

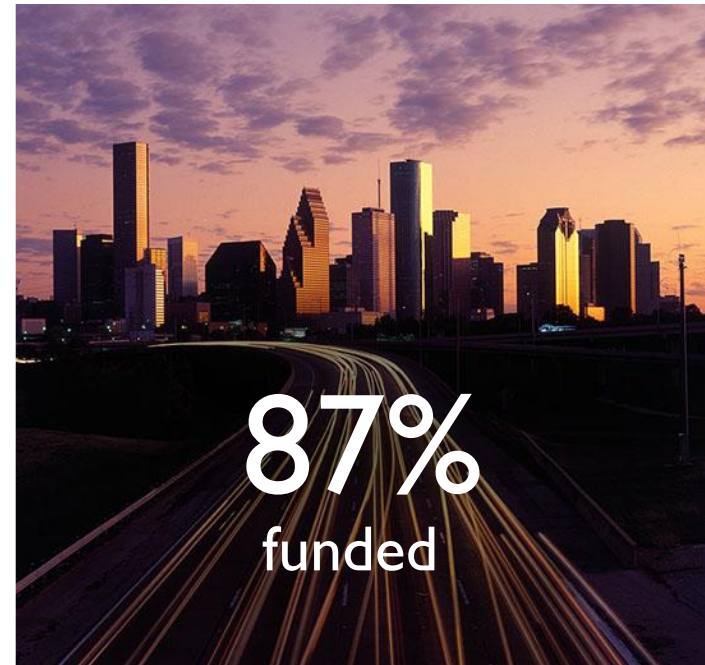
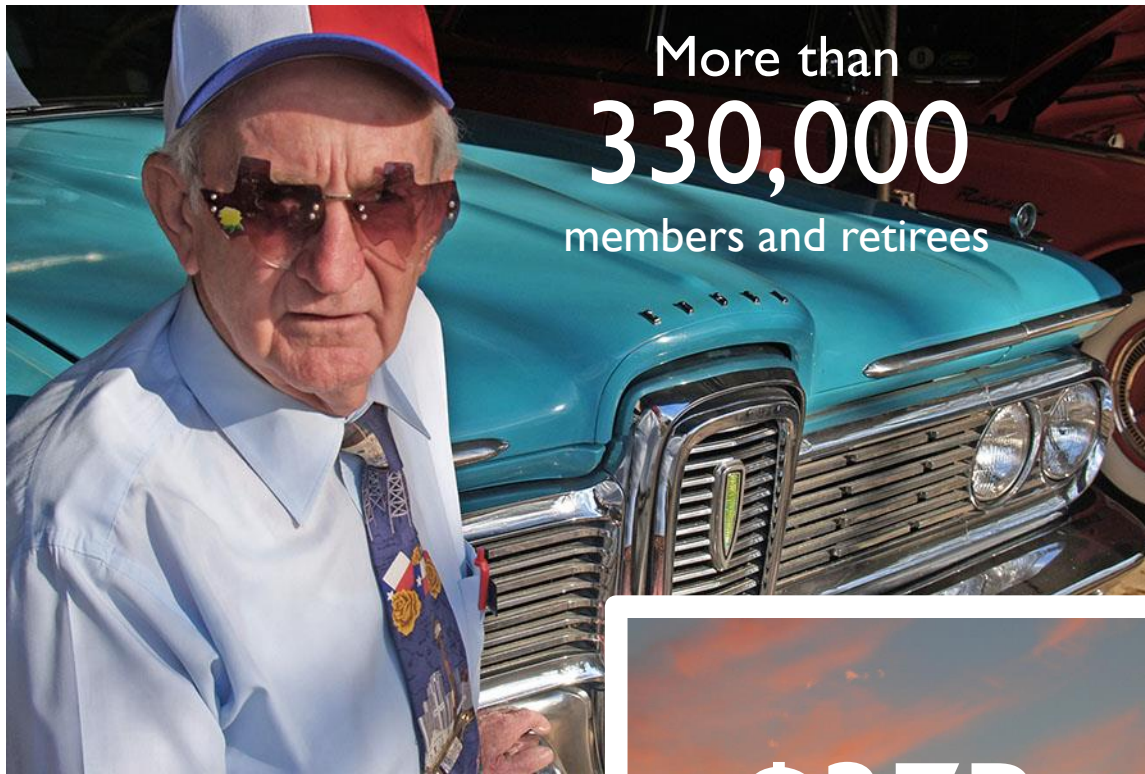


TCDRS: Doing Retirement Right

Amy Bishop
TCDRS Executive Director

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Member Services Field Manager





Set Up for Success

- Created in **1967** by the Texas Legislature
- Managed independently by a **nine-member** board of trustees
- Manage **\$37 billion** in assets as of Dec. 31, 2020
- Operating costs average **0.2%** of assets
- Receive **no funding** from the State of Texas

TCDRS Benefits 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 Texas GDP

TCDRS Does Retirement Right

- Savings-based benefits
- Responsible plan funding
- Flexibility and local control

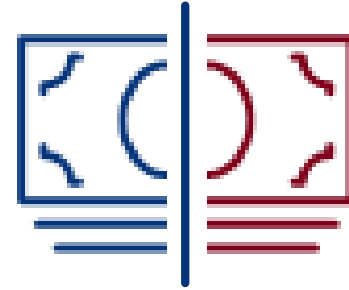
Savings-Based Benefits



Members save for
their own
retirement,
automatically.



Savings grow at
an annual,
compounded
rate of 7%
interest, set by
statute.



Final account
balance matched at
retirement.
Converted to a
lifetime benefit. 7
payout options to
choose from.

System-Wide Average Retiree Profile

As of Dec. 31, 2020

Average Age	Average Years of Service	Average Annual Benefit ¹
61	18	\$25,332

All averages reflect plan provisions in effect at the time of each retirement. The averages are based on data that is currently available.

¹Includes cost-of-living adjustments adopted by employers.

Investments Fund Benefits



77¢
74¢

Investment
Earnings

13¢
15¢

Employer
Contributions

13¢
11¢

Employee
Deposits

Estimated

Diversified Portfolio Reduces Risk

As of March 2021



Target Asset Allocation

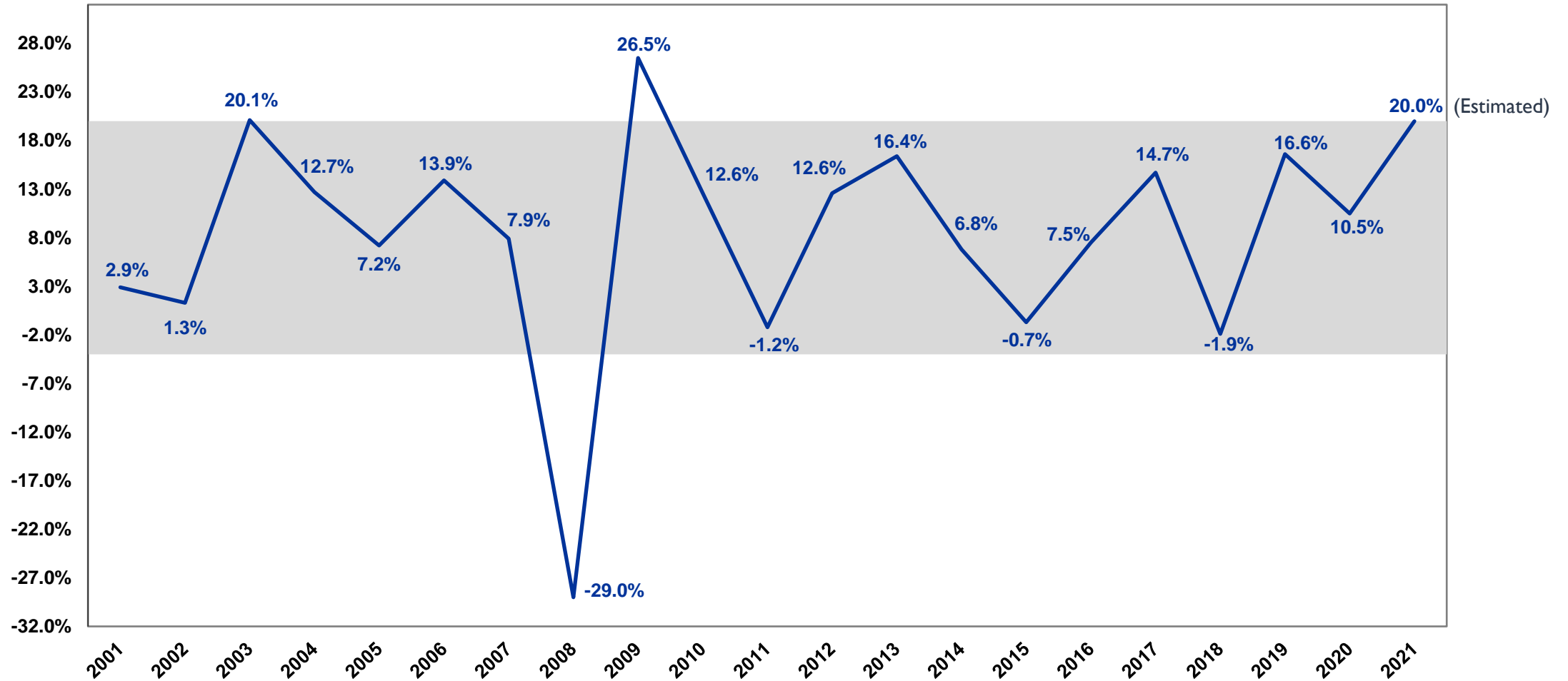
Investment Returns (Net of All Fees)

As of Dec. 31, 2020

Annualized Returns	2020 Return	5 Year	10 Year	20 Year	30 Year	35 Year
Total Fund	10.5%	9.3%	7.9%	7.2%	8.1%	8.5%
Benchmark	12.4%	9.3%	7.1%	6.6%	7.0%	7.4%

Achieving Long-term Investment Goals (Net of All Fees)

Expected Risk & Return



Responsible Plan Funding

- Employers' contributions are calculated annually
 - Based on your plan of benefits, employee group and experience
 - Must pay **100%** of required contributions
 - Board has a conservative funding policy with liabilities funded over 20 years
- 2021 weighted-average required employer contribution rate is **11.88%**. Unweighted average is 8.71%

Other Tools to Stabilize Rates

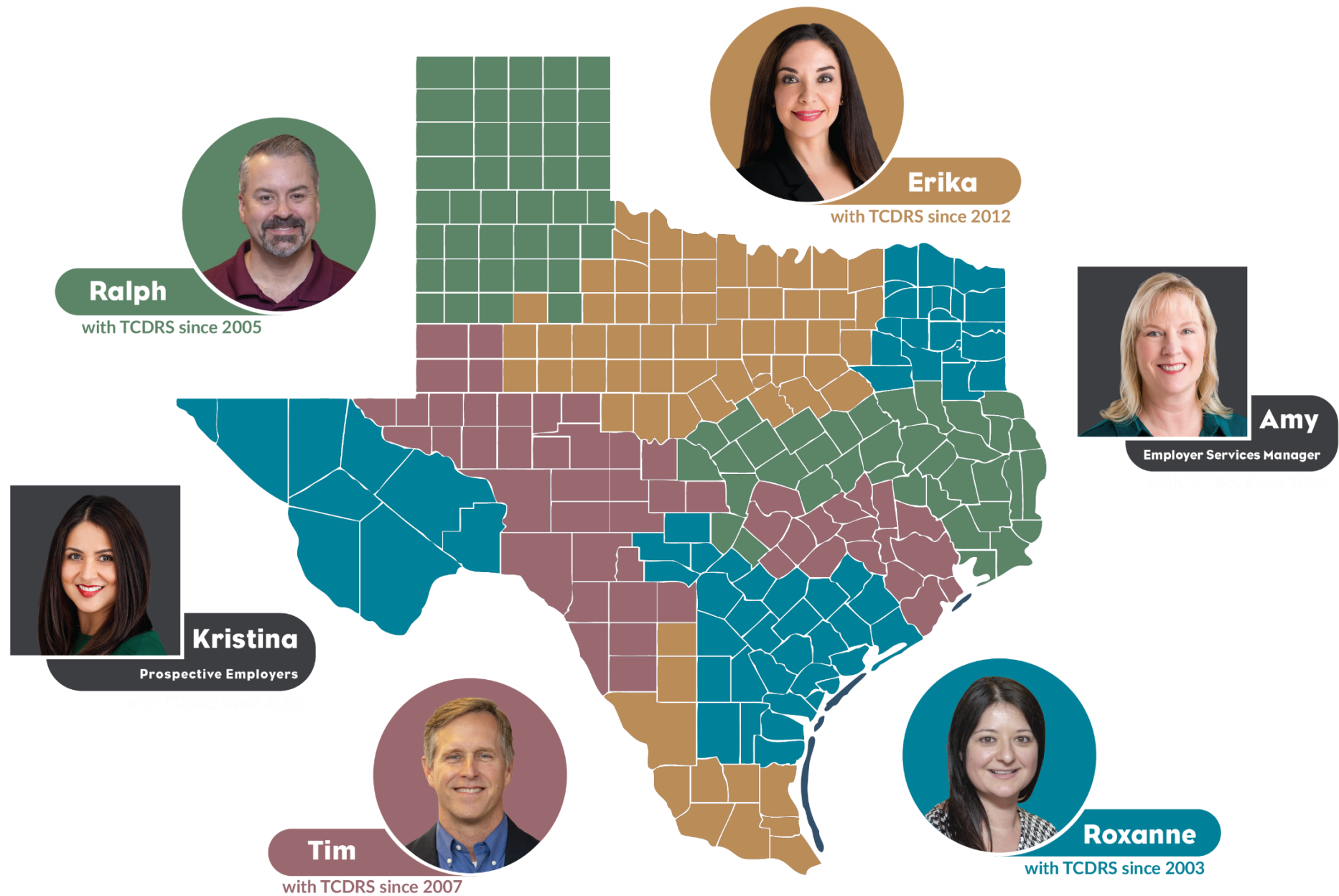
- TCDRS maintains a **reserves fund** that may be used to offset adverse experience.
- Employers have options to make **additional contributions**:
 - 27% pay an elected rate higher than required
 - Others make lump sum contributions
- Additional contributions create buffers, improve budget stability, pay down liabilities faster and prefund benefit enhancements.

Flexibility and Local Control

- Annually, you may adjust or maintain benefits based on your local needs and budgets
- Choose whether to make additional contributions

YOUR ANNUAL PLAN DECISIONS





800-651-3848 ★ employerservices@tcdrs.org



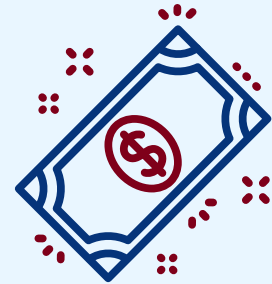
How YOUR PLAN WORKS



4 - 7% of your pay is deposited into your TCDRS account each pay period.

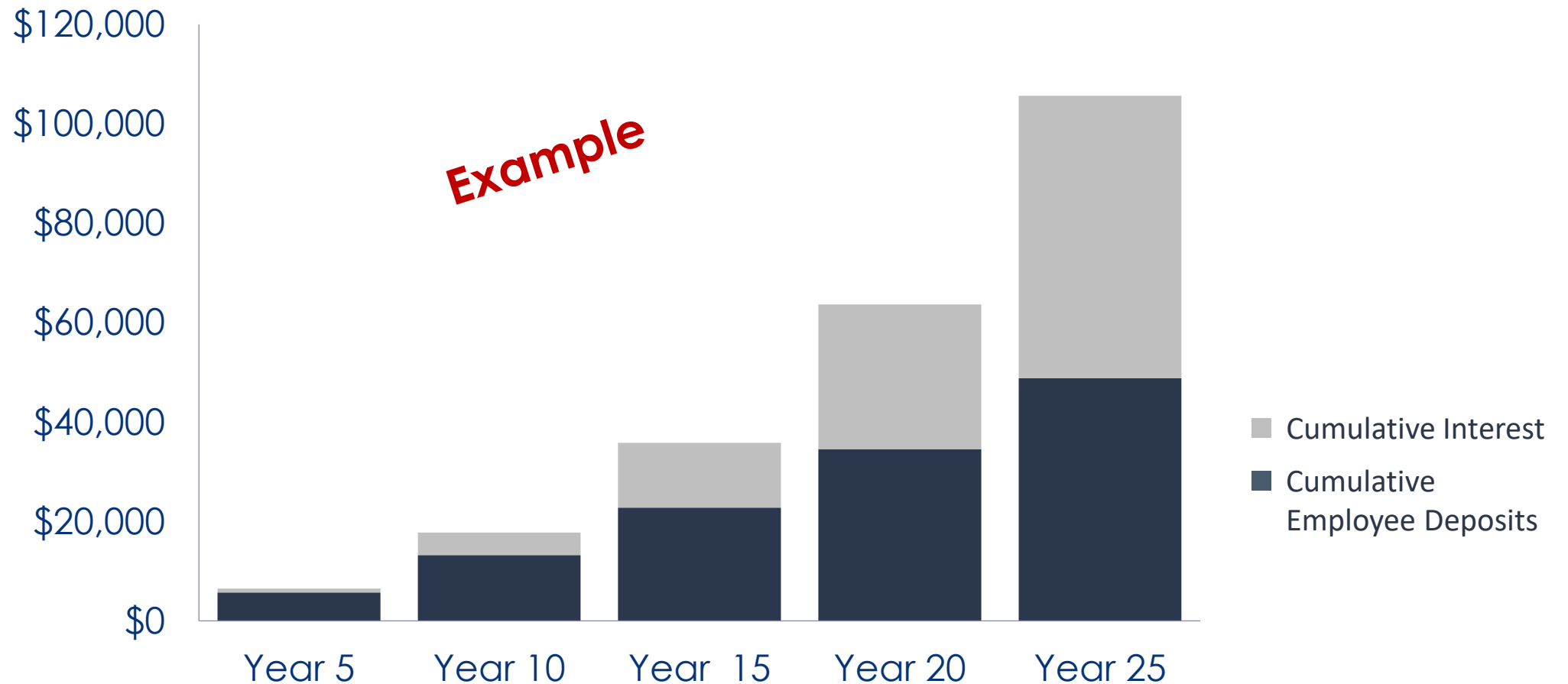


Your savings grow at an annual, compounded rate of 7% interest.



You earn a lifetime benefit based on your account balance + up to 250% employer matching.

Compound INTEREST PAYS OFF



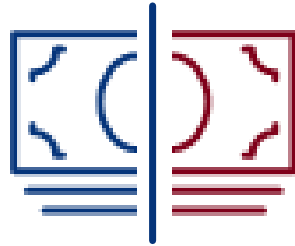
Lifetime **BENEFIT**

Total
Retirement Funds



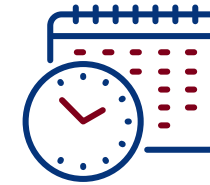
**Account
Balance**

+



**Employer
Matching**

Fixed
Monthly Benefit



Age

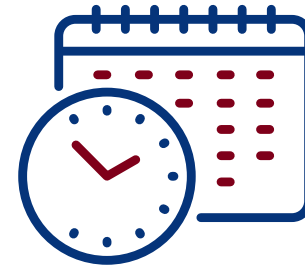


**Benefit Payment
Option**

How to Get **SERVICE TIME**



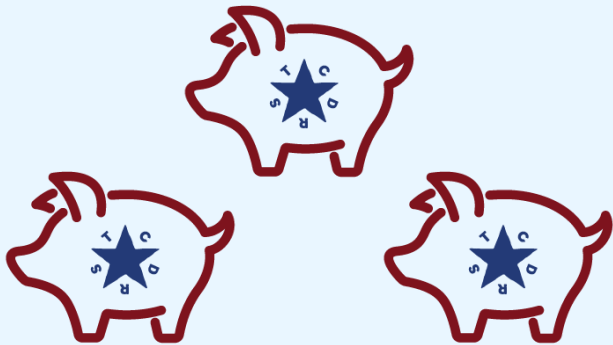
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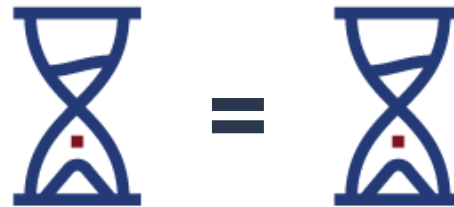
One TCDRS deposit

**One month of
TCDRS service time**

OTHER WAYS *to* EARN SERVICE TIME



**MULTIPLE
TCDRS ACCOUNTS**



**PROPORTIONATE
RETIRMENT PROGRAM**

ERS, JRS, TRS, TMRS, COA



**MILITARY SERVICE
TIME OR USERRA**

SURVIVOR BENEFIT

**Earned after 4 years of
TCDRS service**

**Beneficiaries have option of lifetime
monthly benefit**

Gives loved ones peace of mind

SURVIVOR BENEFIT

One of two options



**Lifetime Monthly
Benefit**

(Employer Matching Included)



**Withdrawal of
Account Balance**

(No Employer Matching)

VESTING

Vested after 5, 8 or 10 years of service

Means you've earned the right to a lifetime benefit when you're eligible and choose to retire

RETIREMENT ELIGIBILITY

Age

Service

Age 60

and

5, 8 or 10 years

Age

plus

Years of service = 75 or 80

Any age

and

20 or 30 years

* Employee must be vested

Benefit Payment OPTIONS

7 options

All provide a
lifetime benefit

Difference reflects
possible payments
to beneficiary

Consider your financial
needs as well as your
loved ones

Leaving **EMPLOYMENT**



Keep money with TCDRS

- + 7% interest
- + Lifetime benefit possible



Rollover

- Forfeit Lifetime Benefit & Employer Matching
- + Avoid paying taxes



Withdraw

- Forfeit Lifetime Benefit & Employer Matching
- Pay significant taxes

Online **Services**

TCDRS.org/OnlineCounseling

- Learn more about your benefits
- Receive personalized estimates
- Review benefit payment options

**All you need is a computer
or mobile device, and an
internet connection.**

No webcam required!



Questions?