

Doing Retirement Right

Amy Bishop
TCDRS Executive Director



TCDRS By the Numbers



Nearly
850
employers



More than
360,000
members & retirees



89%
funded



9.0%
40-year return

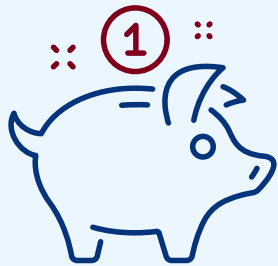


\$42B
in assets

Set Up for Success

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

Unique Features That Make TCDRS Financially Strong



**Savings-Based
Benefits**



**Responsible Plan
Funding**



**Flexibility &
Local Control**

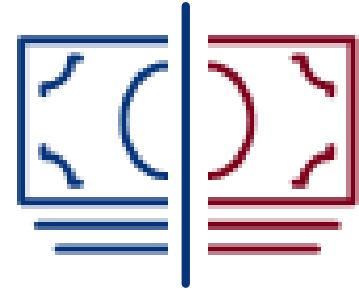
Savings-Based Benefits



Members save for their own retirement, automatically.



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



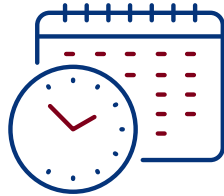
Final account balance matched at retirement. Converted to a lifetime benefit.

System-Wide Average Retiree Profile



Age

61



Years of Service

18



Annual Benefit ¹

\$27,120



As of Dec. 31, 2022

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

TCDRS Benefits Texas



- In 2022, paid out **\$2.1 billion** in benefits
- **96%** paid to Texas residents
- Benefit payments supported **\$3 billion** in additional economic activity

Importance of Investments



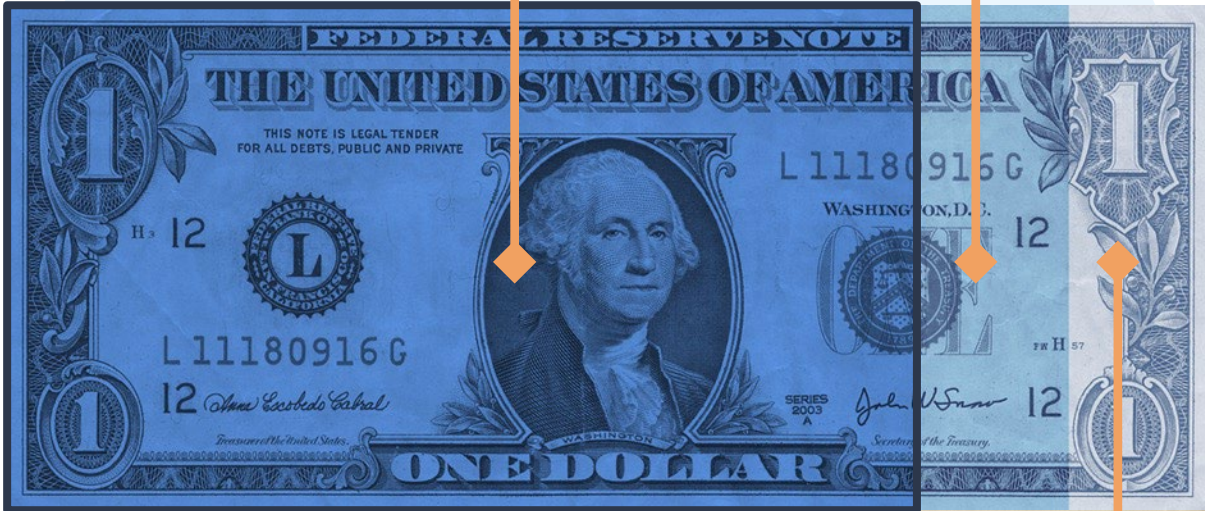
Investment Income Funds Benefits

74¢

Investment
Earnings

15¢

Employer
Contributions



11¢

Employee
Deposits



TCDRS' Investment Strategy

Maximize Returns

Diversified Portfolio Reduces Risk

Target Asset Allocation



Investment Returns

(Net of All Fees)

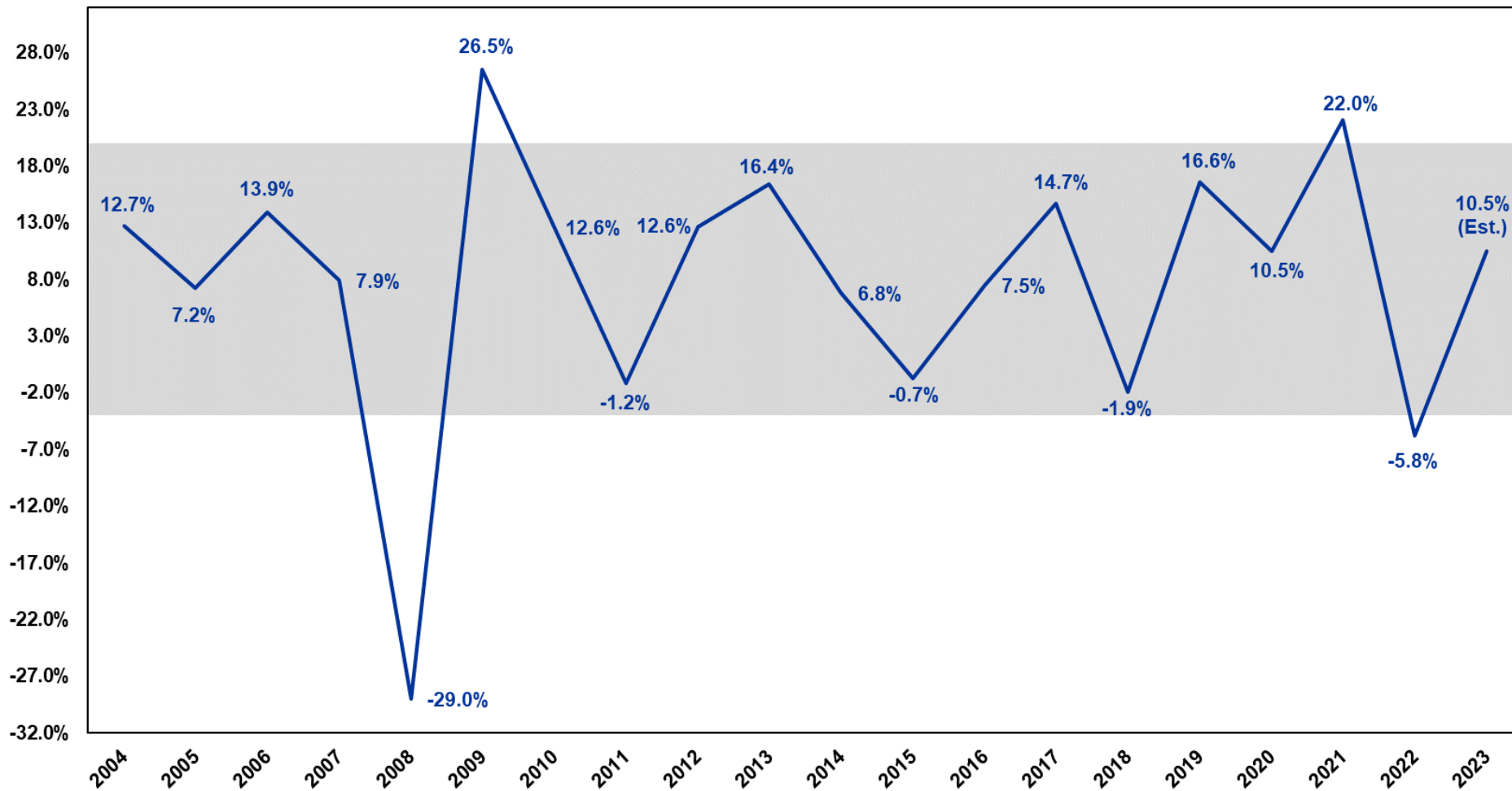
As of Dec. 31, 2022

Annualized Returns	5 Year	10 Year	20 Year	30 Year	40 Year
Total Fund	7.8%	8.3%	7.8%	7.6%	9.0%
Benchmark	6.1%	6.8%	6.9%	6.5%	7.8%

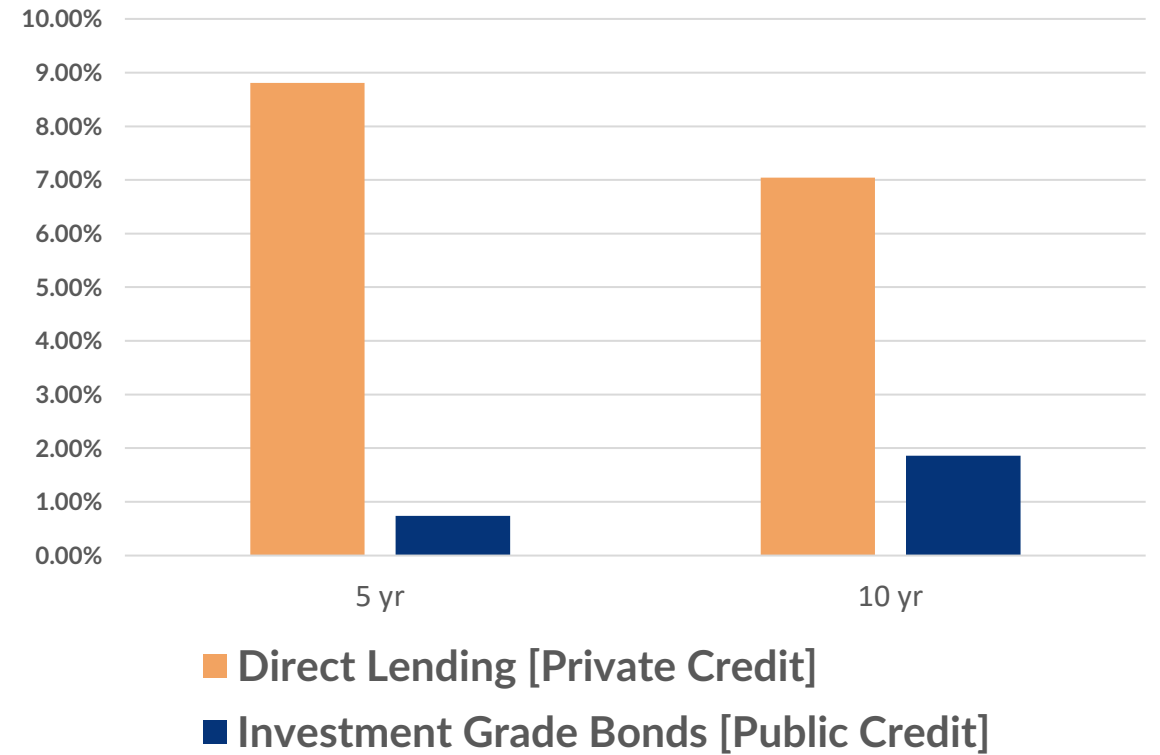
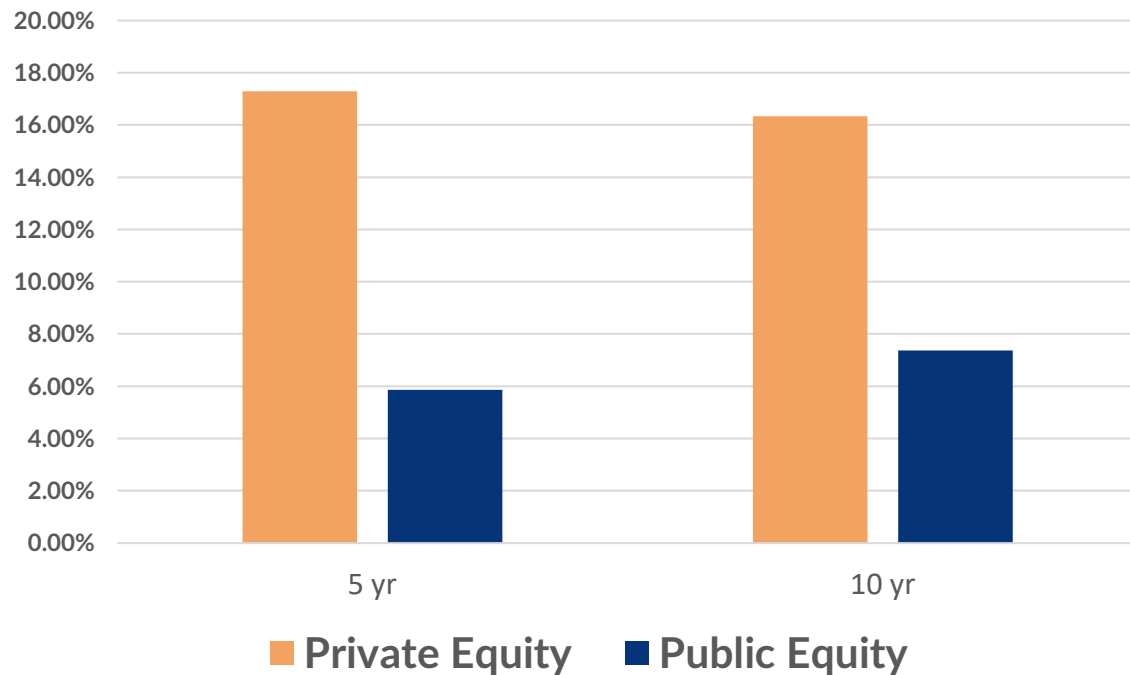
Investment Returns 2004-2023

(Net of All Fees)

Expected Risk & Return



Private vs. Public Equity & Credit



Returns are net of fees as of 9/30/2023
Source: BNY Mellon

Responsible Plan Funding



- Employers' contributions are **calculated annually**
- **Must pay 100%** of required contributions
- 2023 weighted-average required employer contribution rate was 12.38%. Unweighted average was 9.64%
- Board has a conservative funding policy.



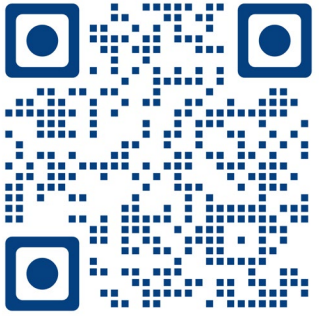
Flexibility and Local Control

- Employers **choose benefit levels** based on their local needs and budgets
- Employers may increase or reduce benefits annually by adjusting:
 - Employee deposit rate; and/or
 - Employer matching

Other Tools to Stabilize Rates

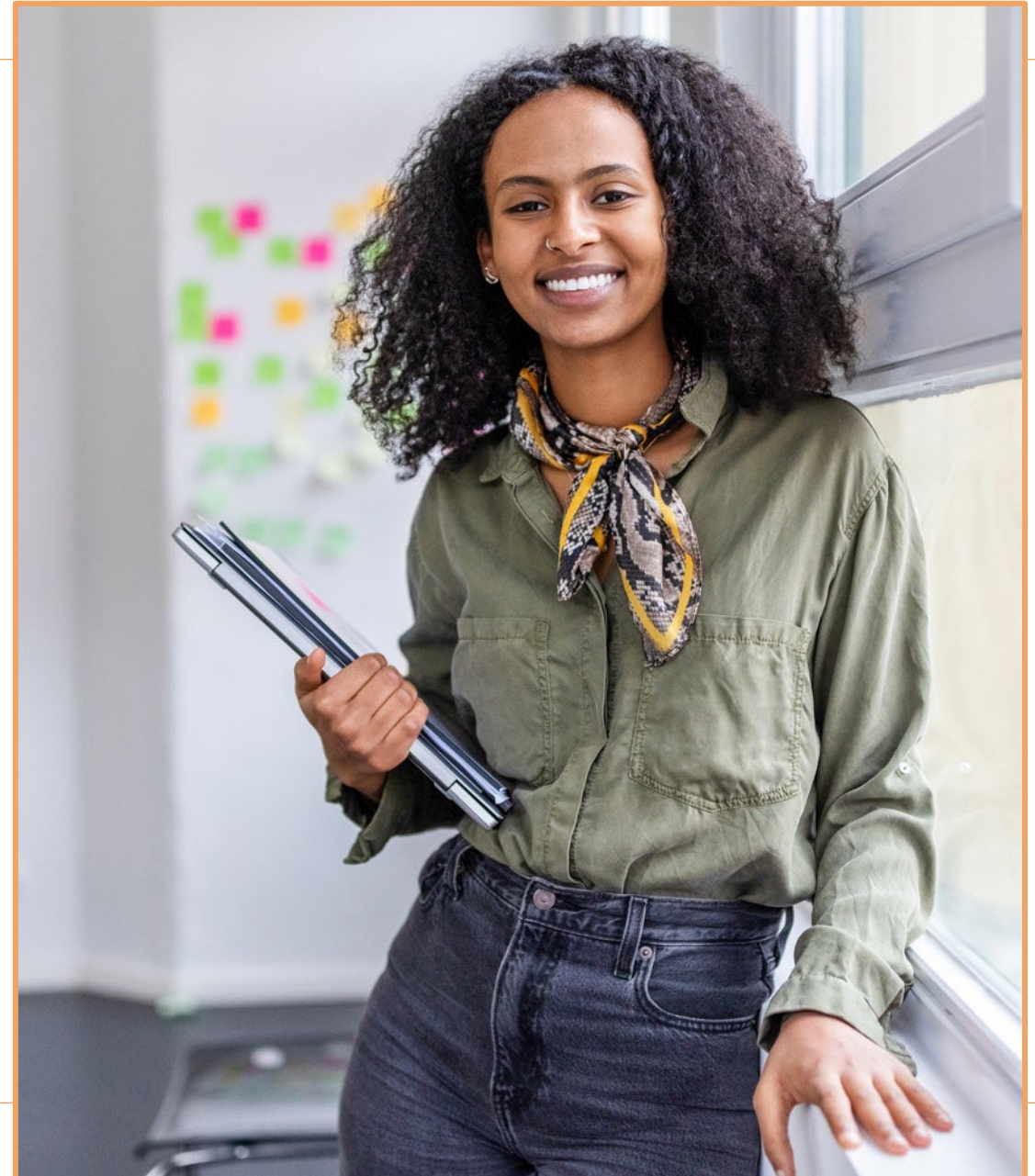


- TCDRS maintains a **reserves fund** that may be used to offset adverse experience.
- Employers have options to **make additional contributions**:
 - Over one-third of employers pay an elected rate and/or make additional contributions



Stay Informed Stay Involved

- Get to know your Employer Services Representative
- Keep an eye out for TCDRS-hosted educational events
- Meet our new Director of Governmental Affairs Jay Dyer
- Read the latest legislative updates at [TCDRS.org/legislation](https://www.tcdrs.org/legislation).



Any
QUESTIONS?

