



Webb County TCDRS Retirement Plan

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TCDRS Does Retirement Right

Here's why:

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

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Benefits Texas

★ \$1.2 billion in benefits paid in 2016

Benefits paid in Webb County:

– \$8,742,403

★ Supports:

– \$1.8 billion in total economic output

– 13,260 jobs created

– \$1.0 billion added to Texas GDP

Average Employee and Retiree Profile

Your employees:

- ★ 43 years old
- ★ 11 years of TCDRS service
- ★ \$31,183 average account balance

Your retirees:

- ★ 60 years old at retirement
- ★ 20 years of service at retirement
- ★ \$18,200 in TCDRS benefits annually

Based on actuarial valuation data as of Dec. 31, 2016

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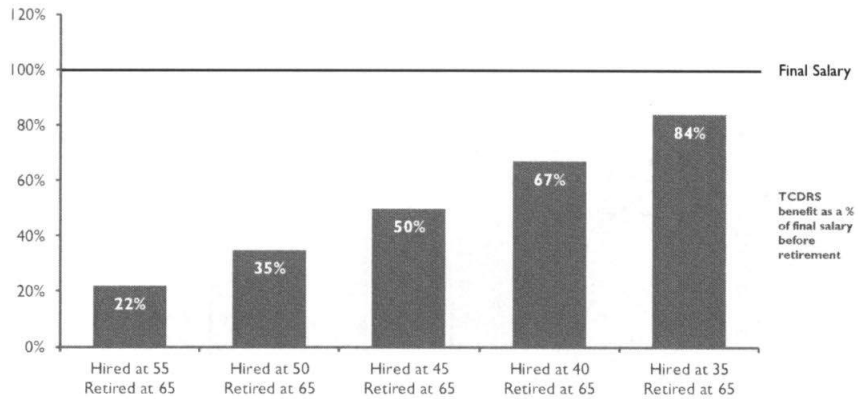
Your Plan of Benefits

- ★ Employee deposit rate: 6%
- ★ Employer matching rate: 250%
- ★ Vesting: 8 years of service
- ★ Retirement eligibility:
 - Age 60 with 8 years of service
 - Rule of 75 (must be vested)
 - 20 years of service at any age

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What You Provide at Retirement

The following chart shows the estimated TCDRS benefit as a percentage of final salary prior to retirement for a new hire:



Assumptions

- Employees are new hires and will work for you until retirement.
- Your current plan provisions will remain in effect through employee's retirement.
- Current laws governing TCDRS will continue as they are.
- Graded salary scales give bigger raises early in careers, with smaller raises later in careers (see Summary Valuation Report at www.tcdrs.org).
- Based on Single Life benefit.

You Fund Your Plan Responsibly

- ★ Employer rate for 2018: 11.77% of payroll.
- ★ Your rate is doing two things:
 - Investing for your current employees' future benefits
 - Paying down your unfunded liabilities within 20 years
- ★ Funded ratio is 88.1% as of Dec. 31, 2016.

Your Plan Rate Change: 2017 to 2018

Reason for change	2017-2018
2017 Rate	11.00%
Plan changes adopted	TBD
Investment return	0.53%
Elected rate / lump sum	0.00%
Demographic / other changes	0.24%
Assumptions / methods	0.00%
2018 Rate	11.77%

You Make the Call Each Year

2018 Contribution Rates*

		Employee Deposit Rate			
		7%	6%	5%	4%
Matching Rate	250%	13.40%	11.77%	10.21%	8.67%
	225%	12.13%	10.72%	9.35%	7.97%
	200%	10.89%	9.69%	8.48%	7.28%
	175%	9.68%	8.65%	7.62%	6.58%
	150%	8.47%	7.60%	6.75%	5.89%
	125%	7.25%	6.57%	5.87%	5.19%
	100%	6.04%	5.53%	5.01%	4.50%

* All benefit changes presented are prospective only.

Investment Earnings Fund Benefits

Employee Deposits
Employer Contributions

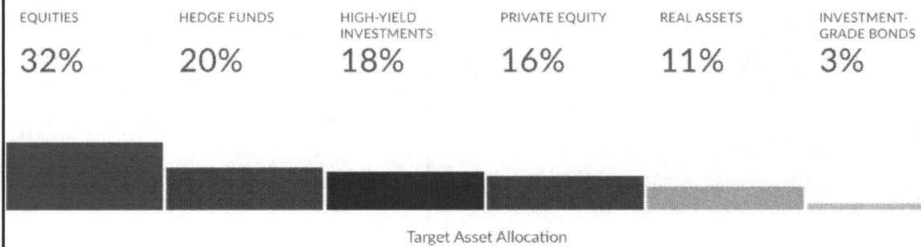


Estimated

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Diversified Portfolio Reduces Risk

As of April 2017



Target Asset Allocation

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Investment Returns (Net of All Fees)

As of Dec. 31, 2016

Annualized Returns	2016 Return	5 Year	10 Year	15 Year	20 Year	25 Year	30 Year	35 Year
Total Fund	7.5%	8.4%	4.9%	6.9%	7.1%	7.4%	8.0%	9.6%
Benchmark	7.9%	6.8%	4.0%	6.1%	6.1%	6.3%	6.9%	8.5%

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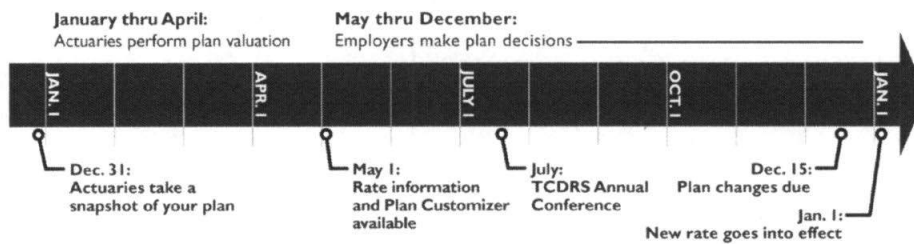
Achieving Long-term Investment Goals (Net of All Fees)



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Planning Cycle

YOUR ANNUAL PLAN DECISIONS



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Employee Participation

- ★ All employees should be enrolled in TCDRS
- ★ Only temporary employees may be excluded
- ★ Good idea to review enrollment periodically
- ★ No probationary periods for participation

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Rehiring Former Employees

- ★ Qualified plan status provides tax advantages for employee deposits and employer contributions.
- ★ In-service distributions could disqualify your TCDRS plan from this special tax status.
- ★ Rehiring former employees who received money from your TCDRS plan could be considered an in-service distribution unless there is a:
 - **Bona fide separation**
 - AND
 - **One calendar month break in service**

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We Are Here to Help!

- ★ **Employer Services**
 - Information regarding plan options
 - Rate information and analysis
 - Special plan studies
- ★ **Education opportunities**
 - Annual Conference:
July 18–20, 2018
 - Free webinars
- ★ **Contact information**
 - Phone: 800-651-3848
 - Email: EmployerServices@tcdrs.org
 - Website: www.tcdrs.org/employer



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Employer Plan History
Webb County, #339

Summary

Employer Information

Participation date: December 1969
 Fiscal year end: September
 Social Security participation: Yes
 Payroll payment method: ACH Debit
 415 authorization: No
 Partial Lump-Sum Payment: No

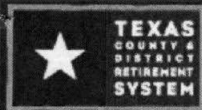
Demographic Data

Number of depositing members: 1,712
 Average age, depositing members: 43.68
 Average service years, depositing members: 11.92
 Number of benefit payees: 497
 County population as of 2010: 250,304

Plan Year	Basic Plan Options			Retirement Eligibility			Optional Benefits			Plan Funding			Total Contribution Rate			Valuation Results			
	Employee Deposit Rate	Employer Matching	Application of Matching	Age 60 (Vesting)	Rule of	At Any Age	Group Term Life	COLA	Buyback Authorization	Required Plan Rate	Elected Rate	Additional Employer Contribution	Retirement Plan Rate	Group Term Life Rate	Total Contribution Rate	Actuarial Acquired Liability	Actuarial Value of Assets	Unfunded/(Overfunded)	Funded Ratio
2017	6%	250%	Past & Future	70%	8	75	20			11.00%		11.00%	11.00%	11.00%	\$221,824,418	\$190,991,684	\$30,832,734	86.1%	
2016	6%	250%	Past & Future	70%	8	75	20	30% CPI	10.40%			10.40%	10.40%	10.40%	\$195,950,901	\$174,433,700	\$21,517,201	89.0%	
2015	6%	250%	Past & Future	70%	8	75	20		10.50%			10.50%	10.50%	10.50%	\$180,172,519	\$158,094,009	\$22,078,510	87.7%	
2014	6%	250%	Past & Future	70%	8	75	20		10.75%			10.75%	10.75%	10.75%	\$166,725,203	\$142,888,859	\$23,836,344	85.7%	
2013	6%	250%	Past & Future	70%	8	75	20	2% FLAT	10.45%	Yes		10.45%	10.45%	10.45%	\$155,960,723	\$134,842,473	\$21,118,250	86.5%	
2012	6%	250%	Past & Future	70%	8	75	20		10.00%			10.00%	10.00%	10.00%	\$143,998,526	\$126,040,449	\$17,958,077	87.5%	
2011	6%	250%	Past & Future	70%	8	75	20		9.62%			9.62%	9.62%	9.62%	\$130,944,638	\$115,752,127	\$15,192,511	88.4%	
2010	6%	250%	Past & Future	70%	8	75	20		9.51%			9.51%	9.51%	9.51%	\$115,617,041	\$100,022,707	\$15,594,334	86.5%	
2009	6%	250%	Past & Future	70%	8	75	20	4% FLAT	8.61%			8.61%	8.61%	8.61%	\$104,655,313	\$97,378,036	\$7,277,277	93.0%	
2008	6%	250%	Past & Future	70%	8	75	20		8.35%			8.35%	8.35%	8.35%	\$91,559,864	\$85,690,219	\$5,869,645	93.6%	

Plan Year	Basic Plan Options				Retirement Eligibility			Optional Benefits			Plan Funding			Total Contribution Rate				Valuation Results			
	Employee Deposit Rate	Employer Matching	Application of Matching	Prior Service Credit	Age 60 (Vesting)	Rule of	At Any Age	Group Term Life	COLA	Buyback Authorization	Required Plan Rate	Elected Rate	Additional Employer Contribution	Retirement Plan Rate	Group Term Life Rate	Total Contribution Rate	Actual Accrued Liability	Actual Value of Assets	Unfunded/(Overfunded) Actual Accrued Liability	Funded Ratio	
2007	6%	250%	Past & Future	70%	8	75	20			8.79%			8.79%		8.79%	\$81,768,302	\$73,726,548	\$8,041,754	90.2%		
2006	6%	225%	Past & Future	70%	8	75	20			6.99%			6.99%		6.99%	\$72,608,411	\$67,619,064	\$4,989,347	93.1%		
2005	6%	225%	Past & Future	70%	8	75	20			7.07%			7.07%		7.07%						
2004	6%	225%	Past & Future	70%	8	75	20			7.49%			7.49%		7.49%						
2003	6%	225%	Past & Future	70%	8	75	20			7.42%			7.42%		7.42%						
2002	5%	220%	Past & Future	70%	8	75	30			5.75%			5.75%		5.75%						
2001	5%	220%	Past & Future	70%	8	75	30		Yes	5.79%			5.79%		5.79%						
2000	5%	220%	Past & Future	70%	8	75	30			5.77%			5.77%		5.77%						
1999	5%	220%	Past & Future	70%	8	75	30			5.78%			5.78%		5.78%						
1998	5%	220%	Past & Future	70%	8	75	30		Yes	5.14%			5.14%		5.14%						
1997	5%	220%	Past & Future	70%	8	75	30			5.03%			5.03%		5.03%						
1996	5%	220%	Past & Future	70%	8	75	30			4.94%			4.94%		4.94%						
1995	5%	220%	Past & Future	70%	8	75	30			5.06%			5.06%		5.06%						
1994	5%	220%	Past & Future	70%	10	80	30			5.00%	5.00%		5.00%	5.00%	5.00%						
1993	5%	220%	Past & Future	70%	10	80	30			5.00%	5.00%		5.00%	5.00%	5.00%						
1992	5%	220%	Past & Future	70%	10	80	30			5.00%	5.00%		5.00%	5.00%	5.00%						
1991	5%	220%	Past & Future	70%	10	80	30			5.00%	5.00%		5.00%	5.00%	5.00%						
1990	5%	220%	Past & Future	70%	10	80	30			5.00%	5.00%		5.00%	5.00%	5.00%						
1989	5%	220%	Past & Future	70%	10	80	30			5.00%	5.00%		5.00%	5.00%	5.00%						
1988	5%	220%	Past & Future	70%	10	80	30			5.00%	5.00%		5.00%	5.00%	5.00%						
1987	5%	220%	Past & Future	70%	10	80	30			5.00%	5.00%		5.00%	5.00%	5.00%						
1986	5%	220%	Past & Future	70%	10	80	30			5.00%	5.00%		5.00%	5.00%	5.00%						

Plan Year	Basic Plan Options				Retirement Eligibility			Optional Benefits			Plan Funding			Total Contribution Rate				Valuation Results			
	Employee Deposit Rate	Employer Matching	Application of Matching	Prior Service Credit	Age 60 (Vesting)	Rule of	At Any Age	Group Term Life	COLA	Buyback Authorization	Required Plan Rate	Elected Rate	Additional Employer Contribution	Retirement Plan Rate	Group Term Life Rate	Total Contribution Rate	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded/(Overfunded) Actuarial Accrued Liability	Funded Ratio	
1985	5%	220%	Past & Future	70%	12		30			5.00%	5.00%		5.00%		5.00%	5.00%					
1984	5%	220%	Past & Future	70%	12		30			5.00%	5.00%		5.00%		5.00%	5.00%					
1983	5%	190%	Past & Future	60%	12		30			5.00%	5.00%		5.00%		5.00%	5.00%					
1982	5%	190%	Past & Future	60%	12		30			5.00%	5.00%		5.00%		5.00%	5.00%					
1981	5%	190%	Past & Future	60%	12		30			5.00%	5.00%		5.00%		5.00%	5.00%					
1980	5%	190%	Past & Future	60%	12		30			5.00%	5.00%		5.00%		5.00%	5.00%					
1979	5%	100%	Past & Future	50%	12		30			5.00%	5.00%		5.00%		5.00%	5.00%					
1978	5%	100%	Past & Future	50%	12		30			5.00%	5.00%		5.00%		5.00%	5.00%					
1977	5%	100%	Past & Future	50%	12		30			5.00%	5.00%		5.00%		5.00%	5.00%					
1976	5%	100%	Past & Future	50%	12		30			5.00%	5.00%		5.00%		5.00%	5.00%					
1975	5%	100%	Past & Future	25%	12		30			5.00%	5.00%		5.00%		5.00%	5.00%					
1974	5%	100%	Past & Future	25%	12		30			5.00%	5.00%		5.00%		5.00%	5.00%					
1973	5%	100%	Past & Future	25%	12		30			5.00%	5.00%		5.00%		5.00%	5.00%					
1972	5%	100%	Past & Future	25%	12		30			5.00%	5.00%		5.00%		5.00%	5.00%					
1971	5%	100%	Past & Future	25%	12		30			5.00%	5.00%		5.00%		5.00%	5.00%					
1971	5%	100%	Past & Future	25%	12		30			5.00%	5.00%		5.00%		5.00%	5.00%					
1970	5%	100%	Past & Future	25%	12		30			5.00%	5.00%		5.00%		5.00%	5.00%					
1969	5%	100%	Past & Future	25%	12		30			5.00%	5.00%		5.00%		5.00%	5.00%					



PLAN CUSTOMIZER FOR PLAN YEAR 2018

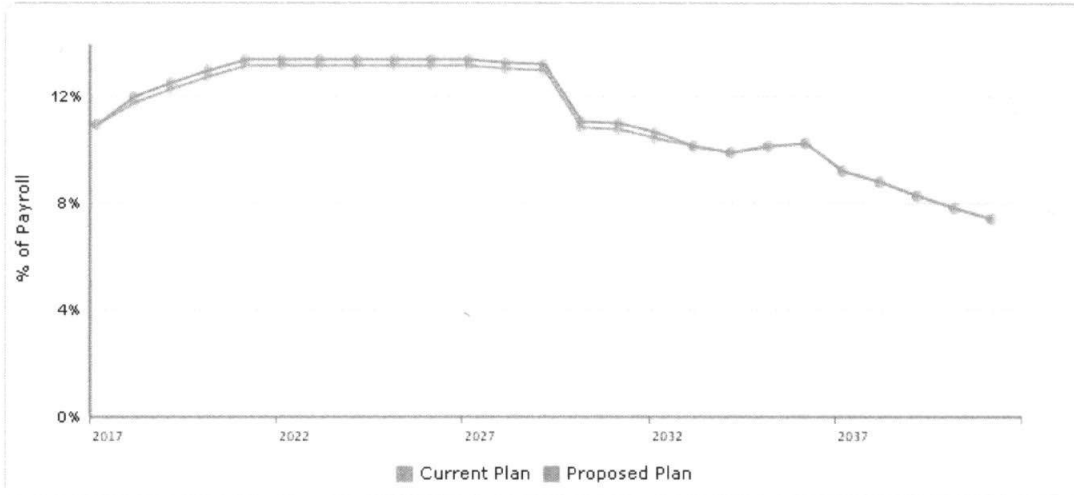
Webb County

CURRENT AND PROPOSED PLAN COMPARISON

	Current Plan	Flat-rate 2%
Basic Plan Options		
Employee Deposit Rate	6.00%	6.00%
Employer Matching	250%	250%
Application of Matching	Past & Future	Past & Future
Prior Service Credit	70%	70%
Retirement Eligibility		
Age 60 (Vesting)	8 yrs of service	8 yrs of service
Rule Of	75 yrs total age + service	75 yrs total age + service
At Any Age	20 yrs of service	20 yrs of service
Optional Benefits		
Partial Lump-Sum Payment at Retirement	No	No
Group Term Life	NONE	NONE
COLA	N/A	2% FLAT
Retirement Plan Funding		
Normal Cost Rate	7.42%	7.42%
UAAL/(OAAL) Rate	4.35%	4.58%
Required Rate	11.77%	12.00%
Elected Rate	0.00%	0.00%
Additional Employer Contribution	\$0.00	\$0.00
Total Contribution Rate		
Retirement Plan Rate	11.77%	12.00%
Group Term Life Rate	0.00%	0.00%
Total Contribution Rate	11.77%	12.00%
Valuation Results		
Actuarial Accrued Liability	\$289,626,636	\$291,386,380
Actuarial Value of Assets	\$255,100,463	\$255,100,463
Unfunded/(Overfunded) Actuarial Liability	\$34,526,173	\$36,285,917
Funded Ratio	88.1%	87.5%

PLAN RATE PROJECTION

This is a projection of your future required contribution rate under your current plan of retirement benefits and a proposed plan from the Plan Customizer. Keep in mind that just by paying your plan's required rate, you are moving your plan toward 100% funded.



This is a projection and actual results will vary. This projection is based on the same data, methods and assumptions as those used in the December 31, 2016 actuarial valuation.

Year	Current Plan	Proposed Plan	Year	Current Plan	Proposed Plan
2017	11.00 %	11.00 %	2030	10.85 %	11.08 %
2018	11.77 %	12.00 %	2031	10.82 %	11.05 %
2019	12.30 %	12.53 %	2032	10.46 %	10.69 %
2020	12.77 %	13.00 %	2033	10.19 %	10.19 %
2021	13.20 %	13.43 %	2034	9.91 %	9.91 %
2022	13.20 %	13.43 %	2035	10.15 %	10.15 %
2023	13.20 %	13.43 %	2036	10.26 %	10.26 %
2024	13.20 %	13.43 %	2037	9.26 %	9.26 %
2025	13.20 %	13.43 %	2038	8.84 %	8.84 %
2026	13.20 %	13.43 %	2039	8.32 %	8.32 %
2027	13.20 %	13.43 %	2040	7.84 %	7.84 %
2028	13.07 %	13.30 %	2041	7.42 %	7.42 %
2029	13.01 %	13.24 %			

Projected Valuation Results

Valuation Date	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded/(Overfunded) Actuarial Accrued Liability	Funded Ratio
12/31/2037	\$1,063,612,000	\$1,059,756,000	\$3,856,000	99.6 %
12/31/2038	\$1,124,476,000	\$1,122,527,000	\$1,949,000	99.8 %
12/31/2039	\$1,188,645,000	\$1,187,988,000	\$657,000	99.9 %
12/31/2040	\$1,256,464,000	\$1,256,464,000	\$0	100.0 %