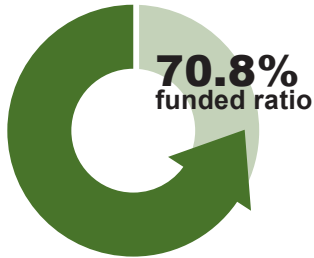


ERS

Employees Retirement System
of Texas



Fully funded
by Aug. 31, 2054

“With the recent commitment from the State to make consistent adequate contributions, the sustainability of ERS has been materially improved.”

- GRS Consulting Actuaries

LECOS

Law Enforcement and Custodial Officer
Supplemental Retirement Fund



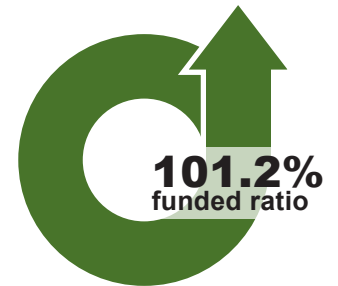
Fully funded

“House Bill 1 significantly changed the outlook for LECOS from being on a path to insolvency to being fully funded...”

- GRS Consulting Actuaries

JRS 2

Judicial Retirement System
of Texas Plan 2



Fully funded

“House Bill 1 significantly changed the outlook for JRS 2 from being on a path to insolvency to being fully funded...”

- GRS Consulting Actuaries

In 2021, the Legislature established an annual Legacy Payment to eliminate the ERS Plan’s unfunded liability by Aug. 31, 2054. This payment structure is designed to maintain a path to full funding by adjusting the actuarially determined amount each biennium. In 2023, the Legislature sustained the baseline \$510M per year Legacy Payment amount, provided a special one-time \$900M amount to further address the existing ERS liabilities and appropriated lump sums to LECOS and JRS 2 that entirely eliminates those plans’ unfunded liabilities. These historic funding decisions have materially changed the trajectory of all three pension plans and will provide billions of savings to future state budgets.

As of Aug. 31, 2023	ERS	LECOS	JRS 2
Unfunded Actuarial Accrued Liability (UAAL)	\$14B	(\$0.1M)	(\$7.8M)
Funded Ratio	70.8%	100%	101.2%
Funding Period (Years)	31 years	-	-
Projected Depletion Date	None	None	None
Recommended Legacy Payment	\$510M	-	-
Contributions Sufficient to Pay Ongoing Cost	✓	✓	✓

Largest Contributing Agencies

(based on membership)

25%

Health and Human Services Commission

20%

Department of Criminal Justice

9%

Department of Transportation

8%

Department of Family and Protective Services

7%

Department of Public Safety

Retirement Plan Demographics as of Aug. 31, 2023

	ERS	LECOS	JRS 2
Active Contributing Members	139,958	31,744	623
Average Age	44.0	42.1	56.8
Average Entry Age	35.8	34.2	48.4
Average Years of Service	8.2	7.9	8.4
Average Annual Salary	\$61,086	\$56,607	\$150,907
Non-contributing Members – Vested	14,610	99	33
Non-contributing Members – Non-vested	149,502	34,983	152
Retirees and Beneficiaries	124,504	16,368	579
Service Retirements	112,892	15,359	523
Average Age*	70.3	64.2	72.3
Average Age at Retirement*	58.4	53.9	63.6
Average Years of Service*	22.1	23.6	15.5
Disability Retirements	1,918	70	<10
Beneficiaries	9,694	939	53
Average Annual Annuity	\$21,985	\$5,756	\$70,310

* Based on service retirements only

“Combined with the new Legacy Payment contribution structure, and assuming all other assumptions are met, it is likely the ERS UAAL will decrease slowly for the next few years and then start to more meaningfully decline year over year going forward.”

– GRS Consulting Actuaries

History of ERS Unfunded Actuarial Liabilities

