



Texas Pension Review Board

Guide to Public Retirement Systems in Texas

A Comparison of Statutory Public Retirement Systems in Texas

January 2011

Texas Pension Review Board



Richard E. McElreath, Chair

Position: Securities & Investment
Term Expiration: January 31, 2013
Hometown: Amarillo

Norman W. Parrish

Position: Actuarial Science
Term Expiration: January 31, 2013
Hometown: The Woodlands

Paul A. Braden, Vice Chair

Position: Pension Law
Term Expiration: January 31, 2015
Hometown: Dallas

Wayne R. Roberts

Position: Governmental Finance
Term Expiration: January 31, 2015
Hometown: Austin

Andrew W. Cable

Position: Active Member
Term Expiration: January 31, 2013
Hometown: Wimberley

The Honorable Vicki Truitt

Position: State Representative
Term Expiration: January 31, 2011
Hometown: Keller

J. Robert Massengale

Position: Retired Member
Term Expiration: January 31, 2011
Hometown: Lubbock

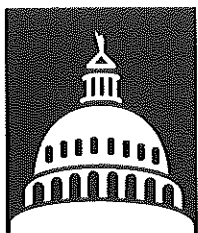
The Honorable John H. Whitmire

Position: State Senator
Term Expiration: January 31, 2005
Hometown: Houston

There is currently one vacant position on the board.

Christopher D. Hanson

Executive Director



P R B

Texas Pension Review Board

January 31, 2011

Richard E. McElreath
Chair

Paul A. Braden
Vice-Chair

Andrew Winston Cable

J. Robert Massengale

Norman W. Parrish

Wayne R. Roberts

Vicki Truitt

John H. Whitmire

The Texas Pension Review Board (PRB) is pleased to present its *Guide to Public Retirement Systems in Texas* "A Comparison of Statutory Public Retirement Systems in Texas, January 2011". This publication will provide members with background on the major statewide and municipal public retirement systems in Texas. The PRB would like to thank the retirement systems listed in this report for their assistance in organizing the contents of the report. We look forward to working with all involved parties during the 82nd Texas Legislature and hope that this report will serve as a reference point for any possible pension legislation considered during this session.

The recent economic downturn that began in 2008 has presented significant challenges to the state's public retirement systems and their sponsoring governmental entities. As these challenges have unfolded, the agency has conducted a myriad of research, studies and monitoring work. The agency will continue to provide the oversight needed in this current economic climate.

The PRB is the sole oversight mechanism for Texas public retirement systems and to fulfill our mission requires the combined effort of the trustees, administrators, sponsoring governmental entities and other members of the Texas public pension plan community. The PRB is honored to serve the State of Texas and will remain committed to its mission to ensure that Texas public retirement systems are properly managed and actuarially sound.

Christopher Hanson,
Executive Director

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Sincerely,

Christopher D. Hanson
Executive Director

TEXAS PENSION REVIEW BOARD



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TEXAS PENSION REVIEW BOARD

EXECUTIVE SUMMARY

Texas has a long tradition of providing sound retirement systems for its public employees. Employees of the state, cities, counties, and numerous special purpose subdivisions are covered by a wide variety of retirement programs. The funding of retirement programs represents a significant expense for all levels of Texas government; however, the benefit is providing retirement income to retirees who have spent their careers serving in these levels of government.

- The combined net assets of the state's public retirement systems are approximately \$175 billion. The total membership of Texas public retirement systems exceeds 2.3 million active and retired members.
- Currently, 363 public retirement systems report to the Texas Pension Review Board. Of these, two systems, Texas County & District Retirement System and Texas Municipal Retirement System, operate as pooled retirement systems. There are 601 active member systems in TCDRS and 833 active member systems in TMRS.
- Combining the member systems of TCDRS and TMRS, there are 1,797 public retirement systems in the state overseen by the PRB. Of the 1,530 actuarially-funded defined benefit plans in the state, 98.7 percent have amortization periods under 40 years. All of the 1,434 active TMRS/TCDRS plans have amortization periods under 40 years. Of the remaining 96 actuarially-funded defined benefit plans (including TMRS and TCDRS as systems), 79.2 percent have amortization periods under 40 years. The plans that currently do not have amortization periods under 40 years are aware of the problem and working with the PRB for a solution.
- The majority of systems in Texas are controlled locally, although state law provides administrative guidelines for all systems as well as direct statutory control of the largest plans.
- The state provides benefits for teachers, higher education personnel at state colleges and universities, legislators, state employees, state judges, district attorneys, volunteer fire fighters, and state-elected officials.
- Besides the systems funded by state appropriations, the Legislature has authority over benefit changes for the statewide Texas Municipal Retirement System and the statewide Texas County & District Retirement System.
- Local systems in Austin, Dallas, El Paso, Fort Worth, Galveston, Houston, and San Antonio are covered by specific state laws.
- The state pays certain administrative costs for the Texas Emergency Services Retirement System.
- Paid and volunteer fire fighters throughout Texas belong to local plans operating under the Texas Local Fire Fighter Retirement Act.

Pension plans for private sector employees are governed by federal law, primarily the Employees Retirement Income Security Act (ERISA), which provides for oversight by the federal Department of Labor's Office of Pension and Welfare Benefits Administration. Even though public plans are increasingly affected by the Internal Revenue Code, and other federal laws such as the Age Discrimination in Employment Act, Congress has refrained from passage of comprehensive federal regulations for public pension plans within states, thereby leaving public retirement system oversight to the states.

2011 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

ABOUT THE TEXAS PENSION REVIEW BOARD (PRB)

The PRB was established by H.B.1506, 66th Legislature, Regular Session (V.T.C.A., Title 8, Chapter 801, Government Code) effective September 1, 1979. The agency is mandated to oversee all Texas public retirement systems, both state and local, in regard to their actuarial soundness and compliance with state law. The PRB service population consists of the members, administrators, and trustees of 363 individual public retirement plans; state and local government officials; and the general public.

The agency's general duties as stated under §801.202 of the Government Code are (1) conduct a continuing review of public retirement systems, compile and compare information about benefits, creditable service, financing, and the administration of systems; (2) conduct intensive studies of potential or existing problems that threaten the actuarial soundness of or inhibit an equitable distribution of benefits in one or more public retirement systems; (3) provide information and technical assistance on pension planning to public retirement systems on request; and (4) recommend policies, practices, and legislation to public retirement systems and appropriate governmental entities.

During each legislative session, the PRB is responsible for preparing actuarial reviews and actuarial impact statements as stated under §802.302 and §802.301 of the Government Code, respectively. The agency analyzes all bills that propose to change the benefits, funding, or participation in benefit provisions for any public retirement system. While measuring the current fiscal impact on new legislation is important, changes to pension systems often create financial commitments that extend far into the future. By addressing the actuarial impact of certain proposed changes, the PRB provides the Legislature with information that assists in managing pension costs.

When a bill with a cost effect on a retirement system is scheduled for committee hearing, the PRB first obtains an actuarial analysis of the legislation. The initial analysis is commonly prepared by an actuary who represents the retirement system targeted by the bill. The analysis is submitted to the PRB and reviewed by the staff actuary, thereby providing a "second opinion" on any costs associated with the bill. The PRB actuary also reviews the actuarial assumptions on which the initial analysis is based. These two actuarial documents are summarized and analyzed in an Actuarial Impact Statement prepared by PRB staff and reviewed further and finally approved by the PRB actuary before submission to the Legislative Budget Board. The Impact Statement is attached to the bill in committee and stays with the bill throughout the legislative process.

If a bill is subsequently amended or substituted so that its actuarial effect is changed, another analysis and review must be obtained and another Impact Statement prepared.

During the interim between legislative sessions, pension data is analyzed by PRB staff, summarized, and entered into a database that enables the agency to respond to requests for information. The PRB also acts as a clearinghouse for comprehensive pension information, with staff members providing technical assistance to systems, governments, and public employees through either direct contact, by the annual educational seminars held in Austin each summer and by information and links via the PRB website.

TEXAS PENSION REVIEW BOARD

PRB GUIDELINES FOR ACTUARIAL SOUNDNESS

1. The funding of a pension plan should reflect all plan liabilities and assets.
2. The allocation of the normal cost portion of contributions should be level as a percent of payroll over all generations of taxpayers.
3. Funding of the unfunded actuarial accrued liability should be level or declining as a percent of payroll over the amortization period.
4. Funding should be adequate to cover the normal cost, and to amortize the unfunded actuarial accrued liability over a period which should never exceed 40 years, with 25-30 years being the more preferable target.
5. The choice of assumptions should be realistic and reasonable in the aggregate.

The PRB's current "Guidelines for Actuarial Soundness" were adopted by the PRB in 1984 and were revisited in 1996, but have not changed since their inception. Whereas, the current guidelines still provide a strong framework for the Texas public retirement systems to ensure distribution of established benefits, the Actuarial Standards of Practice that address standards for actuarial work on public retirement systems have advanced ahead. Therefore, the agency is in the process of reviewing the current guidelines and considering potential changes to update them. The PRB's Actuarial Committee has conducted three committee meetings in 2010 to review the concept and provide a public forum for the Texas public retirement systems to participate and provide their input on the potential changes that will be considered by the PRB. The agency is committed to conduct fair and transparent revisions of the guidelines and to accomplish that purpose is attempting to engage the agency's constituents by conducting surveys regarding any proposed revisions.

2011 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

STATEWIDE PUBLIC EMPLOYEES RETIREMENT SYSTEMS

Retirement System	Fiscal Year End	Total Net Assets	Total Members	Contributions		Normal Cost	Actuarial Value of Assets	Unfunded Actuarial Liabilities	Amortization Period
				Member	Employer				
Employees Retirement System	8/31/2010	\$19,580,610,447	300,538	6.5%	6.95%	12.30%	\$23,628.5	\$4,783.2	Infinite
Judicial Retirement System Plan I ¹	8/31/2010	\$0.00	476	6.00% for first 20 yrs	Appropriation as Needed	22.32%	\$0.00	\$264.0	N/A
Judicial Retirement System Plan II	8/31/2010	\$225,264,667	833	6.00% for first 20 yrs	16.83%	20.19%	\$264.5	\$17.2	12.6
Law Enforcement and Custodial Officer Supplemental Retirement Fund	8/31/2010	\$668,352,943	49,205	0.50%	1.59%	2.07%	\$802.8	\$163.7	Infinite
Teacher Retirement System	8/31/2010	\$95,688,405,009	1,300,680	6.40%	6.644%	10.42%	\$111,292.5	\$22,898.5	Infinite
Texas County & District Retirement System	12/31/2009	\$15,555,539,512	217,913	4%, 5%, 6%, 7%	Actuarially Determined	Varies by Employer	\$16,564.2	\$1,883.9	Average = 16.1
Texas Emergency Services Retirement System	8/31/2010	\$54,589,191	8,616	0.00%	\$32/month per member for 2010; \$36/month per member for 2011 and thereafter	Normal cost was \$1.9 million; no covered payroll	\$64.1	\$15.8	30
Texas Municipal Retirement System	12/31/2009	\$16,305,675,643	180,963	3% ² , 5%, 6%, 7%	Actuarially Determined	Varies by City	\$16,305.6	\$5,219.4	30

¹ Judicial Retirement System Plan I—Pay-as-you-go plan

² Texas Municipal Retirement System—Three cities have a 3% rate which is no longer available to cities under the TMRS Act.

TEXAS PENSION REVIEW BOARD

MUNICIPAL EMPLOYEES RETIREMENT SYSTEMS

Retirement System	Fiscal Year End	Total Net Assets	Total Members	Contributions		Normal Cost	Actuarial Value of Assets	Unfunded Actuarial Liabilities	Amortization Period
				Member	City				
Austin Employees	12/31/2009	\$1,511,265,550	14,940	8.00%	12.00% with a 2% increase each year to 18%, then 18% thereafter.	16.26%	\$1,672.4	\$658.4	Infinite
Austin Fire	12/31/2009	\$531,247,300	1,562	15.70%	18.05% with a 1% increase each year to 22.05% by 2013	30.22%	\$589.2	\$74.9	20.5
Austin Police	12/31/2009	\$432,027,554	2,185	13.00%	19.63% ¹	22.338%	\$518.1	\$215.5	29.3
Dallas Police & Fire	12/31/2009	\$2,872,940,067	9,070	8.50%	27.50%	24.91%	\$3,382.9	\$750.3	26
El Paso Fire	12/31/2009	\$382,440,175	1,466	15.28%	18.50%	27.39% ²	\$403.7	\$89.5	49
El Paso Police	12/31/2009	\$552,254,637	1,952	13.89%	18.50%	27.91% ²	\$588.6	\$127.0	71

¹ Austin Police—The total contribution rate of 32.63% (13% by members and 19.63% by the city) is reduced by the calculated city contribution rate for the separate Retiree Death Benefit Fund of 0.098%. The 19.63% city contribution rate is the ultimate rate beginning October 2010.

² El Paso Fire & Police—Normal cost after overtime adjustments.

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MUNICIPAL EMPLOYEES RETIREMENT SYSTEMS

Retirement System	Fiscal Year End	Total Net Assets	Total Members	Contributions		Normal Cost (% Payroll)	Actuarial Value of Assets (\$Millions)	Unfunded Actuarial Liabilities (\$Millions)	Amortization Period Years
				Member	City				
Fort Worth Employees	9/30/2010	\$1,658,047,549	10,016	Police 8.73% All others 8.25%	Police 20.46% ³ All Others 19.74% ³	17.77%	\$1,868.8	\$431.7	40.5
Galveston Police	12/31/2009	\$21,606,866	276	12.00%	12.00%	12.05%	\$23.7	\$24.2	30.4
Houston Fire	6/30/2010	\$2,721,637,294	6,519	9.00%	29.40% ⁵	28.80%	\$3,062.1	\$147.4	30 ⁴
Houston Municipal	6/30/2010	\$1,828,492,156	27,415	5.00% ⁶	20.16% ⁷	5.86%	\$2,284.4	\$1,176.0	30 ⁴
Houston Police	6/30/2010	\$2,972,027,000	8,363	9.22% ⁸	32.04%	29.42%	\$3,526.7	\$706.0	30 ⁴
San Antonio Fire & Police	9/30/2009	\$1,775,438,000	5,761	12.32%	24.64%	24.94%	\$2,166.9	\$275.6	10.4

³ Fort Worth Employees City contribution rate—as of October 1, 2010 the city increased its contributions to the fund by 4.00%, so the Police contribution is 20.46% and the general employee and fire contribution is 19.74%.

⁴ Houston Fire, Municipal, and Police have the 30-year closed amortization amount shown in the actuarial valuation while the amortization period would be infinite based on the actual contribution.

⁵ Houston Fire city contribution rate—Beginning in 1983, the rate required to fund the Retirement Fund on an actuarial reserve basis. However, a minimum contribution of twice the employee contribution rate is required by Statute. The actual city contribution rate is 29.40%; however, the July 1, 2009 actuarial valuation shows the city contribution rate as 23.80%.

⁶ Houston Municipal member contribution rate—Employee contribution rate for Group A members is 5%. Group B members and members newly hired after January 1, 2008 are noncontributory.

⁷ Houston Municipal city contribution rate—The FY2011 actuarially determined contribution rate is 20.16%, but the City of Houston contribution amount for FY2011 is set at \$88.5 million by statutory agreement.

⁸ Houston Police member contribution rate – Employee contribution is 9.00%. Members hired after October 9, 2004 contribute 10.25% of pay.

TEXAS PENSION REVIEW BOARD

TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)

Governing Statutes

Texas Constitution
Article XVI, Section 67

Government Code
Title 8, Subtitle C
Chapters 821-825

Actuarial Snapshot

Actuarial Accrued Liability: \$134,191,110,235.00
Actuarial Value of Assets: \$111,292,527,887.00
Funded Ratio: 82.90%
Amortization Period: Infinite
Date of Valuation: August 31, 2010
(Information to be updated in February 2011)

Executive Director

Ronnie Jung
1000 Red River Street
Austin, Texas 78701
(512) 542-6400

Online Resources

www.trs.state.tx.us

In November 1936, voters approved an amendment to the Texas Constitution to create a statewide teacher retirement system. TRS was officially established by the Legislature in 1937. TRS is the largest public retirement system in Texas, in both membership and assets. The system provides benefits to public school teachers, other public school employees, and higher education personnel who are not eligible for the Optional Retirement Program (ORP), or who choose not to belong to ORP. Revisions regarding benefits, contributions, and post-retirement adjustments would require legislative action.

Teacher Retirement System of Texas Board of Trustees

Name	City	Term Expires
R. David Kelly, Chair	Dallas	8-31-2011
Linus D. Wright, Vice Chair	Dallas	8-31-2011
Todd Barth	Houston	8-31-2015
Charlotte Clifton	Snyder	8-31-2013
Robert Gauntt	Houston	8-31-2013
Eric C. McDonald	Lubbock	8-31-2013
Christopher Moss	Lufkin	8-31-2015
Philip Mullins	Austin	8-31-2011
Nanette Sissney	Whitesboro	8-31-2015

2011 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)

81ST LEGISLATIVE SESSION SUMMARY:

HB 1191 – Flores

HB 1191 grants teachers 90 days after the date of retirement to enroll in insurance coverage through the Texas Public School Employees Group Insurance Program of the Teacher Retirement System.

HB 1259 – Kolkhorst / Leibowitz / Legler / Kleinschmidt

HB 1259 amends the current law relating to hiring outside legal counsel to provide legal services to the Teacher Retirement System of Texas (TRS). The bill provides that the attorney general of the state is the legal adviser of the board of trustees of TRS and requires the attorney general to represent the board in all litigation. The legislation prohibits the board from employing outside legal counsel to provide legal services to the retirement system except as provided in the Texas Government Code regardless of the source of funds to be used to pay the outside counsel. HB 1259 requires the attorney general to timely act on a request to approve a contract for outside legal services under Section 402.0212 of the Texas Government Code. The bill provides that if the attorney general denies the board's request for approval of a contract for outside legal services: (1) the attorney general is required to provide the board with the reason for the denial; and (2) the board is authorized to select alternative outside legal counsel, subject to approval by the attorney general in accordance with Sections 825.203 and 402.0212 of the Texas Government Code.

HB 3347 –Truitt / Hartnett / Otto / Hunter / T. Smith

HB 3347 calls for several small modifications to plan provisions required for maintaining retirement plan qualification with the Internal Revenue Service for the Teacher Retirement System of Texas (TRS). According to Section 825.506, Government Code, a TRS plan operates as a “qualified” plan under the federal tax code. TRS is a governmental plan qualified under Section 401(a) of the federal tax code, and is required to meet the requirements that Congress and the Internal Revenue Service (IRS) establish for governmental 401(a) plans. From time to time, Congress enacts new laws and the IRS issues new regulations requiring plans to adopt new provisions in order to remain qualified. The TRS retirement plan document (the laws and rules governing the TRS plan) is required to be updated from time to time. Congress has enacted several new tax laws affecting pension plans in recent years, resulting in the need for updates to state laws governing TRS. HB 3347 specifies that effective with respect to deaths occurring on or after January 1, 2007, while a member is performing qualified military service, the designated beneficiary of a member is eligible to receive any additional benefits that the retirement system would provide if the member had resumed employment and then died. The bill expands the definition of “salary and wages” and revises the definition of “distributee”. The bill also provides details regarding the types of accounts allowed to receive rollover distribution transfers and expands the list of eligible retirement plans to include the following: (1) a plan eligible under Section 457(b), Internal Revenue Code of 1986; (2) an annuity contract described in Section 403(b), Internal Revenue Code of 1986; and (3) a Roth IRA described in Section 408A, Internal Revenue Code of 1986.

HB 3480 –Truitt / Menendez

HB 3480 refers to the Teacher Retirement System (TRS) and amends current law relating to certain investment products made available to certain public school employees and the companies authorized to provide those products and provides penalties. The bill would provide safeguards to protect teachers' investments by requiring firms to register with, be licensed by, or be regulated by the Texas Department of Insurance (TDI), the State Securities Board (SSB), and the Texas Department of Banking (TDB), respectively, and to require that their products are approved by the Teacher Retirement System of Texas (TRS). This would ensure that all service providers and their products were appropriately vetted before a company could enter into a contract with a school district. The bill would also allow TDI, SSB, and TDB to investigate any complaint received from TRS regarding this issue. This, in addition to fines ranging up to \$1 million, would be an effective deterrent to fraudulent activity. The bill also would increase teacher 403(b) investment options by allowing TRS to certify other non-annuity investment programs, known as mutual fund platforms. This would provide teachers access to multiple mutual fund families at potentially lower costs than current offerings.

TEXAS PENSION REVIEW BOARD

OPTIONAL RETIREMENT PROGRAM (ORP)

Governing Statute

Government Code
Title 8, Subtitle C
Chapter 830

Statewide Coordinator

Toni Alexander
Texas Higher Education Coordinating Board
PO Box 12788
Austin, TX 78711
(512) 427-6101

Online Resources

www.theccb.state.tx.us/orp

ORP is a 403(b) defined contribution plan that was created in 1967 as an alternative to TRS for higher education faculty, librarians, and certain professionals and administrators. Because their careers normally involve interstate mobility, it was determined that a more portable retirement option would substantially improve higher education's ability to compete for quality employees at the national level. (Certain employees of the Texas Higher Education Coordinating Board and the Commissioner of Education are eligible to elect ORP in lieu of the Employees Retirement System.) Eligible employees have up to 90 days to make a one-time irrevocable election of ORP. There were approximately 40,000 active participants in fiscal year 2010.

Each institution administers the plan for its employees, including authorization of companies to offer ORP accounts. Participants select a company and direct the allocation of their investments. Benefits are a result of the amounts contributed and any net return on the investments selected by each participant. Contribution rates are set by the Legislature biennially. The employee rate for fiscal years 2010-2011 is 6.65% and the state base rate is 6.4%. Institutions may supplement the state base rate up to a total employer contribution rate of 8.5%. ORP funds are available only upon termination of employment with all Texas public institutions of higher education (or at age 70-1/2 if still employed). Employer contributions are forfeited if a participant terminates before meeting the one-year vesting requirement. Distribution options are determined by the institution's plan, individual contract provisions, federal income tax law, and personal preference.

2011 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

EMPLOYEES RETIREMENT SYSTEM OF TEXAS (ERS)

Governing Statutes

Texas Constitution
Article XVI, Section 67

Government Code
Title 8, Subtitle B
Chapters 811-815

Actuarial Snapshot

Actuarial Accrued Liability: \$28,411,814,508.00

Actuarial Value of Assets: \$23,628,566,500.00

Funded Ratio: 83.20%

Amortization Period: Infinite

Date of Valuation: August 31, 2010

(Information to be updated in February 2011)

Executive Director

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Online Resources

www.ers.state.tx.us

In November 1946, voters approved an amendment to the Texas Constitution to create a retirement fund for state employees. Officially established by the Legislature in 1947, ERS is responsible for overseeing retirement benefits for elected state officials and state employees. Other programs administered by ERS include the Texas Employees Group Benefits Program (GBP), TexFlex and TexaSaver. In addition, ERS acts as the administrative and investment body for the Law Enforcement and Custodial Officers Supplemental Retirement Fund and the Judicial Retirement Systems Plans I and II.

Employees Retirement System of Texas Board of Trustees

Name	Position	Term Expires
Cydney Donnell, Chair	Appointed by Governor	8-31-2012
Owen Whitworth, Vice Chair*	Elected Member	8-31-2011
Yolanda “Yoly” Griego	Elected Member	8-31-2015
I. Craig Hester	Appointed by Chief Justice	8-31-2016
Cheryl MacBride	Elected Member	8-31-2013
Donald Wood	Appointed by Speaker	8-31-2014

* ERS is currently in the process of filling this position.

TEXAS PENSION REVIEW BOARD

EMPLOYEES RETIREMENT SYSTEM OF TEXAS (ERS)

81ST LEGISLATIVE SESSION SUMMARY:

HB 2283 – Truitt

HB 2283 amends current law relating to increasing state employee participation in the Texa\$aver program which is administered by the Employees Retirement System of Texas (ERS).

HB 2559 – Truitt

HB 2559 amends several sections of the Texas Government Code and the Texas Insurance Code relating to the Employees Retirement System of Texas (ERS) and Law Enforcement and Custodial Officer Supplemental Retirement Fund (LECOSRF). The bill establishes a 90-day waiting period for members in the employee class who retire on or after May 31, 2009 and seek re-employment in the employee class, as well as, a surcharge payable by the state agency that rehires a retiree equal to the amount the agency would remit for a normal active member. HB 2559 increases the required employee contribution to ERS from 6.00% to 6.50% of payroll, provided that if the state contribution rate to ERS is less than 6.50% of payroll, the employee contribution rate is set equal to the state contribution rate. The bill also increases the employee contribution rate to LECOSF from 0.00% to 0.50% of payroll for law enforcement or custodial officers, provided that if the state contribution rate to LECOSRF is less than 0.50% of payroll, the employee contribution rate is set equal to the state contribution rate. The bill requires that members of the employee class hired on or after September 1, 2009 to be at least 65 years old and have at least 10 years of service or have at least five years of service and the sum of age and service exceed 80 to be eligible to retire and receive a service retirement annuity. The bill calculates the service retirement annuity using an average compensation based on the 48 highest months of compensation for members hired on or after September 1, 2009 and the standard service retirement annuity is reduced by five percent for each year the member retires before age 60, with a maximum possible reduction of 25 percent, for members hired on or after September 1, 2009. The legislation calculates the standard service retirement annuity payable for at least 20 years of service credit as a law enforcement or custodial officer using an average compensation based on the 48 highest months of compensation for members hired on or after September 1, 2009 and reduces the standard service retirement annuity by five percent for each year the member retires before age 55, with a maximum possible reduction of 25 percent. HB 2559 allows sick leave and annual leave to be used only in determining the member's or beneficiary's annuity for those members that are hired on or after September 1, 2009.

SB 833 – Carona

SB 833 amends the Government Code regarding the Employees Retirement System of Texas (ERS) to establish that an employee on an unpaid leave of absence during military duty after being called to active duty during a national emergency to serve in a reserve component of the U.S. armed forces continues to accrue vacation leave and sick leave. The bill specifies that leave earned while on an unpaid leave of absence as described above, rather than in a state-paid status, is credited to the employee's balance when the employee returns to active state employment.

2011 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

LAW ENFORCEMENT AND CUSTODIAL OFFICER SUPPLEMENTAL RETIREMENT FUND (LECOSRF)

Governing Statute

Government Code
Title 8, Subtitle B
Chapters 811-815

Actuarial Snapshot

Actuarial Accrued Liability: \$966,603,698.00

Actuarial Value of Assets: \$802,897,017.00

Funded Ratio: 83.10%

Amortization Period: Infinite

Date of Valuation: August 31, 2010

(Information to be updated in February 2011)

Executive Director

Ann S. Fuelberg
PO Box 13207
Austin, Texas 78711
(512) 867-7711

Online Resources

www.ers.state.tx.us

LECOSRF was created by the Texas Legislature in 1979. It is a supplemental plan to ERS, and is administered by ERS. Membership is limited to law enforcement officers who have been commissioned by the Department of Public Safety, Texas Alcoholic Beverage Commission, Parks and Wildlife Department, or the Office of Inspector General at the Texas Youth Commission and those members whose commissions are recognized by the Commission on Law Enforcement Officers Standards and Education. Membership is also provided to custodial officers employed by the Texas Department of Corrections and Parole Officers, and certified by the department as having direct contact with inmates. The supplemental benefits are available to any employee who completes 20 years of service in an eligible position.

81ST LEGISLATIVE SESSION SUMMARY:

See HB 2559 – Truitt shown under ERS

TEXAS PENSION REVIEW BOARD

JUDICIAL RETIREMENT SYSTEM OF TEXAS PLAN ONE (JRS I)

Governing Statute

Government Code
Title 8, Subtitle D
Chapters 831-835

Executive Director

Ann S. Fuelberg
PO Box 13207
Austin, Texas 78711
(512) 867-7711

Online Resources

www.ers.state.tx.us

JRS I is a closed, pay-as-you-go retirement plan for state judges and justices who held office before September, 1985. The administration of this plan was transferred to ERS in 1954. No trust fund exists for JRS I, and all benefits are paid by direct appropriation as they become due. To reduce the long-term liabilities associated with a pay-as-you-go retirement system, this plan was replaced by the actuarially-funded Judicial Retirement System Plan II in 1985. Revisions in funding, benefits, service credit, and eligibility under JRS I require legislative action.

2011 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

JUDICIAL RETIREMENT SYSTEM OF TEXAS PLAN TWO (JRS II)

Governing Statute

Government Code
Title 8, Subtitle E
Chapters 836-840

Actuarial Snapshot

Actuarial Accrued Liability: \$281,760,475.00
Actuarial Value of Assets: \$264,515,185.00
Funded Ratio: 93.90%
Amortization Period: 12.6 years
Date of Valuation: August 31, 2010
(Information to be updated in February 2011)

Executive Director

Ann S. Fuelberg
PO Box 13207
Austin, Texas 78711
(512) 867-7711

Online Resources

www.ers.state.tx.us

JRS II is a retirement plan for state judges and justices who took office after August 31, 1985. This plan is also administered by ERS. All revisions in funding, benefits, membership eligibility, and creditable service under JRS II require legislative approval.

TEXAS PENSION REVIEW BOARD

TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM (TCDRS)

Governing Statute

Government Code
Title 8, Subtitle F
Chapters 841-845

Actuarial Snapshot

Actuarial Accrued Liability: \$18,448,162,298.00
Actuarial Value of Assets: \$16,564,213,344.00
Funded Ratio: 89.80%
Amortization Period: average = 16.1 years
Date of Valuation: December 31, 2009

Executive Director

Gene Glass
PO Box 2034
Austin, Texas 78768
(512) 328-8889

Online Resources

www.tcds.org

TCDRS partners with 252 counties and over 350 districts (such as water and appraisal districts) to provide retirement, disability and survivor benefits. TCDRS was created by the Texas Legislature in 1967 and receives no state funding. Each participating employer selects and funds its own plan of benefits. Benefits are funded by investment earnings, and employer and employee contributions.

TCDRS is a savings based plan. Employees contribute to the plan over their career and earn a lifetime benefit at retirement based on their savings and employer matching.

Texas County & District Retirement System Board of Trustees

Name	County	Term Expires
Robert A. Eckels, Chair	Harris	12-31-2013
H.C. "Chuck" Cazalas, Vice Chair	Nueces	12-31-2011
Jerry Bigham	Randall	12-31-2015
Daniel R. Haggerty	El Paso	12-31-2015
Jan Kennady	Comal	12-31-2015
Bridget McDowell	Taylor	12-31-2013
Ed Miles, Jr.	Bexar	12-31-2011
Kristeen Roe	Brazos	12-31-2011
Bob Willis	Polk	12-31-2013

2011 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM (TCDRS)

81ST LEGISLATIVE SESSION SUMMARY:

HB 407 – Kuempel

HB 407 amends current law relating to participation and credit in, contributions to, benefits from, and administration of the Texas County and District Retirement System (TCDRS). This TCDRS legislation is targeted to make changes to outdated plan design provisions, processes, and funding arrangements, along with administrative and technical changes and clarifications. The bill provides for more efficient plan and operating administration, provides conformity with Internal Revenue Service qualified plan requirements in needed areas, and enables the implementation of planned technology changes to improve services provided to the system's membership. The bill makes no substantive benefit changes.

SB 1540 – Carona

SB 1540 references that districts mentioned within the bill are eligible to participate in the Texas County & District Retirement System. The Texas Legislative Council is required by law to carry out a complete non-substantive revision of the Texas statutes and the bill makes non-substantive revisions to certain laws concerning railroads, including conforming amendments. The process involves reclassifying and rearranging the statutes in a more logical order; employing a numbering system and format that will accommodate future expansion of the law; eliminating repealed, invalid, duplicative, and other ineffective provisions; and improving the draftsmanship of law if practicable. These efforts are carried out in order to make the statutes more accessible, understandable, and usable without altering the sense, meaning, or effect of the law.

TEXAS PENSION REVIEW BOARD

TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)

Governing Statute

Government Code
Title 8, Subtitle G
Chapters 851-855

Actuarial Snapshot

Actuarial Accrued Liability: \$21,525,094,721.00
Actuarial Value of Assets: \$16,305,675,644.00
Funded Ratio: 75.80%
Amortization Period: 30 years
Date of Valuation: December 31, 2009

Executive Director

David Gavia
PO Box 149153
Austin, Texas 78714
(512) 476-7577

Online Resources

www.tmr.org

TMRS was established in 1948 and is an agent multiple-employer retirement system for employees of 837 municipalities in the state. Of these, 833 are actively participating in TMRS and there are another 4 in inactive status. Cities that participate in TMRS have their own retirement plans within the general framework of the TMRS Act. Plan provisions may vary from city to city depending upon the options selected by each individual municipality. Revisions to available options require legislative action. TMRS does not receive funds from the state and administrative costs are paid from the investment earnings of the fund.

Texas Municipal Retirement System Board of Trustees

Name	City	Term Expires
April Nixon, Chair	Arlington	2-1-2015
H. Frank Simpson, Vice Chair	Missouri City	2-1-2015
Ben Gorzell	San Antonio	2-1-2013
Patricia Hernandez	Plainview	2-1-2011
Julie Oakley	Lakeway	2-1-2013
Roel "Roy" Rodriguez	McAllen	2-1-2011

81ST LEGISLATIVE SESSION SUMMARY:

HB 360 – Kuempel / Herrero

HB 360 requires the Texas Municipal Retirement System (TMRS) to credit unrealized gains or losses, establishes a five percent floor for interest credits for active employees and a five percent floor for the annuity purchase rate for retirees. The bill also allows city accounts to receive annual interest at a rate different from the member rate, including negative interest.

2011 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM (TESRS)

Governing Statute

Government Code
Title 8, Subtitle H
Chapters 861-865

Actuarial Snapshot

Actuarial Accrued Liability: \$79,953,215.00
Actuarial Value of Assets: \$64,113,803.00
Funded Ratio: 80.20%
Amortization Period: 30 years
Date of Valuation: August 31, 2010

Commissioner

Sherri Walker
PO Box 12577
Austin, TX 78711
(512) 936-3372

Online Resources

www.ffpc.state.tx.us

Created in 1977 as the Statewide Volunteer Fire Fighter's Retirement Act, the Act was amended in 1997 in order to include EMS personnel and in 2005 renamed TESRS. TESRS is administered by the Office of the Fire Fighters' Pension Commissioner and covers volunteer fire fighters in over 196 municipalities which have chosen to participate in the fund. The fund was created as a funded alternative to numerous insolvent local volunteer funds operated under the Texas Local Fire Fighters' Retirement Act (TLFFRA). The state pays the administrative costs of this fund and has a statutory obligation to fund benefits when the department contributions are inadequate to fund the obligation.

Texas Emergency Services Retirement System Board of Trustees

Name	City	Term Expires
Frank Torres, Chair	Raymondville	9-01-2011
Gracie G. Flores, Vice Chair	Corpus Christi	9-01-2015
Maxie L. Patterson, Secretary	Houston	9-01-2013
Stephen Williams	Carthage	9-01-2011
Ronald Larson	Horizon City	9-01-2013
Dan Key	Friendswood	9-01-2013
Don R. Shipman	Colleyville	9-01-2011
Virginia "Jenny" Moore	Lake Jackson	9-01-2015
Dennis Rice	Canyon	9-01-2015

TEXAS PENSION REVIEW BOARD

TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM (TESRS)

81ST LEGISLATIVE SESSION SUMMARY:

HB 2751 – Truitt

HB 2751 amends current law relating to participation and credit in, benefits from, and the administration of the Texas Emergency Services Retirement System (TESRS). TESRS began to modernize its operations and its plan design with the codification of its law in the Government Code and subsequent legislation (HB 2400, 80th Legislature, Regular Session, 2007). This bill represents a further step in ensuring that TESRS can modernize its operations and deliver its promised benefits to volunteers. This legislation will allow participating departments to include their support staff as members of the System on the same terms as other volunteers who are members of the System. The change would be permissive for participating departments that have not previously enrolled their support staff as members. The bill will allow the System board of trustees by board rule to impose an interest charge on contributions that are late due to the correction of an error and gives the board the responsibility and flexibility to define non-service death benefits by board rule. HB 2751 authorizes the board of trustees to designate a medical board to investigate applications for on-duty disability and on-duty death benefits. The bill also repeals the authority for the board of trustees board rules for certain death benefit annuity provisions as a part of the changes in Section 6 that would authorize the board to define non-service death benefits. The bill will give the board of trustees the authority not to pay a death benefit to a person convicted of causing that death. Instead the benefit would be payable as if the convicted person had predeceased the decedent.

2011 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS LOCAL FIRE FIGHTERS RETIREMENT ACT (TLFFRA)

Governing Statute

Vernon's Texas Civil Statutes
Article 6243e

Commissioner

Sherri Walker
PO Box 12577
Austin, TX 78711
(512) 936-3372

Online Resources

www.ffpc.state.tx.us

Originally created in 1937 and named the Firemen's Relief and Retirement Fund, the Act was rewritten and renamed in 1989 to remove outdated, and sometimes contradictory, language. There are 41 fully paid fire departments* and 80 volunteer departments that operate pension funds under TLFFRA. The state law provides general guidelines – including some investment restrictions, but leaves administration, plan design, contributions, and specific investments to the local boards. Plans operating under TLFFRA are entirely locally funded.

** For a complete listing of paid fire departments, see page 45-46*

TEXAS PENSION REVIEW BOARD

CITY OF AUSTIN EMPLOYEES' RETIREMENT SYSTEM (COAERS)

Governing Statute

Vernon's Texas Civil Statutes
Article 6243n

Actuarial Snapshot

Actuarial Accrued Liability: \$2,330,936,980.00
Actuarial Value of Assets: \$1,672,470,344.00
Funded Ratio: 71.80%
Amortization Period: Infinite
Date of Valuation: December 31, 2009

Executive Director

Stephen C. Edmonds
418 E Highland Mall Blvd
Austin, TX 78752
(512) 458-2551

Online Resources

www.coaers.org

The City of Austin Employees' Retirement System was originally established in 1941 by City ordinance and since August 1991, has been governed by state law. The System administers retirement, disability, and death benefit programs for regular full-time employees of the City of Austin working 30 or more hours per week, excluding the mayor, members of the City Council and commissioned civil service police officers and firefighters. COAERS serves active members, retirees and surviving beneficiaries who receive monthly benefits.

City of Austin Employees' Retirement System Board of Trustees

Name	Position	Term Expires
Elizabeth S. Gonzales, Chair	Council Appointed Citizen	12-2012
Anthony B. Ross, Sr., Vice Chair	Active Elected Member	12-2013
Ed Golden	Council Appointed Citizen	12-2013
Reagan David	Board Appointed Citizen	12-2013
Francine Gertz	Active Elected Member	12-2011
Mark Monteith	Active Elected Member	12-2011
Jim Williams	Active Elected Member	12-2013
Sam R. Jones	Retiree Elected Member	12-2012
Peter Rieck	Retiree Elected Member	12-2014
William Spelman	City Council Member	N/A
Art Alfaro	City Manager Designee	N/A

2011 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

CITY OF AUSTIN EMPLOYEES' RETIREMENT SYSTEM (COAERS)

81ST LEGISLATIVE SESSION SUMMARY:

HB 1979 – Rodriguez

HB 1979 amends several sections of the Vernon's Texas Civil Statutes that apply to the City of Austin Employees' Retirement System (COAERS). The bill modifies the definition of Normal Retirement Date and Normal Retirement Age to include the attainment of 23 years of service which has already been adopted by the board of trustees. The bill also revises the statute to allow employees of the City of Austin who have met the eligibility requirements for retirement in COAERS and are working in a position required to participate in another City of Austin retirement system, to continue to work full-time for the City while drawing a pension from COAERS.

SB 1063 – Watson

SB 1063 amends the Government Code, as well as the Health and Safety Code, to allow former employees of the Travis County Health District (TCHD) who no longer have service credit in the TCHD retirement plan due to a refund of contributions, to reestablish their service credit for the special proportionate retirement program with the City of Austin Employees' Retirement System (COAERS), without actually purchasing the service credit in the TCHD retirement plan. The member must just apply for the service credit and indicate they do not wish to make a contribution for the credit.

TEXAS PENSION REVIEW BOARD

AUSTIN FIRE FIGHTERS RELIEF & RETIREMENT FUND

Governing Statute

Vernon's Texas Civil Statutes
Article 6243e.1

Actuarial Snapshot

Actuarial Accrued Liability: \$664,185,240.00
Actuarial Value of Assets: \$589,261,001.00
Funded Ratio: 88.70%
Amortization Period: 20.5 years
Date of Valuation: December 31, 2009

Administrator

William E. Stefka
4101 Parkstone Heights Dr, Suite 270
Austin, TX 78746
(512) 454-9567

Online Resources

www.afrs.org

The Austin Fire Fighters Relief and Retirement fund is a defined benefit plan that was established by an Act of the 45th Texas Legislature in 1937. The fund participated under Article 6243e of Vernon's Texas Civil Statutes until 1975. This law covered approximately 38 paid and part paid fire departments around the state. When benefit enhancements were being considered, it was difficult to revise wording which would not disrupt the other pension funds operating under the same statute. In 1975 Article 6243e.1 was established which would only cover the Austin Fire Fighters Pension Fund. The pension plan provides retirement, disability, death, and survivor benefits to active and retired participants and their eligible beneficiaries, as provided in the Act governing the Fund.

Austin Fire Fighters Relief & Retirement Fund Board of Trustees

Name	Position	Term Expires
Lee Leffingwell, Chair	Mayor	N/A
Randy L. Aylieff, Vice Chair	Fund Member	12-31-2010
Art Alfaro, Treasurer	City Treasurer	N/A
Keith A. Johnson	Fund Member	12-31-2011
James R. Fedro	Fund Member	12-31-2012

81ST LEGISLATIVE SESSION SUMMARY:

HB 2829 – Rodriguez

HB 2829 addresses three new significant revisions for the Austin Fire Fighters Relief and Retirement Fund (Article 6243e.1, Vernon's Texas Civil Statutes). The purpose of this legislation is to "clean-up" and enhance certain provisions within the governing statute of the Austin Fire Fighters Relief and Retirement Fund (Article 6243e.1, V.T.C.S.). The bill tightens up the cost-of-living-adjustment (COLA) language and adds flexibility for the board to grant a partial COLA if a full COLA is not affordable. HB 2829 also incorporates a prudent investor standard with respect to the investment of plan assets and provides a requirement that the Board adopt an investment policy.

2011 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

AUSTIN POLICE RETIREMENT SYSTEM

Governing Statute

Vernon's Texas Civil Statutes
6243n-1

Actuarial Snapshot

Actuarial Accrued Liability: \$733,634,660.00
Actuarial Value of Assets: \$518,111,923.00
Funded Ratio: 70.60%
Amortization Period: 29.3 years
Date of Valuation: December 31, 2009

Chief Executive Officer

Sampson "Sam" Jordan
2520 South IH 35, Suite 100
Austin, TX 78704
(512) 416-7672

Online Resources

www.ausprs.org

The Austin Police Retirement System is authorized as an independent, defined benefit plan and was originally established in 1979 by a City Council ordinance. Since 1991, the system has been governed by state law with plan amendments made by the Legislature of the State of Texas. The system provides retirement, death, disability and withdrawal benefits to plan members and their beneficiaries. Members include all cadets upon enrollment in the Austin Police Academy, and commissioned law enforcement officers employed by the City of Austin Police Department, as well as full time employees of the City of Austin Police Retirement System (after serving a 6 month probationary period).

Austin Police Retirement System Board of Trustees

Name	Position	Term Expires
Peter Morin, Chair	Police Member	1-1-2012
Fred Fletcher, Vice Chair	Police Member	1-1-2012
Catherine Haggerty	Police Member	1-1-2012
Michael Jung	Police Member	1-1-2014
Tim Atkinson	Police Member	1-1-2014
Kendall Thomas	Retiree Member	1-1-2014
John Ross	Retiree Member	1-1-2012
Chesley Wood	Citizen Member	1-1-2012
Art Alfaro	City Member	N/A
Jeff Knodel	City Member	N/A
Randi Shade	Council Member	N/A

TEXAS PENSION REVIEW BOARD

AUSTIN POLICE RETIREMENT SYSTEM

81ST LEGISLATIVE SESSION SUMMARY:

HB 2796 –Strama

HB 2796 refers to the Austin Police Department and amends current law relating to participation in, contributions to, and the benefits and administration of retirement systems for police officers. Specifically, this legislation facilitates the consolidation of the city's law enforcement functions of the Public Safety and Emergency Management Department (PSEM) into the Austin Police Department (APD), as agreed to by the city and Austin Police Association (APA) through the meet and confer process, by arranging for funding to Austin Police Retirement System (APRS) for the cost of participating in the statewide proportionate retirement program (PRP). The city desired consolidation of the PSEM employees into APD and worked with the APA through meet and confer to implement such consolidation. However, without PRP participation by APRS, the retirement benefits of the PSEM employees would have been adversely impacted by the consolidation. APRS has already elected to participate in PRP, which ensures protection of the PSEM retirement benefits.

2011 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

DALLAS POLICE & FIRE PENSION SYSTEM

Governing Statute

Vernon's Texas Civil Statutes
Article 6243a-1

Actuarial Snapshot

Actuarial Accrued Liability: \$4,133,288,840.00
Actuarial Value of Assets: \$3,382,907,776.00
Funded Ratio: 81.80%
Amortization Period: 26 years
Date of Valuation: January 1, 2010

Administrator

Richard L. Tettamant
4100 Harry Hines Blvd, Suite 100
Dallas, TX 75219
(214) 638-3863

Online Resources

www.dpfp.org

The Dallas Police & Fire Pension System is a single employer-defined benefit plan under Section 401(a) of the Internal Revenue Code. It provides retirement, survivor, and disability benefits to the uniformed public safety employees of the City of Dallas. A pension plan was first established for Dallas Police Officers and Firefighters under City Ordinance in 1916. The "Old Plan," as it is now known, was created in response to funding pressures in 1935 under Section 6243a, Vernon's Texas Civil Statutes. Plan A became effective September 15, 1969. Plan A and the Old Plan are now viewed together as Group A. There are no current active contributing Members of the Old Plan or Plan A in the System. The Legislature approved Plan B, created by a vote of the membership, effective March 1, 1973. Together, the three plans are referred to as the Combined Pension Plan. In 2008, the System celebrated its 93rd anniversary of ensuring the financial future of City of Dallas Police Officers and Firefighters and their families.

Dallas Police & Fire Pension System Board of Trustees

Name	Position	Term Expires
George J. Tomasovic, Chair	Active Fire-Rescue	5-31-2011
Steven G. Shaw, Vice Chair	Active Police	5-31-2011
Rick Salinas, Deputy Vice Chair	Active Fire-Rescue	5-31-2011
Jerry R. Allen	City Council	5-31-2011
Sheffie Kadane	City Council	5-31-2011
John M. Mays	Retired Police	5-31-2013
Rector C. McCollum	Active Police	5-31-2011
David A. Neumann	City Council	5-31-2011
Steven H. Umlor	Active Police	5-31-2013
Richard H. Wachsmann	Retired Fire-Rescue	5-31-2013
Gerald Brown*	Active Fire-Rescue	5-31-2013
Vacant	City Council	

**Retired, election in January 2011 to replace*

TEXAS PENSION REVIEW BOARD

EL PASO FIREMEN & POLICEMEN'S PENSION FUND

Governing Statute

Vernon's Texas Civil Statutes
Article 6243b

Fire Plan Actuarial Snapshot

Actuarial Accrued Liability: \$493,320,462.00
Actuarial Value of Assets: \$403,748,151.00
Funded Ratio: 81.80%
Amortization Period: 49 years
Date of Valuation: January 1, 2010

Police Plan Actuarial Snapshot

Actuarial Accrued Liability: \$715,715,343.00
Actuarial Value of Assets: \$588,662,976.00
Funded Ratio: 82.20%
Amortization Period: 71 years
Date of Valuation: January 1, 2010

Executive Director

Robert J. Stanton
Chase Tower - 201 E Main, Suite 1616
El Paso, TX 79901
(915) 771-8111

Online Resources

www.elpasofireandpolice.org

The El Paso Firemen & Policemen's Pension Fund was created in May, 1920 and is a single employer defined benefit plan under Section 401(a) of the Internal Revenue Code. It is established and maintained pursuant to Article 6243b, Vernon's Annotated Texas Statute. The fund is comprised of two divisions, a Policemen's Fund and a Firemen's Fund, both managed by a common Board of Trustees and administrative staff. It provides retirement, survivor, and disability benefits to the uniformed public safety employees of the City of El Paso.

El Paso Firemen & Policemen's Pension Fund Board of Trustees

Name	Position	Term Expires
Michael Calderazzo, Chair	Active Fire	7-2013
Mark Austin, Vice Chair	Active Police	7-2014
Ralph Johnson	Active Fire	7-2011
Tyler Grossman	Active Police	7-2013
Jerry Villanueva	Active Fire	7-2013
Stan Hayes	Active Police	7-2011
Robert D. Tollen, Ph.D.	Mayoral Appointee	7-2011
William F. Studer, Jr.	City Manager Appointee	9-2009
John D. Davis, III.	Mayoral Appointee	7-2013
Terri Garcia	City Manager Appointee	9-2011
Presi Ortega	Mayoral Appointee	9-2011

2011 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

FORT WORTH EMPLOYEES' RETIREMENT FUND

Governing Statute

Vernon's Texas Civil Statutes
Article 6243i

Actuarial Snapshot

Actuarial Accrued Liability: \$2,300,542,572.00
Actuarial Value of Assets: \$1,868,805,569.00
Funded Ratio: 81.20%
Amortization Period: 40.5
Date of Valuation: January 1, 2010

Executive Director/Chief Investment Officer

Ruth Ryerson
3801 Hulen St, Suite 101
Fort Worth, TX 76107
(817) 632-8900

Online Resources

www.fwretirement.org

The Fort Worth Employees' Retirement Fund is a multi-employer cost sharing defined benefit plan, covering all regular full-time employees of the City of Fort Worth ("City Plan"), plus all of the employees of the Fort Worth Employees' Retirement Plan ("Staff Plan"). The City Retirement Plan was established by City Ordinance in 1945, and the Staff Plan was established through Administrative Rules in 2007. The two plans are commingled for investment purposes, and are both administered by the Retirement Plan's Board of Directors.

Fort Worth Employees Retirement Fund Board of Trustees

Name	Position	Term Expires
Billy Samuel, Chair	Retired Police	8-2012
Bryan Beck, Vice Chair	Active General Employee (C)	8-2011
Matt Anderson	Active Police	8-2011
Todd Cox	Active Fire	8-2012
Scott Hanlan	Active General Employee (D)	8-2012
Lance Usrey	Retired Fire	8-2011
Sue Winter	Retired General Employee	8-2011
Jesús Payán	Council Appointee	8-2012
Jim Hille	Council Appointee	8-2011
Bill Gordon	Council Appointee	8-2012
Kimberly Britton	Council Appointee	8-2011
Mike Bickley	Council Appointee	8-2012
Lena Ellis	Finance Director	N/A

TEXAS PENSION REVIEW BOARD

GALVESTON EMPLOYEES' RETIREMENT PLAN FOR POLICE

Governing Statute

Vernon's Texas Civil Statutes
Article 6243p

Actuarial Snapshot

Actuarial Accrued Liability: \$48,073,240.00
Actuarial Value of Assets: \$23,780,731.00
Funded Ratio: 49.50%
Amortization Period: 30.4 years
Date of Valuation: January 1, 2010

Administrator

Steve Matijevich
4415 Avenue S
Galveston, TX 77571
(409) 765-5274

The Galveston Employees' Retirement Plan for Police is a single-employer defined benefit pension plan created by City ordinance in December 1980 to provide retirement and incidental benefits for employees of the City of Galveston, Texas, Police Department. Effective November 20, 1998, the Galveston City council adopted Article 6243p of the Texas Revised Civil Statutes thereby providing for the replacement of the provisions of the City Code pertaining to the Plan with those of the Statute as the authority governing the plan. Eligible employees, who were members of the previous plan on November 30, 1980, were given a onetime option of electing to participate as of December 1, 1980. Participation is mandatory for eligible employees hired on and after December 1, 1980.

Galveston Employees Retirement Plan for Police Board of Trustees

Name	Position	Term Expires
Jimmy De Los Santos, Chair	Police Association President	N/A
Matthew Whiting	Fund Member	12-31-2010
John Owens	Fund Member	12-31-2012
Andre Mitchell	Fund Member	12-31-2011
Jeffrey G. Miller	Finance Appointee	Indefinite
Vandy Anderson	Mayoral Appointee	12-31-2011
John Kelso	Council Appointee	12-31-2011

2011 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

HOUSTON FIREFIGHTERS' RELIEF & RETIREMENT FUND

Governing Statute

Vernon's Texas Civil Statutes
Article 6243e.2(1)

Actuarial Snapshot

Actuarial Accrued Liability: \$3,209,670,000.00
Actuarial Value of Assets: \$3,062,174,000.00
Funded Ratio: 95.40%
Amortization Period: 30 years
Date of Valuation: July 1, 2009

Executive Director/Chief Investment Officer

Christopher E. Gonzales
4225 Interwood N Pkwy
Houston, TX 77032
(281) 372-5100

Online Resources

www.hfrrf.org

The Houston Firefighters' Relief and Retirement Fund was created in 1937 with the passage of a state law that provided benefits for firefighters in certain cities in Texas. In 1975, Article 6243e.2 was passed in the Texas legislature to create a fund for firefighters in cities with a population not less than 1.2 million. This statute was amended in 1997 into Article 6243e.2(1). Since that time, and currently, Article 6243e.2(1) governs only firefighters employed by the City of Houston. The articles states that a fund shall be created to provide retirement, disability and death benefits for firefighters and their beneficiaries, and that it shall be governed by a Board of Trustees, which has sole responsibility for its maintenance. In earlier years, the City of Houston provided the staff and financing for the daily administration of the Fund; however, effective July 1, 1988, the Board of Trustees assumed full responsibility for its administration.

Houston Firefighter's Relief & Retirement Fund Board of Trustees

Name	Position	Term Expires
Todd E. Clark, Chair	Firefighter	12-31-2012
Harold W. McDonald, Vice Chair	Firefighter	12-31-2013
Ted Downing, Secretary	Firefighter	12-31-2011
Fred S. Robertson	Mayor's Representative	N/A
Craig T. Mason	City Treasurer's Designee	N/A
Kevin Brolan	Firefighter	12-31-2011
Gary M. Vincent	Firefighter	12-31-2013
Francis "Frank" M. Maher	Retired Firefighter	12-31-2012
Helen Huey	Citizen Member	12-31-2011
Albertino "Al" Mays	Citizen Member	12-31-2012

TEXAS PENSION REVIEW BOARD

HOUSTON MUNICIPAL EMPLOYEES PENSION SYSTEM (HMEPS)

Governing Statute

Vernon's Texas Civil Statutes
Article 6243h

Actuarial Snapshot

Actuarial Accrued Liability: \$3,451,410,000.00

Actuarial Value of Assets: \$2,284,442,000.00

Funded Ratio: 66.20%

Amortization Period: 30 years

Date of Valuation: July 1, 2009

Executive Director

Rhonda Smith
1111 Bagby St, Suite 2450
Houston, TX 77002
(713) 595-0100

Online Resources

www.hmeps.org

The Houston Municipal Employees Pension System was created in 1943 under Chapter 358, Acts of the 48th Texas Legislature, Regular Session, Article 6243g, Vernon's Annotated Revised Texas Civil Statutes, and reenacted and continued under HB1573, 77th Texas Legislature, as Article 6243h, Vernon's Annotated Revised Texas Civil Statutes, as amended. The System is a multiple-employer, defined benefit pension plan and includes a contributory group (Group A) and two noncontributory groups (Group B and D). The System provides service retirement, disability retirement and death benefits for eligible participants which covers all municipal employees, except police officers and fire fighters (other than certain police officers in the System as authorized by the Statute), employed fulltime by the City, elected City officials, and the full-time employees of the System.

Houston Municipal Employees Pension System Board of Trustees

Name	Position	Term Expires
Sherry Mose, Chair	Employee Trustee	8-2014
Terrence Ardis, Vice Chair	Employee Trustee	8-2012
Lonnie Vara, Secretary	Retiree Trustee	8-2012
David L. Long	Retiree Trustee	8-2014
Lenard Polk	Employee Trustee	8-2012
Roy W. Sanchez	Employee Trustee	8-2014
Barbara Chelette	Board Appointed Trustee	7-2011
Richard Badger	City Council Appointee	7-2011
Alfred Jackson	Controller Appointee	7-2011
Justo P. Gonzalez	City Council Appointee	7-2011
Craig T. Mason	Mayoral Appointee	7-2011

2011 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

HOUSTON POLICE OFFICERS' PENSION SYSTEM (HPOPS)

Governing Statute

Vernon's Texas Civil Statutes
Article 6243g-4

Actuarial Snapshot

Actuarial Accrued Liability: \$4,232,732,000.00

Actuarial Value of Assets: \$3,526,703,000.00

Funded Ratio: 83.30%

Amortization Period: 30 years

Date of Valuation: July 1, 2010

Executive Director

John Lawson
602 Sawyer St, Suite 300
Houston, TX 77007
(713) 869-8734

Online Resources

www.hpops.org

The Houston Police Officers' Pension System was created in 1947 by an act of the 50th Legislature of the State of Texas, and is governed by Article 6243g-4, Vernon's Texas Civil Statutes and contracts pursuant to Section 27 thereof. The System is a single employer contributory defined benefit pension plan covering police officers employed full time by the City of Houston that provides for service, disability and death benefits for eligible members and their beneficiaries. The system is governed by a board comprised of seven members and the board is responsible for the general administration, management, and operation of the pension system, including the direction of investments and oversight of the fund's assets.

Houston Police Officers' Pension System Board of Trustees

Name	Position	Term Expires
J. Larry Doss, Chair	Police Member	12-2012
Ralph D. Marsh, Vice Chair	Police Member	12-2011
James Montero, Secretary	Retired Member	12-2012
Joe Glezman	Retired Member	12-2011
Terry A. Bratton	Police Member	12-2010
Craig T. Mason	City Treasurer	N/A
Vacant	Mayor's Representative	N/A

TEXAS PENSION REVIEW BOARD

SAN ANTONIO FIRE & POLICE PENSION FUND

Governing Statute

Vernon's Texas Civil Statutes
Article 6243o

Actuarial Snapshot

Actuarial Accrued Liability: \$2,442,620,119.00
Actuarial Value of Assets: \$2,166,923,759.00
Funded Ratio: 88.71%
Amortization Period: 10.4 years
Date of Valuation: October 1, 2009

Executive Director

Warren J. Schott
311 Roosevelt Ave
San Antonio, TX 78210
(210) 534-3262

Online Resources

www.safireandpolicepension.org

The San Antonio Fire and Police Pension Fund, created in 1941, is a single-employer defined benefit retirement plan established in accordance with the laws of the State of Texas. The governing document for the pension fund is found in Vernon's Texas Civil Statutes, Article 6243o and the pension law governing the pension fund as of September 30, 2009, was amended October 1, 2007. The pension fund provides comprehensive retirement, death and disability benefits for the City of San Antonio's police officers, fire fighters, retirees and their beneficiaries.

San Antonio Fire & Police Pension Fund Board of Trustees

Name	Position	Term Expires
Larry A. Reed, Chair	Retired Fire Trustee	5-31-2013
Shawn Ury, Vice Chair	Active Police Trustee	5-31-2013
Justin Rodriguez, Secretary	Councilman	N/A
Donald R. Wagoner	Active Fire Trustee	5-31-2011
Art A. Hall	Mayoral Appointee	N/A
Jim Smith	Active Police Trustee	5-31-2011
Bart Moczygemba	Active Fire Trustee	5-31-2013
Alex Perez	Retired Police Trustee	5-31-2011
Mary Alice P. Cisneros	Councilwoman	N/A

2011 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

SAN ANTONIO FIRE & POLICE PENSION FUND

81ST LEGISLATIVE SESSION SUMMARY:

SB 1628 – Wentworth

SB 1628 amends the terms of the San Antonio Fire and Police Pension Fund that is codified as Article 6243o, Vernon's Texas Civil Statutes, relating to police and fire fighter retirement systems in municipalities within a specified population bracket. The bill amends the timing requirements for certain payments and eligibility requirements for surviving spouses and clarifies and defines certain terms used throughout provisions relating to the fund. The bill authorizes alternate payees to appear before the board of trustees to contest an application for membership or grant of annuity with the same rights as a member or beneficiary of the fund and subjects an alternate payee to the same information requirements and annuity reduction provisions. The bill authorizes fire and police chiefs to make an irrevocable election to not become members of the fund if certain specified procedures are followed. The bill offers members employed for a probationary period the option of purchasing service credits for each month of the probationary period for up to 10 months. The bill also amends the qualified amounts dispersed and accumulated in the fund, makes cost-of-living adjustments for certain members, and changes the amount received by surviving spouses and children.

TEXAS PENSION REVIEW BOARD

BENEFIT SUMMARY FOR STATEWIDE PUBLIC RETIREMENT SYSTEMS

Retirement System	Normal Eligibility	Benefit Formula
Employees Retirement System	<p><u>Employee Class:</u></p> <p>Tier 1 (a member hired prior to September 1, 2009): Age 60/5 YCS; Rule of 80 Age 55 with 10 YCS, CS as certified peace officer or custodial officer.</p> <p>Tier 2 (a member hired on or after September 1, 2009): Age 65/10; Rule of 80; Benefit will be reduced by 5% for each year an employee retires before age 60 with reduction cap of 25%. Age 55 with 10 YCS, CS as certified peace officer or custodial officer</p> <p><u>Elected Class:</u> Age 50/12 YCS or Age 60/8 YCS</p>	<p><u>Employee Class:</u></p> <p>Tier 1 (a member hired prior to September 1, 2009): 2.3% x Avg. High 36 mos. Salary x YCS</p> <p>Tier 2 (a member hired on or after September 1, 2009): 2.3% x Avg. High 48 mos. Salary x YCS</p> <p><u>Elected Officials:</u> 2.3% x Current District Judge's Salary x YCS Minimum: \$150/month Maximum: 100% Avg. monthly salary</p>
Judicial Retirement System Plan I	<p>Age 65 with 10 YCS, and currently holding judicial office Age 65/12 YCS or Any Age/20 YCS</p>	50% of Final Compensation, increased by 10% of final compensation if in office or served as a visiting judge within 12 months of benefit commencement. Final Compensation is the state salary for a judge of a court of the same classification as the last court to which the retiring member was elected or appointed.
Judicial Retirement System Plan II	<p>Age 65 with 10 YCS, (if currently holds judicial office), or Age 65 with 12 YCS, or 20 YCS regardless of age, or Rule of 70 and 12 YCS on an appellate court</p>	50% of Final Compensation increased by 10% of final compensation if in office or served as a visiting judge within 12 months of benefit commencement. Final Compensation is the state salary for a judge of a court of the same classification as last served.
Law Enforcement and Custodial Officer Supplemental Retirement Fund	Age 50 with 20 YCS as a certified peace officer or custodial officer	The percentage of the normal benefit is the sum of the percentage factor for a standard service retirement under ERS plus 0.5% (2.3% + 0.5% = 2.8%).

2011 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

BENEFIT SUMMARY FOR STATEWIDE PUBLIC RETIREMENT SYSTEMS

Retirement System	Normal Eligibility	Benefit Formula
Teacher Retirement System	If hired before 9/1/07: 65/5 or Rule of 80 If hired on or after 9/1/07: Age 65 with 5 YCS, or Age 60/5 YCS and Rule of 80	If hired before 9/1/2005 & meet grandfather provisions: 2.3% x Avg. High 3 Yr. Salary x YCS; Minimum: \$150/month If hired on or after 9/1/2005: 2.3% x Avg. High 5 Yr. Salary x YCS; Minimum: \$150/month
Texas County & District Retirement System	Varies by employer. Available options: Age 60 with 5, 8, or 10 YCS, or Rule of 75 or 80, or 20 or 30 YCS	[Accumulated member contributions with interest + Employer-financed monetary credits] / annuity purchase rate
Texas Emergency Services Retirement System	Age 55 with 15 YCS	(6 x Avg. Monthly Contribution x Vested %) x 1.062 ^(t) (t) = YCS > 15 Minimum monthly contribution is \$32.00/member per month and varies by department up to \$200.
Texas Municipal Retirement System	By City Option: Age 60/5 YCS, or Age 60/10 YCS, or Any age/20 or 25 YCS	(Accumulated member contributions) + (City-financed monetary credits) + (Interest Earned)

TEXAS PENSION REVIEW BOARD

BENEFIT SUMMARY FOR MUNICIPAL PENSION PLANS GOVERNED BY STATE STATUTE

Retirement System	Retirement Eligibility	Basic Service Retirement Benefit
Austin Employees	Age 55/20 YCS or Age 62 or 23 YCS	3.0% x (High 36 mos. Salary of Final Average Earnings of Final 120 mos.) x YCS
Austin Fire	25 YCS or Age 50/10 YCS	3.3% x (High 36 mos. Salary) x YCS Minimum: \$1,200/month
Austin Police	Age 55/20 YCS or Age 62 or 23 YCS	3.2% x (High 36 mos. Salary of Final 120) x YCS
Dallas Police & Fire	Age 50/5 YCS	3% x (High 36 mos. Salary) x YCS (Maximum: 32 YCS); Minimum: \$2,200/month
El Paso Fire & Police	Base Plan—Age 45/20 YCS 2 nd Tier Plan—Age 50/25 YCS	Base Plan: 2.75% x Final Wages (Highest consecutive 36 months average preceding retirement) x YCS; maximum—77% of Final Wages 2 nd Tier Plan: 2.50% x Final Wages (Highest consecutive 36 months average preceding retirement) x YCS
Fort Worth Employees	Age 65/5 YCS or Rule of 80 Police: 25 YCS (25 and Out Rule)	Beginning 4/1/99 3% x (High 36 mos. Avg. Annual Comp) x YCS Prior to 4/1/99 3% x (High 60 mos. Avg. Annual Comp) x YCS
Galveston Police	Age 65	1.35% x (Avg. Last 60 mos. Salary) x (YCS<15) + 1.65% x (Avg. Last 60 mos. Salary) x (YCS15-30)
Houston Fire	20 YCS	50.0% (Avg. of Member's Monthly Salary for Highest 78 pay periods) + [3.0% x (Avg. of Member's Monthly Salary for Highest 78 pay periods) x (YCS>20)] Maximum: 80% of Avg. of Member's Monthly Salary for Highest 78 pay periods
Houston Police	<u>If hired before 10/9/2004:</u> 20 YCS <u>If hired after 10/9/2004:</u> Age 55/10 YCS	<u>If hired before 10/9/2004:</u> 2.75% x FAS x YCS<20) + (2.0% x FAS x YCS>20) + \$5000 lump sum + \$150/mo to defray medical expenses <u>If hired after 10/9/2004:</u> 2.25% x FAS x YCS<20) + (2.0% x FAS x YCS>20), 80% max.

2011 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

BENEFIT SUMMARY FOR MUNICIPAL PENSION PLANS GOVERNED BY STATE STATUTE

Retirement System	Retirement Eligibility	Basic Service Retirement Benefit
Houston Municipal Group A (Contributory) ¹ Group B (Non-Contributory) Group D (Non-Contributory) ⁴	<p>On or after 8/1/00: (with 68pts as of 1/1/05): 62/5 YCS</p> <p>“Rule of 70”²</p> <p>On or after 1/1/05: (less than 68pts as of 1/1/05): 62/5 YCS</p> <p>“Rule of 75”³</p> <p>On or after 1/1/2008: 62/5 YCS</p>	<p><u>Group A</u></p> <p>$[2.50\% \times (\text{FAS}) \times (\text{YCS} < 20)] + [3.25\% \times (\text{FAS}) \times (\text{YCS} > 20)]$</p> <p>Maximum: 90% FAS</p> <p><u>Group B</u></p> <p>$[1.75\% \times (\text{FAS}) \times (\text{YCS} < 10)] + [2.00\% \times (\text{FAS}) \times (\text{YCS} 11-20)] + [2.50\% \times (\text{FAS}) \times (\text{YCS} > 20)]$</p> <p>Maximum: 90% of FAS</p> <p><u>Group D</u></p> <p>$[1.80\% \times (\text{FAS}) \times (\text{YCS} < 25)] + [1.00\% \times (\text{FAS}) \times (\text{YCS} > 25)]$</p> <p>Maximum: 90% of FAS</p>
San Antonio Fire & Police	20 YCS	<p>$[2.25\% \times (\text{High } 36 \text{ mos. Salary}) \times \text{YCS } 1-20] + [5\% \times (\text{High } 36 \text{ mos. Salary}) \times \text{YCS } 21-27] + [2\% \times (\text{High } 36 \text{ mos. Salary}) \times \text{YCS } 28-30] + [0.5\% \times (\text{High } 36 \text{ mos. Salary}) \times \text{YCS } 31-33]$</p>

¹ As of 1/1/05 Group C participants were frozen and combined with Group A.

² “Rule of 70” = 5 years of Credited Service and age plus years of Credited Service equal 70 or more.

³ “Rule of 75” = 5 YCS and age plus YCS equal to 75 or more with minimum of age 50.

⁴ All employees who enter the system on or after 1/1/08 are members of Group D.

TEXAS PENSION REVIEW BOARD

ASSET SUMMARY FOR STATEWIDE PUBLIC RETIREMENT SYSTEMS

Employees Retirement System of Texas	
Assets	2010
Fixed Income	\$7,497,677,654
Equities	\$11,277,822,274
Mutual Funds	
Real Estate	\$349,332,326
Alternative	
Securities Lending Collateral	\$402,111,103
Cash	\$24,063,931
Participant Loans	
Capital Assets	\$10,703,186
Receivables	\$170,641,029
Other	\$301,373,372
TOTAL	\$20,033,724,875
LIABILITIES	\$453,114,428
TOTAL NET ASSETS	\$19,580,610,447

Judicial Retirement System of Texas Plan Two	
Assets	2010
Fixed Income	\$85,891,747
Equities	\$129,252,959
Mutual Funds	
Real Estate	\$4,003,634
Alternative	
Securities Lending Collateral	\$5,014,350
Cash	\$609,283
Participant Loans	
Capital Assets	
Receivables	\$2,558,288
Other	\$3,394,358
TOTAL	\$230,724,619
LIABILITIES	\$5,459,952
TOTAL NET ASSETS	\$225,264,667

Law Enforcement & Custodial Officer Supplemental Retirement Fund	
Assets	2010
Fixed Income	\$255,730,755
Equities	\$384,653,514
Mutual Funds	
Real Estate	\$11,914,710
Alternative	
Securities Lending Collateral	\$13,638,935
Cash	\$966,505
Participant Loans	
Capital Assets	
Receivables	\$6,189,840
Other	\$10,101,522
TOTAL	\$683,195,781
LIABILITIES	\$14,842,838
TOTAL NET ASSETS	\$668,352,943

Teacher Retirement System of Texas	
Assets	2010
Fixed Income	\$27,678,291,627
Equities	\$42,805,497,400
Mutual Funds	\$3,494,599,035
Real Estate	
Alternative	\$20,946,772,473
Securities Lending Collateral	\$23,601,464,926
Cash	\$949,978,660
Participant Loans	
Capital Assets	\$30,997,673
Receivables	\$533,704,301
Other	
TOTAL	\$120,041,306,095
LIABILITIES	\$24,352,901,086
TOTAL NET ASSETS	\$95,688,405,009

2011 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

ASSET SUMMARY FOR STATEWIDE PUBLIC RETIREMENT SYSTEMS

Texas County & District Retirement System	
Assets	2009
Fixed Income	\$5,549,385,657
Equities	\$6,340,255,416
Mutual Funds	
Real Estate	\$410,694,548
Alternative	\$2,557,420,079
Securities Lending Collateral	\$671,187,953
Cash	\$599,573,225
Participant Loans	
Capital Assets	\$18,088,412
Receivables	\$124,568,670
Other	\$279,837
TOTAL	\$16,271,453,797
LIABILITIES	\$715,914,285
TOTAL NET ASSETS	\$15,555,539,512

Texas Emergency Services Retirement System	
Assets	2010
Fixed Income	\$848,970
Equities	\$25,621,426
Mutual Funds	
Real Estate	
Alternative	
Securities Lending Collateral	
Cash	\$754,843
Participant Loans	
Capital Assets	
Receivables	\$936,344
Other	\$26,759,142
TOTAL	\$54,920,725
LIABILITIES	\$331,534
TOTAL NET ASSETS	\$54,589,191

Texas Municipal Retirement System	
Assets	2009
Fixed Income	\$10,522,910,235
Equities	\$3,752,911,956
Mutual Funds	
Real Estate	
Alternative	
Securities Lending Collateral	\$3,357,731,657
Cash	\$1,686,021,548
Participant Loans	
Capital Assets	\$10,031,982
Receivables	\$719,901,342
Other	\$230,000
TOTAL	\$20,049,738,720
LIABILITIES	\$3,744,063,077
TOTAL NET ASSETS	\$16,305,675,643

TEXAS PENSION REVIEW BOARD

ASSET SUMMARY FOR MUNICIPAL PENSION PLANS GOVERNED BY STATE STATUTE

Austin Employees' Retirement Fund	
Assets	2009
Fixed Income	\$467,732,296
Equities	\$992,508,948
Mutual Funds	
Real Estate	\$47,024,506
Alternative	
Securities Lending Collateral	\$158,114,387
Cash	\$2,674,086
Participant Loans	
Capital Assets	\$1,067,584
Receivables	\$17,813,027
Other	
TOTAL ASSETS	\$1,686,934,834
LIABILITIES	\$175,669,284
TOTAL NET ASSETS	\$1,511,265,550

Austin Fire Fighters Relief & Retirement Fund	
Assets	2009
Fixed Income	\$147,223,439
Equities	\$224,130,771
Mutual Funds	\$153,143,159
Real Estate	
Alternative	
Securities Lending Collateral	
Cash	\$6,673,779
Participant Loans	
Capital Assets	\$300,804
Receivables	\$790,131
Other	
TOTAL	\$532,262,083
LIABILITIES	\$1,014,783
TOTAL NET ASSETS	\$531,247,300

Austin Police Officers' Retirement Fund	
Assets	2009
Fixed Income	\$97,448,016
Equities	\$198,244,348
Mutual Funds	
Real Estate	\$105,777,556
Alternative	\$26,929,577
Securities Lending Collateral	
Cash	\$131,916
Participant Loans	
Capital Assets	\$1,399,136
Receivables	\$3,031,493
Other	(\$402,454)
TOTAL	\$432,559,588
LIABILITIES	\$532,034
TOTAL NET ASSETS	\$432,027,554

Dallas Police & Fire Pension System-Combined Plan	
Assets	2009
Fixed Income	\$354,671,420
Equities	\$1,333,923,659
Mutual Funds	\$16,648,151
Real Estate	\$883,698,048
Alternative	
Securities Lending Collateral	
Cash	\$281,084,220
Participant Loans	
Capital Assets	
Receivables	\$3,185,531
Other	
TOTAL	\$2,873,211,029
LIABILITIES	\$270,962
TOTAL NET ASSETS	\$2,872,940,067

2011 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

ASSET SUMMARY FOR MUNICIPAL PENSION PLANS GOVERNED BY STATE STATUTE

El Paso Firemen's Pension Fund	
Assets	2009
Fixed Income	\$128,817,333
Equities	\$244,325,214
Mutual Funds	
Real Estate	\$1,535,843
Alternative	\$81,184
Securities Lending Collateral	
Cash	\$6,572,562
Participant Loans	
Capital Assets	\$557,633
Receivables	\$673,112
Other	\$13,452
TOTAL	\$382,576,333
LIABILITIES	\$136,158
TOTAL NET ASSETS	\$382,440,175

El Paso Police Pension Fund	
Assets	2009
Fixed Income	\$186,124,717
Equities	\$353,018,963
Mutual Funds	
Real Estate	\$2,219,098
Alternative	\$117,300
Securities Lending Collateral	
Cash	\$9,496,513
Participant Loans	
Capital Assets	\$557,635
Receivables	\$893,632
Other	\$20,665
TOTAL	\$552,448,523
LIABILITIES	\$193,886
TOTAL NET ASSETS	\$552,254,637

Fort Worth Employees Retirement Fund	
Assets	2010¹
Fixed Income	\$492,953,142
Equities	\$509,570,722
Mutual Funds	\$298,071,387
Real Estate	
Alternative	\$351,184,798
Securities Lending Collateral	
Cash	\$151,932
Participant Loans	
Capital Assets	\$3,864,648
Receivables	\$95,817,889
Other	
TOTAL	\$1,751,614,518
LIABILITIES	\$93,566,969
TOTAL NET ASSETS	\$1,658,047,549

Galveston Employees' Retirement Plan for Police	
Assets	2009
Fixed Income	\$7,710,190
Equities	\$6,928,569
Mutual Funds	\$4,898,843
Real Estate	
Alternative	
Securities Lending Collateral	
Cash	\$1,585,402
Participant Loans	
Capital Assets	
Receivables	\$231,912
Other	\$269,810
TOTAL	\$21,624,726
LIABILITIES	\$17,860
TOTAL NET ASSETS	\$21,606,866

¹ Draft of 2010 Financial Statements.

TEXAS PENSION REVIEW BOARD

ASSET SUMMARY FOR MUNICIPAL PENSION PLANS GOVERNED BY STATE STATUTE

Houston Firefighter's Relief & Retirement Fund	
Assets	2010
Fixed Income	\$1,016,194,675
Equities	\$932,215,511
Mutual Funds	
Real Estate	\$151,119,542
Alternative	\$586,597,619
Securities Lending Collateral	\$198,722,386
Cash	\$15,850,900
Participant Loans	
Capital Assets	\$7,558,790
Receivables	\$44,175,938
Other	\$144,357
TOTAL	\$2,952,579,718
LIABILITIES	\$230,942,424
TOTAL NET ASSETS	\$2,721,637,294

Houston Municipal Employees Pension System	
Assets	2010
Fixed Income	\$162,825,613
Equities	\$577,373,117
Mutual Funds	\$555,114,272
Real Estate	\$193,693,353
Alternative	\$335,926,903
Securities Lending Collateral	\$151,091,167
Cash	\$1,598,751
Participant Loans	
Capital Assets	\$352,081
Receivables	\$16,073,994
Other	
TOTAL	\$1,994,049,251
LIABILITIES	\$165,557,095
TOTAL NET ASSETS	\$1,828,492,156

Houston Police Officers Pension System	
Assets	2010
Fixed Income	\$961,270,000
Equities	\$967,066,000
Mutual Funds	
Real Estate	
Alternative	\$1,035,288,000
Securities Lending Collateral	\$196,200,000
Cash	\$559,000
Participant Loans	
Capital Assets	
Receivables	\$36,195,000
Other	\$150,000
TOTAL	\$3,196,728,000
LIABILITIES	\$224,701,000
TOTAL NET ASSETS	\$2,972,027,000

San Antonio Fire & Police Pension Fund	
Assets	2009
Fixed Income	\$472,605,000
Equities	\$719,342,000
Mutual Funds	
Real Estate	\$127,168,000
Alternative	\$382,656,000
Securities Lending Collateral	\$118,907,000
Cash	\$70,048,000
Participant Loans	
Capital Assets	\$489,000
Receivables	\$10,958,000
Other	
TOTAL	\$1,902,173,000
LIABILITIES	\$126,735,000
TOTAL NET ASSETS	\$1,775,438,000

2011 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

MEMBERSHIP SUMMARY FOR STATEWIDE PUBLIC RETIREMENT SYSTEMS

Retirement System	Members as of	Active Vested	Active Non-vested	Total Active	Inactive Vested	Inactive Non-vested	Total Inactive	DROP	Retirees & Beneficiaries	Total Members
Employees Retirement System	8/31/2010	-	-	142,490	15,572	63,165	78,737	-	79,311	300,538
Judicial Retirement System Plan I	8/31/2010	-	-	22	3	4	7	-	447	476
Judicial Retirement System Plan II	8/31/2010	-	-	539	25	105	130	-	164	833
Law Enforcement and Custodial Officer Supplemental Retirement Fund	8/31/2010	-	-	39,052	47	2,931	2,978	-	7,175	49,205
Teacher Retirement System	8/31/2010	-	-	961,187	29,039	13,497	42,536	466	296,491	1,300,680
Texas County & District Retirement System	12/31/2009	54,658	68,788	123,446	13,904	42,052	55,956	-	38,511	217,913
Texas Emergency Services Retirement System	8/31/2010	-	-	4,359	2,105	-	2,105	-	2,152	8,616
Texas Municipal Retirement System	12/31/2009	61,080	41,339	102,419	21,024	18,540	39,564	-	38,980	180,963

Figures shown on chart as reported by plans in their most recent Actuarial Valuations or CAFRs

TEXAS PENSION REVIEW BOARD

MEMBERSHIP SUMMARY MUNICIPAL PENSION PLANS GOVERNED BY STATE STATUTE

Retirement System	Members as of	Active Vested	Active Non-vested	Total Active	Inactive Vested	Inactive Non-vested	Total Inactive	DROP	Retirees & Beneficiaries	Total Members
Austin Employees	12/31/2009	-	-	8,142	975	1,737	2,712	-	4,086	14,940
Austin Fire	12/31/2009	514	521	1,035	5	-	5	-	522	1,562
Austin Police	12/31/2009	-	-	1,651	20	-	20	-	514	2,185
Dallas Fire & Police	12/31/2009	3,875	1,601	5,476	144	-	144	-	3,450	9,070
El Paso Fire	12./31/2009	-	-	819	3	-	3	-	635	1,457
El Paso Police	12/31/2009	-	-	1,099	8	-	8	-	852	1,959
Fort Worth Employees	1/1/2010	4,115	2,162	6,277	290	-	290	-	3,449	10,016
Galveston Police	1/1/2010	98	59	157	5	-	5	-	114	276
Houston Fire	6/30/2010	1,990	1,921	3,911	8	-	8	-	2,600	6,519
Houston Municipal	7/1/2009	7,392	5,941	13,333	2,884	2,858	5,742	-	8,340	27,415
Houston Police	6/30/2010	1,745	3,609	5,354	20	-	20	-	2,989	8,363
San Antonio Fire & Police	9/30/2009	-	-	3,735	-	-	-	-	2,026	5,761

Figures shown on chart as reported by plans in their most recent Actuarial Valuations or CAFRs

2011 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

ACTUARIAL VALUATION SUMMARY FOR STATEWIDE PUBLIC RETIREMENT SYSTEMS

Retirement System Actuary and Valuation Date	Contributions		Normal Cost % Payroll	Actuarial Value of Assets \$Millions	Unfunded Actuarial Liabilities	Amortization Period
	Member	Employer				Years
Employees Retirement System Buck Consultants (08/31/2010)	6.50%	6.95%	12.30%	\$23,628.5	\$4,783.2	Infinite
Judicial Retirement System Plan I¹ Buck Consultants (08/31/2010)	6.00% for first 20 yrs	Appropriation As Needed	22.32%	\$0.0	\$264.0	N/A
Judicial Retirement System Plan II Buck Consultants (08/31/2010)	6.00% for first 20 yrs	16.83%	20.19%	\$264.5	\$17.2	12.6
Law Enforcement and Custodial Officer Supplemental Retirement Fund Buck Consultants (08/31/2010)	0.50%	1.59%	2.07%	\$802.8	\$163.7	Infinite
Teacher Retirement System Gabriel Roeder Smith & Company (08/31/2010)	6.40%	6.644%	10.42%	\$111,292.5	\$22,898.5	Infinite
Texas County & District Retirement System Milliman (12/31/2009)	4%, 5%, 6%, 7%	Actuarially Determined	Varies by Employer	\$16,564.2	\$1,883.9	Average = 16.1
Texas Emergency Services Retirement System Rudd & Wisdom (08/31/2010)	0.00%	\$32/month per member for 2010; \$36/month per member for 2011 and thereafter	N/A ²	\$64.1	\$15.8	30
Texas Municipal Retirement System Gabriel Roeder Smith & Company (12/31/2009)	3% ³ , 5%, 6%, 7%	Actuarially Determined	Varies by City	\$16,305.6	\$5,219.4	30

Texas Pension Review Board's guidelines state that contributions to a defined benefit plan should always cover the normal cost, and amortize any unfunded actuarial accrued liability over a period not to exceed 40 years.

¹*Judicial Retirement System Plan I—Pay-as-you-go plan.*

²*Texas Emergency Services Retirement System—Normal cost \$1.9 million; no covered payroll*

³*Texas Municipal Retirement Systems—Three cities have a 3% rate which is no longer available to cities under the TMRS Act.*

TEXAS PENSION REVIEW BOARD

ACTUARIAL ASSUMPTIONS AND METHODS FOR STATEWIDE PUBLIC RETIREMENT SYSTEMS

Retirement System Actuary and Valuation Date	Actuarial Cost Method	Asset Valuation Method	Investment Rate of Return	Includes Inflation at	Projected Salary Increases	Cost of Living Adjustments
Employees Retirement System Buck Consultants (08/31/2010)	Ultimate Entry Age Normal Level Percent Open	80% of Expected Value plus 20% of Market Value	8.00%	3.50%	0% - 13.50%	Employee Class None Elected Class 3.5%
Judicial Retirement System Plan I¹ Buck Consultants (08/31/2010)	Entry Age Normal Level Dollar Open	N/A	8.00%	3.50%	3.50%	3.50%
Judicial Retirement System Plan II Buck Consultants (08/31/2010)	Entry Age Normal Level Percent Open	80% of Expected Value plus 20% of Market Value	8.00%	3.50%	3.50%	None
Law Enforcement and Custodial Officer Supplemental Retirement Fund	Entry Age Normal Level Percent Open	80% of Expected Value plus 20% of Market Value	8.00%	3.50%	5.5% - 13.50%	None
Teacher Retirement System Gabriel Roeder Smith & Company (08/31/2010)	Ultimate Entry Age Normal Level Percent Open	5-Year Smoothed Value	8.00%	3.00%	4.25% - 26.40%	None
Texas County & District Retirement System Milliman (12/31/2009)	Entry Age Normal Level Percent (Closed, if UAAL; Open, if OAAAL)	SAF: 10-Year Smoothed Value ESF: Fund value	8.00%	3.50%	5.4% average	Ad Hoc Elective by Employer
Texas Emergency Services Retirement System	Entry Age Normal Level Dollar Open	5-Year Smoothed Value	7.75%	3.50%	N/A	None
Texas Municipal Retirement System Gabriel Roeder Smith & Company	Projected Unit Credit Level Percent Closed	10-Year Smoothed Value	7.00%	3.00%	3.50% - 12.00%	Ad Hoc or Repeating Elective by Employer

¹ *Judicial Retirement System Plan I—Pay-as-you-go plan.*

2011 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

ACTUARIAL VALUATION SUMMARY FOR MUNICIPAL PENSION PLANS GOVERNED BY STATE STATUTE

Retirement System Actuary and Valuation Date	Contributions		Normal Cost (% Payroll)	Actuarial Value of Assets	Unfunded Actuarial Liabilities (\$Millions)	Amortization Period	
	Member	City				Years	
Austin Employees Gabriel Roeder Smith & Company (12/31/2009)	8.00%	12.00% ¹	16.26%	\$1,672.4	\$658.4	Infinite	
Austin Fire Buck Consultants (12/31/2009)	15.70%	18.05% ²	30.22%	\$589.2	\$74.9	20.5	
Austin Police Rudd and Wisdom (12/31/2009)	13.00% ¹	19.63% ³	22.338%	\$518.1	\$215.5	29.3	
Dallas Police & Fire Buck Consultants (01/01/2010)	8.50%	27.50%	24.91%	\$3,382.9	\$750.3	26	
El Paso Fire Buck Consultants (01/01/2010)	15.28%	18.50%	27.39% ⁴	\$403.7	\$89.5	49	
El Paso Police Buck Consultants (01/01/2010)	13.89%	18.50%	27.91% ⁴	\$588.6	\$127.0	71	
Fort Worth Employees Gabriel Roeder Smith & Company (01/01/2010)	Police 8.73% All Others 8.25%	Police 16.46% All Others 15.74%	17.77%	\$1,868.8	\$431.7	40.5	
Galveston Police Retirement Horizons (01/01/2010)	12.00%	12.00%	12.05%	\$23.7	\$24.2	30.4	
Houston Fire Buck Consultants (07/01/2009)	9.00%	29.40% ⁶	28.80%	\$3,062.1	\$147.4	30 ⁵	
Houston Municipal Gabriel Roeder Smith & Company (07/01/2009) ⁷	5.00% ⁸	20.16% ⁹	5.86%	\$2,284.4	\$1,176.0	30 ⁵	
Houston Police Gabriel Roeder Smith & Company (07/01/2010)	9.22% ¹⁰	32.04%	29.42%	\$3,526.7	\$706.0	30 ⁵	
San Antonio Fire & Police Segal (10/1/2009)	12.32%	24.64%	24.94%	\$2,166.9	\$275.6	10.4	

See footnotes on following page

TEXAS PENSION REVIEW BOARD

Footnotes from Previous Page

¹ *Austin Employees City contribution rate—The Austin City Council adopted a Supplemental Funding Plan which increased the City of Austin employer contributions to the system as follows: i. 14% of compensation effective October 1, 2010; and ii. 16% of compensation effective October 1, 2011; and iii. 18% of compensation effective October 1, 2012, and each fiscal year thereafter.*

² *Austin Fire City contribution rate—18.05% with a 1% increase each year to 22.05% by 2013.*

³ *Austin Police—The total contribution rate of 32.63% (13% by members and 19.63% by the city) is reduced by the calculated city contribution rate for the separate Retiree Death Benefit Fund of 0.098%. The 19.63% city contribution rate is the ultimate rate beginning October 2010.*

⁴ *El Paso Fire & Police—Normal cost after overtime adjustments.*

⁵ *Houston Fire, Municipal, and Police have the 30-year closed amortization amount shown in the actuarial valuation while the amortization period would be infinite based on the actual contribution.*

⁶ *Houston Fire City contribution rate—Beginning in 1983, the rate required to fund the Retirement Fund on an actuarial reserve basis. However, a minimum contribution of twice the employee contribution rate is required by Statute. The actual city contribution rate is 29.40%; however, the July 1, 2009 actuarial valuation shows the city contribution rate as 23.80%.*

⁷ *Houston Municipal—city contribution rate, normal cost, and unfunded actuarial liabilities taken from the plan's 2010 Actuarial Experience Study.*

⁸ *Houston Municipal member contribution rate—Employee contribution rate for Group A members is 5%. Group B members and members newly hired after January 1, 2008 are noncontributory.*

⁹ *Houston Municipal city contribution rate—The FY2011 actuarially determined contribution rate is 20.16%, but the City of Houston contribution amount for FY2011 is set at \$88.5 million by statutory agreement.*

¹⁰ *Houston Police member contribution rate – Employee contribution is 9.00%. Members hired after October 9, 2004 contribute 10.25% of pay.*

2011 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

ACTUARIAL ASSUMPTIONS AND METHODS FOR MUNICIPAL PENSION PLANS GOVERNED BY STATE STATUTE

Retirement System Actuary and Valuation Date	Actuarial Cost Method Amortization Method	Asset Valuation Method	Investment Rate of Return	Includes Inflation at	Projected Salary Increases	Cost of Living Adjustments
Austin Employees Gabriel Roeder Smith & Company (12/31/2009)	Entry Age Normal Level Percent Open	5-Year Smoothed Value	7.75%	3.25%	5.00% - 6.00%	None
Austin Fire Buck Consultants (12/31/2009)	Entry Age Normal Level Percent	5-Year Smoothed Value	7.75%	3.50%	1.00% - 13.10%	None
Austin Police Rudd and Wisdom (12/31/2009)	Entry Age Normal Level Percent Open	5-Year Smoothed Value	8.00%	4.00%	4.00% - 22.70%	None
Dallas Police & Fire Buck Consultants (01/01/2010)	Entry Age Normal Level Percent Open, reflecting lower cost for New Entrants	5-Year Smoothed Value	8.50%	4.00%	4.00%-9.64%	4.00% for Members hired before 01/01/2007
El Paso Fire Buck Consultants (01/01/2010)	Entry Age Normal Level Percent	5-Year Smoothed Value	7.75%	3.50%	4.50% - 10.75%	3.00% for Members hired before 07/01/2007
El Paso Police Buck Consultants (01/01/2010)	Entry Age Normal Level Percent	5-Year Smoothed Value	7.75%	3.50%	4.50% - 10.75%	3.00% for Members hired before 07/01/2007
Fort Worth Employees Gabriel Roeder Smith & Company (01/01/2010)	Ultimate Entry Age Normal Level Percent Open	5-Year Smoothed Value	8.50%	3.00%	Fire/Police 4.75% - 29.25% Muni 4.75% - 8.00%	2.00% for Members with Guaranteed COLA, 0.00% for Members with conditional COLA
Galveston Police Retirement Horizons (1/1/2010)	Entry Age Normal Level Percent	5-Year Smoothed Value	7.50%	4.00%	4.00% - 10.24%	None
Houston Fire Buck Consultants (07/01/2009)	Entry Age Normal Level Percent Closed ¹	5-Year Smoothed Value	8.50%	3.00%	3.00% - 7.00%	3.00%
Houston Municipal Gabriel Roeder Smith & Company (07/01/2009)	Ultimate Entry Age Normal Level Percent Closed ¹	5-Year Smoothed Value	8.50%	3.00%	3.00% - 6.00% ²	3.00%, 2.00%, or 0.00% for Members hired after 12/31/2007
Houston Police Gabriel Roeder Smith & Company (07/01/2010)	Projected Unit Credit Level Percent Closed ¹	5-Year Smoothed Value	8.50%	3.00%	2.50% - 14.50%	80% of increase in CPL-U, must be between 2.40% and 8.00%
San Antonio Fire & Police Segal (10/1/2009)	Entry Age Normal Level Percent	5-Year Smoothed Value	8.00%	4.25%	4.75% - 15.25%	Retired prior to 10-1-99 = 4.25% Retired after 10-1-99 = 3.1875%

¹Houston Fire, Municipal, and Police have the 30-year closed amortization amount shown in the actuarial valuation while the amortization period would be infinite based on the actual contribution.

²Houston Municipal projected salary increases—taken from the plan's 2010 Actuarial Experience Study.

TEXAS PENSION REVIEW BOARD

PAID FIRE FIGHTER PLANS UNDER TEXAS LOCAL FIRE FIGHTERS' RETIREMENT ACT (TLFFRA)

Retirement System	Assets as of	Total Net Assets	Total Members
Abilene Firemen's Relief & Retirement Fund	9/30/2009	\$40,791,892.00	318
Amarillo Firemen's Relief & Retirement Fund	12/31/2009	\$106,180,628.00	396
Atlanta Firemen's Relief & Retirement Fund	9/30/2009	\$2,293,237.00	48
Beaumont Firemen's Relief & Retirement Fund	12/31/2009	\$78,355,540.00	386
Big Spring Firemen's Relief & Retirement Fund	12/31/2009	\$9,426,750.00	103
Brownwood Firemen's Relief & Retirement Fund	9/30/2009	\$2,279,727.00	57
Cleburne Firemen's Relief & Retirement Fund	9/30/2009	\$12,139,948.49	88
Conroe Fire Fighters' Retirement Fund	12/31/2009	\$11,766,735.00	102
Corpus Christi Fire Fighters' Retirement System	12/31/2009	\$92,547,783.00	695
Corsicana Firemen's Relief & Retirement Fund	12/31/2009	\$5,503,071.00	80
Denison Firemen's Relief & Retirement Fund	12/31/2009	\$11,873,722.00	95
Denton Firemen's Relief & Retirement Fund	12/31/2009	\$44,164,741.00	226
Galveston Firefighter's Relief & Retirement Fund	12/31/2009	\$32,934,989.00	195
Greenville Firemen's Relief & Retirement Fund	12/31/2009	\$11,266,214.00	118
Harlingen Firemen's Relief & Retirement Fund	9/30/2009	\$19,326,930.00	157
Irving Firemen's Relief & Retirement Fund	9/30/2009	\$110,836,488.80	473
Killeen Firemen's Relief & Retirement Fund	9/30/2009	\$19,675,516.65	261
Laredo Firefighters Retirement System	9/30/2009	\$70,073,434.00	440
Longview Firemen's Relief & Retirement Fund	12/31/2009	\$38,006,751.00	273
Lubbock Fire Pension Fund	12/31/2009	\$139,797,927.00	593

2011 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

PAID FIRE FIGHTER PLANS UNDER TEXAS LOCAL FIRE FIGHTERS' RETIREMENT ACT (TLFFRA)

Retirement System	Assets as of	Total Net Assets	Total Members
Lufkin Firemen's Relief & Retirement Fund	12/31/2009	\$8,855,465.00	134
Marshall Firemen's Relief & Retirement Fund	12/31/2009	\$5,905,214.00	76
McAllen Firemen's Relief & Retirement Fund	9/30/2009	\$30,436,792.00	230
Midland Firemen's Relief & Retirement Fund	12/31/2009	\$61,964,225.00	318
Odessa Firemen's Relief & Retirement Fund	12/31/2009	\$38,835,501.00	306
Orange Firemen's Relief & Retirement Fund	12/31/2009	\$7,863,408.00	68
Paris Firefighters' Relief & Retirement Fund	12/31/2009	\$6,036,399.00	87
Plainview Firemen's Relief & Retirement Fund	12/31/2009	\$4,458,483.00	64
Port Arthur Firemen's Relief & Retirement Fund	12/31/2009	\$30,311,331.00	160
San Angelo Firemen's Relief & Retirement Fund	12/31/2009	\$43,571,753.00	294
San Benito Firemen's Pension Fund	9/30/2009	\$1,939,132.00	30
Sweetwater Firemen's Relief & Retirement Fund	12/31/2009	\$6,579,300.00	50
Temple Firemen's Relief & Retirement Fund	9/30/2009	\$29,034,879.00	158
Texarkana Firemen's Relief & Retirement Fund	9/30/2009	\$21,945,550.00	131
Texas City Firemen's Relief & Retirement Fund	9/30/2009	\$9,467,797.00	127
Travis County ESD # 6 Firefighter's Relief & Retirement Fund	12/31/2009	\$1,119,993.00	62
Tyler Firemen's Relief & Retirement Fund	12/31/2009	\$41,409,508.00	229
University Park Firemen's Relief & Retirement Fund	9/30/2009	\$7,196,485.00	72
Waxahachie Firemen's Relief & Retirement Fund	9/30/2009	\$7,167,645.16	72
Weslaco Firemen's Relief & Retirement Fund	9/30/2009	\$4,524,774.03	91
Wichita Falls Firemen's Relief & Retirement Fund	12/31/2008	\$33,012,453.00	263

TEXAS PENSION REVIEW BOARD

VERNON'S TEXAS REVISED CIVIL STATUTES¹ AND GOVERNMENT CODE² GOVERNING MUNICIPAL, FIRE FIGHTER AND POLICE OFFICER RETIREMENT SYSTEMS

STATE LAWS GOVERNING MUNICIPAL, FIRE FIGHTER AND POLICE OFFICER RETIREMENT SYSTEMS		
System or Issue Governed	Article/Section No.	Population Bracket
Dallas Police & Fire	6243a-1	1,180,000-1,900,000
El Paso Fire & Police	6243b	500,000-600,000
Policemen's Relief & Retirement Fund	6243d-1	>290,000
Texas Local Fire Fighters Retirement Act (TLFFRA)	6243e	Various
Austin Fire	6243e.1	450,000-500,000
Houston Fire	6243e.2(1)	1,600,000
Transfer of Firemen's Pensions to Municipal Employees' Pensions	6243e-2	350,000-400,000
Firemen's Death & Disability Benefits; Heart & Lung Disease	6243e-3	
Prohibition on Involuntary Retirement of Fire Fighters	6243f-1	400,000-450,000
Houston Police	6243g-4	>1,500,000
Houston Municipal	6243h	>1,500,000
Fort Worth Employees	6243i	>500,000
Police Officers' Pension System in certain Cities	6243j	50,000-400,000
Retirement, Disability & Death Benefit Systems for Appointive City or Town Employees	6243k	>500,000
Police Department Employees Not under Other Specified Statutes	6243l	>250,000
Certain Municipal Retirement Systems Contributions & Benefits	6243m	
Austin Employees	6243n	460,000-500,000
Austin Police	6243n-1	460,000-500,000
San Antonio Fire & Police	6243o	750,000-1,000,000
Galveston Police	6243p	50,000-400,000
Retirement Health Trust for Firefighters & Police Officers	6243q	
Political Entities, including Municipalities & Other Special Purpose Districts	Title 8, Gov't Code §810	
Texas Emergency Services Retirement System (TESRS)	Title 8, Gov't Code §§861-865	

¹The link to access the relevant Articles of the Vernon's Texas Revised Civil Statutes is:
<http://www.statutes.legis.state.tx.us/?link=CV>

²The link to access the referenced Sections of the Government Code is: <http://www.statutes.legis.state.tx.us/?link=GV>

2011 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

COMPARISON OF STATEWIDE AND MUNICIPAL PUBLIC PENSION BOARD COMPOSITION

System Name	Total Number of Trustees	Government Representative Trustees	Active/Retired Trustees ¹	Citizen/Independent Trustees
STATEWIDE SYSTEMS				
Employees Retirement System	6		3 Active	3
Teacher Retirement System	9		3 Active /1 Retired	5
Texas County & District Retirement System	9		9	
Texas Emergency Services Retirement System	9		6	3
Texas Municipal Retirement System	6		6	

MUNICIPAL SYSTEMS				
Austin Employees	11	2	4 Active/2 Retired	3
Austin Fire	5	2	3	
Austin Police	11	3	5 Active/2 Retired	1
Dallas Police & Fire	12	4	6 Active/2 Retired	
El Paso Fire & Police	11		6	5
Fort Worth Employees	13	1	4 Active/3 Retired	5
Galveston Police	7	1	4	2
Houston Fire	10	2	5 Active/1 Retired	2
Houston Municipal	11		4 Active/2 Retired	5
Houston Police	7	2	3 Active/2 Retired	
San Antonio Fire & Police	9	3	4 Active/2 Retired	

¹A breakdown of active/retired trustees is provided when specified by a plan's governing statute.

TEXAS PENSION REVIEW BOARD

PENSION TERMINOLOGY

Actuarial Accrued Liability

Computed differently under different funding methods, the actuarial accrued liability generally represents the portion of the Present Value of Future Projected Benefits attributable to service credit earned (or accrued) as of the valuation date.

Actuarial Assumptions

Factors which actuaries use in estimating the cost of funding a defined benefit pension plan. Examples include: the rate of return on plan investments; mortality rates; and the rates at which plan participants are expected to leave the system because of retirement, disability, termination, etc.

Actuarial Cost Methods

An actuarial method which defines the allocation of pension costs (and contributions) over a member's working career. All standard actuarial cost methods are comprised of two components: normal cost and the actuarial accrued liability. An actuarial cost method determines the incidence of pension costs, not the ultimate cost of a pension plan; that cost is determined by the actual benefits paid less the actual investment income.

Actuarial Equivalent

A benefit having the same present value as the benefit it replaces. Also, the amount of annuity that can be provided at the same present value cost as a specified annuity of a different type or a specified annuity payable from a different age.

Actuarial Gain or Loss

Experience of the plan, from one year to the next, which differs from that assumed results in an actuarial gain or loss. For example, an actuarial gain would occur if assets earned 10 percent for a given year since the assumed interest rate in the valuation is 8 percent.

Actuarial Present Value

The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of actuarial assumptions (i.e. interest rate, rate of salary increases, mortality, etc).

Actuarial Value of Assets

The value of pension plan investments and other property used by the actuary for the purpose of an actuarial valuation (sometimes referred to as valuation assets). Actuaries often select an asset valuation method that smoothes the effects of short-term volatility in the market value of assets.

Actuarially Reduced

The method of adjusting a benefit received at an early date so that the expected total cost to the retirement system is equivalent to the cost if the benefit did not begin until later.

Actuary

A business professional who analyzes the financial consequences of risk. Actuaries use mathematics, statistics and financial theory to study uncertain future events, especially those of concern to insurance and pension programs. They evaluate the likelihood of those events, design creative ways to reduce the likelihood and decrease the impact of adverse events that actually do occur.

Age (Retirement)

Normal retirement dependent upon attainment of a specified age.

PENSION TERMINOLOGY

Aggregate Funding Method

The aggregate funding method is a standard actuarial funding method. The annual cost of benefits under the aggregate method is equal to the normal cost. The method does not produce an unfunded liability. The normal cost is determined for the entire group rather than on an individual basis.

Amortization

Paying off an interest bearing liability by gradual reduction through a series of installments, as opposed to paying it off by one lump sum payment.

Annuitant

One who receives periodic payments from the retirement system. This term includes service and disability retirees, and their survivors.

Annuity

A series of periodic payments, usually for life, payable monthly or at other specified intervals. The term is frequently used to describe the part of a retirement allowance derived from a participant's contributions. Compare with "pension".

Beneficiary

The person designated to receive benefits under an employee benefit plan in the event of the death of the person covered by the plan.

Cash-Out

A lump sum payment of the member's contributions prior to retirement.

Credited Service

A period of employment which is recognized as service for purposes of determining eligibility to receive pension payments and/or determining the amount of such payments.

Death Benefit

A benefit payable by reason of a member's death. The benefit can be in the form of a lump sum, an annuity or a refund of the member's contributions.

Deferred Annuity

An annuity for which payments do not commence until a designated time in the future.

Deferred Compensation

Considerations for employment that are not payable until after the regular pay period. The most common form of deferred compensation are pension plans, but private employers may also offer bonuses, incentive clauses, etc.

Defined Benefit Plan (DB)

A pension plan providing a definite benefit formula for calculating benefit amounts—such as a flat amount per year of service; a percentage of salary; or a percentage of salary, times years of service.

Defined Contribution Plan (DC)

A pension plan in which the contributions are made to an individual account for each employee. The retirement benefit is dependent upon the account balance at retirement. The balance depends upon amounts contributed during the employee's participation in the plan and the investment experience on those contributions.

Disability Retirement

A termination of employment involving the payment of a retirement allowance as a result of an accident or sickness occurring before a participant is eligible for normal retirement.

TEXAS PENSION REVIEW BOARD

PENSION TERMINOLOGY

Early Retirement

A termination of employment involving the payment of a retirement allowance before a participant is eligible for normal retirement. The retirement allowance payable in the event of early retirement is often lower than the accrued portion of the normal retirement allowance.

Entry Age Normal Cost Method (EANC)

The EANC method is a standard actuarial funding method. The annual cost of benefits under EANC is comprised of two components:

- Normal cost
- Amortization of the unfunded liability

The normal cost is determined on an individual basis, from a member's age at plan entry, and is designed to be a level percentage of pay throughout a member's career.

Equities

Ownership of a company (as opposed to debt). Examples include stocks, venture capital, and leveraged buy-outs.

ERISA

Employee Retirement Income Security Act acronym. This federal legislation sets minimum standards for pension design to increase the security of private sector employees' benefits.

401(k), 403(b), and 457 Plans

These defined contribution plans allow employees to save for retirement on a tax-deferred basis. 401(k) plans are found in the private sector and the public sector in some states. 403(b) plans are for employees of public educational institutions and certain non-profit tax-exempt organization. 457 plans (also known as deferred compensation plans) are for governmental employees and non-church-controlled tax-exempt organizations.

Fiduciary

(1) Indicates the relationship of trust and confidence where one person (the fiduciary) holds or controls property for the benefit of another person; (2) anyone who exercises power and control, management or disposition with regard to a fund's assets, or who has authority to do so or who has authority or responsibility in the plan's administration. Fiduciaries must discharge their duties solely in the interest of the participants and their beneficiaries, and are accountable for any actions which may be construed by the courts as breaching that trust.

Funded Ratio

The ratio of a plan's current assets to the present value of earned pensions. There are several acceptable methods of measuring a plan's assets and liabilities. In financial reporting of public pension plans, funded status is reported using consistent measures by all governmental entities. According to the Government Accounting Standards Board (GASB), the funded ratio equals the actuarial value of assets divided by the actuarial accrued liability calculated under the Projected Unit Credit cost method.

General Accounting Standards Board (GASB)

This governmental agency sets the accounting standards for state and local government operations.

Individual Retirement Account (IRA)

A retirement account to which an individual can make annual tax-deductible contributions according to annual limits that are specified by the Internal Revenue Service.

PENSION TERMINOLOGY

Joint and Survivor Annuity

A provision that enables a plan participant to take annuity payments with continuing payments of all or part of the benefits after his or her death going to a designated beneficiary. The survivor annuity will automatically be provided to a married participant if he or she does not choose against it. The annual pension benefits of the participant electing to have such a survivor annuity are generally reduced to provide for the survivor.

Life Annuity

A monthly benefit payable as long as the annuitant is alive. There are no residual payments to survivors.

Life Expectancy

The average number of years a person of a given age might be expected to live.

Lump Sum Distribution

Payment within one taxable year of the entire balance payable to the participant from a qualified pension or employee annuity plan.

Money Purchase Plan

A type of pension plan where the employer agrees to make a fixed contribution each year for each eligible employee. The contribution is typically expressed as a percentage of the employee's pay and the contribution constitutes a non-discretionary commitment on the part of the employer. The contribution must be made each year, regardless of employer profits, and can only be varied by plan amendment. Although treated differently under federal tax law, money purchase plans are fundamentally defined contribution plans.

Non-Contributory Plan

A retirement system in which no contributions are required of its members to aid in its financing.

Normal Cost

Computed differently under different funding methods, the normal cost generally represents the portion of the cost of projected benefits allocated to the current plan year. The employer normal cost equals the total normal cost of the plan reduced by employee contributions.

Normal Retirement Age

The age, as established by a plan, when unreduced benefits can be received.

Offset Plan

A pension plan in which the employer's participation in Social Security is used as "credit" against members' benefits.

Pay-As-You-Go

A method of recognizing the costs of a retirement system only as benefits are paid. Also known as the current disbursement cost method.

Pension

A series of periodic payments, usually for life, payable monthly or at other specified intervals. The term is frequently used to describe the part of a retirement allowance financed by employer contributions. Compare with "annuity".

Portability

The ability of an employee who changes jobs and joins a different retirement system to become a dual member, maintaining membership in both systems. Dual members may combine service for benefit eligibility. They may also use their highest salary from either system for benefit calculation.

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Pre-Funding

To accumulate a reserve fund in advance of paying benefits. This is the opposite of "pay-as-you-go."

Present Value

The current worth of an amount or series of amounts payable in the future, after discounting each amount at an assumed rate of interest and adjusting for the probability of its payment or receipt.

Present Value of Future Projected Benefits (PVFB)

Computed by projecting the total future benefit payments from the plan, using actuarial assumptions (i.e. probability of death or retirement, salary increase, etc.), and discounting the payments to the valuation date using the valuation interest rate to determine the present value (today's value).

Projected Benefits

Pension benefit amounts which are expected to be paid in the future taking into account such items as the effect of advancement in age as well as past and anticipated future compensation and service credits.

Projected Unit Credit (PUC) Funding Method

The PUC funding method is a standard actuarial funding method. The annual cost of benefits under PUC is comprised of two components:

- Normal cost
- Amortization of the unfunded actuarial accrued liability

The PUC normal cost equals the difference between the accrued liability at the beginning and end of the year.

Projected Unit Credit (PUC) Liability

The portion of the Actuarial Present Value of future benefits attributable to service credit that has been earned to date (past service).

Prudent Man Rule

A requirement imposed by the Employee Retirement Income Security Act (ERISA) that plan fiduciaries carry out their duties with the care, skill prudence and diligence which a prudent man, acting in a like capacity and familiar with such matters, would use under conditions prevailing at the time.

Qualified Plan

An employee benefit plan approved by the Internal Revenue Service, meeting requirements set forth in IRS Code Section 401. Contributions to such plans are subject to favorable tax treatment.

Replacement Ratio

A calculation of the degree to which retirement income supplants a pre-retirement member's "take home" pay, less working expenses. To determine this ratio, several factors must be taken into account: a retiree's pre-retirement earnings; changes in tax liabilities after retirement; changes in Social Security tax liability; the elimination of work-related expenses—including contributions to the retirement system; and savings.

Reserve

A collection of assets set aside to meet future liabilities.

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Roth IRA

A retirement account which an individual can make after-tax contributions according to annual limits that are specified by the IRS.

Service Retirement

Retirement dependent upon completion of a specified period of service. In some usages, the term has the same meaning as "normal retirement".

Supplemental Cost

A separate element of actuarial cost which results from future normal costs having a present value less than the present value of the total prospective benefits of the system. Such supplemental cost is generally the result of assuming actuarial costs accrued before the establishment of the retirement system. A supplemental cost may also arise after inception of the system because of benefit changes, changes in actuarial assumptions, actuarial losses, or failure to fund or otherwise recognize normal cost accruals or interest.

Thirteenth Check

An annual supplemental retirement payment arising from earnings on investments of the system in excess of those determined as needed.

Ultimate Entry Age Normal Cost Method (Ultimate EANC)

The Ultimate EANC method is a variation of EANC, where the normal cost is calculated for each active member based on the plan provisions applicable to a new or recent entrant to the plan. For a plan that has a lower cost tier for new or recent entrants, use of the Ultimate EANC method lowers the normal cost and increases the actuarial accrued liability, as compared to EANC.

Unfunded Actuarial Accrued Liability (UAAL)

The excess, if any, of the Actuarial Accrued Liability over the Actuarial Value of Assets. In other words, the present value of benefits earned to date that are not covered by current plan assets.

Unfunded Liability or Unfunded PBO

The excess, if any, of the pension benefit obligation over the valuation assets. This is the portion of all benefits earned to date that are not covered by plan assets.

Variable Annuity

A benefit whose payments vary from year to year depending upon the value of a portfolio of securities (usually common stocks).

Vesting

The right of an employee to the benefits he or she has accrued, or some portion of them, even if employment under the plan is terminated. An employee who has met the vesting requirements of a pension plan is said to have a vested right. Voluntary and mandatory employee contributions are always fully vested.

Withdrawal

The termination of employment prior to becoming eligible for any benefits. The term sometimes refers to subsequent termination of membership in a system by withdrawal of the employee's accumulated contributions from the system.

