



# Tarrant County TCDRS Retirement Plan

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# TCDRS By the Numbers



More than  
**830**  
employers



More than  
**345,000**  
members &  
retirees



**89%**  
funded



**9.9%**  
40-year  
return



**\$45B**  
in assets

# Set Up For Success

- Created in **1967** by the Texas Legislature
- Receive **no funding** from the State of Texas
- Operating costs average **0.21%** of assets
- Managed independently by a **nine-member** board of trustees

# TCDRS Does Retirement Right

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**Savings-based**  
Benefits



**Responsible**  
Plan Funding



**Flexibility** &  
Local Control

**Halley Challis**

**TCDRS Member  
since 2008**

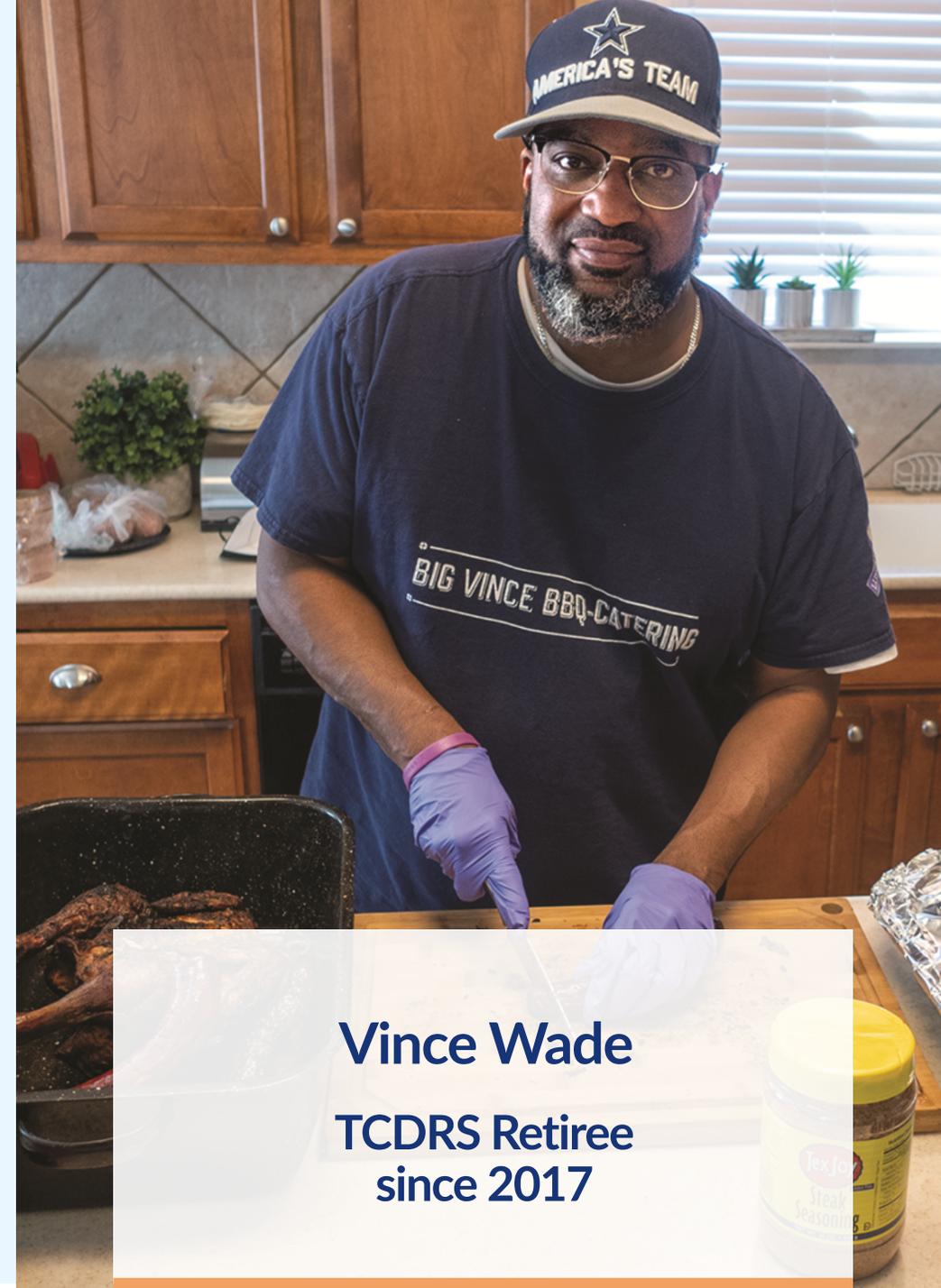


**7%** is deposited into your employees' accounts and earns 7% annually

**Employees Save for  
Their Own Retirement**

Final account balance  
matched at retirement.  
Current matching is **200%**

## Employees Earn a Lifetime Benefit



**Vince Wade**

**TCDRS Retiree  
since 2017**

# Average Employee & Retiree Profile

- **Your Employees:**

- **45** years old
- **11** years of TCDRS service

- **Your Retirees:**

- **61** years old at retirement
- **19** years of service at retirement
- **\$38,700** average annual TCDRS benefit

# TCDRS Benefits Texas

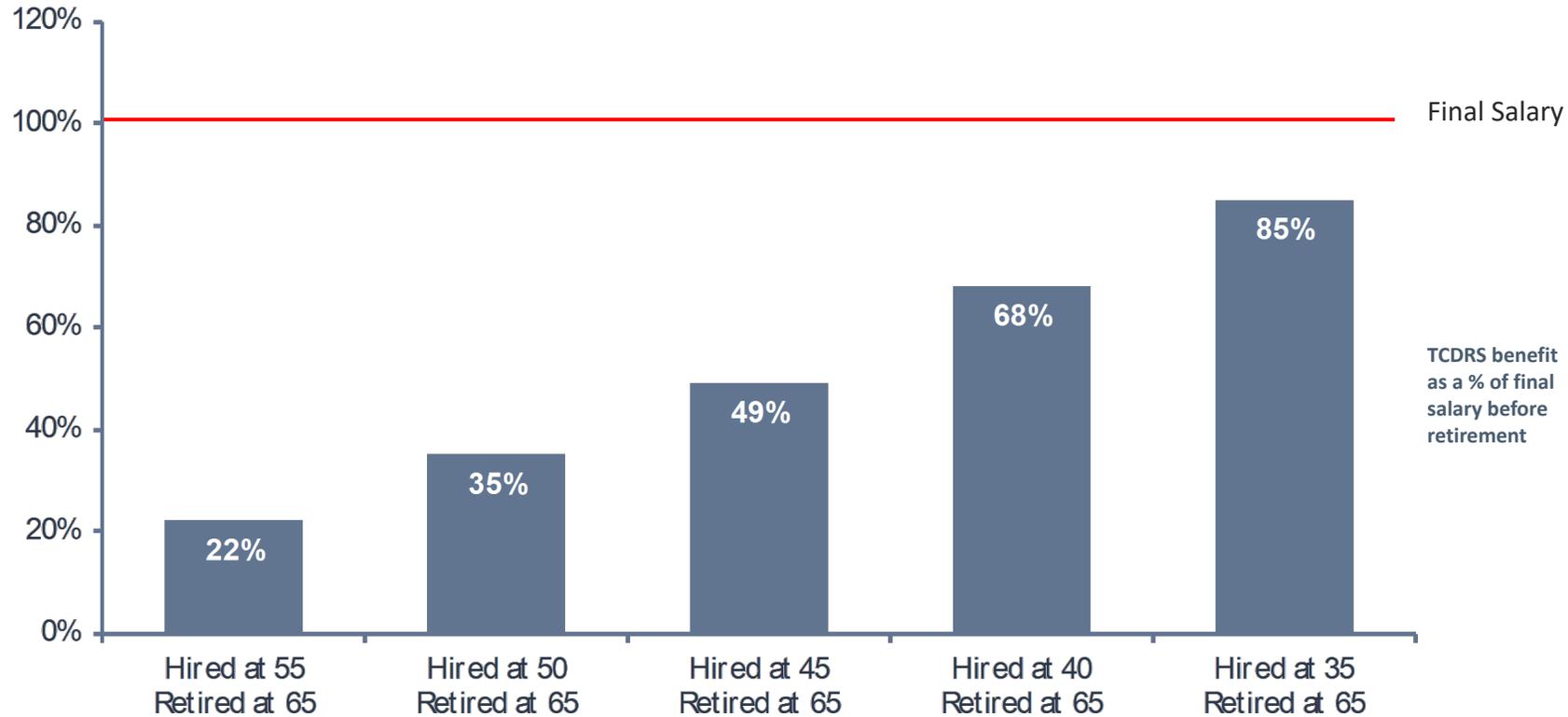
- **\$1.9 billion** in benefits paid in 2021
  - Benefits paid in Tarrant County:  
**\$88,285,580**
- Supports Texas economy
  - **\$2.9 billion** in total economic output
  - **19,364** jobs created
  - **\$1.7 billion** added to Texas GDP

# 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¢	15¢	11¢
Investment Earnings	Employer Contributions	Employee Deposits

# Diversified Portfolio Reduces Risk



## Target Asset Allocation

As of March 2023

# Investment Returns (Net of All Fees)

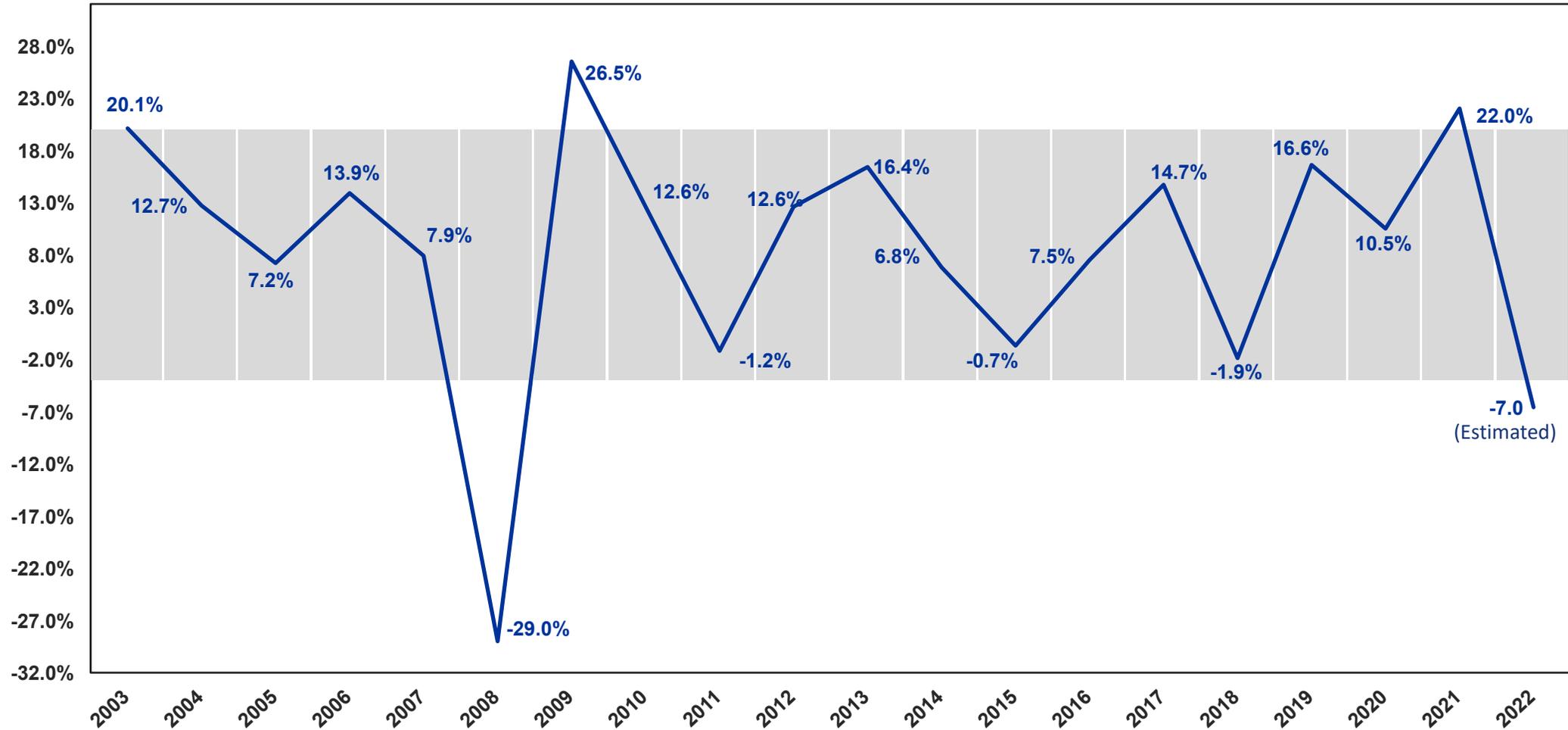
As of Dec. 31, 2021

Annualized Returns	2021 Return	5 Year	10 Year	20 Year	30 Year	40 Year
<b>Total Fund</b>	<b>22.0%</b>	<b>12.1%</b>	<b>10.2%</b>	<b>8.2%</b>	<b>8.2%</b>	<b>9.9%</b>
<b>Benchmark</b>	<b>17.2%</b>	<b>11.1%</b>	<b>8.9%</b>	<b>7.3%</b>	<b>7.1%</b>	<b>8.8%</b>

# Achieving Long-term Investment Goals

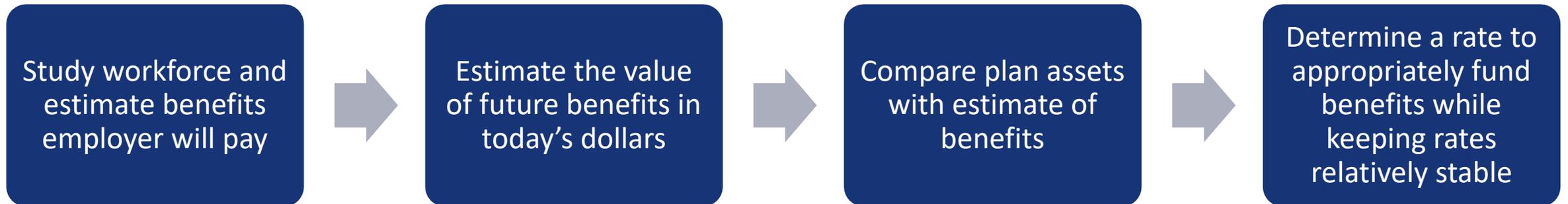
(Net of All Fees)

## Expected Risk & Return



# How Employer Rates are Determined

- Each year TCDRS actuaries look at each plan to determine their required contribution rate



# Your Plan Funding

- Employer rate for 2024: **12.07%** of payroll
- Elected rate: **19.50%** of payroll
- Your rate does two things:
  - Investing for your current employees' future benefits
  - Paying down your liabilities within 20 years

# Your Plan Rate Change: 2023-2024

Reason for Rate Change	2023-2024
<b>2023 Rate</b>	<b>12.92%</b>
Plan changes adopted	TBD
Investment returns	0.27%
Elected rate/lump sum	-0.54%
Demographic and other changes	-0.58%
Assumptions and methods	0.00%
<b>2024 Rate</b>	<b>12.07%</b>
<b>Dec. 31, 2022 Funded Ratio</b>	<b>90.2%</b>

# Ways to Help Keep Rates Stable

- Maintain or adjust your benefit levels
- Contribute at a higher elected rate
- Make an additional employer contribution

# You Make the Call Each Year

## 2024 Contribution Rates\*

		Employee Deposit Rate			
		7%	6%	5%	4%
Matching Rate	250%	14.80%	12.95%	11.15%	9.38%
	225%	13.43%	11.80%	10.21%	8.62%
	200%	12.07%	10.67%	9.27%	7.87%
	175%	10.75%	9.54%	8.33%	7.12%
	150%	9.44%	8.41%	7.39%	6.36%
	125%	8.12%	7.28%	6.45%	5.61%
	100%	6.80%	6.15%	5.50%	4.86%

\* All benefit changes presented are for future only options.

# Passing Cost-of-Living Adjustments

- Two types
  - **Flat-Rate:** Increases all your retiree benefits by the same percentage
  - **CPI-Based:** Retiree purchasing power restored relative to Consumer Price Index
- Not automatic
- Two ways to fund a COLA
  - Over 15 years as part of your employer rate
  - Immediately with an extra contribution

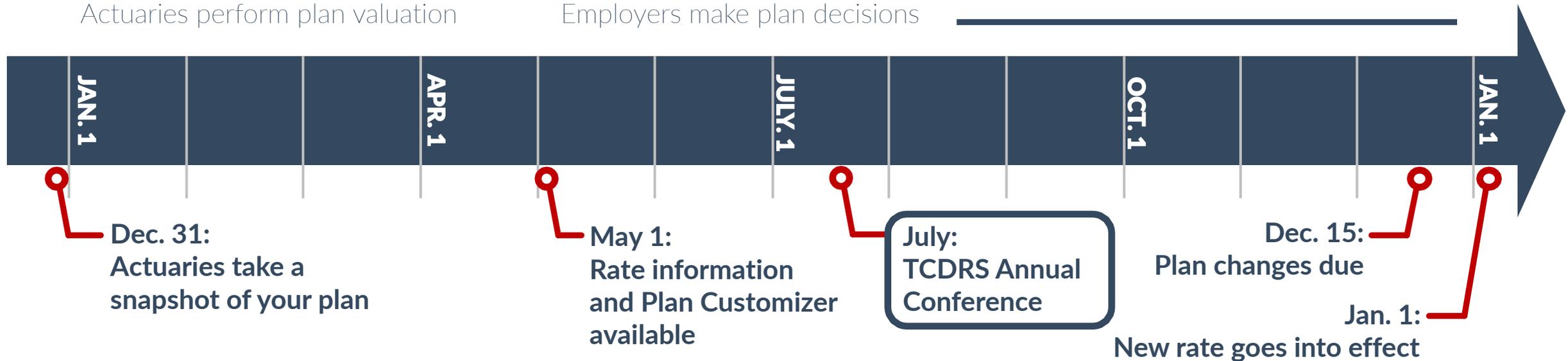
# When You Review Your Plan

## January thru April:

Actuaries perform plan valuation

## May thru December:

Employers make plan decisions





**Questions?**