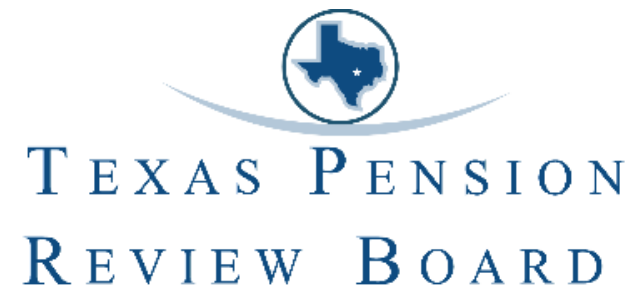




GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

89th Legislature
February 2025



Texas Pension Review Board



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Term Expiration: January 31, 2027

Hometown: Cypress

Amy Cardona

Executive Director

February 28, 2025

Honorable Members of the 89th Texas Legislature

Ladies and Gentlemen:

The Texas Pension Review Board (PRB) is pleased to present its *Guide to Public Retirement Systems in Texas, February 2025*. The PRB publishes the guide for each legislative session to give lawmakers, the public, retirement systems, and other stakeholders a quick reference for understanding and finding information on the state's public retirement systems, including current actuarial, investment, financial, benefits, and governance data.

The guide is designed to give readers an overview of the status of public retirement systems in Texas, as well as a brief explanation of the most important concepts associated with pre-funded defined benefit plans. The PRB's [Public Pension Data Center](#) contains the most recently available system specific and comparative data.

Overall, Texas public pension systems have seen an improvement in their funding compared to the last biennium:

- Funding periods are trending downward for most retirement systems when compared with their previous valuations, meaning systems are improving their funding situations.
- Since the 2021 legislative reforms to the Funding Soundness Restoration Plan (FSRP) statute took effect, 14 systems have reached a projected full funding date prior to September 1, 2055, either by triggering the FSRP and submitting a plan to the PRB or by proactively making changes to avoid triggering the requirement.
- The average assumed investment rate of return of Texas systems has decreased to 6.93 percent, which is only two basis points higher than the national average of 6.91 percent.

This session's *Guide* also includes new information:

- Investment Policy Statements – In the last biennium, the PRB created guidelines for what Texas public retirement systems should include in their investment policy statements based on best practices and state law. The PRB also adopted more detailed guidance for developing investment policy statements, and links to both the guidelines and guidance are included within this report.
- Investment expenses – This guide includes graphics showing the number of systems that fall into specific ranges of paid investment fees to give an idea of how much most systems are spending for their returns. More detailed information can be provided upon request.

The PRB would like to thank the retirement systems for their assistance in preparing this report. We look forward to working with interested parties during the 89th Legislative Session and hope that this report will serve as a reference point for any possible pension bills considered during this session.

Sincerely,

Amy Cardona

Executive Director

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TEXAS PENSION REVIEW BOARD

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About The Texas Pension Review Board (PRB)

The Texas Pension Review Board (the "board" or "PRB") was established in 1979 as an oversight agency for Texas public retirement systems. The PRB's service population consists of the members, trustees, and administrators of 351 public retirement plans; state and local government officials; and the public.

The PRB monitors the financial and actuarial soundness of 100 actuarially funded defined benefit public retirement systems in Texas, as well as their compliance with state reporting requirements under Chapter 802, Texas Government Code.¹ As of the most recent reports the PRB has on file, these retirement systems had approximately \$381 billion in total net assets and nearly 3.5 million members. There are also 251 defined contribution and pay-as-you-go volunteer firefighter systems across the state that are only required to register with the PRB and submit plan description information.

Board Composition

The board is composed of seven governor-appointed members, including: three persons who have experience in the fields of securities investment, pension administration, or pension law and are not members or retirees of a public retirement system; one active public retirement system member; one retired member of a public retirement system; one person who has experience in the field of governmental finance; and one member who is an actuary.

Primary Duties

The general duties of the PRB outlined in Chapter 801 of the Texas Government Code are to (1) conduct a continuing review of public retirement systems, including compiling and comparing 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 public retirement systems; (3) provide educational services to the trustees and system administrators of Texas public retirement systems; (4) provide information and technical assistance on pension planning to public retirement systems on request; (5) recommend policies, practices, and legislation to public retirement systems and appropriate governmental entities; and (6) prepare actuarial impact studies on proposed legislation. The board can furnish other appropriate services such as actuarial studies or other requirements of systems and can establish appropriate fees for these activities and services.

Actuarial Impact Statements

During legislative sessions, the agency is required to prepare and provide an actuarial impact statement that analyzes the economic or financial impact of a proposed pension bill on the retirement system affected by the bill. 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.

¹ Actuarially funded public retirement system means a prefunded system that uses a fixed rate or actuarially determined contribution structure.

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When a bill with a potential cost effect on a retirement system is scheduled for committee hearing, the PRB obtains an actuarial analysis of the legislation from the actuary who represents the retirement system targeted by the bill. The analysis is reviewed by the PRB's staff actuary, providing a "second opinion" on any costs associated with the bill. These two documents—the system's actuarial analysis and the PRB's actuarial review—are summarized in an actuarial impact statement prepared by staff and submitted to the Legislative Budget Board (LBB). The LBB publishes the final actuarial impact statement, which 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 impact statement is usually prepared.

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PRB Pension Funding Guidelines

Actuarial assumptions and methodologies are used to determine the proper funding policy for public pension plans. Actuaries include plan participant demographics, benefit obligations, and economic forecast assumptions to calculate the periodic contributions necessary to ensure the long-term financial viability of pension plans; and to estimate the impact that potential plan changes will have on their financial position.

To lend transparency to retirement systems' actuarial processes and to establish minimum funding standards necessary to meet long-term obligations, the PRB created the *Guidelines for Actuarial Soundness* in 1984, which have since been renamed the [PRB Pension Funding Guidelines](#). The latest update to the guidelines was adopted July 25, 2024 and included updates to funding period targets reflecting changes to funding policy and Funding Soundness Restoration Plan statutes. The *Guidelines* are as follows:

The purpose of the Pension Review Board's Pension Funding Guidelines is to provide guidance to public retirement systems and their sponsoring governmental entities in meeting their long-term pension obligations. The Guidelines are intended to foster communication between plans and their sponsors as they determine a reasonable approach to responsible funding, whether the contribution rate is fixed or actuarially determined.

According to state law, each public retirement system and its sponsoring governmental entity shall jointly develop and adopt a written funding policy.² The system and sponsor must revise this policy to reflect any significant changes, including changes required after implementing a funding soundness restoration plan (FSRP).³

1. The funding of a pension plan should reflect all plan obligations and assets.
2. The normal cost portion of the contributions should be level or declining as a percentage of payroll over all generations of taxpayers and should be calculated under applicable actuarial standards.
3. Funding of the unfunded actuarial accrued liability should be level or declining as a percentage of payroll over the funding period. State law requires a funding policy to include a plan for achieving a 100 percent or greater funded ratio.⁴ Starting September 1, 2025, funded ratio will be a factor in the triggering mechanisms for the FSRP requirement.⁵

² Statewide systems are exempt from Section [802.2011\(b\)](#), which includes the requirement for the system and sponsor to jointly develop and adopt the funding policy.

³ [Section 802.2011, Texas Government Code](#)

⁴ [Section 802.2011, Texas Government Code](#)

⁵ [Section 802.2015, Texas Government Code](#) specifies that on or after September 1, 2025, systems with a funding period of between 30 and 40 years and a funded ratio of less than 65 percent will trigger the FSRP requirement after one actuarial valuation.

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4. Actual contributions made to the plan should be sufficient to cover the normal cost and to amortize the unfunded actuarial accrued liability over as brief a period as possible, but not to exceed 30 years, in accordance with state law.⁶ For plans that use multiple amortization layers, the weighted average of all funding periods should not exceed 30 years. Once a system reaches 100 percent funded, at minimum, contributions should continue to cover the normal cost until the funded ratio exceeds at least 120 percent.
5. If the funding period has not decreased to 20 years or less by September 1, 2035, the funding policy should be updated to target a funding period of 15 years by September 1, 2040.
6. After September 1, 2040, benefit increases and contribution decreases should not be adopted if the proposed changes cause a material increase in the funding period and if the resulting funding period exceeds the greater of 15 and the average future working lifetime of the current active members.⁷
7. Benefit decreases and contribution increases should not be adopted without studying how the resulting normal costs compare to the contribution rates of each tier, and board discussion of whether members in each tier will receive a benefit that is worth more than their contributions.
8. The choice of assumptions used by a system should be reasonable and should comply with applicable actuarial standards.
9. Public retirement systems should monitor, review, and report the impact of actual plan experience on actuarial assumptions at least once every five years.

⁶ [Section 802.2015, Texas Government Code](#) establishes a 30-year funding period as the state's minimum funding standard for public retirement systems as part of the FSRP requirement. Any systems that subsequently become subject to the Revised FSRP requirement must meet a stricter 25-year funding period and implement an actuarially determined contribution, among other requirements.

⁷ For example, if members on average have accrued 12 years of service and are expected to retire after 25 years of service, any benefit increases should be paid for within the 13 expected remaining service years of the current active members.

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PRB Principles of Retirement Plan Design

At its August 2017 meeting, the PRB established the PRB Advisory Committee on Principles of Retirement Plan Design to develop a document to guide and inform public retirement systems and their sponsors on how to structure retirement plans. The PRB received comments and feedback on the draft *Principles of Retirement Plan Design* from plans, their actuaries, and the public. The committee incorporated changes into the document, agreed on a draft for recommendation to the full board, and the board adopted the *Principles* on June 14, 2018. The [Principles](#) are presented below:

The Pension Review Board (PRB) recognizes that offering a sustainable, secure retirement benefit is vital to achieving the objectives of multiple public-sector stakeholders including employers, employees, retirees, beneficiaries, and taxpayers, and that benefits should be protected through sound plan design and adequate funding. Therefore, the PRB intends for these Principles to guide and inform public retirement systems and their associated governmental entities on how to structure retirement plans.

Because:

- state and local government is a major employer in Texas;
- the state and its many political subdivisions—counties, cities, school districts, special districts, and others—rely on employees to deliver essential public services, including teaching at public schools; protecting public health and safety; planning, building, and maintaining transportation, utility and other infrastructure, parks and recreational facilities; protecting vulnerable individuals, including children, the elderly, and those with developmental disabilities; and protecting the state’s natural resources;
- employee compensation is a vital component in the ability of the state and its political subdivisions to attract qualified workers to perform public services and to keep those workers employed as long as they continue to add value to their employer and to the public;
- a retirement benefit is a critical element of employee compensation, serving as an important tool in the ability of employers to recruit and retain qualified and experienced employees; and
- the design and prudent financial management of the retirement benefit provided to public employees can significantly affect the ability of employers to attract and retain employees and maintain budgetary stability while providing essential public services;

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The PRB supports the following Principles of Retirement Plan Design for public retirement systems in Texas:

1. Public employers should offer a retirement benefit, and participation in the employer-sponsored primary retirement plan should be mandatory.
2. Contributions to retirement plans should be consistent with the PRB *Pension Funding Guidelines*.
3. Employers and employees should share the cost of the benefit.
4. Retirement plan vesting should occur over a short period, preferably five years or less.
5. Benefits should be designed to place employees on the path to financial security in retirement in consideration of participation or nonparticipation in Social Security.
6. A primary retirement plan should require annuitization of a substantial portion of retirement benefits.
7. In the absence of an immediate and heavy financial need, a retirement benefit should be used only for retirement.
8. Retirement benefits should be protected against the erosion of the benefit's value due to inflation; such benefits should not exceed actual inflation and should be funded in accordance with the Pension Review Board's *Pension Funding Guidelines*.
9. Employers should provide death and disability benefits.
10. Employers are encouraged to offer plans that are supplemental to the primary retirement plan.
11. Retirement plan governance should represent the interests of all stakeholders, respect fiduciary standards, and be transparent and publicly accountable.
12. Retirement plan assets should be pooled and professionally invested according to prudent investor standards, giving careful consideration to cost.

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Investment Policy Statement Guidelines

The investment policy statement (IPS) is an essential formal document outlining a system's investment strategies, objectives, and guidelines for managing the assets of the retirement fund. It serves as a roadmap for making informed and responsible investment decisions; ensuring the system is managed in the best interest of its members and beneficiaries. Members of the governing board must stay informed about current investment trends and uphold their legal, ethical, and fiduciary responsibilities to make prudent investment decisions.

[Section 802.202, Texas Government Code](#) requires Texas public retirement systems to adopt a written investment policy. The law does not mandate the type or ratio of investments. The written investment policy must be available to the public for review, and a copy must be filed with the Pension Review Board within 90 days of adoption.

[Section 27\(d\), Article 6243e, Vernon's Civil Statutes](#), directs systems under the Texas Local Fire Fighters Retirement Act (TLFFRA) to adopt formal investment policies that emphasize safety, diversity, and liquidity for benefit payments.

In 2023, all retirement systems had an IPS, but only 55 percent had provided an updated document to the PRB within the last four years. Several public retirement systems appear to be using IPS documents close to 20 years old. The PRB has created investment policy [guidance](#), [guidelines](#), [templates](#), and [tools](#) to assist systems in developing and maintaining a complete, well-developed IPS consistent with industry best practices. All documents are also easy to obtain on the [PRB website](#). The *Guidelines* are as follows:

State law requires Texas public retirement system governing bodies in management of their investments to develop and adopt a written investment policy. This policy must be maintained for public review and filed with the Pension Review Board (PRB).⁸

The PRB provides these guidelines to assist systems in developing and maintaining a complete, well-developed investment policy statement (IPS) consistent with various industry best practices. They offer a high-level overview and minimum framework but also allow flexibility for systems and their investment consultants, advisors, and/or investment staff to construct an IPS that fits their needs. A complete, well-developed IPS forms the foundation of any well-managed investment program and establishes clear goals and direction. The IPS aids trustees in understanding the expectations of various roles involved in investing a system's assets. Clearly articulated roles and responsibilities in the IPS also ensure continuity between outgoing and newly appointed trustees.

An IPS may contain sections and language that are very similar among Texas retirement systems. However, each system will naturally have some differences based on their unique needs and decisions and need to tailor their IPS to reflect those differences. The following recommended policy categories reflect accepted industry best practices established by the Chartered Financial Analyst Institute and the Government Finance Officers Association as well as investment expert reports analyzing Texas retirement system investment practices and performance summarized in the PRB's [2020 Investment Performance Report](#).

⁸ [Section 802.202, Texas Government Code](#).

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A thorough investment policy statement should contain the policies listed below:

1. Fund mission or goals
2. Roles and responsibilities
3. Investment objective
4. Liquidity
5. Risk tolerance
6. Investment assets
7. Proxy voting⁹
8. Performance evaluation
9. Cost management
10. Investment manager selection and monitoring
11. Ethics

Governance procedures based on best practices and state law:

1. The system's board should periodically review the IPS and related governing documents at least every two years if not annually and should re-adopt them at least every five years. By statute, changes to an IPS are required to be filed with the PRB not later than 90 days after the change is adopted.¹⁰
2. The board should acknowledge and consider both the individual system's pension funding constraints and benefit payment requirements when creating the IPS.
3. The IPS should document existing practices for future trustees' benefit and overall investment program continuity.
4. The system is required by statute to make the IPS available on a publicly available website and make a physical copy available at a system's main office.¹¹

⁹ While not all systems pursue investments that have proxy voting rights, every system should have a default policy in place acknowledging that the system expects investment managers to vote proxies in the best fiduciary interest of the respective fund and beneficiaries.

¹⁰ [Section 802.202, Texas Government Code.](#)

¹¹ [Section 802.202, Texas Government Code.](#)

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Overview of Texas Public Retirement Systems

There are 100 actuarially funded defined benefit public retirement systems registered with the PRB. The total membership of these systems is more than three million active and retired members, and the total net assets are approximately \$381 billion. The 100 systems include:

- 7 **statewide** systems including two voluntary “umbrella” cash balance plans for municipalities, counties, and special purpose districts
- 17 major **municipal** systems including 14 in state law and three in local ordinance
- 42 **local firefighter** systems organized under the Texas Local Firefighters Retirement Act
- 34 local systems administered by **special purpose districts** or as **supplemental** plans

The retirement systems report data to the PRB in annual financial reports, investment reports, membership reports, actuarial valuations, and other actuarial studies. The following graphs summarize some of the key indicators of financial health for Texas public pensions in the aggregate. The information displayed below, unless otherwise noted, is from the most recent reports reviewed as of December 2024.

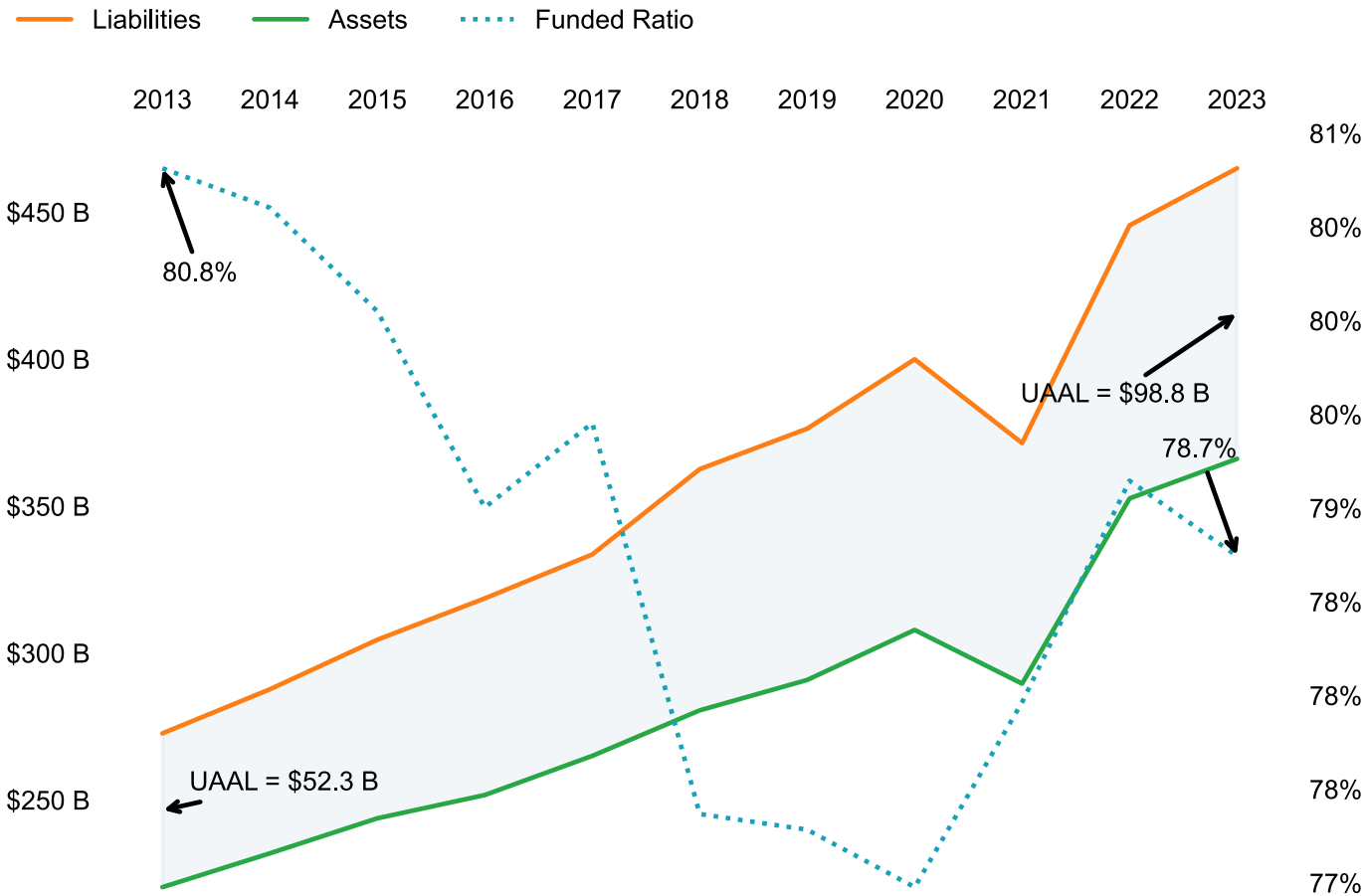
Actuarial

Since 2013, the overall unfunded actuarial accrued liability (UAAL), which is the difference between the actuarial value of assets (AVA) and accrued actuarial liability (AAL), has steadily increased from \$52.3 billion in 2013 to \$98.8 billion in 2023, which is the most current data reported to the PRB. The aggregate funded ratio, in turn, has decreased over time from 80.8 percent to 78.7 percent. The graph titled, *Actuarial Asset-Liability and Funded Ratio Trends*, shows this change in the UAAL and funded ratio of the 100 actuarially funded DB plans in Texas from 2013 through 2023. A full summary of the data can be found in [Appendix D](#).

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Actuarial Asset-Liability and Funded Ratio Trends

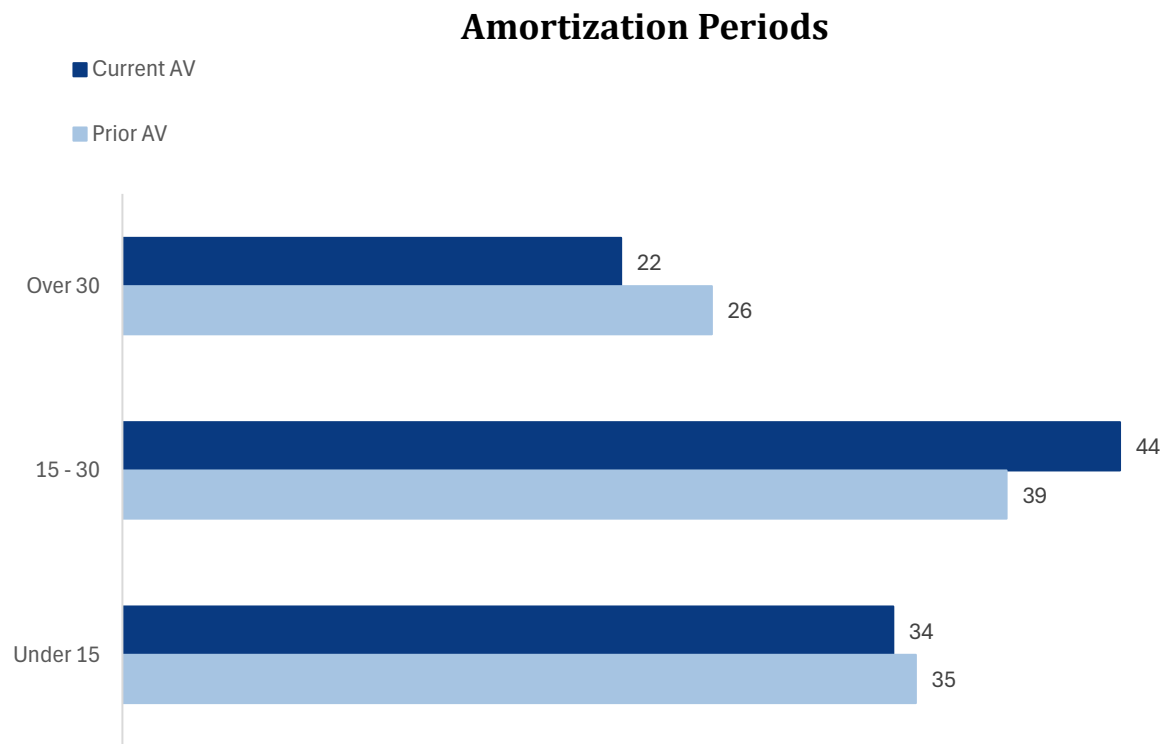


[Link to text-only description of Actuarial Asset-Liability and Funded Ratio Trends, line graph.](#)

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A system's amortization period is defined as the time it would theoretically take to fully fund any unfunded liability. Systems with surpluses are shown as having an amortization period of zero years. The PRB [Pension Funding Guidelines](#) establish a maximum amortization period of no more than 30 years starting September 1, 2025, and no more than 15 years by September 1, 2040. The FSRP statute codifies this 30-year maximum period.¹² The graph below illustrates the amortization periods as reported in the two most recent actuarial valuations provided by each retirement system, broken down by the number of systems falling into each range. Out of 100 systems, 22 systems have amortization periods over 30 years based on current actuarial valuations (AVs) and 26 based on previous AVs. Forty-four systems are currently between 15-30 years, while 39 were in this range based on previous AVs, and 34 were under 15 years, down from 35 based on previous AVs.



¹² Sections [802.2015](#) and [802.2016](#), Texas Government Code.

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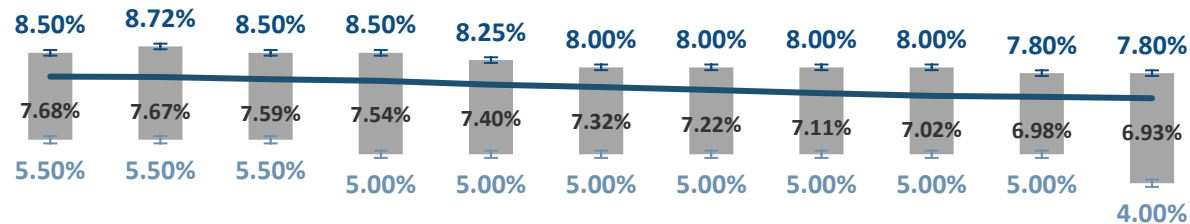
Investments

Texas public retirement systems annually invest \$380 billion in assets, from large systems like the Teachers Retirement System (TRS) with \$210 billion, to smaller local firefighter pensions with \$5 million. Contributions from members and sponsoring entities are invested in stocks, bonds, and other assets to generate returns, which are crucial for funding pension benefits. Compounding returns, reinvesting earnings, and managing risk through diversification maximizes pension fund growth. Investment returns contribute over 60 percent of pension fund revenue.¹³ Effective and well-diversified investment strategies minimize risk and maximize returns, ensuring benefits are paid without overburdening taxpayers.

Investment Returns

Public retirement systems are required to annually report investment returns and investment expenses incurred, which decrease net returns. From 2013-2023, the average public retirement system investment return assumptions decreased from 7.68 percent to 6.93 percent as capital markets expectations decreased.

Retirement Systems 2013-2023 Return Assumption Averages



[Link to text-only description of Retirement Systems 2013-2023 Return Assumption Averages.](#)

¹³ "Public Pension Plan Investment Return Assumptions," National Association of State Retirement Administrators, accessed January 16, 2025, <https://www.nasra.org/files/Issue%20Briefs/NASRAInvReturnAssumptBrief.pdf>

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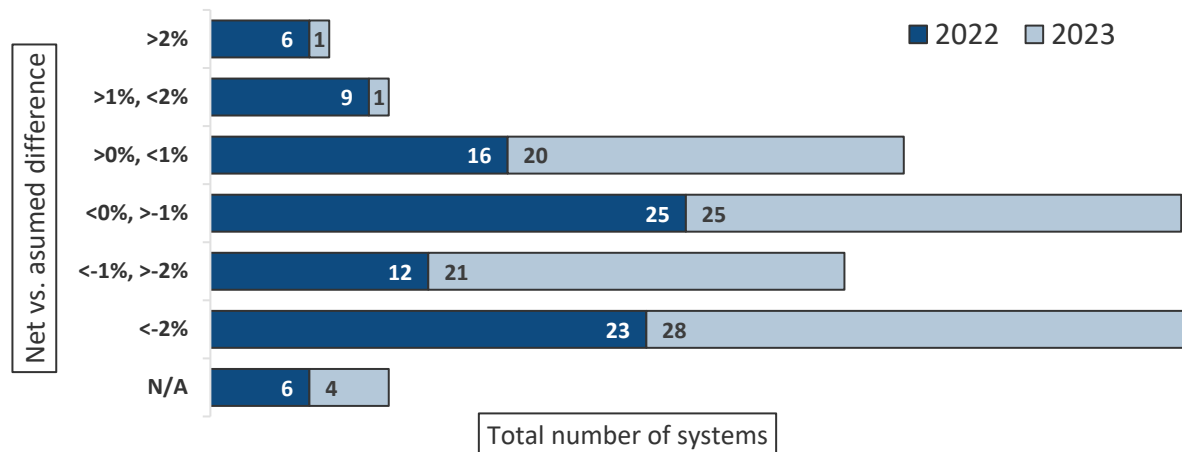
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System Performance vs. Return Assumption

Public retirement systems work with consultants to determine investment return assumptions, which are projections about the expected performance of an investment portfolio based on historical data, economic indicators, and market trends. It is crucial to accurately align return assumptions with a realistic portfolio. An overly conservative return assumption can inflate liabilities, overburdening current taxpayers. Overly optimistic assumptions can understate liabilities, deferring costs to future taxpayers.

The long term 10-year net investment return provides a reasonable understanding of how a retirement system is performing. Comparing public retirement systems' 10-year net investment returns against their investment return assumptions shows whether an investment program is positively or negatively impacting a pension fund. For fiscal year 2023, only 22 percent of public retirement systems have 10-year investment returns exceeding their return assumptions, while 53 percent are lower than their return assumptions by 1 percent or more.

Systems' 2022 & 2023 10-Year Net Return vs. Assumed Rate of Return



N/A represents systems that were established in the last 10 years and have not existed long enough to provide longer-term metrics.

[Link to Text-only Description for Systems' 2022 & 2023 10-Year Net Return vs. Assumed Rate of Return.](#)

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Texas Public Pension Data Center

Launched in January of 2019, the PRB's [Texas Public Pension Data Center](#) provides lawmakers, taxpayers, retirement systems, and other stakeholders with a user-friendly database of public pension information. The data center is divided into three sections: [plan data](#), [comparative data](#) and [all Texas data](#). The *View Plans* section is comprised of time series data displaying key actuarial and financial metrics over time. The *Compare Plans* section allows the user to analyze plan data in relevant peer groups, by asset size or plan type, for a given year. The *All Texas Plans* section illustrates key indicators of financial health for all Texas plans in the aggregate.

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Funding Texas Public Pensions

Introduction

Upon designing the benefits as well as determining the appropriate level of contributions, public retirement systems must take into account three fundamental, but sometimes competing, policy goals of providing benefit security, intergenerational equity between generations of taxpayers and employees, and a stable contribution from year to year. To help retirement system trustees and sponsors make these decisions, actuaries estimate the future benefit payments expected to be paid from the system by making assumptions about how long current employees will work, how much they will earn, and ultimately, the distributions they will receive. The benefits are valued in today's dollars using an interest rate, generally equal to the system's assumed investment rate of return and spread across a participant's period of service using an actuarial cost method.

The following sections will discuss how each of these items fits together and summarize certain aspects specific to Texas public retirement systems.

Pension Financing Basics

To understand the basics of actuarial methods of valuing pension liabilities, consider the fundamental equation of pension plan financing:

$$\text{Contributions (C) + Income (I) = Benefits (B) + Expenses (E)}$$

- The *inputs* to the pension fund are contributions and investment income, while *outputs* from the fund are benefits and expenses. **Therefore, over time, contributions and investment return must equal benefits and expenses.**
- Generally, employers and employees **contribute** to a pension fund in regular intervals. The fund invests these contributions and earns a return on investment. Returns from investments (fixed income, equity, etc.) are considered **income**. Contributions and income combine to add to the fund over time.
- Retirement systems pay **benefits** to members who have met plan requirements. Retirement systems also pay **expenses** for maintaining the system including administrative, investment fees, auditing costs, etc. Benefit payments and expenses combine to decrease the amount in the fund.

Calculating Pension Obligations

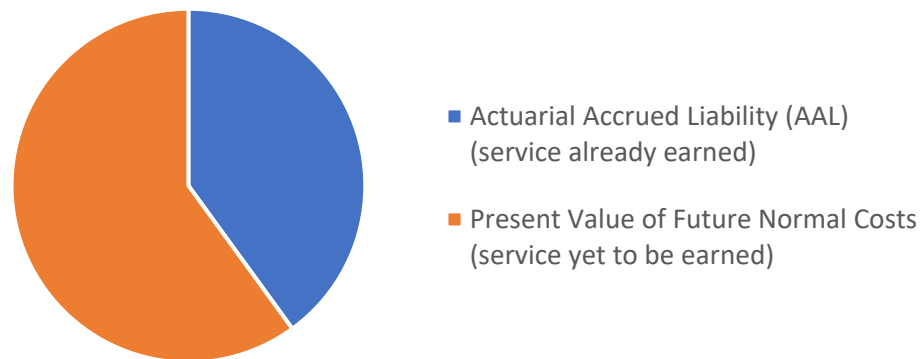
- Defined benefit plans require actuarial calculations to estimate the current value of future benefits based on many variables, such as future salary and life expectancy. The value of future benefits is reported in an actuarial valuation report, which systems use to assess the funded status of the plan and determine an appropriate contribution level sufficient to fully fund future benefit obligations.

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- To calculate the **present value** (or value in today's dollars) of **future benefits (PVFB)**, the benefit payments expected to be made are **discounted** from the expected payment date to the valuation date. The higher the rate at which future payments are discounted, the lower the present value of those future obligations and vice versa.
- Each expected future benefit payment is discounted to the valuation date using the discount rate and a portion of the benefits are spread over each participant's total expected service, both past and future. Each year, there are values for benefits attributed to past years, benefits attributed to the current year, and benefits attributed to future years. These are referred to as follows:
 - The current value of benefits attributed to past years is called the **actuarial accrued liability** or **AAL**.
 - The current value of benefits attributed to the present year is called the **normal cost** or **NC**.
 - The current value of benefits attributed to the present year and future years is called the **present value of future normal costs** or **PVFNC** (includes the normal cost as the first year).
 - Since the **AAL** includes all past service and the **PVFNC** includes all future service they sum to equal the **PVFB** ($AAL + PVFNC = PVFB$).

Present Value of Future Benefits



Actuarial Cost Methods

The methods for calculating AAL, i.e., attributing a portion of the expected benefits to a participant's individual years of service, are known as actuarial cost methods. As noted above, the PVFB takes into account all expected future service and future pay. Different methods may reflect some, or none, of the future pay or service in the AAL calculation. Currently, Texas retirement system actuaries use one of the following cost methods.

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Entry Age Normal (EAN) - This methodology projects the benefit costs of each individual from entry age into the plan to assumed exit age from the plan. This benefit liability is allocated on a level basis over the earnings or service of the individual, thus reflecting a portion of both future pay and service in the AAL. Relative to other actuarial cost methods, entry age normal tends to produce more stable, predictable contribution rates. EAN is the most common cost method used by Texas public retirement systems.

Ultimate EAN – This methodology may be used by systems that have different tiers of benefits based on date of hire. Under Ultimate EAN, the future normal costs are calculated by assuming each plan participant is a member of the most recently added plan tier, while the PVFB is calculated using the member’s actual benefit tier. The AAL is then calculated indirectly as PVFB - PVFNC. Relative to EAN, Ultimate EAN tends to result in a higher AAL and lower PVFNC. (Note: alternate variations of this cost method exist but are not currently used by the Texas public retirement systems.) This method is not favored under Actuarial Standard of Practice No. 4.

The following table summarizes the cost methods used by 82 Texas public retirement systems with active employees accruing ongoing benefits.

Cost Method	Statewide	TLFFRA	Municipal	810
Entry Age Normal	100%	100%	82%	100%
Ultimate EAN	0%	0%	18%	0%
Total	100%	100%	100%	100%

Assets and Asset Smoothing

The **market value of assets (MVA)** is generally the value at which assets could be traded in the market. The **actuarial value of assets (AVA)** is the value of assets used for the actuarial valuation. **Asset smoothing** techniques are employed by actuaries to smooth the short-term effects of volatility in the MVA. Smoothing is a concept designed to recognize the long-term nature of pension obligations and attempt to reduce the volatility of assets, which can help keep contributions more stable and thus more predictable for the system sponsor over time.

- Under smoothing, asset gains and losses are generally recognized over a period of years rather than immediately. The most frequent method of smoothing used by Texas public retirement systems is a five-year phase-in of actuarial gains and losses, where 20 percent of any gain or loss is recognized in each subsequent year. To say it a different way, 80 percent of the most recent year’s gain or loss will be deferred and 20 percent is recognized, 60 percent of the year immediately prior is deferred so 40 percent has been recognized, etc.
- To avoid significant deviation from the MVA, the smoothed value (AVA) may also be subject to a **corridor** around the market value, such as plus or minus 20 percent of the MVA. Such a corridor places an upper limit on the amount of deferred gains and losses included in the AVA.

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The following table summarizes Texas public retirement system plan cost methodology use.

Asset Smoothing Methodologies				
Smoothing Method	Statewide	TLFFRA	Municipal	810
5-Year Smoothing	86%	81%	94%	69%
Market Value (MVA)	0%	17%	6%	22%
3-Year Smoothing	0%	2%	0%	6%
4-Year Smoothing	0%	0%	0%	3%
10-Year Smoothing	14%	0%	0%	0%
Total	100%	100%	100%	100%

Unfunded Liabilities and Surplus

The assets of the retirement system are ultimately the accumulation of all contributions and income and therefore must be sufficient to cover all distributions (i.e., benefits and expenses). However, at any point in time, the assets (AVA) and current liabilities (AAL) are rarely exactly equal to one another. When the difference between the AAL and AVA is positive (i.e., the AAL > assets), the system has an **unfunded actuarial accrued liability (UAAL)**. Thus, the UAAL is the amount that is still “owed” to the fund for past obligations. If the difference is negative (i.e., AAL < assets), the system has a **surplus**.

Contributions

Contributions usually come from two sources: the **employer** and the **employee**. Retirement systems vary widely in contribution level and how that responsibility is shared between employer and employee. Usually, the benefit provided by the plan is a function of the employee’s compensation; therefore, both the employer and employee contributions are typically expressed as a percentage of payroll.

How the total contribution rate is calculated for a given year can be classified into two broad categories, **actuarially determined** or **fixed rate** contributions. With an actuarially determined contribution, the amortization period is set and the resulting necessary contribution is calculated. With a fixed rate contribution, the contribution rate is set and the resulting amortization period is calculated.

Fixed rate contributions used to be the primary method used by Texas public pension systems, however actuarially determined contributions are now the primary method. Currently 51 systems use an ADC, with more expected to adopt them soon.

Actuarially Determined Contribution (ADC)

- An ADC is defined as the cost of benefits earned by workers in the current year (the normal cost) plus an amortization payment to recognize prior gains and/or losses.

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- The total contribution rate is **not** known in advance and is calculated by the system's actuary.
- To determine the total contribution rate, the actuary calculates **both** the *normal cost rate* and the *amortization rate*, as shown below.
- The development of the amortization rate is based on the system's **amortization policy**.
- ADC contribution structures inherently adjust to the system's changing funded status to maintain the overall trajectory towards fully funding benefit promises.

Fixed Rate Contribution

- The total contribution rate is generally the **same from year to year** and is **known in advance**.
- The total fixed contribution rate can be prescribed by state statute, city ordinance or simply as the funding policy agreed upon by the system and its sponsoring governmental entity.
- In a fixed rate contribution plan, the total contribution rate is first applied to paying the normal cost (normal cost rate), and the remainder, if any, is used to amortize the UAAL (amortization rate).
- The actuary calculates the *normal cost rate* and determines the *amortization rate* by subtracting the year's normal cost from the total fixed contribution.
- The PRB recommends systems that contribute on a fixed-rate basis use an ADC benchmark to monitor whether the actual contributions are guiding the system toward the stated funding objectives. More information concerning ADC Benchmarking can be found in the PRB's [*Guidance for Developing a Funding Policy*](#).

Amortization Policy

- An **amortization method** is a procedure for determining the amount, timing, and pattern of recognition of a system's gains and losses. In other words, it defines how the UAAL is funded, or a surplus is recognized.
- Amortization amounts can be **level dollar** amounts or determined as a **level percent of payroll**. Level dollar amounts are more likely to generate an expected decrease in the unfunded liability from one year to the next than amounts determined as a level percent of payroll.
 - **Level dollar amortization** is similar to a standard fixed-rate mortgage such that the annual payment towards the UAAL is assumed to be the same dollar amount every year. Level dollar amounts are preferable unless payroll is expected to decrease in the future.
 - Under the **level percent of payroll** calculation, the dollar amount of the annual payment towards the UAAL is assumed to increase at the rate of the expected payroll increase.
- The specified length of time over which a gain or loss is recognized is known as the **amortization period**.

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- **Closed amortization period:** Under a closed amortization period, the annual amortization payment towards the UAAL is calculated using a fixed schedule based on a specified starting and ending date. In other words, if the specified amortization period is set as 30, the annual amortization payment will be calculated using a 30-year period in the first year and will decrease by one year at each subsequent year's valuation (29, 28, etc. down to 1, after which the plan would be fully funded). This is similar to a fixed period home mortgage with a known beginning and ending date (in this case, a 30-year mortgage).
- One approach that helps minimize annual contribution volatility while maintaining a finite, closed funding period is the use of layered amortization, where a single closed-period amortization base is established for each year's realized experience. Another approach is to establish closed-period amortization bases with varying recognition periods dependent upon the cause of a gain or loss. For example, one approach might be to amortize investment and/or actuarial experience gains or losses over a 5-year period, gains or losses attributable to assumption changes over a 10-year period, and gains or losses attributable to plan amendments over a 15-year period.
- **Open amortization period:** Under an open amortization period, the annual amortization payment towards the UAAL is calculated using the same period from one year to the next. In other words, if the specified amortization period is set as 30, the ADC will be calculated at each valuation using a 30-year period. This is similar to refinancing a home mortgage every single year. In theory, if an open amortization period is always used, the UAAL will never be fully funded.

As outlined above, a given **amortization period** can indicate the expected time to pay off the entire UAAL, or only portion of the UAAL (e.g., when multiple gain/loss layers are used). In addition, different plans utilize different amortization methods and different contribution structures. To account for these differences, the PRB uses the **effective amortization period** to provide a comparison of plan health. The effective amortization period estimates the expected time it would take to pay off the existing UAAL based on current contributions and considering the system's amortization policy, stated contribution rate structure and contribution history. If a plan is in a surplus position, the effective amortization period is reported as zero.

Effective Amortization Periods				
Amortization Period	Statewide	TLFFRA	Municipal	810
Infinite	13%	7%	0%	3%
> 30 years, but not infinite	0%	31%	24%	0%
> 15 years, <=30 years	29%	50%	59%	29%
> 0 years, <= 15 years	29%	7%	17%	44%
0 years	29%	5%	0%	24%
Total	100%	100%	100%	100%

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Negative Amortization occurs when contributions are insufficient to cover the cost of benefits accrued and the interest accrued on the unfunded liability during the year. In general, this occurs when a system's effective amortization period exceeds 18-23 years. Retirement systems should be careful in their use of negative amortization. If a system's contribution and amortization policy results in negative amortization, the funding policy should outline the expected period over which negative amortization will occur and provide justification for the use of negative amortization.

Funding Policies

A funding policy is a written statement of guiding principles and strategy to fully fund the long-term costs of promised benefits. The policy is intended to be used as a retirement system's road map to fully fund its long-term obligations.

While different retirement systems and their governmental sponsors may prioritize the policy goals of benefit security, contribution stability, and intergenerational equity differently, the funding policy should strive to balance these three primary pension funding goals so that member benefits are secure; employers and employees are afforded some level of contribution predictability from year to year; and liabilities are managed so that future taxpayers are not burdened with costs associated with a previous generation's service. The components of a funding policy are briefly outlined below, for more detail regarding the development of a funding policy, please see the PRB's [Guidance for Developing a Funding Policy](#).

A funding policy should include the following components:

1. Establishing Clear and Concrete Funding Objectives

A funding policy should clearly establish the retirement system's funding objectives. Per [§802.2011, Texas Government Code](#), **the funding policy must target a funded ratio of 100 percent or greater**. The PRB recommends that systems adopt a funding policy that fully funds the plan **over as brief a period as possible** using closed or layered **amortization method**. Systems should target a funding period of 30 years by September 1, 2025 and 15 years by September 1, 2040.

2. Selecting Actuarial Methods

An important role of a funding policy is to set boundaries on what is allowable for actuarial calculations. At a minimum, the three actuarial methods that should be addressed are the actuarial cost method, the asset-smoothing method, and the amortization policy. A funding policy should state the desired goals and purpose of the cost method if it does not specify the exact cost method to be used; the amount of return subject to smoothing (i.e. how much is deferred), the time period of the deferral, and if the smoothed value is subject to a corridor; and the amortization policy to be used.

3. Developing a Roadmap to Achieve Funding Objectives

A funding policy should provide a clear plan detailing how the system's funding goals will be met. This should include outlining the contribution rate structure and elements designed to impede deviation from progress toward funding goals, such as the use of ADC benchmarking for fixed-

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rate plans and establishing parameters under which future benefit increases and contribution reductions can be considered. The policy should be periodically reviewed and revised to better reflect the system's goals.

4. Adopting Actions to Address Actual Experience That Diverges from Assumptions

A funding policy should develop predetermined steps for how a system should respond to both positive and negative experiences that differ from the plan's assumptions. The following methods can be used to manage funding risk:

- **Risk-Sharing:** Outlining how gains and losses will be distributed between the employer and plan participants prevents benefit reductions or cost increases being imposed after the plan's condition has deteriorated, rather than proactively, in advance, and in a manner transparent to members and stakeholders.
- **Contributions:** Automatic changes to employee and/or employer contributions can be subject to restrictions such as smoothing annual increases or decreases to prevent large annual swings or establishing minimum and maximum contributions rates outside of which other changes must be considered, such as benefit reductions (when contributions increase beyond the maximum) or using more conservative assumptions or benefit increases (when contributions drop below the minimum).
- **Benefits:** A funding policy may also establish when benefit adjustments will occur and include provisions that specify how both positive and negative experience will be addressed. Systems may allow for increased benefits or an increased COLA as a result of a positive deviation, but plans will need to ensure they are able to consistently meet the new funding demands of the changes.

5. Surplus Management

A funding policy should include provisions detailing steps to follow if a system achieves full funding. A surplus management policy should include the following elements:

- Reviewing system risk management policies to evaluate their efficacy.
- Evaluating current assumptions to ensure reasonableness.
- Considering what changes should be made to employer and employee contributions (if any) when the system is in a surplus.
- Working with the sponsor to establish acceptable conditions for possible benefit enhancements, especially permanent ones, and provide accurate estimations for the immediate and long-term costs.

Actuarial Assumptions

- Pension funding requires assumptions to be made about future events. These assumptions are called actuarial assumptions, which along with current plan participant data and the benefit formula, are used to project future benefit obligations.
- The system's board adopts or approves the actuarial assumptions with guidance from the actuary. The actuary is required to follow the [Actuarial Standards of Practice \(ASOPs\)](#) when selecting assumptions and has a professional responsibility to recommend and use reasonable assumptions.
- Actuarial assumptions can be split into two broad categories: economic and demographic.

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- Economic assumptions include items such as discount rate, assumed investment return, salary increases and inflation.
- Demographic assumptions include rates of retirement, turnover, disability, mortality, and other factors.

Discount Rate and Investment Return Assumptions

The discount rate is the assumption that typically has the largest single impact on the determination of the AAL and PVFB. Discounting a deferred payment with a higher (lower) discount rate will produce a lower (higher) present value, due to the higher (lower) expected interest to be added to a hypothetical fund for the payment. Currently, all Texas public retirement systems use the assumed long-term investment rate of return on their plan assets as the discount rate. If the actual returns do not meet or exceed the assumed returns, then the actuarially determined recommended contributions would not be adequate to ensure system sustainability in the long-term. A summary of the return assumptions for Texas public retirement systems is included in the following table.

Investment Return Assumption				
Return Assumption	Statewide	TLFFRA	Municipal	810
>= 7.50%	14%	33%	12%	3%
>= 7.25%, < 7.50%	14%	36%	35%	0%
>= 7.00%, < 7.25%	57%	26%	35%	21%
< 7.00%	14%	5%	18%	76%

Payroll Growth Assumption

A payroll growth assumption is used for systems whose amortization method is calculated as a level percent of pay. Because a level percentage of payroll amortization payment is expected to increase at the payroll growth assumption, a higher payroll growth assumption lowers the required contribution and funding period (and defers plan funding). The following table shows the percentage of Texas public retirement systems with active employees accruing ongoing benefits that use various payroll growth assumptions. Systems shown as “N/A” use a level dollar amortization method rather than a level percent of payroll.

Current Payroll Growth Assumptions				
Payroll Growth Assumption	Statewide	TLFFRA	Municipal	810
N/A	14%	2%	6%	68%
Under 3.00%	71%	40%	65%	9%
3.00% - 3.49%	14%	38%	24%	12%
3.50% and over	0%	19%	6%	12%

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Description of Actuarial Terms

Actuarial Cost Methods

To determine the actuarial accrued liability (AAL) and the normal cost (NC), actuaries can use different cost methods. An actuarial cost method is a way to allocate pieces of a participant's total expected benefit to each year of their working career. In other words, it is a technique to determine how much of the present value of future benefits (PVFB) to assign to past service (AAL) vs. future service (present value of future normal costs, or PVFNC). Actuarial cost methods differ in the way the AAL and the NC are calculated and therefore how the total PVFB is allocated.

Actuarial Accrued Liability

The current value of benefits attributed to past years.

Actuarial Value of Assets (AVA)

The actuarial value of assets (AVA) is the value of assets used for the actuarial valuation. The AVA can be either the market value (MVA) or a smoothed value of assets. Asset smoothing techniques are employed by actuaries to smooth the short-term effects of volatility in the MVA. Smoothing is a concept designed to recognize the long-term nature of pension obligations and attempt to reduce the volatility of assets, which can help keep contributions more stable and thus more predictable for the system sponsor over time. The AVA is used to calculate the unfunded actuarial accrued liability (UAAL).

Actuarially Determined Contribution (ADC)

An actuarially determined contribution is defined as the cost of benefits earned by workers in the current year (the normal cost) plus an amortization payment to recognize prior gains and/or losses. ADC contribution structures inherently adjust to the system's changing funded status to maintain the overall trajectory towards fully funding benefit promises. GASB No. 67 defines ADC as the target or recommended contribution to a defined benefit plan for the reporting period, determined in conformity with Actuarial Standards of Practice (ASOPs). Section 802.101(a) of the Texas Government Code requires that a system's actuarial valuation include a recommended contribution rate for the system to achieve and maintain an amortization period that does not exceed 30 years.

Amortization Method

How the amortization payment is structured:

Level Dollar - similar to a standard fixed-rate mortgage such that the annual payment towards the UAAL is assumed to be the same dollar amount every year.

Level Percentage - the payments are a level percentage of payroll, and the dollar amount of the payment is assumed to increase at the rate of the expected payroll increase.

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Open - the annual amortization payment towards the UAAL is calculated using the same period from one year to the next. In other words, if the specified amortization period is set as 30, the ADC will be calculated at each valuation using a 30-year period. This is similar to refinancing a home mortgage every single year.

Closed - the annual amortization payment towards the UAAL is calculated using a fixed schedule based on a specified starting and ending date. In other words, if the specified amortization period is set as 30, the ADC will be calculated using a 30 year period in the first year and decrease by one year at each subsequent year's valuation (29, 28, etc. down to 1, after which the plan would be fully funded). This is similar to a fixed period home mortgage with a known beginning and ending date (in this case, a 30-year mortgage).

Layered – a series of closed amortization payments for each year of experience. For example, if the specified amortization period is set to 15 years, then after 15 years there will be 15 layers of closed amortizations, ranging from one year of payment remaining to 15 years of payments remaining.

Amortization Payment

The portion of the total contribution used to reduce the unfunded actuarial accrued liability.

Amortization Period

The specified length of time used when calculating the amortization payment portion of an actuarially determined contribution, or as the time it would theoretically take to fully fund the UAAL or fully recognize a surplus.

Asset Valuation Method

The method used to smooth the Actuarial Value of Assets.

Assumed Rate of Return

The assumed long-term rate of return on plan assets. The assumed rate of return is the most common interest rate used as the discount rate by Texas public retirement systems for funding calculations.

Benefit Security

The likelihood sufficient assets will be available to pay all benefits when they come due.

Covered Payroll

The amount of payroll of employees that are provided with pensions through the pension plan.

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Deferred Retirement Option Plan (DROP)

An additional benefit that participants may receive from their retirement plan. Under a DROP arrangement, the participant is treated as retired on a date prior to the date they actually separate service. Under a Forward DROP, the participant may elect to “retire” but continue working for the sponsoring organization. His/her monthly annuity is placed in a designated account until the member ceases to work or for a specified amount of time as allowed by the retirement system. When the member separates service, the account balance becomes available and is paid in accordance with plan terms. Under a Retro DROP, the participant is given the option to calculate their benefit as if they had retired on a date earlier than their actual separation of service. Benefit payments that would have been paid had they actually separated service on that date are accumulated and paid in accordance with the plan terms.

Discount Rate

The discount rate is the interest rate used to calculate the value of future payments as of the valuation date. This assumption typically has the largest single impact on the determination of the AAL and PVFB. Discounting a deferred payment with a higher (lower) discount rate will produce a lower (higher) present value, due to the higher (lower) expected interest to be added to a hypothetical fund for the payment. The assumed rate of return is the most common interest rate used as the discount rate by Texas public retirement systems for funding calculations.

Fiduciary Net Position (FNP)

The market value of assets as of the fiscal year end, as reported in the system's Annual Financial Report.

Funded Ratio

The ratio of assets to accrued liability: $\text{Assets} / \text{AAL} = \text{Funded Ratio}$. Funded ratios are reported based on the actuarial value of assets (AVA or smoothed value) and market value of assets (MVA). Generally, the closer the funded ratio is to 100 percent, the more secure the current accrued benefits. However, if a system is currently underfunded, the attempt to achieve a funded ratio of 100 percent will impact the other policy goals, intergenerational equity, and the desire for a stable contribution from one year to another. [Section 802.2011 of the Texas Government Code](#) requires all systems adopt a written funding policy detailing the governing body’s plan for achieving full funding.

Inflation

The rate at which price levels are rising, and purchasing power is falling. Inflation is a component of both the assumed Investment Rate of Return and the assumed rate of employee pay increases.

Intergenerational Equity

Seeks to have each generation of taxpayers incur the cost of benefits for the employees who provide services to those taxpayers, rather than deferring those costs to future taxpayers.

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Negative Amortization

The increase in the unfunded actuarial accrued liability because the amortization payment is not sufficient or large enough to cover the interest that accrues on the unfunded liability.

Normal Cost (NC)

Computed differently under different funding methods, the normal cost generally represents the current value of benefits attributed to the present year. Under the entry age normal method, which is the method used by Texas public pension systems, the normal cost percentage is calculated as the percentage of pay necessary from date of hire to date of retirement to fund the employee's expected benefit. The employer normal cost equals the total normal cost of the plan reduced by employee contributions.

Present Value of Future Benefits (PVFB)

The current value of all benefits expected to be paid to current participants.

Present Value of Future Normal Costs (PVFNC)

The current value of benefits attributed to the present year and all future years (includes the normal cost as the first year).

Unfunded Actuarial Accrued Liability (UAAL)

The difference between the actuarial accrued liability and the actuarial value of assets; therefore, the UAAL is the amount that is still owed to the fund for past obligations.

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Pension Obligation Bonds

Senate Bill 1696 enacted in 2003 added Chapter 107 to Subtitle A, Title 4 of the Local Government Code, allowing municipalities to issue bonds, certificates, notes and/or book-entry obligations to fund all or any part of a municipal pension system's unfunded liability. The law requires that prior to issuance the municipality must enter into a written agreement with the governing body possessing fiduciary responsibility over pension fund assets.

Net proceeds of obligation issuance shall be credited to the public pension fund and become part of the fund's assets. Obligations may be made payable from the municipality's general fund, from the fund from which compensation for employees and officers is paid, or from taxes, revenues, or any other money source that state law permits to be used to secure or pay any bond or obligation. Obligations may be sold at public or private sale and must mature no later than 30 years from the issuance date.

The chart in [Appendix A](#) includes information on all outstanding pension obligation bonds held by Texas governmental entities, which include: Arlington, Bryan, Dallas, El Paso, Gainesville Hospital District, Grand Prairie, Houston, Irving, Longview, and Paris. The chart provides the par amount issued, the closing and maturity dates, principal outstanding, interest outstanding, and true interest cost.

Some key terms include:

Bond

Debt instrument through which an investor loans money to the issuer that specifies: when the loan is due ("term," or "maturity," such as 20 years); the interest rate the borrower will pay (such as 5 percent); when the payments will be made (such as monthly, semi-annually, annually); and the revenue source pledge to make the payments.

General Obligation Debt

Debt legally secured by a constitutional pledge of the first monies coming into the State Treasury not otherwise constitutionally dedicated for another purpose. General obligation debt must be approved by a 2/3 vote of both houses of the Texas Legislature and by a majority of the voters.

Maturity Date

The date principal is due and payable to the security holder.

Municipal Bond

A debt security issued to finance projects for a state, municipality, or county. Municipal securities are exempt from federal taxes and from most state and local taxes.

Par

The face value of a security that is due at maturity. A "par bond" is a bond selling at its face value.

Refunding Bond

Bonds issued to retire or defease all or a portion of outstanding bonds.

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Funding Soundness Restoration Plans

FSRPs are required corrective action plans for financially distressed Texas public pension systems under Sections [802.2015](#) and [802.2016, Texas Government Code](#), as clarified through rules laid out in [Chapter 610 of the Texas Administrative Code](#). The requirement was established by the 84th Texas legislature in 2015 and updated in 2021 based on PRB recommendations.

Applicability

When the legislature passed House Bill 3310 in 2015, 14 systems triggered the requirement and were required to work with their sponsor to adopt an FSRP. After monitoring the effectiveness of the adopted plans over several years, in 2020 the PRB concluded that revisions to the statute were necessary to make the requirement more effective to better achieve systems' funding health goals and achieve the state's overall goal of ensuring actuarial soundness of public retirement systems. In response to the PRB's recommendations, the legislature overhauled the FSRP requirement during the 87th legislative session in 2021 via the enactment of House Bill 3898. Major changes included lowering the target funding period from 40 to 30 years with an initial deadline of September 1, 2025, shortening the time allowed to reach the target funding period after triggering the requirement, and providing stricter provisions for systems whose initial plan fails to meet the target to incentivize more effective FSRPs.

The FSRP statute states that a public retirement system is required to notify its associated governmental entity if it receives an actuarial valuation indicating the system's actual contributions are insufficient to achieve an amortization period below the specified threshold. Should the system exceed one of several thresholds, the public retirement system and its associated governmental entity are required to formulate an FSRP.

The current trigger for an FSRP is if a system's funding period is greater than 30 years for three consecutive valuations or two consecutive valuations if actuarial valuations are not annual.

After September 1, 2025, the current trigger will continue, and two additional immediate triggers will take effect:

- Funding period is greater than 40 years for one valuation.
- Funding period is greater than 30 years AND funded ratio is less than 65 percent.

Eight systems are currently subject to the September 1, 2025, deadline, including three that triggered FSRPs prior to the 2021 statutory FSRP changes.¹⁴ Six other systems have reached the threshold and are at risk of triggering the requirement should their next actuarial valuation (AV) report show a funding period greater than 30 years. Since the updated statute took effect, 14 systems have reached a projected full funding date prior to September 1, 2055, either by triggering the FSRP and submitting a plan to the PRB or by proactively making changes to avoid triggering the requirement.

¹⁴ Educational materials to help systems and sponsors understand FSRP requirements and due dates can be found on the [PRB website](#).

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Communication is a priority for systems that have triggered FSRPs or are at risk of triggering an FSRP, including:

- PRB notification that a system is at risk of triggering or has triggered an FSRP
- Scheduled and ad hoc progress updates, discussed more below.

The submission deadline for most systems already subject to the FSRP requirement is September 1, 2025, except for one system whose deadline is January 1, 2026, after triggering the FSRP with the January 1, 2024 AV report. Once subject to an FSRP, these systems must provide progress updates every six months. Systems' regular discussions with the PRB may include:

- Public system and sponsor updates at PRB board meetings
- Requests for feedback on proposals from the system and sponsor
- PRB suggestions for ways to compromise between the system and sponsor
- Requests for PRB feedback on preliminary FSRP submissions prior to finalizing
- PRB guidance for potential ways to improve the preliminary FSRP submissions.

At each PRB meeting, the PRB senior actuary presents the [FSRP report](#). The FSRP report lists the systems with FSRP status changes since the previous board meeting and presents separate lists of FSRP statuses by system. The systems on the FSRP status lists mainly include those already subject to FSRPs, at risk of triggering an FSRP with their next actuarial valuation report, and those who remain operating under legacy FSRPs put in place prior to the 2021 statutory FSRP changes.

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Texas Statutory Reporting Requirements

To be considered compliant with annual reporting requirements under Chapter 802 of the Texas Government Code, systems are required to submit an annual financial report, membership report, and the Investment Returns and Assumptions Report (form PRB-1000). These three reports are due within 210 days after the end of the system's fiscal year.

The PRB created the [Summary of Reporting Requirements for Texas Public Retirement Systems](#) as a reference document to assist plans with specific information for each report, as well as to provide a schedule of reporting deadlines based on system fiscal year end dates. This document contains summaries of the statute as well as additional links to resources to help systems complete their requirements for the reports shown below.

Systems Required	Report	How often
All	<ul style="list-style-type: none"> Annual Financial Report (audited) Investment Returns and Assumptions Report (PRB-1000) Membership report MET form to report training (PRB-2000) Registration/board information (PRB-150) 	Annually
All	<ul style="list-style-type: none"> Actuarial Valuation 	Every three years
Systems with assets over \$100 million	<ul style="list-style-type: none"> Investment Practices and Performance Evaluation 	Every three years
Systems with assets over \$100 million	<ul style="list-style-type: none"> Actuarial Experience Study Actuarial Audit 	Every five years
Systems with assets over \$30 million	<ul style="list-style-type: none"> Investment Practices and Performance Evaluation 	Every six years
All	<ul style="list-style-type: none"> Funding Policy Investment Policy Summary Plan Description Registration/board information (Form PRB-150) 	Upon change
All non-statewide systems	<ul style="list-style-type: none"> Funding Soundness Restoration Plan 	If necessary

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Systems receive reminders and enforcement notices around the 1st and 15th of applicable months. The noncompliance date is the day on which the PRB is required to include the system's name on the [List of Plans Noncompliant Over 60 Days](#) posted on the PRB website. Per the agency's noncompliance policy and state statute, systems are subject to a noncompliance notice after 60 days from the reporting deadline for one or more of the required reports.

Exemptions

Volunteer firefighter retirement systems organized under TLFFRA, and defined contribution plans are only subject to the registration, summary plan description, and internet posting requirements. These systems are exempt from all the other reporting requirements, per [Sections 802.002 \(c\) and \(d\), Texas Government Code](#).

Plans exempt from registering and reporting to the Pension Review Board include plans offering only worker's compensation; plans administered by the federal government; Individual Retirement Account (IRA); plans claiming 401(d), 403(b), or 457(b) tax status under the Internal Revenue Code; and plans administered by life insurance companies.

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Investment Practices and Performance Evaluations (IPPE)

In 2019, the Texas legislature enacted Senate Bill 322 (86R), which focused on public retirement system investment transparency. The bill added [Section 802.109, Texas Government Code](#), which requires systems with assets of at least \$30 million to “select an independent firm with substantial experience in evaluating institutional investment practices and performance to evaluate the appropriateness, adequacy, and effectiveness of the retirement system’s investment practices and performance and to make recommendations for improving the retirement system’s investment policies, procedures, and practices.”

Requirements

A public retirement system with at least \$30 million must conduct a comprehensive and thorough evaluation of its investment practices and performance. The first evaluations were due to the PRB in 2020 and subsequent evaluations due in 2024. All evaluations and the PRB’s investment performance report that summarizes the findings are available on the PRB [website](#).

A thorough evaluation would include the following elements:

- 1) Identify and review existing investment policies, procedures, and practices. This should include any formally established policies (e.g. Investment Policy Statement) as well any informal procedures and practices used to carry out the investment activities of the system. It is not necessary to review past policies, procedures, and practices that are no longer applicable unless they are deemed helpful to understand current policy or practice.
- 2) Compare the existing policies and procedures to industry best practices.
- 3) Generally, assess whether the board, internal staff, and external consultants are adhering to the established policies.
- 4) Identify the strengths and weaknesses of the current policies, procedures, and practices and make recommendations for improvement.
- 5) Include a detailed description of the criteria considered and methodology used to perform the evaluation, including an explanation of any metrics used and associated calculations.

Subsequent evaluations are required depending on the assets of the public retirement systems. Systems with at least \$100 million in assets must evaluate their systems every three years with the report due to the PRB the year after the evaluation. The remaining systems with at least \$30 million but less than \$100 million must evaluate their systems every six years with the report due to the PRB the year after the evaluation. Systems with at least \$100 million provided subsequent evaluations to the PRB from 2023 to June 1, 2024. The next subsequent evaluation for all systems with at least \$30 million in assets will complete an evaluation between 2026 and the June 1, 2027, due date.

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In 2021, the Texas legislature improved upon the statute by passing House Bill 3898 (87R), which was based on the PRB's recommendations in its *2020 Investment Performance Report*.

HB 3898 made the following changes to the IPPE requirement:

- For IPPEs completed after September 1, 2021, the bill added new disclosure requirements, including:
 1. Statement that independent firm meets experience requirement.
 2. Statement identifying any conflict of interest and relationship with the system.
 3. Explanation of a firm's determination regarding whether to include a recommendation or not on each evaluated matter.
- Added formal review-and-comment process as a required element to the evaluations.
- Specified the plan sponsor may pay all or part of the cost to prepare the evaluation, while the system is responsible for the remainder of the cost.
- Clarified that systems may continue to use current investment consultants to prepare IPPEs.

IPPE investment consultant vs third-party evaluators

Public retirement systems with assets greater than \$30 million must select independent firms to conduct the evaluations and are not prohibited by statute from selecting the same investment consultant already assisting with a systems investments as long as they do not directly or indirectly manage the investments. A summary of the evaluator relationships for the IPPEs can be seen below in the *Evaluators Relationship in 2020 vs 2024* stacked column graph. The graph compares the Investment Practices and Performance Evaluations (IPPE) Investment Consultant vs Independent Third-Party Evaluators Relationship, via plan size, in 2020 vs 2024 and is categorized by the following:

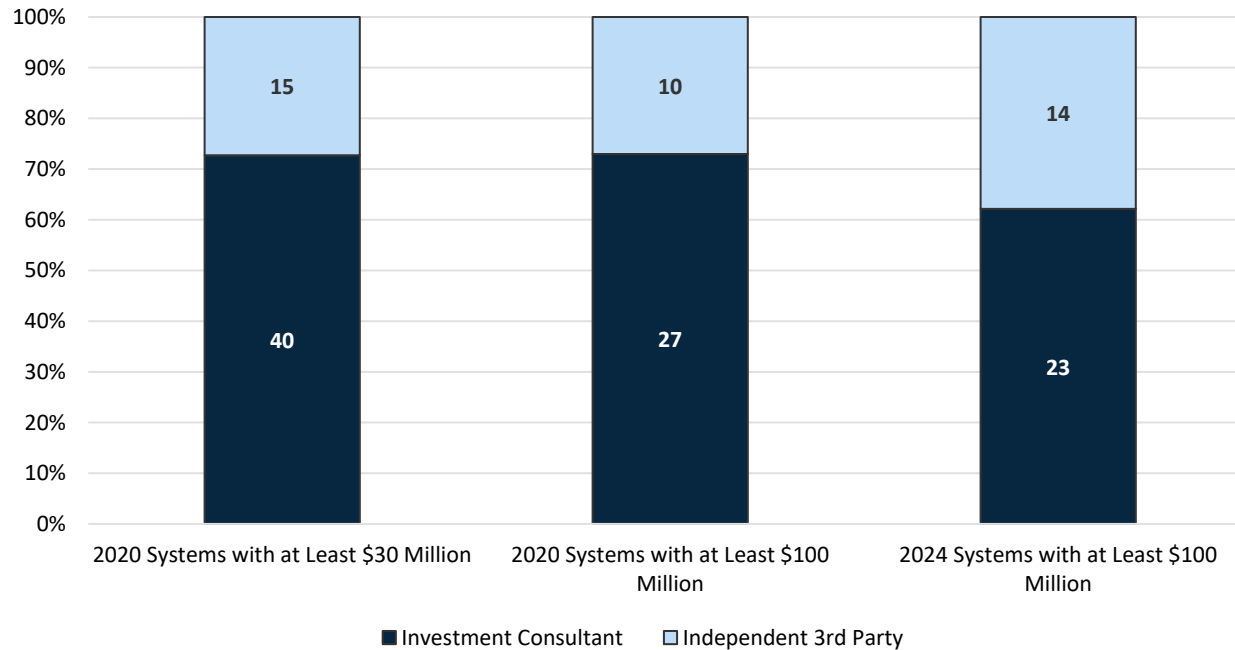
- 2020, systems with at least \$30 million but less than \$100 million
- 2020, systems with at least \$100 Million
- 2024, systems with at least \$100 million

Out of the 55 systems with at least \$30 million in 2020, 15 were evaluated by independent third parties, while 40 were assessed by investment consultants. Among the 47 systems with at least \$100 million in 2020, 10 were evaluated by independent third parties, and 27 by investment consultants. In 2024, for the same 47 systems, the number of independent third-party evaluations increased to 14, while evaluations by investment consultants decreased to 23. The data highlights, for plans with at least \$100 million, there was a shift towards more independent third-party evaluations than investment consultant evaluations from 2020 to 2024.

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Evaluator Relationship 2020 vs 2024

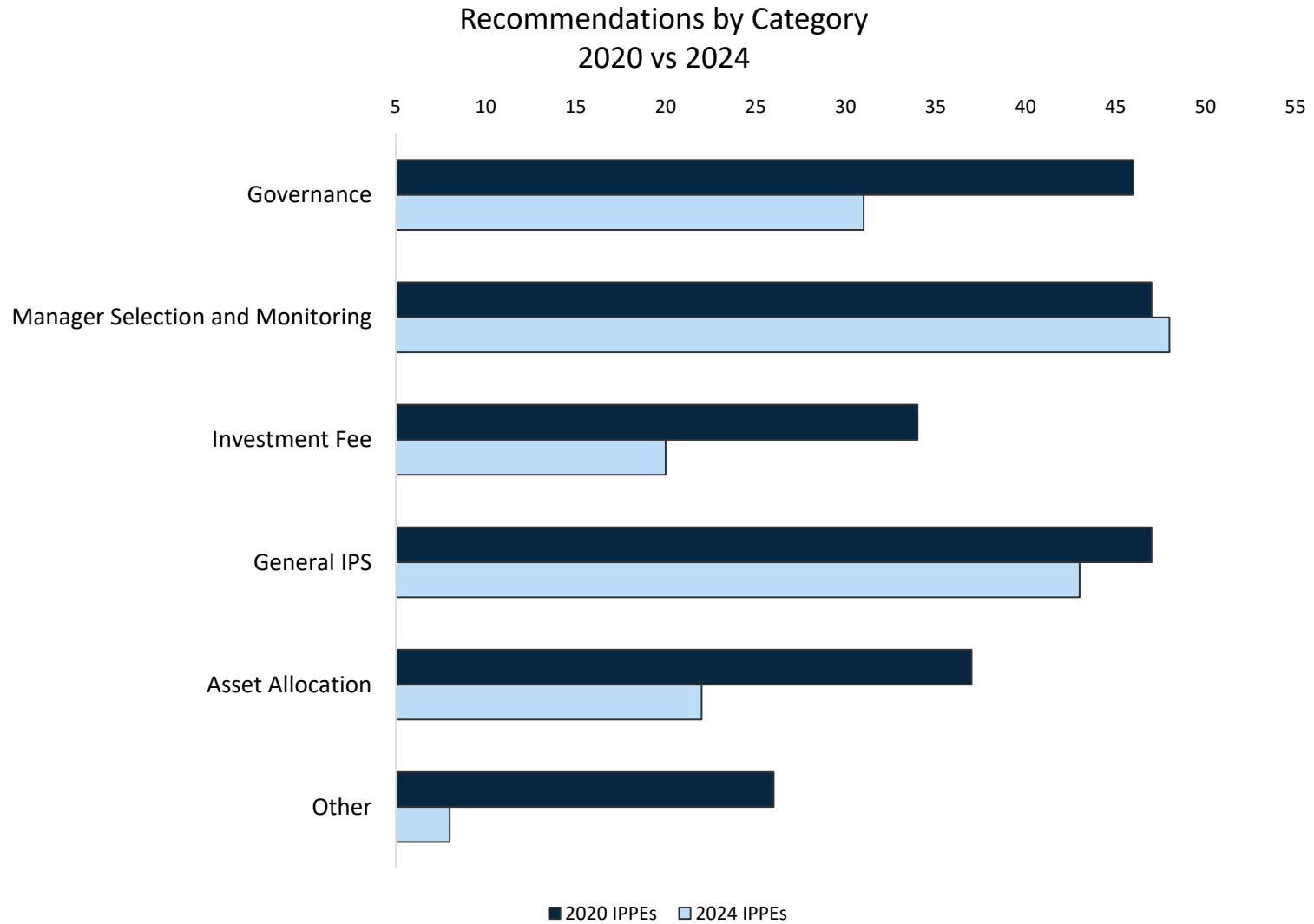


IPPE Recommendations

Evaluators for public retirement systems must provide recommendations for improvements for each evaluation category or provide conclusions that support a system having best practices and no suggestions or recommendations are needed. A summary of the recommendations for systems with at least \$100 million in 2020 compared to 2024 is available below in the *Recommendations by Category 2020 vs 2024* graph.

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The Recommendations by Category 2020 vs 2024 Bar Graph, shown above, compares the IPPE evaluators' recommendations for improvements across six evaluation categories for systems with at least \$100 million in 2020 and 2024. The categories are as follows:

- Governance
- Manager Selection and Monitoring
- Investment Fee
- General IPS
- Asset Allocation
- Other

The graph illustrates the overall recommendations by the evaluators of retirement systems with at least \$100 million in 2020 and 2024. In 2020, there were 46 recommendations for Governance, 47 for Manager Selection and Monitoring, 34 for Investment Fees, 47 for General IPS, 37 for Asset Allocation, and 26 recommendations categorized as Other. In 2024, Governance recommendations decreased to 31, Manager Selection and Monitoring increased to 48, Investment Fee decreased to 20, General IPS decreased to 43, Asset Allocation decreased to 22, and Other dropped to 8. While the category Manager Selection and Monitoring, saw a slight increase in recommendations, all others experienced a decrease.

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Investment Expenses

Senate Bill 322 (86R) included a section expanding the reporting requirements in [Section 802.103, Texas Government Code](#), which requires systems to publish annual financial reports.

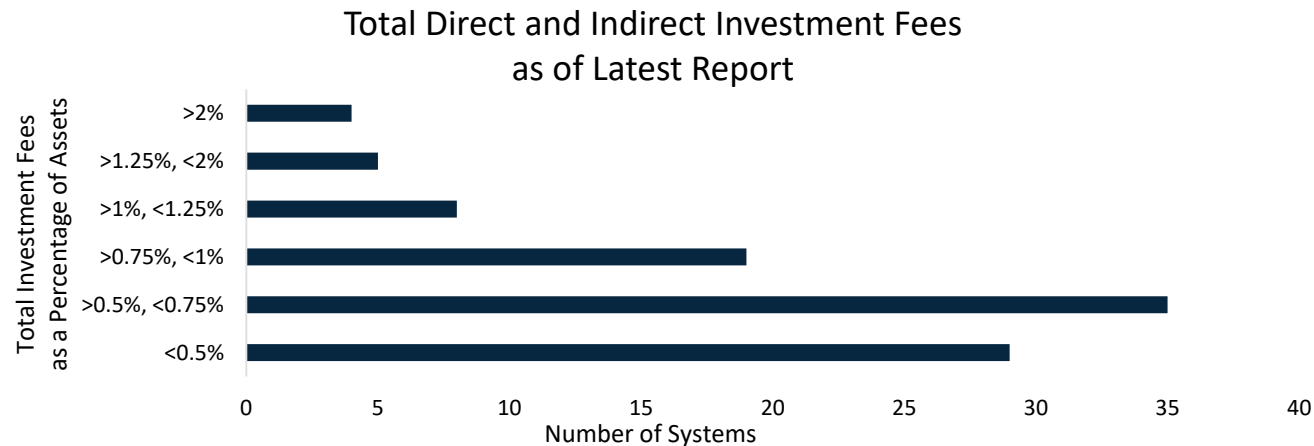
Requirements

Public retirement systems must report in their annual financial audits information that includes the following:

1. A listing, by asset class, of all direct and indirect commissions and fees paid by the retirement system during the system's previous fiscal year for the sale, purchase or management of system assets, and
2. The names of investment managers engaged by the retirement system.

Compliance and Analysis

Fiscal year 2021 was the first year all retirement systems were required to report investment expense information. The PRB database now contains several years of investment expense data from all public retirement systems that is being used in additional analysis to recognize potential investment issues and provide better comparison data for all retirement systems. The graph *Total Direct and Indirect Investment Fees as of Latest Report* provides an overview of the range of the latest reported combined direct and indirect investment fees that systems are paying.



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The graph illustrates the range, as a percentage of assets, of combined direct and indirect investment fees paid by all retirement systems reporting to the Texas Pension Review Board. The categories are as follows:

- Greater than 2 percent
- Greater than 1.25 percent but less than 2 percent
- Greater than 1 percent but less than 1.25 percent
- Greater than 0.75 percent but less than 1 percent
- Greater than 0.5 percent but less than 0.75 percent
- Less than 0.5 percent

Four systems reported investment fees greater than 2 percent. Five systems had fees between 1.25 percent and 2 percent. Eight systems fell in the range of 1 percent to 1.25 percent. Nineteen systems reported fees between 0.75 percent and 1 percent. Thirty-five systems had fees between 0.5 percent and 0.75 percent, while 29 systems reported fees less than 0.5 percent.

Investment expenses incurred by public retirement systems depend on several factors including the type of investments selected, allocations to passively or actively managed investments, and the size of the retirement system. As retirement systems grow, economies of scale provide benefits that help reduce investment expenses. The table *Investment Expenses as a Percentage of Assets Grouped by Asset Size* shows a breakdown of the investment expenses incurred by systems at different asset sizes.

Investment Expenses as a Percentage of Assets Grouped by Asset Size

	Less Than \$10M	\$10M - \$50M	\$50M - \$100M	Greater Than \$100M	Cumulative
>2%	0	1	1	0	2
>1.25%, <2%	1	0	3	3	7
>1%, <1.25%	3	0	0	5	8
>0.75%, <1%	8	5	1	5	19
>0.5%, <0.75%	0	15	6	14	35
<0.5%	3	6	3	17	29
Total Plans Registered	15	27	14	44	100

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Texas Pension Benefit Design

In general, actuarially funded defined benefit plans offer participants a specified monthly benefit at retirement that is paid for the life of the retiree or beneficiary. The level of benefits an employee will receive at retirement is usually derived from a formula based on years of service, salary, and a multiplier factor. The costs of benefit changes, including multiplier increases and granting of cost-of-living adjustments (COLA), should be appropriately valued prior to adoption to ensure that additional costs will be funded adequately and consistently.

The following sections summarize the major benefit provisions provided by Texas public retirement systems. The specific details for a particular system can be found on its [respective data center page](#). Some systems have multiple tiers covering different employee groups. Those groups are generally based on employee type (e.g., firefighter, police, or general employee) or date of hire.

Retirement Eligibility

Employees must attain a certain combination of age and years of credited service (YCS) in the retirement plan to become eligible for full retirement benefits. Alternatively, some plans use the “Rule of X” method, where an employee becomes eligible for retirement when their age plus years of service equal “X.” For Texas plans, the minimum age for retirement eligibility ranges from 45 to 65, and the YCS requirements range from 5 to 40. Plans using the “Rule of X” method have requirements for the value of X ranging from 70 to 85. Frequently, these approaches are used together. For example, a plan may state full retirement eligibility is the earlier of age 60 with five years of service **or** Rule of 80 (allowing a 55-year-old with 25 years of service to retire with full retirement benefits).

Vesting

Vesting is the conveyance of a legal, non-forfeitable right to a deferred pension. Pension plans grant vesting upon completion of a specified service requirement. Vesting may occur gradually according to a schedule, or it may occur all at once (i.e., “cliff vesting”). Full vesting for plans in Texas is granted anywhere from immediately upon entry to 20 years of service, with the longer periods more likely to be seen for public safety plans.

Final Average Salary

Calculations for final average salary vary from plan to plan. In most cases, the final average salary is calculated based on a three, four, or five-year average of an employee’s salary. Some plans use the employee’s highest earning years to calculate this average, regardless of when they occurred, while others require the use of a consecutive period which generally results in using the employee’s final years before retirement.

Benefit Formula

A majority of actuarially funded retirement plans use a formula to calculate retirement benefits. This formula typically takes into account an employee’s YCS, final average salary, and a pre-established benefit multiplier:

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YCS x Benefit Multiplier x Final Average Salary = Annual Retirement Annuity

The benefit multiplier determines the percentage of final average salary an employee will earn as a retirement annuity for each year of service. For Texas actuarially funded plans using the above benefit formula, the benefit multiplier currently ranges from 0.70 percent to 3.95 percent.

Some plans use a variation of the above formula that incorporates an average YCS into the benefit multiplier, instead of calculating based on the employee's individual YCS. This formula variation is expressed as:

Benefit Multiplier x Final Average Salary = Annual Retirement Annuity

For Texas plans using this formula variation, the benefit multiplier currently ranges from 45 percent to 80 percent.

Other plans do not use a standard formula, and instead award benefits based on a cash balance approach or a set dollar amount.

Cost of Living Adjustments

Cost-of-living adjustments (COLAs) can be automatic or ad hoc. Ad hoc COLAs require a governing body's approval before they are granted, whereas automatic COLAs do not need any action and are provided annually.

Plans offering an automatic COLA typically base their COLA on either a set percentage or on the change in the Consumer Price Index (CPI). A majority of Texas plans do not offer an automatic COLA but reserve the right to grant an ad hoc COLA if certain conditions are met. Some plans provide a contingent COLA prompted by a target investment return or amortization period rather than an annual or ad hoc COLA.

A COLA can be simple or compounded. Simple COLAs are calculated as a percent of the original benefit; compounded COLAs are calculated based on the current benefit (i.e., the original benefit plus any prior benefit increases, including prior year COLAs.)

In Texas, 16 actuarially funded systems currently offer an automatic COLA as part of the benefits package for current hires; 22 actuarially funded systems currently offer an automatic COLA for at least one of their benefit tiers.

Deferred Retirement Option Plans

Some plans offer members a Deferred Retirement Option Plan (DROP). DROPs are additional, optional benefits that members may elect to participate in upon reaching eligibility. The primary feature of a DROP is that participants are treated as retired from the plan on a date prior to the date they actually separate service.

In forward DROPs — known as Forward, Basic, or DROP — a member reaching retirement eligibility chooses to continue working and enter the DROP. The member's monthly retirement benefit is placed in a designated account until the member ceases to work for the system sponsor, at

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which time the account balance is paid in accordance with the terms of the plan. The decision to enter a Forward DROP is made at the time the participant enters and is usually not reversible once made.

In lieu of, or in addition to, a Forward DROP, several plans offer a variation called a Retro DROP – also known as Back or Reverse DROP. A Retro DROP allows an employee who has continued to work past their retirement eligibility date to retroactively retire and receive credit for the benefits they would have been paid had they actually retired earlier. The decision to receive a Retro DROP is not made until the participant separates service and is therefore much like an optional benefit form allowing a participant to take a partial lump sum payment of their full benefit in exchange for receiving a reduced annuity payment. Retro DROPs differ from other optional benefit forms because they are not necessarily designed to be actuarially equivalent.

DROP provisions can vary significantly from plan to plan for both Forward and Retro variations. Some offer interest credits on the account balance which might be a guaranteed rate or could vary based on actual fund returns, while some do not offer any interest credit. Some Texas public retirement systems do not have a time limit on Forward DROP participation, while many systems limit participation in a Forward DROP anywhere from two to 13 years and a Retro DROP from two to seven years. A few DROPs offer a COLA. Participant contributions paid during the DROP participation period may be credited to their DROP account balance or credited to the fund.

A few plans also offer a DROP program specifically for retirees. A Post Retirement Option Plan (PROP) may allow retirees the option to deposit all, or a portion of, their monthly annuity or other taxable benefits issued by the system, to their PROP account. If they were a member of the DROP program, this may include their existing DROP account balance. This allows retirement systems to keep more assets that can be used to earn additional investment returns while offering members a risk-free return on investment.

A Partial Lump Sum Option Plan (PLOP) allows the retiree to opt to receive a portion of their retirement benefit as an immediate payout. Ten actuarially funded Texas public retirement systems offer a PLOP for at least one of their tiers.

Systems with a DROP and/or PROP should be prepared for distribution requests. If an event causes a large percentage of the members with a DROP or PROP account to withdraw their balance, the fund may not have the necessary assets in cash to cover them and would need to liquidate a portion of its invested assets to pay out benefits, potentially at a loss. A listing of retirement systems with a DROP balance can be found in [Appendix B](#) of this report.

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Social Security Participation

Governmental entities historically had the option to opt-out of Social Security participation if they maintained a retirement plan for employees that met certain minimum benefit requirements. In Texas, members in 52 of the actuarially funded public retirement systems do not participate in Social Security.

Trends

In recent years, many actuarially funded plans in Texas have modified their benefit structures. These changes have been made to strengthen plan funding, and to respond to the demands of a changing workforce. Any change made by a system should be adequately valued prior to adoption. Some modifications made by Texas systems include:

- Creating new tiers for new hires with lower benefit multipliers.
- Increasing retirement eligibility ages.
- Increasing both employer and employee contributions, including moving from fixed rate to actuarially determined contributions.
- Eliminating or modifying COLAs.
- Eliminating or modifying DROPs.
- Modifying the final average salary calculation to include more years, require the highest salaries to be consecutive, and/or remove overtime, thereby reducing the possibility that benefits will be calculated only based on a few abnormally high-salary years.
- Removing or reducing automatic payments to the spouse after the member's death. Rather than receive spouse coverage automatically, members can choose at retirement to reduce the monthly payment in exchange for additional spouse coverage.
- Modifications by well-funded systems have included adding COLAs and restoring benefits to previous levels by removing tiers with reduced benefits.

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Texas Plan Governance

Texas Constitution

Numerous statutes and laws govern state and local retirement systems in Texas, including the State Constitution. [Article 16, Section 67\(b\)](#) of the Texas Constitution directs the Legislature to establish both the Teacher Retirement System of Texas (TRS) and the Employees Retirement System of Texas (ERS). It establishes the minimum and maximum state contribution rates to both TRS and ERS at 6 percent and 10 percent. In an emergency, as determined by the governor, the Legislature may appropriate additional sums as actuarially determined.

The Constitution also directs the Legislature to provide for two statewide retirement systems for officers and employees of cities and counties. Article 16, Section 67(c)(1)(B), establishes a statewide retirement system for officers and employees of counties and other political subdivisions that choose to voluntarily participate, known as Texas County and District Retirement System (TCDRS). Article 16, Section 67(c)(1)(C), establishes a statewide retirement system for officers and employees of cities that choose to voluntarily participate (Texas Municipal Retirement System (TMRS)). Article 16, Section 67(d), establishes a retirement system for justices, judges, and commissioners of the appellate courts as well as judges of the district and criminal district courts, which is administered by the Board of Trustees of ERS (Judicial Retirement System (JRS)).

The board of trustees of a public retirement system is the fiduciary of the system's trust fund. Fiduciary duty is defined in Article 16, Section 67(a)(3), as exercising the judgment and care under the circumstances then prevailing that persons of ordinary prudence, discretion, and intelligence exercise in management of their own affairs, not in regard to the permanent disposition of their funds, considering the probable income there from as well as the probable safety of their capital.

Article 16, Section 67(c) of the Constitution has two key subsections which provide for the creation of local retirement systems, as well as outline basic fiduciary and governance principles:

- Article 16, Section 67(c)(1)(A), states that the Legislature shall provide by law for the creation by any city or county of a system that benefits for its officers and employees.
- Article 16, Section 67(f), directs the boards of trustees of retirement systems not belonging to a statewide system to hold the assets in trust for the exclusive purpose of providing benefits to the members, defraying reasonable expenses of administering the system, and to adopt sound actuarial assumptions.

Texas Government Code

Title 8 of the Texas Government Code applies to public retirement systems. [Subtitle A of Title 8](#), Chapters 802 through 810, contain provisions generally applicable to public retirement systems. Statewide retirement systems' governing statutes are contained in Subtitle B through Subtitle H

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of Title 8. Those subtitles cover the general provisions, membership, creditable service, benefits, and administration of the statewide retirement systems.

Local Retirement Systems

There are 17 municipal retirement systems including 14 retirement systems enabled by state statute and three other retirement systems created by city ordinances or city charters. The following are local retirement systems with their own provisions in [Article 6243, Vernon's Civil Statutes](#) (also known as Title 109):

- City of Austin Employees' Retirement System
- Austin Firefighters Retirement Fund
- Austin Police Retirement System
- Dallas Police & Fire Pension System – Combined
- Dallas Police & Fire Pension System – Supplemental
- El Paso Firemen's Pension Fund
- El Paso Policemen's Pension Fund
- Fort Worth Employees' Retirement Fund
- Fort Worth Employees' Retirement Fund Staff Plan
- Galveston Employees' Retirement Plan for Police
- Houston Firefighters' Relief & Retirement Fund
- Houston Municipal Employees Pension System
- Houston Police Officers Pension System
- San Antonio Fire & Police Pension Fund

The three municipal retirement systems created by city ordinances or city charters are: Dallas Employees' Retirement Fund, City of El Paso Employees Retirement Trust, and Galveston Employees' Retirement Fund.

In addition to these systems, the Texas Local Fire Fighters Retirement Act (TLFFRA), [Article 6243\(e\) of Vernon's Civil Statutes](#), is the governing statute of paid/part-paid, and volunteer fire systems across the state.

Several local retirement systems were created without the specific legislative authority required by the Constitution. Two Attorney General opinions (JM-1068 and JM-1142) determined these local retirement systems were invalid. To resolve this situation, the 72nd Legislature adopted [Chapter 810](#) of the Texas Government Code to authorize all those systems that had been established prior to the Attorney General opinions as well as to provide for subsequent local retirement systems established by local jurisdictions.

Local retirement systems established in Title 109 have their contribution rates, benefit levels, and the composition of their board of trustees set in statute. Certain systems may have authority to make changes locally, either through meet and confer provisions in their statute, or through other procedures outlined in their enabling statute. Local retirement systems established under TLFFRA have the authority to determine member contribution rates, benefit levels, and other plan provisions locally through procedures outlined in TLFFRA; however, the composition of TLFFRA boards of trustees is set in statute. Sponsoring municipalities of TLFFRA systems must meet a statutory minimum contribution rate but may adopt

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by ordinance a higher contribution rate than set in statute. Local retirement systems established under Chapter 810 of the Texas Government Code have the authority to determine plan provisions locally.

Local retirement systems, except for certain deferred compensation plans, are also subject to Chapter 802 of the Texas Government Code. Subchapter C of Chapter 802 covers the administration of systems' assets and provides for the following key fiduciary guidelines.¹⁵

- The assets held in trust are for the benefit of the members and retirees of the system and their beneficiaries.
- In making and supervising investments, an investment manager or the governing body of the system shall fulfill its duties solely in the interest of the participants and beneficiaries; and with the care, skill, prudence, and diligence under the prevailing circumstances that a prudent person acting in a like capacity would use.

Texas Constitution, Article XVI, Section 66

In 2003, the Texas Constitution was amended to include [Section 66 of Article 16](#), "Protected Benefits under Certain Public Retirement Systems." This section applies only to certain local public retirement systems and does not cover health or life insurance benefits. The key provisions of this section of the Constitution are:

- Local retirement systems covered by this section may not reduce or otherwise impair benefits accrued by a person if the person could have terminated employment or had terminated employment and would have been eligible for those benefits without accumulating additional service under the retirement system.
- Benefits granted to a retiree or other annuitant may not be reduced or otherwise impaired.
- The political subdivision(s) and the retirement system that finance benefits under the retirement systems are jointly responsible for ensuring that benefits under the section are not reduced or impaired and the section does not create a liability or an obligation to a retirement system for a member of the retirement system other than the payment by active members of a required contribution.
- Subsection (b) specifically exempts the San Antonio Fire and Police Pension Fund from the provisions of this section.

Additionally, the section provided a one-time opt-out election in May 2004 for any retirement system and the political subdivision that finances benefits under that retirement system. The following cities opted out of the section: Denison, Galveston, Houston, Marshall, McAllen, Paris, Port Arthur, and Sweetwater.

¹⁵ Local retirement systems created under TLFRA are exempt from [Subchapter C of Chapter 802](#) of the Texas Government Code, except sections [802.2011](#), [802.2015](#), [802.202](#), [802.205](#) and [802.207](#). [Section 27\(b\) of TLFRA](#) provides for similar prudent care language for TLFRA systems.

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Vernon's Texas Revised Civil Statutes and Government Code

State Laws Governing Statewide Retirement Systems		
System or Issue Governed	Article/Section No.	
Employees Retirement System of Texas	Title 8, Gov. Code, Subtitle B: Ch. 811-815 & 820	
Teacher Retirement System of Texas	Title 8, Gov. Code, Subtitle C: Ch. 821-825	
Judicial Retirement System of Texas, Plan Two	Title 8, Gov. Code, Subtitle E: Ch. 836-840	
Texas County and District Retirement System	Title 8, Gov. Code, Subtitle F: Ch. 841-845	
Texas Municipal Retirement System	Title 8, Gov. Code, Subtitle G: Ch. 851-855	
Texas Emergency Services Retirement System	Title 8, Gov. Code, Subtitle H: Ch. 861-865	
State Laws Governing Municipal, Fire Fighter and Police Officer Retirement Systems		
System or Issue Governed	Article/Section No.	Population Bracket
Dallas Police & Fire Pension System	V.T.C.S. 6243a-1	>1,180,000
El Paso Firemen & Policemen’s Pension Fund	6243b	600,000-700,000
Texas Local Fire Fighters Retirement Act (TLFFRA)	6243e	Various
Austin Firefighters Retirement Fund	6243e.1	950,000-1,050,000
Houston Firefighters’ Relief & Retirement Fund	6243e.2(1)	>2,000,000
Houston Police Officers’ Pension System	6243g-4	>2,000,000
Houston Municipal Employees Pension System	6243h	>2,000,000
Fort Worth Employees’ Retirement Fund	6243i	>500,000
Austin Employees’ Retirement System	6243n	950,000-1,050,000
Austin Police Retirement System	6243n-1	950,00-1,050,000
San Antonio Fire & Police Pension Fund	6243o	1,400,000-1,700,000
Galveston Employees’ Retirement Plan for Police	6243p	50,000-400,000
Political Entities, including Municipalities & Other Special Purpose Districts	Title 8, Gov. Code §810	

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Summary of Public Retirement Systems in Texas

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Statewide Systems

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Employees Retirement System of Texas (ERS)

[Click here to visit the system's page on the Texas Public Pension Data Center.](#)

Summary of Current Plan Data

Date of Valuation	Actuarial Accrued Liability (millions)	Actuarial Value of Assets (millions)	Unfunded Actuarial Accrued Liability (millions)	Funded Ratio	Discount Rate	Amortization period (years)	Active Members	Annuitant	Employee Contribution	Employer Contribution ¹
8/31/2024	\$49,768.01	\$35,838.36	\$13,929.66	72.01%	7.00%	30	144,049	125,832	8.80%	10.00%

¹ Employer contribution represents state contribution at 9.50 percent and state agency contribution at 0.50 percent. The state will also contribute a \$510 million legacy contribution, projected through 2054. Employee contribution represents a blended rate of 9.5% for Group 1-3 employees and 6.0% for Group 4 employees.

In November 1946, voters approved an amendment to the Texas Constitution to create a retirement fund for state employees. ERS was 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 System, Plans I and II. All revisions in funding, benefits, membership eligibility, and creditable service under ERS require legislative action.

Employees Retirement System of Texas Board of Trustees

Governing Statute	Executive Director	Name	Position	Term Expires
Texas Constitution	Porter Wilson	Craig Hester, Chair	Appointed by Chief Justice	8/31/2028
Article XVI, Section 67	PO Box 13207	Neika Clark, Vice-Chair	Elected Member	8/31/2027
Government Code	Austin, Texas 78711	Brian Barth	Elected Member	8/31/2025
Title 8, Subtitle B	(877) 275-4377	Stuart Greenfield	Elected Member	8/31/2029
Chapters 811-815, 820	www.ers.texas.gov	James (Jim) Kee	Appointed by Speaker	8/31/2026

2025 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS PENSION REVIEW BOARD

Judicial Retirement System of Texas Plan Two (JRS II)

[Click here to visit the system's page on the Texas Public Pension Data Center.](#)

Summary of Current Plan Data

Date of Valuation	Actuarial Accrued Liability (millions)	Actuarial Value of Assets (millions)	Unfunded Actuarial Accrued Liability (millions)	Funded Ratio	Discount Rate	Amortization period (years)	Active Members	Annuitants	Employee Contributions ¹	Employer Contributions
8/31/2024	\$724.53	\$719.19	\$5.34	99.26%	7.00%	6	658	585	9.36%	19.25%

¹Employee contributions may cease after 20 years or Rule of 70 with 12 years' service on Appellate Court. The current average member contribution rate is 9.38 percent.

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

Employees Retirement System of Texas Board of Trustees

Governing Statute	Executive Director	Name	Position	Term Expires
Texas Constitution	Porter Wilson	Craig Hester, Chair	Appointed by Chief Justice	8/31/2028
Article XVI, Section 67	PO Box 13207	Neika Clark, Vice-Chair	Elected Member	8/31/2027
Government Code	Austin, Texas 78711	Brian Barth	Elected Member	8/31/2025
Title 8, Subtitle E	(877) 275-4377	Stuart Greenfield	Elected Member	8/31/2029
Chapters 836-840	www.ers.texas.gov	James (Jim) Kee	Appointed by Speaker	8/31/2026

2025 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS PENSION REVIEW BOARD

Law Enforcement and Custodial Officer Supplemental Retirement Fund (LECOSRF)

[Click here to visit the system's page on the Texas Public Pension Data Center.](#)

Summary of Current Plan Data

Date of Valuation	Actuarial Accrued Liability (millions)	Actuarial Value of Assets (millions)	Unfunded Actuarial Accrued Liability (millions)	Funded Ratio	Discount Rate	Amortization period (years)	Active Members	Annuitants	Employee Contribution ¹	Employer Contribution ²
8/31/2024	\$1,870.40	\$1,898.24	-\$27.84	101.49%	7.00%	0	32,143	16,801	0.82%	2.36%

¹Member contributions are 0.50% of compensation for members hired before September 1, 2022, and 2.00% for members hired on or after September 1, 2022. The average rate is 0.82%.

²Employer contribution represents state contribution at 1.75% and court fee contributions equivalent to 0.61%. Rates are in addition to rates paid for ERS.

LECOSRF was created by the Texas Legislature in 1979. It is a supplemental plan of and 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, and those members whose commissions are recognized by the Commission on Law Enforcement Officer Standards and Education. Membership is also provided to custodial officers employed by the Texas Department of Criminal Justice 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. All revisions in funding, benefits, membership eligibility, and creditable service under LECOSRF require legislative action.

Employees Retirement System of Texas Board of Trustees

Governing Statute	Executive Director	Name	Position	Term Expires
Texas Constitution	Porter Wilson	Craig Hester, Chair	Appointed by Chief Justice	8/31/2028
Article XVI, Section 67	PO Box 13207	Neika Clark, Vice-Chair	Elected Member	8/31/2027
Government Code	Austin, Texas 78711	Brian Barth	Elected Member	8/31/2025
Title 8, Subtitle B	(877) 275-4377	Stuart Greenfield	Elected Member	8/31/2029
Chapters 811-815, 820	www.ers.texas.gov	James (Jim) Kee	Appointed by Speaker	8/31/2026

2025 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS PENSION REVIEW BOARD

Teacher Retirement System of Texas (TRS)

[Click here to visit the system's page on the Texas Public Pension Data Center.](#)

Summary of Current Plan Data

Date of Valuation	Actuarial Accrued Liability (millions)	Actuarial Value of Assets (millions)	Unfunded Actuarial Accrued Liability (millions)	Funded Ratio	Discount Rate	Amortization period (years)	Active Members	Annuitants	Employee Contributions	Employer Contributions ¹
8/31/2024	\$273,095.06	\$212,520.44	\$60,574.62	77.82%	7.00%	28	970,874	508,701	8.25%	9.52%

¹Contributions were 8.25% for State/Employers, and public education employers contribute an additional 2.00% of the minimum salary schedule. These combined contributions are expected to be 9.43% with an additional 0.09% from contributions on behalf of retired members who have returned to work. This leads to a total employer contribution rate of 9.52%.

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 require legislative action.

Teacher Retirement System of Texas Board of Trustees

Governing Statute	Executive Director	Name	Position	Term Expires
Texas Constitution	Brian K. Guthrie	Robert H. Walls Jr., Chair	Appointed by Governor	8/31/2025
Article XVI, Section 67	1000 Red River	Brittney Allred	Appointed by Governor	8/31/2027
Government Code	Street	Michael Ball	Active Public Education Position	8/31/2025
Title 8, Subtitle C	Austin, Texas 78701	David Corpus	Appointed by Governor	8/31/2025
Chapters 821-825	(512) 542-6400	John Elliot	Appointed by Governor	8/31/2027
	www.trs.texas.gov	Laronda Graf	At-Large Position	8/31/2029
		James D. Nance	TRS Retiree	8/31/2023
		John R. Rutherford	Appointed by Governor	8/31/2029
		Elvis Williams	Active Public Education Position	8/31/2027

2025 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS PENSION REVIEW BOARD

Optional Retirement Program (ORP)

In 1967, ORP was created as a 403(b) defined contribution plan to serve as an alternative to TRS for full-time faculty, librarians, and certain administrators and professionals employed by Texas public institutions of higher education. ORP is administered by the Texas Higher Education Coordinating Board (THECB). Because their careers normally involve interstate mobility, it was determined that a more portable retirement option would substantially improve higher education institutions' 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 ERS. Eligible employees have up to 90 days to make a one-time irrevocable election of ORP. 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 own 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. Institutions may supplement the state's base rate up to a total employer contribution rate of 8.5 percent.

Texas Higher Education Coordinating Board

Governing Statute
[Government Code](#)
[Title 8, Subtitle C](#)
[Chapters 830](#)

Commissioner
Dr. Wynn Rosser
Texas Higher Education
Coordinating Board
PO Box 12788
Austin, TX 78711
(512) 427-6566

www.highered.texas.gov

Name	Term Expires
Fred Farias III, O.D., Chair	8/31/2025
Stacy A. Hock, Vice-Chair	8/31/2027
S. Javid Anwar, Secretary	8/31/2027
Richard L. Clemmer	8/31/2029
Juan J. Nevarez	8/31/2029
Ashlie A. Thomas	8/31/2025
Emma C. Wollschlager	8/31/2025
Daniel O. Wong	8/31/2027
Welcome W. Wilson, Jr.	8/31/2029
Luke Schwartz	5/31/2025

2025 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS PENSION REVIEW BOARD

Texas County & District Retirement System (TCDRS)

[Click here to visit the system's page on the Texas Public Pension Data Center.](#)

Summary of Current Plan Data

Date of Valuation	Actuarial Accrued Liability (millions)	Actuarial Value of Assets (millions)	Unfunded Actuarial Accrued Liability (millions)	Funded Ratio	Discount Rate	Amortization period ¹ (years)	Membership		Contribution ²	
							Active	Annuitant	Employee	Employer
12/31/2023	\$48,921.16	\$43,609.47	\$5,311.70	89.14%	7.50%	14.2	152,417	85,298	6.78%	12.92%

¹Amortization period is calculated using system wide aggregate UAAL and payroll amounts.

²The members' contribution rate is set by plan sponsor with a weighted average calculated by the actuary. Employer contribution reflects weighted average.

TCDRS was established in 1967 and provides retirement, disability, and survivor benefits to 869 Texas counties and districts, including water, hospital, appraisal, and emergency service districts. Although created by the Texas Legislature, TCDSR does not receive funding from the State of Texas. Each plan is funded independently by the county or district, its employees and investment earnings. Plan sponsors (participating counties and districts) are required to pay 100 percent of their required contribution every year. TCDSR is a savings-based plan where the benefit is based on how much a member has saved over the course of their career and employer matching at retirement.

Texas County & District Retirement System Board of Trustees

Governing Statute
[Government Code](#)
[Title 8, Subtitle F](#)
[Chapters 841-845](#)

Executive Director
 Amy Bishop
 901 S. MoPac Expy
 Barton Oaks Plaza IV
 Suite 500
 Austin, Texas 78746
 (800) 823-7782

www.tcdrs.org

Name	County/District	Term Expires
Mary Louise Nicholson, Chair	Tarrant	12/31/2029
Deborah Hunt, Vice-Chair	Williamson	12/31/2027
Susan Fletcher	Collin	12/31/2029
James Bass	CTRMA	12/31/2025
Sammy Farias	Bee	12/31/2027
Christopher L. Taylor	Tarrant	12/31/2025
Ronnie Keister	Lubbock	12/31/2029
Holly T. Williamson	Harris	12/31/2025
Chris Davis	Cherokee	12/31/2027

2025 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS PENSION REVIEW BOARD

Texas Emergency Services Retirement System (TESRS)

[Click here to visit the system's page on the Texas Public Pension Data Center.](#)

Summary of Current Plan Data

Date of Valuation	Actuarial Accrued Liability (millions)	Actuarial Value of Assets (millions)	Unfunded Actuarial Accrued Liability (millions)	Funded Ratio	Discount Rate	Amortization period (years)	Active Members	Annuitants	Employee Contributions	Employer Contributions ¹
8/31/2024	\$189.81	\$144.23	\$45.58	75.99%	7.25%	Infinite	3,394	3,991	0.00%	Varies

¹TESRS contributions are comprised of two parts paid by local municipalities. Part one varies, with a minimum contribution of \$36 per member, per month. Part two does not affect annuities and is adjusted by the TESRS board based on the most recent actuarial valuation, effective for the following two state fiscal years. Members are volunteers and the covered group does not have a payroll.

TESRS was initially created in 1977 by the 65th Legislature as the Statewide Volunteer Fire Fighter's Retirement Act. In 2005, the system was renamed the Texas Emergency Services Retirement System. TESRS was previously administered by the Office of the Fire Fighters' Pension Commissioner. It became a standalone state agency effective September 1, 2013, with the passing of Senate Bill 220. TESRS covers volunteer fire fighters and emergency services personnel in 241 member departments. The system was created as a funded alternative to numerous local volunteer plans operated under the Texas Local Fire Fighters Retirement Act (TLFFRA). The state pays some of the costs of administering this fund and has a statutory obligation to contribute an amount not to exceed 1/3 of fire department contributions to the extent the system needs the funds to be actuarially sound.

Texas Emergency Services Retirement System Board of Trustees

Governing Statute

[Government Code](#)

[Title 8, Subtitle H](#)

[Chapters 861-865](#)

Executive Director

Jessica Almaguer

PO Box 12577

Austin, Texas 78711

(512) 936-3372

www.tesrs.org

Name

Pilar Rodriguez, Chair

Jerry Romero, Vice-Chair

Edward J. Keenan, Secretary

Brad Landi

Rodney Alan Ryalls

Rupal Chaudhari

Brian Smith

Matt Graves

Nathan Douglas

City

Edinburg

El Paso

Houston

Austin

Burkburnett

Leander

Austin

Alvin

Seabrook

Term Expires

9/1/2027

9/1/2025

9/1/2027

9/1/2027

9/1/2029

9/1/2029

9/1/2027

9/1/2025

9/1/2025

2025 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS PENSION REVIEW BOARD

Texas Municipal Retirement System (TMRS)

[Click here to visit the system's page on the Texas Public Pension Data Center.](#)

Summary of Current Plan Data

Date of Valuation	Actuarial Accrued Liability (millions)	Actuarial Value of Assets (millions)	Unfunded Actuarial Accrued Liability (millions)	Funded Ratio	Discount Rate	Amortization period ¹ (years)	Active Members	Annuitants	Employee Contributions ²	Employer Contributions
12/31/2023	\$44,981.06	\$40,358.16	\$4,622.90	89.72%	6.75%	14.4	124,493	84,155	6.72%	13.66%

¹Amortization period is calculated using system wide aggregate UAAL and payroll amounts.

²The members' contribution rate is set by plan sponsor with a weighted average calculated by the PRB. Employer contribution reflects weighted average.

TMRS was established by the Texas Legislature in 1947 and is a statewide retirement system that provides retirement, disability, and survivor benefits for employees of 941 municipalities in the state. Each municipality's retirement plan is funded by the municipality, its employees, and TMRS investment earnings. TMRS does not receive any funding from the State of Texas. Municipalities voluntarily join TMRS, and they establish their own retirement plans from a menu of benefit options. Municipalities are required to pay 100 percent of their required contribution every year. Most TMRS municipalities also participate in social security, which is a decision each municipality makes on its own.

Texas Municipal Retirement System Board of Trustees

Governing Statute

[Government Code
Title 8, Subtitle G
Chapters 851-855](#)

Executive Director

David Wescoe
2717 Perseverance
Drive, Suite 300
Austin, Texas 78731
(800) 924-8677

www.tmr.com

Name

David Landis, Chair
Tricia Mirabelle, Vice-Chair
Tommy Gonzalez
Jim Parrish
Bob Scott
Bill Philibert

City

Perryton
Pflugerville
Midland
McKinney
Prosper
Deer Park

Term Expires

2/1/2027
2/1/2027
2/1/2029
2/1/2029
2/1/2025
2/1/2025

2025 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS
TEXAS PENSION REVIEW BOARD

Municipal Systems

2025 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS PENSION REVIEW BOARD

City of Austin Employees' Retirement System (COAERS)

[Click here to visit the system's page on the Texas Public Pension Data Center.](#)

Summary of Current Plan Data

Date of Valuation	Actuarial Accrued Liability (millions)	Actuarial Value of Assets (millions)	Unfunded Actuarial Accrued Liability (millions)	Funded Ratio	Discount Rate	Amortization period (years)	Active Members	Annuitants	Employee Contributions	Employer Contributions
12/31/2023	\$5,617.50	\$3,486.14	\$2,131.36	62.06%	6.75%	30	11,197	7,802	10.00%	20.56%

COAERS was initially established in 1941 by city ordinance. In 1991, the 72nd Legislature enacted Article 6243n, Vernon's Texas Civil Statutes, establishing the system in statute. COAERS is a single employer contributory defined benefit pension plan providing retirement, disability, and death benefit programs for regular full-time employees of the City of Austin working 30 or more hours per week and their beneficiaries. COAERS does not provide benefits for the mayor, members of the city council, or commissioned civil service police officers and firefighters.

City of Austin Employees' Retirement System Board of Trustees

Governing Statute
[Vernon's Texas Civil Statutes Article 6243n](#)

Executive Director
 Christopher Hanson
 4700 Mueller Blvd,
 Suite 100
 Austin, Texas 78723
 (512) 458-2551

www.coaers.org

Name	Position	Term Expires
Diana Thomas, Chair	City Manager Designee	N/A
Dick Lavine, Vice-Chair	Council Appointed Citizen	12/31/2025
Yuejiao Liu	Active Elected Member	12/31/2025
Ben Ellinor	Active Elected Member	12/31/2027
Leslie Pool	City Council Member	N/A
Kelly Crook	Council Appointed Citizen	12/31/2028
Michael Granof	Board Appointed Citizen	12/31/2025
Ed Van Eenoo	Appointed Member	N/A
Chris Noak	Active Elected Member	12/31/2025
Michael Benson	Retiree Elected Member	12/31/2028
Anthony B. Ross, Sr.	Retiree Elected Member	12/31/2026

2025 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS PENSION REVIEW BOARD

Austin Firefighters Retirement Fund

[Click here to visit the system's page on the Texas Public Pension Data Center.](#)

Summary of Current Plan Data

Date of Valuation	Actuarial Accrued Liability (millions)	Actuarial Value of Assets (millions)	Unfunded Actuarial Accrued Liability (millions)	Funded Ratio	Discount Rate	Amortization period (years)	Active Members	Annuitants	Employee Contributions	Employer Contributions
12/31/2023	\$1,460.58	\$1,250.12	\$210.47	85.59%	7.30%	48.6	1,246	995	18.70%	22.05%

The Austin Firefighters Retirement Fund was initially created in 1937 by an Act of the 45th Legislature under the Texas Local Fire Fighters Retirement Act (Article 6243e, Vernon's Texas Civil Statutes). In 1975, the 64th Legislature enacted Article 6243e-1, establishing the system independently in statute. The system is a single employer contributory defined benefit pension plan that provides retirement, disability, death, and survivor benefits to firefighters employed by the City of Austin and their beneficiaries.

Governing Statute
[Vernon's Texas Civil Statutes](#)
[Article 6243e.1](#)

Executive Director
 Anumeha Kumar
 4101 Parkstone Heights
 Dr., Suite 270
 Austin, Texas 78746
 (512) 454-9567
www.afrfund.org

Austin Firefighters Retirement Fund Board of Trustees

Name	Position	Term Expires
Kirk Watson, Chair	Mayor	N/A
Aaron Woolverton, Vice-Chair	Fund Member	1/1/2026
Belinda Weaver	Treasurer	N/A
John Bass	Fund Member	1/1/2028
Doug Fowler	Fund Member	1/1/2027

2025 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS PENSION REVIEW BOARD

Austin Police Retirement System

[Click here to visit the system's page on the Texas Public Pension Data Center.](#)

Summary of Current Plan Data

Date of Valuation	Actuarial Accrued Liability (millions)	Actuarial Value of Assets (millions)	Unfunded Actuarial Accrued Liability (millions)	Funded Ratio	Discount Rate	Amortization period (years)	Active Members	Annuitants	Employee Contributions	Employer Contributions
12/31/2023	\$1,777.93	\$1,047.38	\$730.55	58.91%	7.25%	28.2	1,551	1,371	15.00%	36.73%

The Austin Police Retirement System was initially created in 1979 under city ordinance. In 1991, the 72nd Legislature enacted Article 6243n-1, Vernon's Texas Civil Statutes, establishing the system in statute. The system is a single employer contributory defined benefit pension plan providing retirement, death, disability, and withdrawal benefits to plan members and their beneficiaries. Members include all cadets upon enrollment in the Austin Police Academy, commissioned law enforcement officers employed by the City of Austin Police Department, as well as full time employees of the Austin Police Retirement System.

Governing Statute
[Vernon's Texas Civil Statutes](#)
[Article 6243n-1](#)

Executive Director
Pattie Featherston
2520 South IH 35
Suite 100
Austin, Texas 78704
(512) 416-7672
www.ausprs.org

Austin Police Retirement System Board of Trustees

Name	Position	Term Expires
Sheldon Askew, Chair	Police Member	1/15/2024
Keith Harrison, Vice-Chair	Retired Member	1/19/2026
Christopher Salacki	Police Member	1/19/2026
Shelly Holmstrom	Police Member	2/21/2028
Michael Burgeson	Police Member	2/21/2028
Michael Cowden	Retired Member	1/17/2028
Kerri Lang	City Member	N/A
Mackenzie Kelly	City Member	N/A
Diana Thomas	City Member	N/A
Michael Granof	City Member	N/A
Chelsey Wood	Board Appointed	1/17/2028

2025 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS PENSION REVIEW BOARD

Dallas Employees' Retirement Fund

[Click here to visit the system's page on the Texas Public Pension Data Center.](#)

Summary of Current Plan Data

Date of Valuation	Actuarial Accrued Liability (millions)	Actuarial Value of Assets (millions)	Unfunded Actuarial Accrued Liability (millions)	Funded Ratio	Discount Rate	Amortization period (years)	Active Members	Annuitants	Employee Contributions	Employer Contributions
12/31/2023	\$5,483.25	\$3,843.25	\$1,640.79	70.08%	7.25%	51	7,894	7,914	13.32%	14.44%

The Dallas Employees' Retirement Fund was established by ordinance in November 1943 and became effective in January 1944 after ratification by the voters of the City of Dallas. The system derives its authority from Chapter 40A of the Dallas City Code. The system is a single employer defined benefit pension plan that provides retirement, disability, and death benefits to its members, and is sponsored by the City of Dallas. All employees of the City are members in the system, except police officers, firefighters, elected officers, non-salaried appointee members of administrative boards or commissions, part-time employees working less than one-half time, temporary employees, individuals working under contract, and individuals whose salaries are paid in part by another government agency.

Governing Statute

[Chapter 40A](#)
[Dallas City Code](#)

Executive Director

Cheryl Alston
1920 McKinney Avenue
10th Floor
Dallas, Texas 75201
(214) 580-7700

www.dallaserf.org

Dallas Employees' Retirement Fund Board of Trustees

Name	Position	Term Expires
Henry Talavera, Chair	Citizen Member	Holdover
John W. Peavy III, Vice-Chair	Citizen Member	Holdover
John D. Jenkins	Active Member	12/31/2025
Sunil King	Active Member	Holdover
Tina B. Richardson	Active Member	Holdover
Mark S. Swann	Active Member	N/A
T. Dupree Scovell	Citizen Member	Holdover

2025 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS PENSION REVIEW BOARD

Dallas Police & Fire Pension System (DPFPS)

[Click here to visit the system's page on the Texas Public Pension Data Center.](#)

Summary of Combined Plan Data

Date of Valuation ¹	Actuarial Accrued Liability (millions)	Actuarial Value of Assets (millions)	Unfunded Actuarial Accrued Liability (millions)	Funded Ratio	Discount Rate	Amortization period (years)	Active Members	Annuitants	Employee Contributions	Employer Contributions
1/1/2023	\$5,249.01	\$2,053.39	\$3,195.63	39.12%	6.50%	82	5,131	5,372	13.50%	37.31%

Supplemental Plan Data

1/1/2023	\$43.04	\$16.64	\$26.41	38.65%	6.50%	17	56	155	13.50%	191.61%
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¹ The system has submitted a 1/1/2024 AV, but the reported funding period was not calculated based on current actual employer contribution levels, so it was not included in this report.

The Dallas Police & Fire Pension System was initially created in 1916 under city ordinance. In 1933, the 43rd Legislature enacted 6243a, Vernon's Texas Civil Statutes, establishing the system in statute. The system was restated and continued in 1989 by an Act of the 71st Legislature under Article 6243a-1. The system is a single employer contributory defined benefit plan providing retirement, survivor, and disability benefits to the uniformed public safety employees of the City of Dallas and their beneficiaries.

Governing Statute
[Vernon's Texas Civil Statutes](#)
[Article 6243a-1](#)

Executive Director Kelly Gottschalk
 4100 Harry Hines Blvd
 Suite 100
 Dallas, Texas 75219
 (214) 638-3863

www.dpfps.org

Dallas Police & Fire Pension System Board of Trustees

Name	Position	Term Expires
Nicholas Merrick, Chair	Mayor Appointed	8/31/2026
Tina Hernandez-Patterson, Vice-Chair	Mayor Appointed	8/31/2025
Michael Taglienti, Deputy Vice-Chair	Police-Elected	8/31/2026
Matthew Shomer	Fire-Elected	8/31/2026
Michael Brown	Mayor Appointed	8/31/2025
Steve Idoux	Mayor Appointed	N/A
Vacant Position	Mayor Appointed	N/A
Tom Tull	Mayor Appointed	8/31/2026
Nancy Rocha	Non-Member-Elected	8/31/2025
Tony Scavuzzo	Non-Member-Elected	8/31/2025
Marcus Smith	Non-Member-Elected	N/A

2025 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS PENSION REVIEW BOARD

City of El Paso Employees Retirement Trust (CERT)

[Click here to visit the system's page on the Texas Public Pension Data Center.](#)

Summary of Current Plan Data

Date of Valuation	Actuarial Accrued Liability (millions)	Actuarial Value of Assets (millions)	Unfunded Actuarial Accrued Liability (millions)	Funded Ratio	Discount Rate	Amortization period (years)	Active Members	Annuitants	Employee Contributions	Employer Contributions
9/1/2023	\$1,219.87	\$967.97	\$251.90	79.35%	7.25%	17	4,309	4,453	8.95%	14.05%

The City of El Paso Employees Retirement Trust is a single employer defined benefit plan and was established in accordance with authority granted by Chapter 2.64 of the El Paso City Code. The system is a component unit of the City of El Paso, Texas. The system provides retirement, death, and disability benefits to participants and their beneficiaries. Substantially all full-time employees of the City are eligible to participate in the plan, except for uniformed firefighters and police officers who are covered under separate plans. Non-employer contributions are limited to participating employees of the system.

Governing Statute

[Chapter 2.64](#)
[El Paso City Code](#)

Executive Director

Robert B. Ash
1039 Chelsea St.
El Paso, Texas 79903
(915) 212-0112

www.eppension.org

City of El Paso Employees Retirement Trust Board of Trustees

Name	Position	Term Expires
Robert Studer, Chair	Elected City Employee	5/1/2027
Karl Rimkus, Vice-Chair	Elected City Employee	4/30/2025
Karina Brasgalla	Elected City Employee	5/1/2027
Isaura Valdez	Elected City Employee	4/30/2025
Rene Pena	Citizen Appointed by Mayor	4/30/2025
Matt C. Kerr	Citizen Appointed by Mayor	4/30/2025
Deborah G. Hamlyn	Retiree Appointee	4/30/2026
Art Fierro	City Council Representative	1/23/2026
Vacant Position	City Council Representative	N/A

2025 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS PENSION REVIEW BOARD

El Paso Firemen & Policemen's Pension Fund

[Click here to visit the firemen's](#) and [here to visit the policemen's page on the Texas Public Pension Data Center.](#)

Summary of Current Plan Data

Firemen

Date of Valuation	Actuarial Accrued Liability (millions)	Actuarial Value of Assets (millions)	Unfunded Actuarial Accrued Liability (millions)	Funded Ratio	Discount Rate	Amortization period (years)	Active Members	Annuitants	Employee Contributions	Employer Contributions
1/1/2024	\$944.29	\$781.40	\$162.89	82.75%	7.75%	15.8	912	848	18.00%	18.70%

Policemen

1/1/2024	\$1,362.27	\$1,112.05	\$250.22	81.63%	7.75%	15.1	1,113	1,199	18.00%	18.20%
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The El Paso Firemen & Policemen's Pension Fund was initially created in 1920. In 1933, the 43rd Legislature enacted Article 6243b, Vernon's Texas Civil Statutes, establishing the system in statute. The system is a single employer contributory defined benefit plan, providing retirement, disability, and death benefits to uniformed public safety employees of the City of El Paso and their beneficiaries. The system 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.

Governing Statute
[Vernon's Texas Civil Statutes](#)
[Article 6243b](#)

Executive Director
 Tyler Grossman
 909 E. San Antonio
 El Paso, Texas 79901
 (915) 771-8111

www.elpasofireandpolice.org

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

Name	Position	Term Expires
Sean Shelton, Chair	Active Police	7/1/2025
Paul Thompson, Vice-Chair	Active Fire	7/1/2025
Jerry Armendariz	Active Police	7/1/2027
Timothy P. Burns	Active Fire	7/1/2027
John Schneider	Active Police	7/1/2026
Bryan Silva	Active Fire	7/1/2025
Susanna Visconti	Mayoral Appointee	7/1/2027
Leila Melendez	Mayoral Appointee	7/1/2025
Lee Ellen Banks	Mayoral Appointee	9/1/2027
William Veliz	City Manager Appointee	9/1/2027
Gary Borsch	City Manager Appointee	9/1/2025

2025 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS PENSION REVIEW BOARD

Fort Worth Employees' Retirement Fund

[Click here to visit the system's page on the Texas Public Pension Data Center.](#)

Summary of Current Plan Data

Date of Valuation	Actuarial Accrued Liability (millions)	Actuarial Value of Assets (millions)	Unfunded Actuarial Accrued Liability (millions)	Funded Ratio	Discount Rate	Amortization period (years)	Active Members	Annuitants	Employee Contributions	Employer Contributions
12/31/2023	\$5,130.22	\$2,827.23	\$2,302.99	55.11%	7.00%	32	6,656	5,037	12.70%	26.87%

Staff Plan

12/31/2023	\$12.25	\$9.73	\$2.51	79.47%	7.00%	26	22	5	10.50%	20.72%
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The Fort Worth Employees' Retirement Fund was initially created in 1945 by city ordinance. In 2007, the 80th Legislature enacted Article 6243i, Vernon's Civil Statutes, establishing the system independently in statute. The Fort Worth Employees' Retirement Fund is a multi-employer cost sharing defined benefit pension plan covering all regular employees, police officers, and firefighters employed full time by the city of Fort Worth.

Governing Statute
[Vernon's Texas Civil Statutes](#)
[Article 6243i](#)

Executive Director
 Linda Webb
 3801 Hulen St, Suite 101
 Fort Worth, Texas 76107
 (817) 632-8900

www.fwretirement.org

Fort Worth Employees' Retirement Fund Board of Trustees

Name	Position	Term Expires
Doug Wilson, Chair	Council Appointee	8/31/2025
David (Lloyd) Cook, Vice-Chair	Active Police	8/31/2025
Stephen Stegint	Active Fire	8/31/2026
Loraine Coleman	Active Municipal	8/31/2025
Andrea Wright	Active Municipal	8/31/2026
Landon Stallings	Retired Fire	8/31/2025
Michael Baggott	Retired Police	8/31/2026
Kara Shuror	Retired Municipal	8/31/2025
Jesús Payán	Council Appointee	8/31/2026
Vacant Position	Council Appointee	N/A
Steve Purvis	Council Appointee	8/31/2025
Jim Lacamp	Council Appointee	8/31/2026
Reginald Zeno	Chief Financial Officer	N/A

2025 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS PENSION REVIEW BOARD

Galveston Employees' Retirement Fund

[Click here to visit the system's page on the Texas Public Pension Data Center.](#)

Summary of Current Plan Data

Date of Valuation	Actuarial Accrued Liability (millions)	Actuarial Value of Assets (millions)	Unfunded Actuarial Accrued Liability (millions)	Funded Ratio	Discount Rate	Amortization period (years)	Active Members	Annuitants	Employee Contributions	Employer Contributions
12/31/2023	\$94.03	\$72.19	\$21.84	76.77%	7.25%	8.9	546	393	6.00%	13.35%

The Galveston Employees' Retirement Plan for City Employees, a component unit of the city of Galveston, is a single employer defined benefit pension plan created by city ordinance under the authority of Title 8, Subchapter A of the Texas Government Code, to provide retirement and incidental benefits for employees of the City who are not participants of the retirement plans for the police department or firefighters.

Galveston Employees' Retirement Fund Board of Trustees				
Governing Statute	Administrator	Name	Position	Term Expires
Chapter 28 Galveston City Code	Jacque Vasquez 1011 Tremont Galveston, Texas 77550 (409) 443-5006	Robert Simmons	Active	4/1/2024
		Csilla Ludanyi	Active	10/1/2029
		Trina Jankowski	Active	11/1/2026
		Rodney Low	Active	7/1/2025
		Roland Bassett	Citizen	7/11/2026
		Don Davison	Citizen	2/1/2025
		James Patterson	Citizen	3/1/2025
		Lewis Rosen	Citizen	2/1/2023

2025 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS PENSION REVIEW BOARD

Galveston Employees' Retirement Plan for Police

[Click here to visit the system's page on the Texas Public Pension Data Center.](#)

Summary of Current Plan Data

Date of Valuation	Actuarial Accrued Liability (millions)	Actuarial Value of Assets (millions)	Unfunded Actuarial Accrued Liability (millions)	Funded Ratio	Discount Rate	Amortization period (years)	Active Members	Annuitants	Employee Contributions	Employer Contributions
1/1/2023	\$63.15	\$27.96	\$35.20	44.27%	7.00%	15	149	150	12.00%	18.00%

The Galveston Employees' Retirement Plan for Police was initially created in 1980 by city ordinance. In 1997, the 75th Legislature enacted Article 6243p, Vernon's Texas Civil Statutes, establishing the system independently in statute. City code provisions pertaining to the system were replaced with the language from Article 6243p in 1998. The system is a single employer contributory defined benefit pension plan covering police officers employed full time by the city of Galveston that provides retirement, disability, and death benefits to eligible members and their beneficiaries. Participation is mandatory for eligible employees hired on or after December 1, 1980; eligible employees hired prior to this date were given a onetime option of electing to participate as of December 1, 1980.

Galveston Employees' Retirement Plan for Police Board of Trustees

Governing Statute	Administrator	Name	Position	Term Expires
Vernon's Texas Civil Statutes Article 6243p	Jacque Vasquez 1011 Tremont Galveston, Texas 77550 (409) 443-5006	Geoffrey Gainer, Chair	Active	N/A
		Csilla Ludanyi	Active	10/1/2029
		Scott Gordon	Citizen	1/1/2029
		Daniel Buckley	Active	8/30/2023
		Hal Rochkind	Citizen	9/30/2023
		Destin Sims	Active	9/30/2025

2025 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS PENSION REVIEW BOARD

Houston Firefighters' Relief & Retirement Fund

[Click here to visit the system's page on the Texas Public Pension Data Center.](#)

Summary of Current Plan Data

Date of Valuation	Actuarial Accrued Liability (millions)	Actuarial Value of Assets (millions)	Unfunded Actuarial Accrued Liability (millions)	Funded Ratio	Discount Rate	Amortization period (years)	Active Members	Annuitants	Employee Contributions	Employer Contributions
7/1/2023	\$5,277.94	\$5,064.76	\$213.18	95.96%	7.00%	6.21	3,646	3,758	10.50%	26.89%

The Houston Firefighters' Relief and Retirement Fund was initially created in 1937 under the authority of the Texas Local Fire Fighters Retirement Act. In 1975, the 64th Legislature enacted Article 6243e.2, Vernon's Texas Civil Statutes, establishing the system independently in statute. The system was recodified by the 75th Legislature in 1997 under Article 6243e.2(1), Vernon's Texas Civil Statutes. The system is a single employer contributory defined benefit pension plan which covers firefighters employed by the city of Houston that provides retirement, disability, and death benefits to eligible members and their beneficiaries. Prior to 1988, the city of Houston provided the staff and financing for the daily administration of the system; effective July 1, 1988, the board of trustees assumed full responsibility for system administration.

Governing Statute
[Vernon's Texas Civil Statutes](#)
[Article 6243e.2\(1\)](#)

Executive Director
 Timothy Schauer
 4225 Interwood N Pkwy
 Houston, Texas 77032
 (281) 372-5100
www.hfrf.org

Houston Firefighters' Relief & Retirement Fund Board of Trustees

Name	Position	Term Expires
Brett R. Besselman, Chair	Active Firefighter	12/31/2027
David Lantrip, Vice-Chair	Retired Firefighter	12/31/2027
Lisa R. Slagle, Secretary	Citizen Member	12/31/2025
Pete Ng	Active Firefighter	12/31/2026
David Riegler	Active Firefighter	12/31/2025
Gerald L. Daniels	Active Firefighter	12/31/2025
Ed Llewellyn	Active Firefighter	12/31/2026
Arif Rasheed	City Treasurer Designee	N/A
Albertino "Al" Mays	Citizen Member	12/31/2026

2025 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS PENSION REVIEW BOARD

Houston Municipal Employees Pension System (HMEPS)

[Click here to visit the system's page on the Texas Public Pension Data Center.](#)

Summary of Current Plan Data

Date of Valuation	Actuarial Accrued Liability (millions)	Actuarial Value of Assets (millions)	Unfunded Actuarial Accrued Liability (millions)	Funded Ratio	Discount Rate	Amortization period ¹ (years)	Active Members	Annuitants	Employee Contributions ²	Employer Contributions ³
7/1/2024	\$5,684.82	\$4,130.05	\$1,554.76	72.65%	7.00%	13	11,883	12,204	3.00%	28.45%

¹Amortization period is PRB calculated as the expected time, based on current contribution levels, to become 100% funded.

²Member contributions are split into three groups; group A contributes 8 percent, Group B contributes 4 percent, and Group D contributes 3 percent.

³City contribution rates are based on a two-part statutory funding requirement consisting of the 2016 UAAL amortized over a closed 30-year period paid on a fixed contribution schedule plus an amount determined in each subsequent Risk Sharing Valuation Study (RSVS) that includes normal cost and amortization of additional gains and losses.

Houston Municipal Employees Pension System was created in 1943 by an act of the 48th Legislature, and codified under Article 6243g, Vernon's Texas Civil Statutes. The system was recodified by the 77th Texas Legislature in 2001 under Article 6243h, Vernon's Texas Civil Statutes. The system is a multiple-employer defined benefit pension plan that provides service retirement, disability retirement, and death benefits for all full-time municipal employees, except police officers and firefighters (other than certain police officers in the system as authorized by the statute), elected City officials, full-time employees of the system, and eligible beneficiaries.

Governing Statute
[Vernon's Texas Civil Statutes](#)
[Article 6243h](#)

Executive Director
 David L. Long
 1201 Louisiana, Ste 900
 Houston, Texas 77002
 (713) 595-0100

www.hmeps.org

Houston Municipal Employees Pension System Board of Trustees

Name	Position	Term Expires
Sherry Mose, Chair	Employee Trustee	N/A
Lenard Polk, Vice-Chair	Employee Trustee	N/A
Rhonda Smith, Secretary	Employee Trustee	N/A
Lonnie Vara	Retiree Trustee	N/A
Roderick J. Newman	Retiree Trustee	N/A
Roy W. Sanchez	Employee Trustee	N/A
Carole Snyder	Board Appointed	7/1/2026
Felix Chevalier	Controller Appointee	7/1/2027
David Donnelly	Mayoral Appointee	N/A
Adrian Patterson	City Council Appointee	N/A
Denise Castillo-Rhodes	City Council Appointee	N/A

2025 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS PENSION REVIEW BOARD

Houston Police Officer's Pension System (HPOPS)

[Click here to visit the system's page on the Texas Public Pension Data Center.](#)

Summary of Current Plan Data

Date of Valuation	Actuarial Accrued Liability (millions)	Actuarial Value of Assets (millions)	Unfunded Actuarial Accrued Liability (millions)	Funded Ratio	Discount Rate	Amortization period (years)	Active Members	Annuitants	Employee Contributions	Employer Contributions
7/1/2024	\$7,990.60	\$7,355.10	\$635.49	92.05%	7.00%	12.3	5,270	5,210	10.50%	27.10%

Houston Police Officer's Pension System was created in 1947 by an act of the 50th Legislature, and is governed by Article 6243g-4, Vernon's Texas Civil Statutes. 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.

Governing Statute
[Vernon's Texas Civil Statutes](#)
[Article 6243g-4](#)

Executive Director
 Patrick S. Franey
 602 Sawyer St, Suite 300
 Houston, Texas 77007
 (713) 860-8734
www.hpops.org

Houston Police Officer's Pension System Board of Trustees

Name	Position	Term Expires
D. Trey Coleman, Chair	Police Member	12/31/2026
Terry A. Bratton, Vice Chair	Retired Police Member	12/31/2026
Melissa Dubowski, Secretary	Director of Finance, Designee	N/A
George Guerrero	Police Member	12/31/2025
Steven Le	Police Member	12/31/2026
John Spjut	Retired Police Member	12/31/2027
Don Sanders	Mayor's Representative	N/A

2025 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS PENSION REVIEW BOARD

San Antonio Fire & Police Pension Fund

[Click here to visit the system's page on the Texas Public Pension Data Center.](#)

Summary of Current Plan Data

Date of Valuation	Actuarial Accrued Liability (millions)	Actuarial Value of Assets (millions)	Unfunded Actuarial Accrued Liability (millions)	Funded Ratio	Discount Rate	Amortization period (years)	Active Members	Annuitants	Employee Contributions	Employer Contributions
1/1/2024	\$4,793.06	\$4,095.28	\$697.78	85.44%	7.25%	20.96	4,272	3,376	12.32%	24.64%

The San Antonio Fire and Police Pension Fund was created in 1941 by an act of the 47th Legislature, and is governed by Article 6243o, Vernon's Texas Civil Statutes. The system is a single employer contributory defined benefit retirement plan that provides comprehensive retirement, death, and disability benefits for the city of San Antonio's police officers, firefighters, retirees, and their beneficiaries.

Governing Statute
[Vernon's Texas Civil Statutes Article 6243o](#)

Executive Director
 Warren J. Schott
 11603 W Coker Loop
 San Antonio, Texas 78216
 (210) 534-3262
www.safppf.org

San Antonio Fire & Police Pension Fund Board of Trustees

Name	Position	Term Expires
Justin Rodriguez, Chair	Mayoral Designee	5/31/2025
Larry A. Reed, Vice-Chair	Retired Fire Trustee	5/31/2025
Adriana Rocha Garcia, Secretary	Councilwoman	5/31/2025
Amanda Viera	Active Police Trustee	5/31/2025
Shawn Griffin	Active Fire Trustee	5/31/2027
Harry Griffin	Retired Police Trustee	5/31/2027
Dean R. Pearson	Active Fire Trustee	5/31/2025
Jim Smith	Active Police Trustee	5/31/2027
Marc Whyte	Councilman	5/31/2025

2025 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS PENSION REVIEW BOARD

Local Firefighter Plans (TLFFRA)

[Click here to visit the TLFFRA page on the Texas Public Pension Data Center.](#)

Summary of Current Aggregate Plan Data

Date of Valuation	Actuarial Accrued Liability (millions)	Actuarial Value of Assets (millions)	Unfunded Actuarial Accrued Liability (millions)	Funded Ratio	Discount Rate	Amortization period (years)	Active Members	Annuitants	Employee Contributions	Employer Contributions
N/A	\$4,075.99	\$2,738.68	\$1,337.32	67.19%	N/A	N/A	5,957	4,329	N/A	N/A

The Texas Local Fire Fighters Retirement Act (TLFFRA) was originally created in 1937 by the 45th Legislature and named the Firemen's Relief and Retirement Fund. In 1989, the Act was restated under [Article 6243e](#) and renamed as the Texas Local Fire Fighters Retirement Act. TLFFRA statute allows for paid and part-paid fire departments and volunteer fire departments in participating cities to administer their own local retirement systems. Statute provides general guidelines for fund management, including some investment restrictions, but leaves administration, plan design, contributions, and specific investments to each system's local board. Systems operating under TLFFRA are entirely locally funded and each have their own local boards of trustees governed by state statute. The following list includes paid and part-paid TLFFRA retirement systems:

Abilene Firemen's Relief & Retirement Fund	Harlingen Firemen's Relief & Retirement Fund	Port Arthur Firemen's Relief & Retirement Fund
Amarillo Firemen's Relief & Retirement Fund	Irving Firemen's Relief & Retirement Fund	San Angelo Firemen's Relief & Retirement Fund
Atlanta Firemen's Relief & Retirement Fund	Killeen Firemen's Relief & Retirement Fund	San Benito Firemen Relief & Retirement Fund
Beaumont Firemen's Relief & Retirement Fund	Laredo Firefighters Retirement System	Sweetwater Firemen's Relief & Retirement Fund
Big Spring Firemen's Relief & Retirement Fund	Longview Firemen's Relief & Retirement Fund	Temple Firemen's Relief & Retirement Fund
Brownwood Firemen's Relief & Retirement Fund	Lubbock Fire Pension Fund	Texarkana Firemen's Relief & Retirement Fund
Cleburne Firemen's Relief & Retirement Fund	Lufkin Firemen's Relief & Retirement Fund	Texas City Firemen's Relief & Retirement Fund
Conroe Fire Fighters' Retirement Fund	Marshall Firemen's Relief & Retirement Fund	The Woodlands Firefighters' Retirement System
Corpus Christi Fire Fighters' Retirement System	McAllen Firemen's Relief & Retirement Fund	Travis County ESD #6 Firefighter's Relief & Retirement Fund
Corsicana Firemen's Relief & Retirement Fund	Midland Firemen's Relief & Retirement Fund	Tyler Firefighters' Relief & Retirement Fund
Denison Firemen's Relief & Retirement Fund	Odessa Firemen's Relief & Retirement Fund	University Park Firemen's Relief & Retirement Fund
Denton Firemen's Relief & Retirement Fund	Orange Firemen's Relief & Retirement Fund	Waxahachie Firemen's Relief & Retirement Fund
Galveston Firefighter's Relief & Retirement Fund	Paris Firefighters' Relief & Retirement Fund	Weslaco Firemen's Relief & Retirement Fund
Greenville Firemen's Relief & Retirement Fund	Plainview Firemen's Relief & Retirement Fund	Wichita Falls Firemen's Relief & Retirement Fund

2025 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS PENSION REVIEW BOARD

Special District/Supplemental Plans (Chapter 810)

[Click here to visit the Special District/Supplemental page on the Texas Public Pension Data Center.](#)

Summary of Current Aggregate Plan Data

Date of Valuation	Actuarial Accrued Liability (millions)	Actuarial Value of Assets (millions)	Unfunded Actuarial Accrued Liability (millions)	Funded Ratio	Discount Rate	Amortization period (years)	Active Members	Annuitants	Employee Contributions	Employer Contributions
N/A	\$11,915.21	\$9,543.16	\$2,372.04	80.09%	N/A	N/A	38,139	24,630	N/A	N/A

[Chapter 810](#) of the Texas Government Code was enacted in 1991 by the 72nd Legislature in response to two attorney general opinions (JM-1068 and JM-1142) determining that several local retirement systems were established lacking appropriate legislative authority and were thus invalid under the Texas Constitution. Chapter 810 authorizes all those systems that had been established prior to the attorney general opinions and provides authority for subsequent local retirement systems to be established by local jurisdictions. Retirement systems established under Chapter 810 of the Texas Government Code have the authority to determine plan provisions locally. The following list includes actuarially funded retirement systems enabled by Chapter 810:

Arlington Employees Deferred Income Plan	Houston MTA Workers Union Pension Plan
Brazos River Authority Retirement Plan	Irving Supplemental Benefit Plan
Capital MTA Retirement Plan for Administrative Employees	JPS Pension Plan - Tarrant County Hospital District
Capital MTA Retirement Plan for Bargaining Unit Employees	Lower Colorado River Authority Retirement Plan
Colorado River Municipal Water District Defined Benefit Retirement Plan & Trust	Lower Neches Valley Authority Retirement Plan
Corpus Christi Regional Transportation Authority	Nacogdoches County Hospital District Retirement Plan
CPS Energy Pension Plan	Plano Retirement Security Plan
Dallas County Hospital District Retirement Income Plan	Port of Houston Authority Retirement Plan
Dallas/Fort Worth Airport Board DPS Retirement Plan	Refugio County Memorial Hospital District Retirement Plan
Dallas/Fort Worth Airport Board Retirement Plan	Retirement Plan for Anson General Hospital
DART Employees' Defined Benefit Retirement Plan & Trust	Retirement Plan for Citizens Medical Center
El Paso Firemen & Policemen's Pension Staff Plan and Trust	Retirement Plan for Employees of Brownsville Navigation District
Floresville Electric Light and Power System Pension Plan	Retirement Plan for Guadalupe Regional Medical Center
Galveston Wharves Pension Plan	Retirement Plan for Sweeny Community Hospital
Guadalupe-Blanco River Authority	San Antonio Metropolitan Transit Retirement Plan
Harris County Hospital District Pension Plan	Supplemental Retirement Plan of University Medical Center
Houston MTA Non-Union Pension Plan	University Health System Pension Plan

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TEXAS PENSION REVIEW BOARD

Appendices

2025 GUIDE TO PUBLIC RETIREMENT SYSTEMS IN TEXAS

TEXAS PENSION REVIEW BOARD

Appendix A – Pension Obligation Bonds Issued and Outstanding as of 8/31/2024

Pension Obligation Bonds Issued and Outstanding as of 8/31/2024 as provided by the Bond Review Board (BRB)								
Govt Name	Issue Name	Closing Date	Maturity Date	Par Amount Issued	Principal Outstanding	Percent Outstanding	Interest Outstanding	True Interest Cost
Arlington	GO Pension Bonds Txbl Ser 2020	9/22/2020	8/15/2038	\$174,665,000	\$139,030,000	80%	\$19,925,526	1.69%
Bryan	GO Pension Bonds Txbl Ser 2020	11/19/2020	8/15/2040	\$54,700,000	\$50,240,000	92%	\$12,414,502	2.37%
Dallas	Txbl GO Pension Bonds Ser 2005A	2/16/2005	2/15/2035	\$186,575,000	\$50,000,000	27%	\$17,721,444	4.98%
Dallas	Txbl GO Pension Bonds Ser 2005B	2/16/2005	2/15/2035	\$137,772,609	\$45,315,416	33%	\$463,049,584	5.32%
Dallas	Txbl GO Pension Bonds Ser 2005C ¹	2/16/2005	2/15/2024	\$75,000,000	\$0	0%	\$0	5.99%
Dallas	GO Ref Bonds Txbl Ser 2010 ²	11/18/2010	2/15/2024	\$77,670,000	\$0	0%	\$0	4.58%
				\$477,017,609	\$95,315,416		\$480,771,028	
El Paso	Txbl GO Pension Bonds Ser 2007	7/19/2007	8/15/2035	\$101,240,000	\$61,275,000	61%	\$24,248,287	5.98%
El Paso	Txbl GO Pension Bonds Ser 2009 ³	6/25/2009	8/15/2014	\$111,545,000	\$0	0%	\$0	3.60%
El Paso	GO Ref Bonds Txbl Ser 2014	1/16/2014	8/15/2034	\$110,610,000	\$66,065,000	60%	\$20,802,143	2.53%
				\$323,395,000	\$127,340,000		\$45,050,430	
Gainesville Hospital District	Ltd Tax Ref Bonds Txbl Ser 2017B (VR) ⁴	12/22/2017	8/15/2037	\$14,210,000	\$0	0%	\$0	13.24%
Gainesville Hospital District	Ltd Tax Ref Bonds Txbl Ser 2018A ^a	12/20/2018	8/15/2037	\$41,265,000	\$32,515,000	79%	\$14,627,453	5.64%
				\$55,475,000	\$32,515,000		\$14,627,453	
Grand Prairie	GO Pension Bonds Txbl Ser 2022	8/31/2022	2/15/2037	\$77,515,000	\$70,885,000	91%	\$21,030,895	3.95%

Note: Totals may not sum due to rounding.

¹ Refunded by GO Ref Bonds Txbl Ser 2010

² Refunded by GO Ref Bonds Txbl Ser 2020B

³ Refunded by GO Ref Bonds Txbl Ser 2014

⁴ Refunded by Ltd Tax Ref Bonds Txbl Ser 2018A

^a Refunded multiple issuances, only 34.44 percent of which were pension -related

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TEXAS PENSION REVIEW BOARD

Pension Obligation Bonds Issued and Outstanding as of 8/31/2024 as provided by the Bond Review Board (BRB)								
Govt Name	Issue Name	Closing Date	Maturity Date	Par Amount Issued	Principal Outstanding	Percent Outstanding	Interest Outstanding	True Interest Cost
Houston	Txbl Pension Oblig Notes Ser 2004 ⁵	12/17/2004	2/15/2006	\$22,900,000	\$0	0%	\$0	4.35%
Houston	Txbl GO Pension Bonds Ser 2005 ^b	3/30/2005	3/1/2035	\$57,165,000	\$57,165,000	100%	\$23,796,500	5.30%
Houston	Txbl Pension Oblig Bonds Ser 2006A	3/29/2006	3/1/2036	\$63,740,000	\$63,740,000	100%	\$33,493,046	5.51%
Houston	Txbl Pension Oblig Bonds Ser 2007A	3/1/2007	3/1/2037	\$63,800,000	\$63,800,000	100%	\$42,526,025	5.54%
Houston	Txbl Pension Oblig Notes Ser 2008 ⁶	2/15/2008	2/18/2009	\$35,050,000	\$0	0%	\$0	3.32%
Houston	Txbl Pension Oblig Bonds Ser 2008B	1/8/2009	3/1/2032	\$20,190,000	\$12,985,000	64%	\$3,939,427	6.29%
Houston	Txbl Pension Oblig Ref Bonds Ser 2008A ^c	1/8/2009	3/1/2032	\$382,630,000	\$235,345,000	62%	\$69,233,401	6.29%
Houston	Txbl Pension Oblig Notes Ser 2010 (VR) ⁷	5/21/2010	11/16/2011	\$20,100,000	\$0	0%	\$0	N/A
Houston	Txbl Pub Impr Ref Bonds Ser 2011B ^d	10/27/2011	3/1/2041	\$47,010,000	\$27,370,000	58%	\$15,230,932	4.00%
Houston	Txbl Pension Obligation Bonds Ser 2017	12/15/2017	3/1/2047	\$1,005,145,000	\$940,250,000	94%	\$577,013,694	3.93%
				\$1,717,730,000	\$1,400,655,000		\$765,233,025	
Irving	GO Pension Bonds Txbl Ser 2021	12/15/2021	9/15/2041	\$86,220,000	\$80,880,000	94%	\$22,803,121	2.59%
Irving	GO Pension Bonds Txbl Ser 2022	5/24/2022	9/15/2047	\$80,785,000	\$77,550,000	96%	\$41,374,798	4.36%
				\$167,005,000	\$158,430,000		\$64,177,919	
Longview	GO Pension Bonds Txbl Ser 2022	7/14/2022	9/1/2047	\$45,600,000	\$45,225,000	99%	\$35,744,180	5.11%
Paris	GO Pension Bonds Txbl Ser 2022	9/8/2022	6/15/2042	\$12,355,000	\$11,180,000	90%	\$5,317,806	4.54%
				\$3,105,457,609	\$2,130,815,416		\$1,464,292,764	

Note: Totals may not sum due to rounding.

⁵ Refunded by Txbl GO Pension Bonds Ser 2005

⁶ Refunded by Txbl Pension Oblig Ref Bonds Ser 2008A

⁷ Refunded by Txbl Pub Impr Ref Bonds Ser 2011B

^b Refunded Txbl Pension Oblig Notes Ser 2004 & added new pension debt

^c Refunded Txbl Pension Oblig Notes Ser 2008, Collateralized Pension Oblig Note Ser 2004 & related Deferred Interest Certificates

^d Refunded multiple issuances, only 44.16 percent of which were pension-related

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Appendix B – DROP Balance as a Percentage of Assets

This table shows the retirement systems that the PRB has identified as having a deferred retirement option plan (DROP), along with a corresponding DROP balance, as reported by systems in their GASB disclosures. This table also includes the plan’s fiduciary net position (FNP), as reported by the plan, and the DROP balance as a percent of the FNP, which is calculated by the PRB. The chart is sorted from highest DROP balance as a percent of FNP to the lowest showing which systems could potentially be at the highest risk if an event were to occur that would cause members to withdraw their DROP funds.

Plan Name	Effective Date	DROP Balance (millions)	Fiduciary Net Position (FNP) (millions)	DROP Balance as a Percentage of FNP
Houston Police Officers' Pension System	6/30/2024	\$2,292.21	\$7,779.53	29.46%
Houston Firefighters' Relief & Retirement Fund	6/30/2024	\$1,367.49	\$5,378.73	25.42%
Beaumont Firemen's Relief & Retirement Fund	12/31/2023	\$23.46	\$115.14	20.38%
Houston Municipal Employees Pension System	6/30/2023	\$779.80	\$4,072.35	19.15%
Lufkin Firemen's Relief & Retirement Fund	12/31/2023	\$3.21	\$23.39	13.74%
Austin Firefighters Retirement Fund	12/31/2023	\$155.15	\$1,162.69	13.34%
El Paso Police Pension Fund	12/31/2023	\$58.36	\$1,054.93	5.53%
Irving Firemen's Relief & Retirement Fund	12/31/2023	\$13.88	\$262.96	5.28%
Dallas Police & Fire Pension System-Combined Plan ¹⁶	12/31/2023	\$89.26	\$1,934.82	4.61%
Fort Worth Employees' Retirement Fund	9/30/2023	\$105.60	\$2,604.61	4.05%
El Paso Firemen's Pension Fund	12/31/2023	\$26.46	\$740.28	3.57%
Harlingen Firemen's Relief & Retirement Fund	9/30/2023	\$0.50	\$36.95	1.36%
Dallas Police & Fire Pension System-Supplemental ¹⁷	12/31/2023	\$0.13	\$19.81	0.67%
Midland Firemen's Relief & Retirement Fund	12/31/2023	\$0.35	\$83.69	0.42%
Austin Police Retirement System	12/31/2023	\$1.64	\$1,014.90	0.16%
Teacher Retirement System of Texas	8/31/2024	\$0.44	\$210,543.26	0.00%

¹⁶ This system distributes DROP balances in annuity form. As lump sums, the DROP balances would represent roughly 41% of the system’s assets.

¹⁷ This system distributes DROP balances in annuity form. As lump sums, the DROP balances would represent roughly 28% of the system’s assets.

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Appendix C – Legislation Relating to Public Retirement Systems Adopted by the 88th Legislature

Statewide

Teacher Retirement System of Texas (TRS)

HB 4520 – Benefit loss for distribution of harmful material to a minor (Harris)

Status: 6/18/2023 Signed by the governor, effective 9/1/2023

This bill makes the sale, distribution, or display of harmful material to a minor a qualifying felony that makes a TRS member or annuitant ineligible for a service retirement annuity if the victim is a student. It also adds conviction or deferred adjudication community supervision granted on the basis of those actions to the things that could cause certain disciplinary actions for an employee of a public school, private school, or open-enrollment charter school such as revocation of an Educator Certification, notification to employer, removal from administrative office, termination, or suspension without pay. The changes to the Code of Criminal Procedure only apply to a judgement of conviction or order granting deferred adjudication community supervision entered on or after the bill's effective date. The provision related to the loss of eligibility for a TRS service retirement annuity applies only to an offense committed on or after the bill's effective date.

SB 10 – TRS COLA and 13th Check (Huffman et al.)

Status: 6/14/2023 Signed by the governor, one-time COLA effective January 1, 2024,; supplemental payment provision effective immediately

One-Time COLA

The bill authorized a one-time COLA in January 2024 for certain annuitants based on retirement date.

- 6 percent for retirees who retired on or before August 31, 2001
- 4 percent for retirees who retired after August 31, 2001, but on or before August 31, 2013
- 2 percent for retirees who retired after August 31, 2013, but on or before August 31, 2020
- The same scale applies for beneficiaries based on members' dates of death

Supplemental Payment (13th check)

This bill provides a one-time supplemental payment payable not later than September 2023 of \$7,500 to eligible retirees aged 75 and older the month before the payment is issued, and \$2,400 for annuitants aged 70 years but younger than 75 the month before the payment is issued.

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HJR 2 – TRS COLA payment constitutional amendment (Bonnen et al)

Status: 5/30/2023 Filed with the Secretary of State (Election date 11/7/2023, approved by Texas voters)

This resolution proposed a constitutional amendment specifying that the Legislature may provide a one-time or ongoing benefit enhancement for TRS retirees. The amendment directs the transfer of money into the TRS trust fund for benefit enhancements as provided by SB 10. The temporary constitutional provision expires September 1, 2025.

SB 1246 – TRS investment vehicles (Huffman)

Status: 6/18/2023 Signed by the governor, effective immediately

The bill removes the current cap of 10 percent on the total value of TRS' portfolio that may be invested in hedge funds and instead allows the board to set the limit. It authorizes TRS to create a title-holding entity to be used for investing the system's assets in real property, and creates various requirements for such investments, including confidentiality of certain records. It also amends the Government Code so that 10 percent rather than a quarter of the Economic Stabilization Fund must be invested in a manner that ensures its liquidity.

Employees Retirement System of Texas (ERS)

SB 729 – Cash Balance QDROs, service credit, and optional benefits (Huffman)

Status: 5/19/2023 Signed by governor, effective immediately

This bill allows annual interest and gain sharing interest to be included in payment of segregated amounts for a member or retiree under ERS Tier 4 (cash balance). The segregated amounts are the portions of a benefit paid to an alternate payee under a qualified domestic relations order (QDRO) while ERS is determining qualification. This only applies to QDROs entered after the bill's effective date.

It also allows Tier 4 retirees to change their beneficiaries after retirement in most cases and Tier 4 members could receive custodial officer service and establish military service credit.

This bill creates an optional cash balance annuity members can select upon retirement, which allows the member to designate a beneficiary and select one of five options that provides:

- reduced annuity that stays the same throughout the life of the beneficiary after the retiree dies;
- half of the reduced annuity throughout the life of the beneficiary after the retiree dies;
- if the retiree dies before 60 monthly annuity payments have been made, the remainder of the payments are made to one or more beneficiaries, or the retiree's estate if no beneficiary exists;
- if the retiree dies before 120 monthly annuity payments have been made, the remainder of the payments are made to one or more beneficiaries, or the retiree's estate if no beneficiary exists; or

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- three-quarters of the reduced annuity is payable throughout the life of the beneficiary after the retiree dies

If the designated beneficiary predeceases the retiree, the optional cash balance annuity reverts to a standard cash balance annuity and the retiree is entitled to the amount they would have received had they not selected the option. Members who selected the optional benefit are not permitted to change the beneficiary after retirement except under specific circumstances like divorce.

This bill also creates a partial lump-sum cash balance option, which is available alongside either the standard or optional cash balance annuity. This lump sum may not exceed the sum of 36 months of the standard cash balance annuity payments, and the annuity would be actuarially reduced to reflect the lump-sum option. This option is only available before the member retires and can only be elected once. The lump-sum option does not apply to a disability retirement annuity.

HB 1393 – ERS COLA annuity option (Frank)

Status: 6/9/2023 Signed by the governor, effective 9/1/2023

The bill creates a new retirement annuity option for ERS members where the annuity increases annually. Under the option, a member's benefits would be reduced upon retirement and annually increased by a rate determined by ERS. Before a member selects this option, they will receive a written notice about the amount and time their annuity will be reduced, and ERS will save a copy signed by the member. The annuity must be calculated to be equivalent to a regular annuity and be computed in a way to cause no actuarial loss to ERS. It may not be chosen by a retiree, a member under the proportionate retirement program, and does not apply to a disability retirement annuity or an annuity based on elected class service. The ERS board may adopt rules to implement the bill. The new option only applies to retirements on or after Sept. 1, 2024.

SB 1509 – ERS annuity without separation (Huffman)

Status: 5/19/2023 Signed by governor, effective immediately

This bill repeals a provision in ERS' governing statute that currently allows ERS members who are eligible to retire, have accrued enough service credit to receive the maximum permitted annuity, and are at least 60 years old to retire and receive a retirement annuity without separating from service. It only applies to members who retire on or after the bill's effective date, so any members who retired before the bill took effect would continue to be governed by Section 814.109, Texas Government Code as it existed at the time.

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Judicial Retirement System Plan Two (JRS II)

SB 1245 – Judicial cash balance tier (Huffman)

Status: 6/18/2023 Signed by the governor, effective immediately

This bill establishes a cash balance tier for JRS II members who join the system on or after Sept. 1, 2024. The tier includes a guaranteed 4 percent annual interest and gain sharing interest of up to 3 percent on member accounts, lump sum and survivor's benefit retirement options, and a 6 percent member contribution rate.

The state will match 150 percent of the member's account balance. The bill also specifies state contributions for military service. Each year, member accounts and retirement annuities would receive a gain-sharing adjustment. Members will be eligible to retire after a certain combination of age and years of service:

- At least age 60 with 8+ years of service credit
- At least age 50 with 12+ years of service credit

This bill allows annual interest and gain sharing interest to be included in payment of segregated amounts for a member or retiree under ERS Tier 4 (cash balance). These segregated amounts are the portions of a benefit that would be paid to an alternate payee under a QDRO while ERS is determining the qualification. This would only apply to domestic relations orders entered after the bill's effective date.

This bill creates an optional cash balance annuity members can select upon retirement, which allows the member to designate a beneficiary and select one of five options specified in the bill.

The bill creates a separate, nonqualified, unfunded excess benefit arrangement outside the JRS trust fund. The arrangement will pay annuitants of JRS II benefits that they would have received but exceed internal revenue code limitations. The ERS board would be responsible for the administration of the arrangement. Contributions to this arrangement are not held in trust and may not be commingled with other funds from the system. The benefits would be paid from state contributions that would have been paid towards the benefits under Section 840.103.

This bill also creates a partial lump-sum cash balance option, which would be available alongside either the standard or optional cash balance annuity and specifies how the lump sum option would be administered.

The bill temporarily authorizes certain retirees who resume full-time judicial service after at least a six-month break to elect to rejoin the system and would specify the method for recomputing benefits for these members. An individual could only make this election once. This optional election provision expires on September 1, 2025.

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HB 3474 – Attorney longevity pay calculations (Leach)

Status: 6/13/2023 Signed by the governor, effective 9/1/2023

This bill counts time served as a district attorney, criminal district attorney, or county attorney as service time for the purpose of calculating longevity pay for a variety of judicial branch positions. It makes conforming changes to the provisions related to pay of a statutory county court judge, a statutory probate court judge, a multicounty statutory court judge, an associate judge, and a district attorney or criminal district attorney. It also makes changes to what is considered years of service for state prosecuting attorneys, but it is slightly different than the other provisions. The bill also makes changes to the annual salary of the state prosecuting attorney and state prosecutors by setting their salary to the same as a district judge with comparable years of service, and provides longevity pay based on their years of service as if they were a judge or justice under Section 659.0445 of the Government Code. This change to longevity pay also applies to district attorneys or criminal district attorneys.

HJR 107 – Increase mandatory retirement age for justices/judges (Price)

Status: 5/16/2023 Filed with the Secretary of State (Election date 11/7/2023, approved by Texas voters)

This resolution proposed a constitutional amendment to raise the mandatory retirement age for justices and judges of the Appellate Courts and District and Criminal District Courts. Currently if a judge or justice turns 75 or another age between 70 and 75 specified by the Legislature, then their office becomes vacant at the end of that term. The proposed amendment would change the maximum age to 79 and the range to 75 to 79. The amendment also repeals the provision that specified if an elected judge or justice reaches the maximum age during the first four years of a six-year term, the judge or justice's office becomes vacant on Dec. 31 of the fourth year.

Law Enforcement and Custodial Officers Retirement Fund (LECOSRF)

HB 4141 – TRS officers in LECOS (Guillen)

Status: 6/10/2023 Signed by the governor, effective immediately

This bill requires TRS to conduct a study and report on the feasibility and cost of offering peace officer members additional benefits outlined in the bill.

Texas Municipal Retirement System (TMRS)

HB 2464 – TMRS Optional Annuity Increase (Price)

Status: 5/27/2023 Signed by the governor, effective immediately

This bill allows a municipality that adopts an ordinance to increase annuities that takes effect on Jan. 1 of 2024, 2025, or 2026 to use a different method to calculate increase. The increase for an individual is equal to the sum of prior and current service annuities and increased in subsequent years multiplied by consumer price index (CPI) for urban consumers and either 30, 50, or 70 percent as specified by the local sponsor. Only certain

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participating municipalities can select this option. The increase only applies to a retiree who retired, or a beneficiary of a retiree who died, no later than Dec. 31 of the year 13 months before the effective date of the local ordinance providing the increase.

Municipal Systems

SB 1207 - San Antonio Fire & Police (Menéndez)

Status: 5/15/2023 Signed by governor, effective 9/1/2023

This bill makes several changes to the governing statute for the San Antonio Fire and Police Pension Fund. It increases the monthly death benefit amount that certain surviving beneficiaries receive. It increases the percentage of a member's average total salary used to calculate a death benefit annuity to 75 percent from 50 percent; the surviving spouse can still elect to receive the salary percentage that the member would have been entitled to receive had they retired on the date of death instead of 75 percent. Death benefits for members who died on or after Sept. 1, 2005, but before Sept. 1, 2023, are increased to 75 percent of total average salary after Sept. 1, 2023, as long as the surviving spouse did not elect to receive a lump-sum payment. COLAs during that period will not count toward what the beneficiary is receiving when calculating the difference between what they are receiving and the 75 percent, but the COLAs will be added to the increased value. The death benefit for a surviving beneficiary of a service retiree or disability retiree did not change.

The bill also makes a variety of clarifying and technical changes to provisions including those related to service credit purchase for military service, calculation and administration of disability retirement and death benefits, coordination with federal statute, the system board's authority, and fund administration.

These changes only apply to benefit applications and supplemental payments on or after Sept. 1, 2023.

HB 4034 - DPFPS death and disability benefits (Johnson, Julie)

Status: 6/11/2023 Signed by the governor, effective 9/1/2023

This bill makes changes to certain death and disability benefits for members of the Dallas Police and Fire Pension System. It changes the multiplier for disability benefits for a surviving spouse of a member who began service before Mar. 1, 2011, to 2.5 percent rather than between 2 and 2.5 percent based on age at retirement. It sets the standard death benefit multiplier for service after Sept. 1, 2017, to 1.25 percent rather than between 1 and 1.25 percent based on age at retirement. It increases death benefits for members who have died in the line of duty, from 50 percent of the member's accrued benefit with a maximum of 45 percent of average pay to 100 percent of the maximum accrued benefit with a maximum of 90 percent of average pay. The changes only apply for disability or death benefits for which an application is filed on or after Sept. 1, 2023.

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HB 4559 – Population bracket updates (Darby)

Status: 6/12/2023 Signed by the governor, effective 9/1/2023

This bill adjusts the population brackets in numerous statutes to ensure they are applied consistently as a region's population changes, based on the most recent census data. These changes include adjustments to statutes affecting the Austin Fire Fighters' Relief and Retirement Fund, the Texas Municipal Retirement System as it relates to the City of University Park, health coverage provided by TRS, the Texas Local Fire Fighters Retirement Act (TLFFRA) as it relates to the City of University Park, the City of Austin Employees' Retirement System (COAERS), Austin Police Retirement System, and San Antonio Fire & Police Pension Fund.

SB 1444 – COAERS reform (Zaffirini/Eckhardt)

Status: 5/29/2023 Signed by the governor, effective 9/1/2023

This bill makes changes to employer contributions, employee contributions, benefits, board composition, risk-sharing, and COLA or additional payment approval for COAERS.

Contribution changes:

- Adjusts the assumed interest rate for members who are reestablishing service to the actuarial assumed rate of return in effect on the date of service purchase.
- Member contributions will be increased from 8 percent to 9 percent in 2024 and to 10 percent starting in 2025. The rate can be increased with a majority vote of all voting active-contributory members.
- Employer contributions are split into two parts:
 - A legacy liability layer to pay off the unfunded liability over 26 installments. The first three years would result in a phase-in of approximately 1/3 of the contribution increase and growing at a rate of 3 percent thereafter.
 - The sum of the employer's normal cost and a layered amortization component designed to eliminate any unexpected future changes in the unfunded liability. Losses amortized over a maximum of 30 years.
- The portion of the city contribution designed to fund future benefit accruals will be subject to a minimum and maximum corridor of +/- 5 percent of the projected corridor midpoint.
- **Risk-sharing:**
 - The system actuary will prepare a risk-sharing valuation study (RSVS) as of Dec. 31, 2022, to project the 30-year corridor.
 - The system actuary will perform an annual RSVS to calculate the UAAL for the previous year, subject to various requirements.

Benefits:

- Allows a member to convert sick leave to creditable service at retirement rather than any time beforehand and specifies that city contributions for such conversions must be funded through employer contributions.

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- Before a COLA or additional payment can be provided, the system's actuary is required to certify the system is actuarially sound, with approval by both the system board and the city governing body, and the Legislature must amend the system's governing statute to provide it.

Board composition and authority:

- Requires that citizen trustees have experience in securities investment, pension administration, pension law, or government finance.
- Gives the city's director of finance or their designee a specific place on the board.
- Reduces the number of trustees elected by active system members from four to three.

Actuarial studies and oversight requirements: The system actuary is required to perform an experience study at least once every five years and must notify the city beforehand. The city is authorized to have an actuary prepare a separate experience study, review the system's experience study, or accept the system's experience study, with specific time requirements for each option. The bill specifies the circumstances in which a third-party actuary must be hired by the city from three options presented by the system to explain the differences between the assumptions of the system and city's actuaries. The third-party actuary's findings and the experience studies must be presented to the system board. If the system board adopts actuarial assumptions or methods that are counter to the third-party actuary's findings, the board must provide a formal letter to the city and the PRB explaining the rationale and the system's actuary and executive director must be available upon request of the city or PRB to present the rationale in person.

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Appendix D – Text-only Description for Figure 1 - Actuarial Asset-Liability and Funded Ratio Trends

The Actuarial Asset-Liability and Funded Ratio Trends is a line graph with two vertical axes, seen in Figure 1, shows the aggregate actuarial value of assets, actuarial accrued liability, and funded ratio for all actuarially funded Texas defined benefit systems from 2013 to 2023. The graph contains two vertical axes, the left axis shows the dollar amount in billions of the assets and liabilities of the Texas retirement systems and starts at \$250 billion and ends slightly above 450 billion. The right axis shows the funded ratio percentages on a scale from 77 percent to 81 percent. The graph also states the unfunded actuarial accrued liability or UAAL (which is calculated by taking the total liabilities for the year and subtracting the total assets) for 2013 and 2023. The UAAL is listed as \$52.3 billion in 2013 and \$98.8 billion in 2023.

The data for each year is as follows:

- 2013 – assets = \$220.39 billion, liabilities = \$272.72 billion, and funded ratio = 80.81%
- 2014 – assets = \$231.91 billion, liabilities = \$287.72 billion, and funded ratio = 80.60%
- 2015 – assets = \$243.82 billion, liabilities = \$304.58 billion, and funded ratio = 80.05%
- 2016 – assets = \$251.75 billion, liabilities = \$318.65 billion, and funded ratio = 79%
- 2017 – assets = \$265.05 billion, liabilities = \$333.59 billion, and funded ratio = 79.45%
- 2018 – assets = \$280.55 billion, liabilities = \$362.62 billion, and funded ratio = 77.37%
- 2019 – assets = \$290.90 billion, liabilities = \$376.40 billion, and funded ratio = 77.28%
- 2020 – assets = \$307.91 billion, liabilities = \$400 billion, and funded ratio = 76.98%
- 2021 – assets = \$289.63 billion, liabilities = \$371.49 billion, and funded ratio = 77.96%
- 2022 – assets = \$352.65 billion, liabilities = \$445.57 billion, and funded ratio = 79.15%
- 2023 – assets = \$366.20 billion, liabilities = \$465.04 billion, and funded ratio = 78.74%

This shows that both assets and liabilities have increased over the time shown, but liabilities have increased at a faster rate. 2021 also saw a decrease in both liabilities and assets, but they continued on an upward trend in 2022 and 2023.

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Appendix E – Text-only Description for Figure 3 – Retirement Systems' 2013-2023 Return Assumption Averages

The Retirement Systems' 2013-2023 Return Assumption Averages graph, found in Figure 3, represents retirement systems' return assumption averages from 2013 to 2023. The graph features three lines: Maximum (Max), Average, and Minimum (Min) return assumptions for each corresponding year.

- **2013:** Max: 8.50%, Average: 7.68%, Min: 5.50%
- **2014:** Max: 8.72%, Average: 7.67%, Min: 5.50%
- **2015:** Max: 8.50%, Average: 7.59%, Min: 5.50%
- **2016:** Max: 8.50%, Average: 7.54%, Min: 5.00%
- **2017:** Max: 8.25%, Average: 7.40%, Min: 5.00%
- **2018:** Max: 8.00%, Average: 7.32%, Min: 5.00%
- **2019:** Max: 8.00%, Average: 7.22%, Min: 5.00%
- **2020:** Max: 8.00%, Average: 7.11%, Min: 5.00%
- **2021:** Max: 8.00%, Average: 7.02%, Min: 5.00%
- **2022:** Max: 7.80%, Average: 6.98%, Min: 5.00%
- **2023:** Max: 7.80%, Average: 6.93%, Min: 4.00%

Figure 3 shows that the maximum return assumptions started at 8.50 percent in 2013, peaked at 8.72 percent in 2014 and saw a steady decline to 7.80 percent by 2023. The average return assumptions started at 7.68 percent in 2013 and decreased to 6.93 percent in 2023. The minimum return assumptions remained relatively stable initially at 5.50 percent but saw a gradual decline to 4.00 percent in 2023. This indicates that over the years, both maximum and average return assumptions have shown a downward trend, while minimum assumptions have demonstrated a more modest decrease.

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Appendix F – Text-only Description for Figure 4 –Systems’ 2022 & 2023 10-Year Net Return vs. Assumed Rate of Return

Figure 4 compares and illustrates the differences in the retirement systems’ 10-year net return versus their assumed rate of return for years 2022 and 2023. This comparison highlights the overall actual performance of retirement systems, relative to their assumed rates of return, between the two years, showing where they met, exceeded, or fell short of expectations. The most favorable outcomes are the systems with net returns greater than 2 percent or between 1 percent and 2 percent, as they exceed the assumed rate of return. Net returns between 0 percent and 1 percent are acceptable, as they may not always meet the assumed rate but have not completely underperformed. Systems with net returns below 0 percent indicate underperformance. In comparing the years 2022 and 2023, the number of systems with a net return greater than 2 percent decreased from 6 systems in 2022 to 1 system in 2023. For returns greater than 1 percent but less than 2 percent, the number of systems decreased from 9 in 2022 to 1 in 2023. Systems with returns greater than 0 percent but less than 1 percent increased from 16 in 2022 to 20 in 2023. The number of systems with returns less than 0 percent but greater than -1 percent remained consistent at 25 for both years. Systems with returns less than -1 percent but greater than -2 percent increased from 12 in 2022 to 21 in 2023. The number of systems with returns less than -2 percent rose from 23 in 2022 to 28 in 2023. Lastly, the number of systems categorized as N/A, which represents systems that were established in the last 10 years and have not existed long enough to provide longer-term metrics, decreased from 6 in 2022 to 4 in 2023. This analysis underscores a general decline in net returns compared to assumptions over the two years, with more systems experiencing returns below their assumed return in 2023 than in 2022.

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Appendix G – Directory of Actuarially Funded Defined Benefit Plans in Texas

Abilene Firemen's Relief & Retirement Fund

Rodney Goodman
102 Cedar St. Suite 100
Abilene TX 79601
(325) 665-8447

Amarillo Firemen's Relief & Retirement Fund

Elizabeth Baker
PO Box 1971
Amarillo TX 79105
(806) 378-3040

Arlington Employees Deferred Income Plan

Debbie Compier
PO Box 90231
Arlington TX 76004
(817) 459-6869

Atlanta Firemen's Relief & Retirement Fund

Daniel Camp
PO Box 669
Atlanta TX 75551
(903) 796-2303

Austin Employees' Retirement System

Christopher Hanson
4700 Mueller Blvd, Suite 100
Austin TX 78723
(512) 458-2551

Austin Firefighters Retirement Fund

Anumeha Kumar
4101 Parkstone Heights Dr Ste 270
Austin TX 78746
(512) 454-9567

Austin Police Retirement System

Pattie Featherston
2520 S IH 35 Ste 100
Austin TX 78704
(512) 416-7672

Beaumont Firemen's Relief & Retirement Fund

Joni Hanley
1515 Cornerstone Ct
Beaumont TX 77706
(409) 866-1526

Big Spring Firemen's Relief & Retirement Fund

AJ Weber
310 Nolan St
Big Spring TX 79720
(432) 263-4036

Brazos River Authority Retirement Plan

Matthew Wheelis
PO Box 7555
Waco TX 76714
(254) 761-3100

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Brownwood Firemen's Relief & Retirement Fund

Melanie Larose
PO Box 1389
Brownwood TX 76804
(325) 646-5775

Capital MTA Retirement Plan for Administrative Employees

Angela Murphey
2910 E 5th St
Austin TX 78702
(512) 389-7400

Capital MTA Retirement Plan for Bargaining Unit Employees

Angela Murphey
2910 E 5th St
Austin TX 78702
(512) 389-7400

Cleburne Firemen's Relief & Retirement Fund

John Harrell
114 W Wardville
Cleburne TX 76033
(817) 645-0965

Colorado River Municipal Water District Defined Benefit Retirement Plan & Trust

Katee Rubio
PO Box 869
Big Spring TX 79721
(432) 267-6341

Conroe Fire Fighters' Retirement Fund

Sarah Bootland
P.O. Box 497
Conroe TX 77305
(936) 756-5917

Corpus Christi Fire Fighters' Retirement System

Gracie Flores
711 N Carancahua Ste 724
Corpus Christi TX 78401
(361) 882-1486

Corpus Christi Regional Transportation Authority

Robert Saldana
602 N Staples St
Corpus Christi TX 78401
(361) 289-2712

Corsicana Firemen's Relief & Retirement Fund

Karina Castilleja
200 N 12th St
Corsicana TX 75110
(903) 654-4815

CPS Energy Pension Plan

Cheryl Yager
PO Box 1771
San Antonio TX 78296
(210) 353-2948

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TEXAS PENSION REVIEW BOARD

Dallas County Hospital District Retirement Income Plan

Joe Mayer
5200 Harry Hines Blvd
Dallas TX 75235
(214) 590-4123

Dallas Employees' Retirement Fund

Cheryl Alston
1920 McKinney Avenue
Dallas TX 75201
(214) 580-7700

Dallas Police & Fire Pension System-Combined Plan

Kelly Gottschalk
4100 Harry Hines Blvd Ste 100
Dallas TX 75219
(214) 638-3863

Dallas Police & Fire Pension System-Supplemental

Kelly Gottschalk
4100 Harry Hines Blvd Ste 100
Dallas TX 75219
(214) 638-3863

Dallas/Fort Worth Airport Board DPS Retirement Plan

Maruchy Cantu
PO Box 619428
Dallas TX 75261
(972) 973-5464

Dallas/Fort Worth Airport Board Retirement Plan

Maruchy Cantu
PO Box 619428
Dallas TX 75261
(972) 973-5464

DART Employees' Defined Benefit Retirement Plan & Trust

M. Elizabeth Reich
PO Box 660163
Dallas TX 75266
(214) 749-3278

Denison Firemen's Relief & Retirement Fund

Zera Taylor
PO Box 347
Denison TX 75021
(903) 465-2720

Denton Firemen's Relief & Retirement Fund

Gary Calmes
PO Box 2375
Denton TX 76202
(940) 349-8200

City of El Paso Employees' Retirement Trust

Robert Ash
1039 Chelsea St.
El Paso TX 79903
(915) 212-1785

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TEXAS PENSION REVIEW BOARD

El Paso Firemen & Policemen's Pension Staff Plan and Trust

Tyler Grossman
909 East San Antonio Avenue
El Paso TX 79901
(915) 771-8111

El Paso Firemen's & Policemen's Pension Fund

Tyler Grossman
909 East San Antonio Avenue
El Paso TX 79901
(915) 771-8111

Employees Retirement System of Texas

Porter Wilson
PO Box 13207
Austin TX 78711
(512) 867-7711

Floresville Electric Light and Power System Pension Plan

Myra Trevino
187 TX-97 E
Floresville TX 78114
(830) 216-7000

Fort Worth Employees' Retirement Fund

Linda Webb
3801 Hulen St Ste 101
Fort Worth TX 76107
(817) 632-8900

Fort Worth Employees' Retirement Fund Staff Plan

Linda Webb
3801 Hulen St Ste 101
Fort Worth TX 76107
(817) 632-8900

Galveston Employees' Retirement Fund

Jacque Vasquez
1011 Tremont
Galveston TX 77550
(409) 443-5006

Galveston Employees' Retirement Plan for Police

Jacque Vasquez
601 54th Street
Galveston TX 77571
(409) 443-5006

Galveston Firefighter's Relief & Retirement Fund

Rebecca Johnson
6511 Stewart Rd Unit 4 B
Galveston TX 77551
(409) 740-0881

Galveston Wharves Pension Plan

Mark Murchison
PO Box 328
Galveston TX 77553
(409) 766-6146

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TEXAS PENSION REVIEW BOARD

Greenville Firemen's Relief & Retirement Fund

Derek Sheets
PO Box 1049
Greenville TX 75403
(903) 457-2940

Guadalupe-Blanco River Authority

Randy Staats
2225 E. Common Street
New Braunfels, TX 78130
(830) 379-5822

Harlingen Firemen's Relief & Retirement Fund

Nanette Fox
PO Box 2207
Harlingen TX 78551
(956) 216-5704

Harris County Hospital District Pension Plan

Kari McMichael
4800 Fournace Place, 6W
Bellaire TX 77401
(346) 426-0183

Houston Firefighters' Relief & Retirement Fund

Timothy Schauer
4225 Interwood N Pkwy
Houston TX 77032
(281) 372-5100

Houston MTA Non-Union Pension Plan

Daniel Weber
PO Box 61429
Houston TX 77208
(713) 739-4886

Houston MTA Workers Union Pension Plan

Daniel Weber
PO Box 61429
Houston TX 77208
(713) 739-4886

Houston Municipal Employees Pension System

David Long
1201 Louisiana Ste 900
Houston TX 77002
(713) 595-0100

Houston Police Officers' Pension System

Patrick Franey
602 Sawyer St Ste 300
Houston TX 77007
(713) 869-8734

Irving Firemen's Relief & Retirement Fund

Kelly Slater
845 W Irving Blvd
Irving TX 75060
(972) 721-4858

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TEXAS PENSION REVIEW BOARD

Irving Supplemental Benefit Plan

Cristen Roesler
825 W Irving Blvd
Irving TX 75060
(972) 721-2696

JPS Pension Plan - Tarrant County Hospital District

Lea Anne Porter
1108 Lavaca Street Ste 700
Austin TX 78701-2180
(512) 465-1544

Judicial Retirement System of Texas Plan Two

Porter Wilson
PO Box 13207
Austin TX 78711
(512) 867-7711

Killeen Firemen's Relief & Retirement Fund

Jennifer Hanna
PO Box 1250
Conroe TX 77303
(936) 537-4475

Laredo Firefighters Retirement System

Jaime Jasso
PO Box 3069
Laredo TX 78044
(956) 717-8018

Law Enforcement & Custodial Officer Supplemental Retirement Fund

Porter Wilson
PO Box 13207
Austin TX 78711
(512) 867-7711

Longview Firemen's Relief & Retirement Fund

Pam Randolph
411 N Fredonia St Ste 110
Longview TX 75601
(903) 212-4357

Lower Colorado River Authority Retirement Plan

Laura Flores
3700 Lake Austin Blvd
Austin TX 78703
(817) 569-4300

Lower Neches Valley Authority Employees Benefit Plan

Annette Purington
PO Box 5117
Beaumont TX 77726-5117
(409) 892-4011

Lubbock Fire Pension Fund

AJ Weber
4223 85th Street
Lubbock TX 79423
(806) 762-1590

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TEXAS PENSION REVIEW BOARD

Lufkin Firemen's Relief & Retirement Fund

Cristi Elmore
PO Box 190
Lufkin TX 75902
(936) 630-0555

Marshall Firemen's Relief & Retirement Fund

Debra Jones
PO Box 698
Marshall TX 75671
(409) 828-0425

McAllen Firemen's Relief & Retirement Fund

Debra Jones
201 N 21st St
McAllen TX 78501
(409) 828-0425

Midland Firemen's Relief & Retirement Fund

Shera Crow
105 North G, Suite 201
Midland TX 79701
(432) 889-1928

Nacogdoches County Hospital District Retirement Plan

Lynn Lindsey
1204 N Mound St.
Nacogdoches TX 75961
(936) 569-4167

Odessa Firemen's Relief & Retirement Fund

Jill Contreras
1921 E 37th St
Odessa TX 79762
(432) 614-2491

Orange Firemen's Relief & Retirement Fund

Sam Meyer
PO Box 520
Orange TX 77631
(409) 883-1041

Paris Firefighters' Relief & Retirement Fund

Bob Rast
1444 N Main
Paris TX 75460
(903) 784-9225

Plainview Firemen's Relief & Retirement Fund

Valessa Gutierrez
911 Quincy St
Plainview TX 79072
(806) 291-1247

Plano Retirement Security Plan

Teresa Exley
PO Box 860358
Plano TX 75086
(972) 941-7115

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TEXAS PENSION REVIEW BOARD

Port Arthur Firemen's Relief & Retirement Fund

Debra Jones
PO Box 1089
Port Arthur TX 77641
(409) 828-4025

Port of Houston Authority Retirement Plan

Roland Gonzalez
PO Box 2562
Houston TX 77252
(713) 670-2405

Refugio County Memorial Hospital District Retirement Plan

Ruby Martinez
107 Swift St
Refugio TX 78377
(361) 526-2321

Retirement Plan for Anson General Hospital

Lea Anne Porter
1108 Lavaca Street Ste 700
Austin TX 78701-2180
(512) 346-1590

Retirement Plan for Citizens Medical Center

Lea Anne Porter
1108 Lavaca Street Ste 700
Austin TX 78701-2180
(512) 346-1590

Retirement Plan for Employees of Brownsville Navigation District

Erika Kusjanovic
1000 Foust Road
Brownsville TX 78521-1000
(956) 831-4592

Retirement Plan for Guadalupe Regional Medical Center

Lea Anne Porter
1108 Lavaca Street Ste 700
Austin TX 78701-2180
(512) 346-1590

Retirement Plan for Sweeny Community Hospital

Lea Anne Porter
1108 Lavaca Street Ste 700
Austin TX 78701-2180
(512) 346-1590

San Angelo Firemen's Relief & Retirement Fund

Ronald Partusch
306 W 1st St
San Angelo TX 76903
(325) 657-4355

San Antonio Fire & Police Pension Fund

Warren Schott
11603 W Coker Loop
San Antonio TX 78216
(210) 534-3262

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TEXAS PENSION REVIEW BOARD

San Antonio Metropolitan Transit Retirement Plan

Cathy Schnitzer
PO Box 12489
San Antonio TX 78212
(210) 362-2216

San Benito Firemen Relief & Retirement Fund

Ana V. Tinsley
1201 S Sam Houston Blvd
San Benito TX 78586
(956) 245-9633

Supplemental Retirement Plan of University Medical Center

Kimberly Wilkerson
1401 Ave Q
Lubbock TX 79401
(806) 761-0976

Sweetwater Firemen's Relief & Retirement Fund

Debra Jones
PO Box 588
Sweetwater TX 79556
(409) 828-0425

Teacher Retirement System of Texas

Brian Guthrie
1000 Red River St
Austin TX 78701
(512) 542-6400

Temple Firemen's Relief & Retirement Fund

Jake Herndon
PO Box 6101
Temple TX 76503
(254) 774-5834

Texarkana Firemen's Relief & Retirement Fund

Debra Jones
PO Box 1967
Texarkana TX 75504
(409) 828-0425

Texas City Firemen's Relief & Retirement Fund

Debra Jones
1801 9th Ave N
Texas City TX 77590
(409) 828-4025

Texas County & District Retirement System

Amy Bishop
901 S. MoPac Expy Barton Oaks Plaza IV, Suite 500
Austin TX 78746
(512) 328-8889

Texas Emergency Services Retirement System

Jessica Almaguer
PO Box 12577
Austin TX 78711
(512) 936-3372

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TEXAS PENSION REVIEW BOARD

Texas Municipal Retirement System

David Wescoe
PO Box 149153
Austin TX 78714
(800) 924-8677

The Woodlands Firefighters' Retirement System

Jennifer Hanna
PO Box 497
Conroe TX 77305
(936) 537-4475

Travis County ESD #6 Firefighter's Relief & Retirement Fund

Scott Falltrick
124 White Fox Cove
Round Rock TX 78664
(512) 663-6804

Tyler Firemen's Relief & Retirement Fund

Jim Mullicane
1718 W Houston St
Tyler TX 75702
(903) 245-0111

University Health System Pension Plan

4502 Medical Dr
San Antonio TX 78229
(210) 358-2218

University Park Firemen's Relief & Retirement Fund

Dustin Lewis
3800 University Blvd
Dallas TX 75205
(214) 987-5380

Waxahachie Firemen's Relief & Retirement Fund

Gary Myers
407 Water St
Waxahachie TX 75168
(469) 309-4204

Weslaco Firemen's Relief & Retirement Fund

Debra Jones
PO Box 8188
Weslaco TX 78599
(409) 828-0425

Wichita Falls Firemen's Relief & Retirement Fund

James (Chris) Duncan
624 Indiana St Ste 305
Wichita Falls TX 76301
(940) 322-9430