A Retirement Plan that Works for You

Kristina Fox TCDRS Employer Services

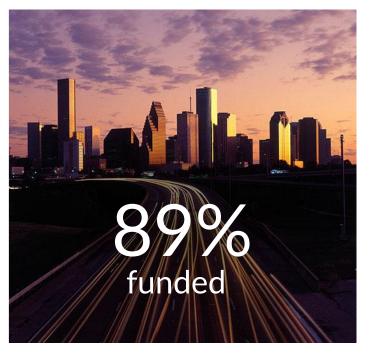












Set Up for Success

Created in 1967 by the Texas Legislature

Receive no funding from the State of Texas

Operating costs average 0.18% of assets

Managed independently by a nine-member board of trustees



TCDRS Does Retirement Right

Here's why:



Savings-Based Benefits



Responsible Plan Funding



Flexibility & Local Control





Our Plan Design

Defined Benefit Plans

Traditional Pension Plans

Benefit based on employee final salary

Monthly benefit lasts a lifetime

Employer assumes investment risk

TCDRS

Benefit based on employee account balance and employer matching

Monthly benefit lasts a lifetime

Investment risk is shared

Defined Contribution Plans

401(k)

Benefit based on employee savings and employer matching, if provided

Benefit may not last a lifetime

Employee assumes investment risk







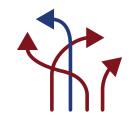
A Benefit for Your Employees



Employee savings earn 7% compound interest



Lifetime benefit at retirement that includes employer matching



Account options when employees leave



Compound Interest Pays Off



Example only – Projected amounts based on employee deposit of \$1,000 in year 1 and annual salary increases using the TCDRS graded valuation salary scale.



Employee Participation

All permanent employees must be enrolled in TCDRS

Only temporary employees may be excluded

Good idea to review enrollment periodically

No probationary periods for participation



How Employees Earn Service Time



Employees earn one month of service time for each month they make a deposit

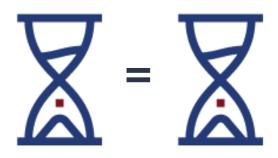


Service time counts toward eligibility for

- Vesting
- Retirement benefits



Other Ways to Earn Service Time

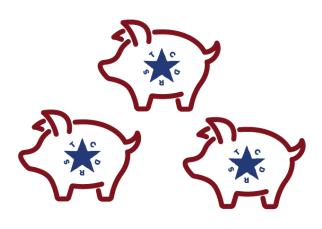


Proportionate Retirement Program

City of Austin Employees'
Retirement System (COAERS)
Employees Retirement System
of Texas (ERS)
Judicial Retirement System of Texas (JRS)
Teacher Retirement System of Texas (TRS)
Texas Municipal Retirement System (TMRS)



Military or USERRA



Multiple TCDRS Accounts



VESTING

Vested after 5, 8 or 10 years of service

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



SURVIVOR BENEFIT

Earned after 4 years of TCDRS service

Beneficiaries have option of lifetime monthly benefit

Gives loved ones peace of mind



Portability for Employees



Option 1: Keep money with TCDRS

- Account continues to earn 7% compound interest
- Lifetime monthly benefit with employer matching (when vested and eligible to retire)



Option 2: Rollover

- Forfeit a lifetime monthly benefit and lose employer matching
- Avoid paying tax penalties



Option 3: Withdraw

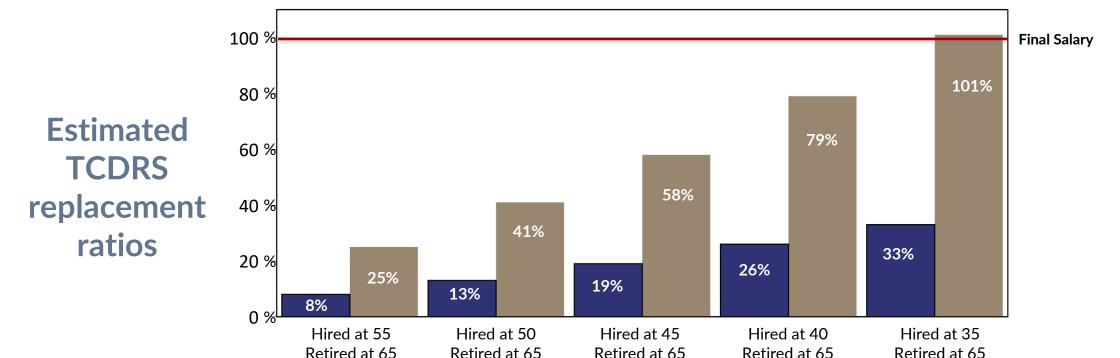
• Forfeit a lifetime monthly benefit and lose employer matching





How Much Will TCDRS Benefits Provide?

7% Employee Deposit 250% Employer Match



4% Employee Deposit 100% Employer Match

Notes:

The replacement ratio is the estimated monthly benefit compared to the final monthly salary earned before retirement.

Assumptions: The estimated percentages shown above are based on a new hire who will work for you until retirement. Plan provisions will remain in effect through the employee's retirement. Current laws governing TCDRS will continue as they are. Graded salary scales give bigger raises early in careers, with smaller raises later in careers. Based on Single Life benefit.



Basic Plan Options

Employee deposit rate: 4%, 5%, 6% or 7%

Employer matching: Dollar-for-dollar to \$2.50 per dollar

Retirement eligibility

- At age 60 with 5, 8 or 10 years of service (vesting)
- Rule of 75 or Rule of 80 (must be vested)
- 20 or 30 years of service at any age



Additional Plan Options

Monetary Prior Service

Group Term Life

Partial Lump-Sum Payment at Retirement





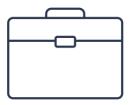
Sources of RETIREMENT INCOME



Personal Savings



Social Security



Part-time Work



TCDRS



Estimate YOUR BENEFIT







MONTHLY BENEFIT ESTIMATE EXAMPLE

Retirement Date: 10/2025

Single Life Options	Member	Beneficiary
Single Life	\$2,000 for life	\$0
10-Year Guaranteed Term	\$1,950 for life	\$1,950 (thru 10/2035)
1 <i>5</i> -Year Guaranteed Term	\$1,900 for life	\$1,900 (thru 10/2040)

Dual Life Options		
50% to Beneficiary	\$1,850 for life	\$925 for life
75% to Beneficiary	\$1,800 for life	\$1,350 for life
100% to Beneficiary	\$1,750 for life	\$1,750 for life
100% to Beneficiary (with Pop-Up Option)	\$1,700 for life	\$1,700 for life EX



Investment Income Funds Benefits



74¢

Investment Earnings

15¢

Employer Contributions **11**¢

Employee Deposits



Diversified Portfolio Reduces Risk

As of March 2024



Target Asset Allocation



Investment Returns (Net of All Fees)

As of Dec. 31, 2023

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



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





Employer Contributions

Independent actuaries perform an annual valuation on your retirement plan

Determines your required employer contribution rate and measures your funded status

Your rate can change each year based on changes in your workforce and investment earnings



Controlling Plan Costs



Contribute at a higher elected rate or make an additional contribution

- Allows you to prefund benefit increases
- Provides a cushion against possible future negative plan experience, such as investment losses

Adjust your benefits





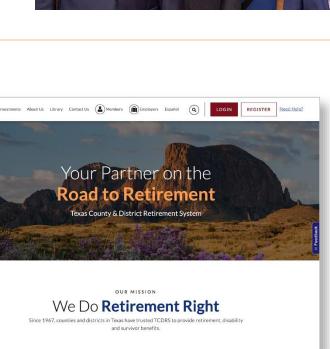
Committed to Service

Member Services

Employer Services

Resources:

- -Website
- -Educational videos
- -Free webinars and training
- -Annual Conference







Join TCDRS

Take the next step:

- **Eligible to Participate**
- **Workforce Analysis**
- **Benefit and Cost Review**
- Decision to Join
 - Select plan and sign plan/participation agreements
 - Begin participation 1st of any month
 - First payment due by 15th of following month



TCDRS Plan Administration

For initial plan setup you will be responsible for:

- Adding employer contacts
- Enrolling employees
- Terminating employees
- Submitting payroll
 - You are responsible for working with your payroll provider/bookkeeper/accountant/auditor to make sure your payroll system is set up properly for TCDRS employee deductions
 - TCDRS provides basic guidance
- Encouraging employees to register for their TCDRS online account

TCDRS will provide you with step-by-step training to help you administer your TCDRS retirement plan



ANY QUESTIONS?



