

# Tarrant County TCDRS Retirement Plan

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# TCDRS By the Numbers



Nearly  
**870**  
employers



Nearly  
**380,000**  
members &  
retirees



**89%**  
funded



**7.6%**  
30-year  
return



**\$46B**  
in assets

# Set Up For Success

- Created in **1967** by the Texas Legislature
- Receive **no funding** from the State of Texas
- Operating costs average **0.18%** of assets
- Managed independently by a **nine-member** board of trustees

# Our Plan Design

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## Defined Benefit Plans

Traditional Pension Plans

Benefit based on employee final salary

Monthly benefit lasts a lifetime

Employer assumes investment risk

## TCDRS

Benefit based on employee account balance and employer matching

Monthly benefit lasts a lifetime

Investment risk is shared

## Defined Contribution Plans

401(k)

Benefit based on employee savings and employer matching, if provided

Benefit may not last a lifetime

Employee assumes investment risk



# TCDRS Does Retirement Right

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**Savings-based**  
Benefits



**Responsible**  
Plan Funding



**Flexibility &**  
Local Control

# Average Employee & Retiree Profile

- Your Employees:
  - **44** years old
  - **11** years of TCDRS service
- Your Retirees:
  - **61** years old at retirement
  - **20** years of service at retirement
  - **\$40,000** average annual TCDRS benefit

# TCDRS Benefits Texas

- **\$2.3 billion** in benefits paid in 2023
  - Benefits paid in Tarrant County:  
**\$101,287,523**
- Supports Texas economy
  - **\$3.3 billion** in additional economic activity
  - **21,824** jobs created
  - **\$1.9 billion** added to Texas GDP

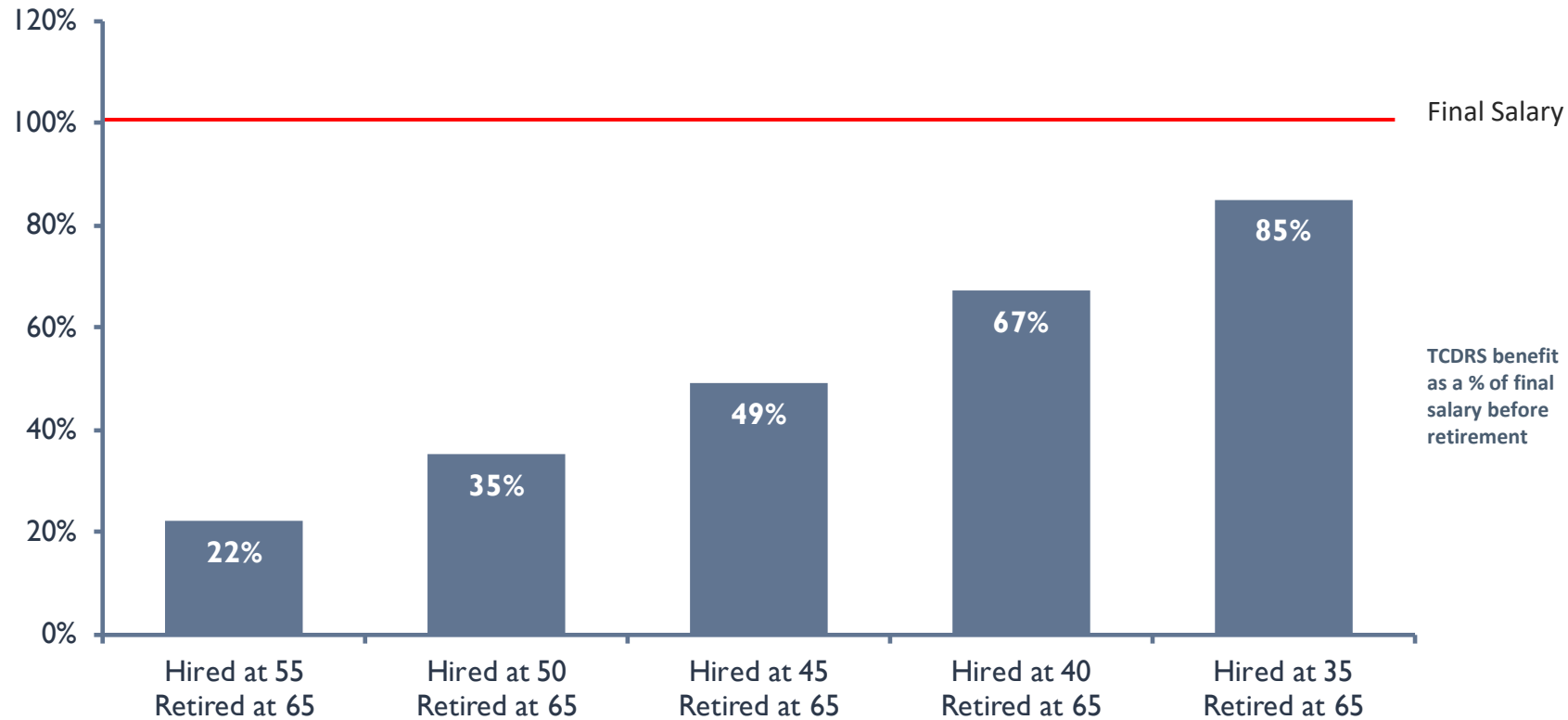
# Your Plan of Benefits

- Employee deposit rate: **7%**
- Employer matching rate: **200%**
- Vesting: **8** years of service
- Retirement eligibility:
  - Age 60 with **8** years of service
  - Rule of **75** (must be vested)
  - **30** years of service at any age



# What You Provide at Retirement

The following chart shows the estimated TCDRS benefit as a percentage of final salary prior to retirement for a new hire:



## Assumptions

- Employees are new hires and will work for you until retirement.
- Your current plan provisions will remain in effect through employee's retirement.
- Current laws governing TCDRS will continue as they are.
- Graded salary scales give bigger raises early in careers, with smaller raises later in careers (see Summary Valuation Report at [www.tcdrs.org](http://www.tcdrs.org)).
- Based on Single Life benefit.

# Investment Income Funds Benefits



Estimated

74¢

Investment  
Earnings

15¢

Employer  
Contributions

11¢

Employee  
Deposits

# Diversified Portfolio Reduces Risk



## Target Asset Allocation

As of March 2024

# Investment Returns (Net of All Fees)

As of Dec. 31, 2023

| Annualized<br>Returns | 2023<br>Return | 5<br>Year | 10<br>Year | 20<br>Year | 30<br>Year |
|-----------------------|----------------|-----------|------------|------------|------------|
| Total Fund            | 11.1%          | 10.5%     | 7.8%       | 7.3%       | 7.6%       |
| Benchmark             | 11.3%          | 9.2%      | 6.6%       | 6.5%       | 6.5%       |

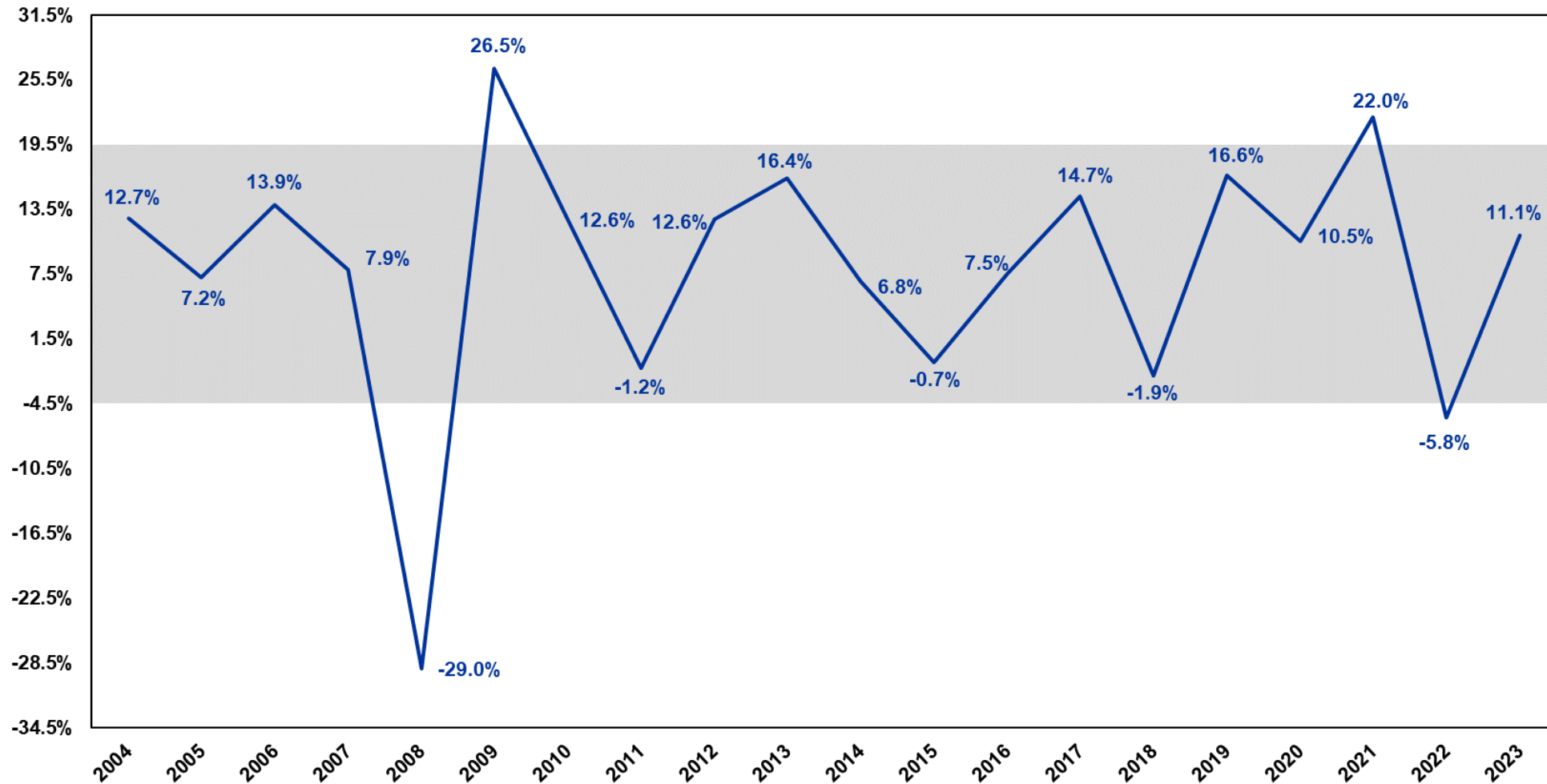
# Your Plan Rate Change: 2024-2025

| Reason for Rate Change            | 2024-2025     |
|-----------------------------------|---------------|
| <b>2024 Rate</b>                  | <b>12.35%</b> |
| Plan changes adopted              | TBD           |
| Investment returns                | -0.03%        |
| Elected rate/lump sum             | -0.70%        |
| Demographic and other changes     | 0.00%         |
| Assumptions and methods           | -0.08%        |
| <b>2025 Rate</b>                  | <b>11.54%</b> |
| <b>Dec. 31, 2023 Funded Ratio</b> | <b>91.5%</b>  |

# Achieving Long-term Investment Goals

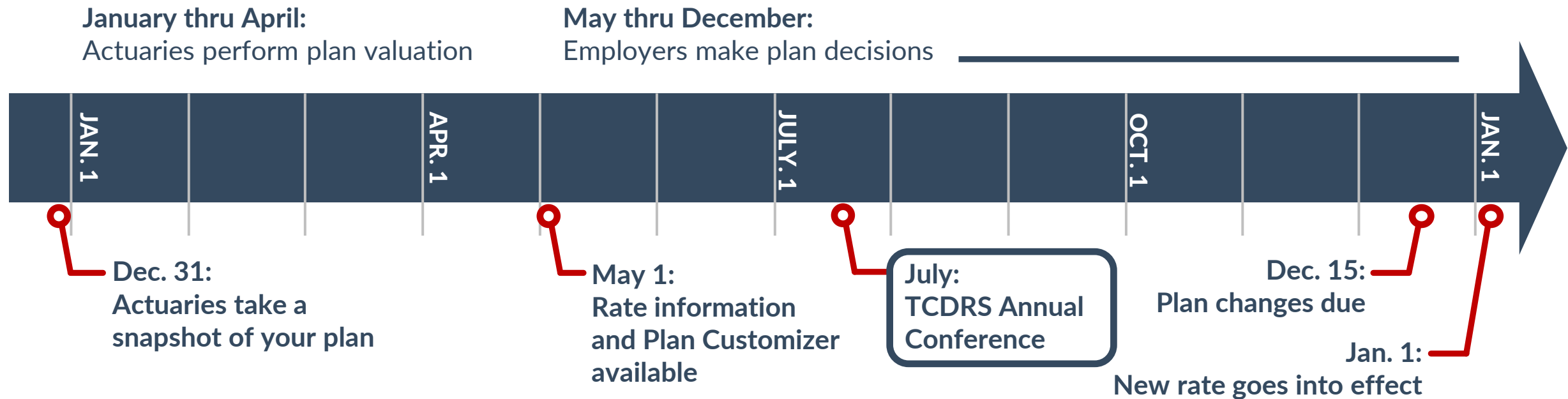
(Net of All Fees)

## Expected Risk & Return





# When You Review Your Plan







Questions?