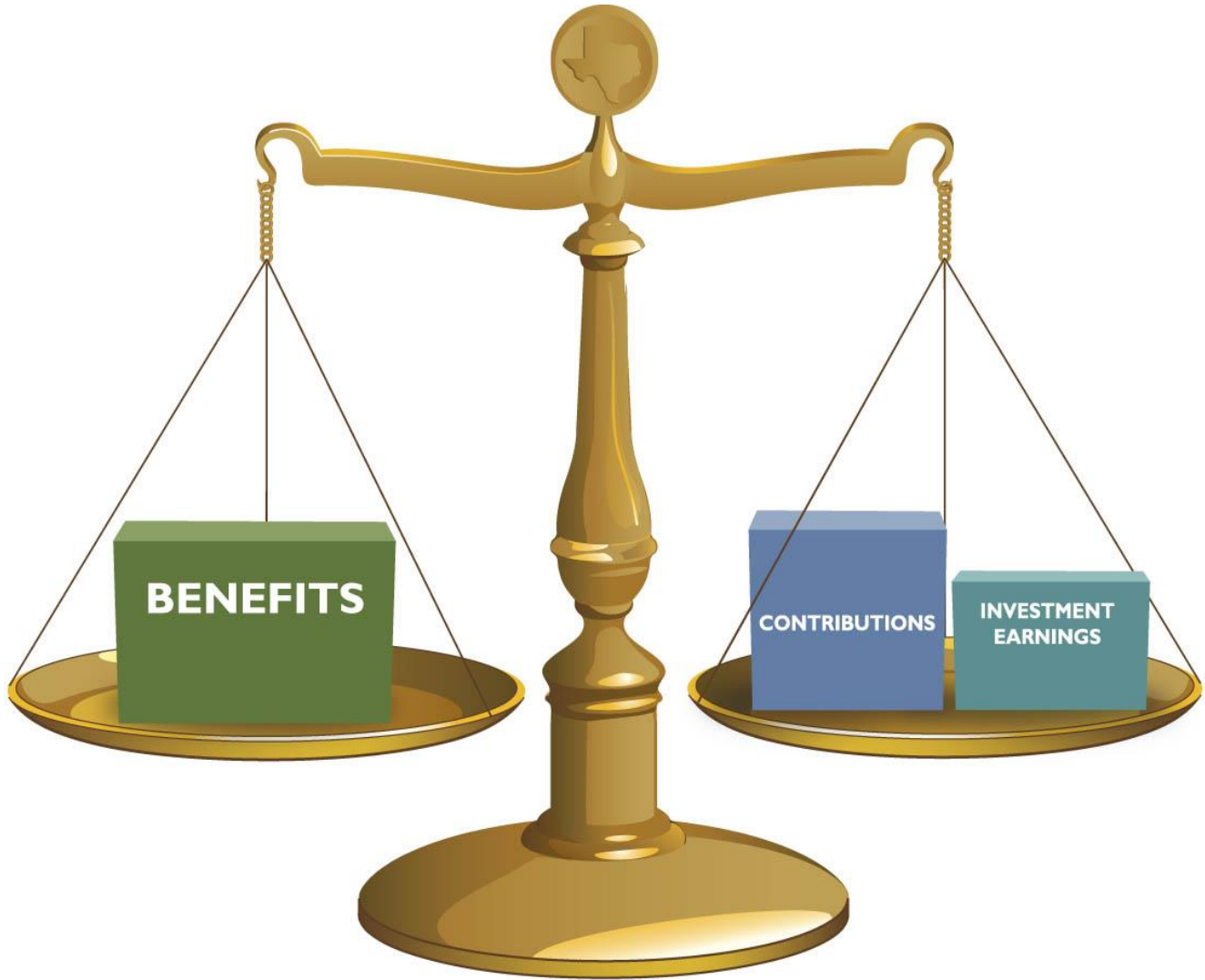
- You review your plan **annually**.
- You may **adjust** your employees' benefits to meet your local needs and budget.
  - Employer matching
  - Employee deposits
- You may choose to make additional contributions.

**You Have  
Choices**





**You Have  
Choices**



# Summary

- Our long-term outlook anticipates that rates and returns remain below historical norms.
- Soundness requires synchronizing assumptions with expectations.
- Helping you through this transition is our greatest investment.



# Conference Highlights

---

**2020  
Investment  
Performance**

**Casey Wolf**

TCDRS Chief Investment  
Officer

**10:30 a.m.**

**Today**

**TCDRS Funding:  
An Actuarial  
Perspective**

**Mark Olleman**

Milliman Principal and  
Consulting Actuary

**1:00 p.m.**

# Conference Highlights

## What's New: TCDRS Services

**Cynthia Gonzales**  
**Lisa Idais**

TCDRS Member Services  
Field Representatives

**9:00 a.m.**

**July 22**

## Your Plan Checkup

**Ralph Wallace**  
TCDRS Employer Services  
Representative

**11:10 a.m.**



# **Our Greatest Investment**



## Our Greatest Investment

### TCDRS powers Texas:

- \$1.8 billion in benefits paid in 2020
- 96% stays in Texas
- Supports:
  - \$2.5 billion in additional economic activity
  - 18,262 jobs created
  - \$1.5 billion added to the Texas GDP





Questions?