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## Medicare-eligible retirees

### Fall Enrollment begins October 31

There are no major changes in the plans offered to Medicare-eligible participants in the Texas Employees Group Benefits Program (GBP). Retirees who pay health insurance premiums for themselves and/or their Medicare-eligible dependents will see an increase of about 20% in premiums for the HealthSelect<sup>SM</sup> Medicare Advantage Plan preferred provider organization (MA PPO). This is due to the rising cost of prescription drugs. A few other plans also will have premium increases: the State of Texas Dental Choice Plan<sup>SM</sup>, and optional and dependent life insurance. You'll find more information in your Fall Enrollment packet. If you're a Medicare-eligible retiree, it's still a good idea to take note of Fall Enrollment dates and review your options.

The Fall Enrollment period for Medicare-eligible retirees in the GBP is October 31 through November 18. It is the one time of the year you can enroll in coverage for yourself and/or your eligible dependents without a qualifying life event. (Throughout the year, Medicare-eligible retirees may drop any coverage, reduce optional life insurance coverage or change from one health plan to the other without a qualifying life event. To enroll in coverage outside Fall Enrollment, you must have a qualifying life event, such as marriage, divorce or loss of other coverage.)

**Although HealthSelect MA PPO premium rates will increase in 2023, they remain lower than 2020 rates after a steep drop in premiums in 2021. And we are not decreasing coverage or asking participants to pay more in out-of-pocket costs for their care. This is because of continued financial support from the state and ERS' cost-management efforts.**

### What's new for Plan Year 2023

As noted above, premiums for the HealthSelect MA PPO will increase. In addition, premiums for the State of Texas Dental Choice Plan<sup>SM</sup> preferred provider organization will increase about 2.5%. Premiums for optional life insurance — including Optional Term Life Insurance, Fixed Optional Life Insurance (\$10,000 policy) and Dependent Term Life Insurance — will increase by 5% or more, depending on your age and coverage. Premium increases will be effective January 1 and new rates will be listed in your Personal Benefits Enrollment Statement.

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## John R. Rutherford joins ERS Board of Trustees



John R. Rutherford was appointed to the ERS Board in May 2022 by Gov. Greg Abbott.

Rutherford is a former energy and finance executive. He currently serves as a part-time senior advisor for ECP GP and on the board of directors of Enterprise Product Partner, L.P. He previously served as a director of Enterprise GP and member of its Audit and Conflicts Committee.

For more than 20 years, Rutherford has been actively involved in investment banking as a mergers & acquisitions and strategic advisor to public and private energy companies, investment firms, management teams and boards of directors. He served as senior managing director of NRI Energy Partners LLC, a firm that evaluates and invests in private and public energy companies and provides financial and strategic consulting services to energy companies and investment firms. Before that, he was with Plains All American Pipeline, L.P. (Plains), where he served as executive vice president

(strategic planning, M&A and business development) of the general partner, on the executive committee and as a financial consultant. Prior to joining Plains, Rutherford was Managing Director of the North American Energy Practice of Lazard Freres & Company. Before that, he served as a partner at Simmons & Company for more than 10 years.

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## Message from the executive director 75 years of vital benefits – and an eye to the future

I wrote in my last column about ERS' 75th anniversary. As the actual date — September 2 — approaches, many of us at ERS have been reflecting not just on

the past 75 years, but on the decades ahead. We like to say ERS serves the people who serve Texas. I take great pride in knowing the programs we administer make a positive impact on you, your families and hundreds of thousands of other Texans who've served or are serving their fellow Texans. I'm especially proud to be part of ERS, as we not only celebrate this important milestone, but also work to ensure our programs continue to serve members and retirees for the next 75 years and beyond.

In 1947, ERS launched with an initial state appropriation of \$25,000. In that fiscal year, the state contributed an additional \$1.7 million to match members' contributions to the retirement fund. (In addition to their contributions, every member also paid \$2 as an annual fee.) That year, ERS paid a total of about \$38,000 in annuities to 153 retirees. The average monthly annuity check was \$21.

That's a far cry from Fiscal Year 2021, when we paid about \$2.8 billion in annuities to more than 128,000 retirees and beneficiaries! As much as we paid in retirement annuities, it's still not as much as our health insurance claims payments in FY21: \$3.4 billion in our self-funded medical and prescription drug plans. ERS didn't start administering health insurance until 1977, but it quickly became a vitally important benefit for members and retirees.

Our retirement and insurance programs depend on support from both members and the state. The state no longer provides appropriated funds for ERS' operating costs—we now pay ERS staff and other operational expenses with earnings from the retirement and insurance trust funds. But every biennium the Texas Legislature commits billions of dollars to help employees and retirees achieve financial security and good health.

Our anniversary comes around the same time as our biennial Legislative Appropriations Request (LAR), in which we ask for program funding for the next two years. As in past biennia, our Fiscal Year 2024-25 request includes our base requests to fund retirement and health insurance, as well as exceptional requests.

This is the first LAR in many that we won't be making an exceptional request for increased contributions to restore the main ERS retirement plan to actuarial soundness. That's because lawmakers passed Senate Bill 321 in 2021. SB 321 commits an actuarially determined amount in additional funds to the main ERS plan every two years until the unfunded liability in that plan is paid off, probably in the early 2050s. Referred to as the Legacy Payment because it is paying off previous debt, the state will contribute about \$1 billion in the next biennium. Those funds are in addition to the state's regular annual payments to the retirement program. Because the state pays benefits based on each funding source, we will ask to change the source of funds for a portion of the Legacy Payment. We appreciate this commitment by the state, which puts the main plan back on the path to financial soundness and provides greater security for all current and future retirees.

The Law Enforcement and Custodial Officer Supplemental fund and Judicial Retirement System Plan 2 fund are still carrying unfunded liabilities that haven't been addressed. As in past years, we are requesting exceptional funds to help pay down the debt in those plans. We'll also work with lawmakers to explore additional steps they can take to bring those funds back to actuarial soundness.

As we consider our appropriations requests for the next two fiscal years, I salute the vision of the state employees and lawmakers who established the Employees Retirement System of Texas, and the voters of Texas who approved its creation. And I'm grateful that dedicated public servants have continued to fund our programs over the decades. ERS retirement annuities and health insurance have been hugely beneficial not only to state employees and retirees, but also to the state as whole. Learn more about how ERS contributes to a healthy Texas economy at <https://ers.texas.gov/Benefits-administered-by-ERS-are-good-for-Texas-employees-%E2%80%93-and-good-for-Texas>.

I hope you'll join me in celebrating 75 years of great benefits for Texas employees, retirees and families, and in looking forward to a future even brighter than our past.

Stay connected and, above all, stay well.

  
Porter Wilson

### Upcoming annuity payment dates



September 30

October 31

November 30

ERS deposits or mails your annuity payment on the last business day of the month. Go to [Manage Your Annuity Payments \(ers.texas.gov/contact-ers/additional-resources/Manage-Your-Annuity-Payments\)](https://ers.texas.gov/contact-ers/additional-resources/Manage-Your-Annuity-Payments) for instructions on changing your tax withholding, personal information and more.

If you are a retiree from another system, such as TRS, TCDRS or TMRS, contact that system for annuity payment dates.

### Fall Enrollment begins October 31, continued from page 1

You have the option of two health plans; the HealthSelect<sup>SM</sup> Medicare Advantage Plan preferred provider organization (MA PPO) or HealthSelect<sup>SM</sup> Secondary, you can choose to switch health plans during Fall Enrollment or any time of the year. If you and/or your dependents are newly enrolled in Medicare Parts A and B you must provide the Medicare information (located on the Medicare card) to start the process to enroll in the HealthSelect MA PPO. You can do this through your ERS OnLine account or by calling ERS toll-free at (877) 275-4377. View the Health Plans Comparison Chart in your enrollment packet or online to learn about the differences between the two plans.



### Watch for your enrollment guide in the mail

ERS will send you a Fall Enrollment packet in October with information about your benefits. You also can visit the Fall Enrollment page on the ERS website to view the Fall Enrollment guide, premium rates and information from plan administrators. Benefits enrollment for retirees and survivors not yet eligible for Medicare ended in July. Any retiree or survivor can change any of their benefit elections within 31 days of a qualifying life event, or they can end or reduce coverage at any time.

### Get answers to your benefits questions

Depending on conditions related to COVID-19, ERS plans to host a limited number of in-person enrollment events in major cities. We will continue to offer convenient online webinars, as well. Find a schedule of enrollment events in your Fall Enrollment guide or on the ERS website, and register for webinars at [ers.texas.gov/Event-Calendar](https://ers.texas.gov/Event-Calendar).

### John R. Rutherford joins ERS Board of Trustees, continued from page 1

In addition to his leadership in the energy and finance sectors, Rutherford previously worked as an accountant. He currently serves on the Executive Council of the Kay Bailey Hutchison Energy Center at The University of Texas at Austin and actively volunteers with the Navy Seal Foundation and the Marine Corps Scholarship Foundation. He was previously the executive director of the Coalition for a Fair and Open Port.

Rutherford received a Bachelor of Business Arts from the University of Texas at Austin and a Master of Business Administration in Finance from the Wharton School of Business at the University of Pennsylvania.

His term expires August 31, 2024.



## Life Insurance for Retirees

While your financial needs, goals and dreams may change, protecting your loved ones will always be important.

Life insurance can help with medical costs and final expenses.

The Texas Employees Group Benefits Program (GBP) has three types of life insurance for retirees: Basic Term Life Insurance, Optional Term Life Insurance and Retiree Fixed Optional Life Insurance. Retirees automatically get Basic Term Life Insurance if they're enrolled in a GBP health plan. The type of optional life insurance they have depends on what they had as employees or their decision when they retired.

### Plan benefits

- Basic Term Life Insurance pays \$2,500 to your beneficiary upon your death. Find more information about Basic Term Life Insurance at <https://ers.texas.gov/Retirees/Health-Benefits/Basic-Term-Life-Insurance>.
- Optional Term Life Insurance provides additional coverage — up to two times your annual salary when you retired (Election 1 or 2). The monthly premium is based on your coverage election, your salary and your age. Maximum coverage is \$400,000, and coverage begins to decrease when you reach age 70.
- Fixed Optional Life Insurance pays \$10,000 to your beneficiary upon your death and has a set monthly premium.

If you are currently enrolled in Optional Term Life Insurance, you can decrease your coverage to Election 1 (if applicable) or Fixed Optional Life Insurance at any time. If you are not enrolled in optional life insurance and want coverage, you can apply only for Fixed Optional Life Insurance during your enrollment period or within 31 days of a qualifying life event. You must apply through evidence of insurability, and coverage isn't guaranteed.

Learn more about optional life insurance for retirees at <https://ers.texas.gov/Retirees/Optional-Add-on-Benefits/Optional-Life-Insurance>. Find out more about evidence of insurability at <https://ers.texas.gov/new-employee/evidence-of-insurability>.



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**Fall Savings**

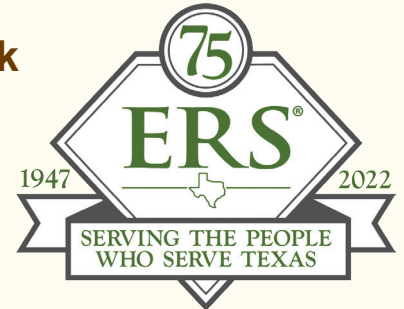
This fall, the Discount Purchase Program can help you save on essential purchases for your home, health, and wellbeing, including:

- Get a one-year Calm subscription for only \$29.99, and join the millions experiencing better sleep, lower stress, and less anxiety.
- Save up to 7.5% on senior living services with Brookdale Senior Living.
- Get up to 30% off select Samsung electronics.

Find these offers and more at <http://www.beneplace.com/discountprogramers/>.

**75 Years – looking back and looking forward**

September 2, 2022, marks 75 years since the ERS first opened in 1947, with only three employees working out of a few rooms of a North Congress Avenue apartment building.



**As an ERS retiree, you are part of our story!**

If you have a memory related to your experience with ERS or the retirement and insurance benefits we administer, we'd love to hear it. It will help us piece together our story from many perspectives.

To submit stories online, go to the ERS website. If you have a photo to attach to your story, you may snap a picture of a paper photo with a smart phone! <https://ers.texas.gov/About-ERS/75th-anniversary-project>

Or mail your story to:  
Amy Chamberlain  
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Austin, TX 78701