

# Employees Retirement System of Texas Joint Budget Hearing

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# ERS Administers Three Pre-Funded Pension Plans



*All three are on path to depletion*

	ERS	LECOSRF	JRS 2
	State Employee Elected Official District Attorney LECOSRF members	Law Enforcement & Custodial Officer Supplement	Judges, justices & certain court commissioners (after 9/1/85)
Active Employees	142,062	35,230	570
Non-contributing Members	134,909	25,511	187
Retirees/Beneficiaries	117,996	14,697	484
<b>Fund Depletion Dates</b>	<b>~2061</b>	<b>~2041</b>	<b>~2060</b>

*Preliminary 8/31/2020 Values*

*NOTE: ERS administers a closed pay-as-you-go plan JRS1 for judges elected prior to 9/1/85. These benefits are directly appropriated each biennium.*

# 87<sup>th</sup> Legislative Session – Pension Return Plans to Actuarial Soundness

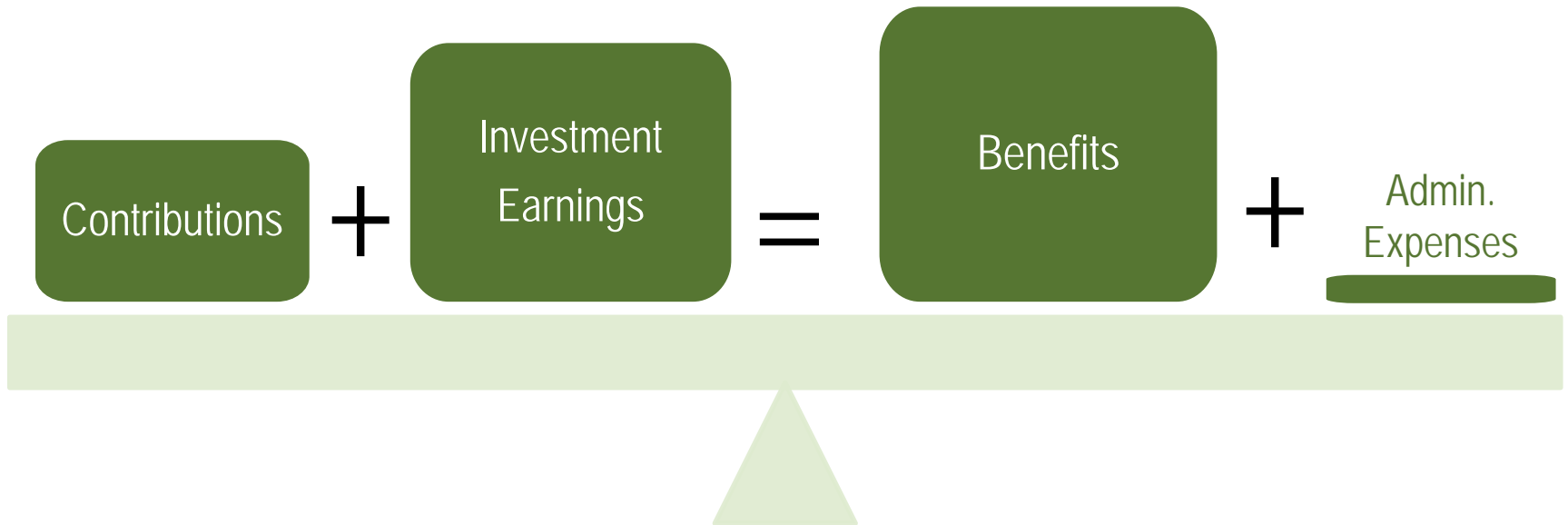


## FY 2022 - 2023 ERS Exceptional Item Request

	ERS	LECOSRF	JRS 2
All Funds	\$924.2 million	\$87.3 million	\$15.2 million
GR/GR-D	\$668.1 million	\$86.7 million	\$10.7 million

A payment plan for the unfunded liability can be phased-in by increasing payroll contributions over a period of time

# Pension Plan Sustainability Requires Balance



# Legislative Reforms Have Lowered Benefit Costs



## Group 1

*Employees hired  
before 9/1/2009*

## Group 2

*Employees hired  
9/1/2009 - 8/31/2013*

## Group 3

*Employees hired  
on or after 9/1/2013*

Created by  
81<sup>st</sup> Legislature

Created by  
83<sup>rd</sup> Legislature

32%

14%

54%

Percent  
*of current workforce*

Regular  
Class

14.83%

13.61%

13.32%

Normal Cost  
*as a % of payroll*

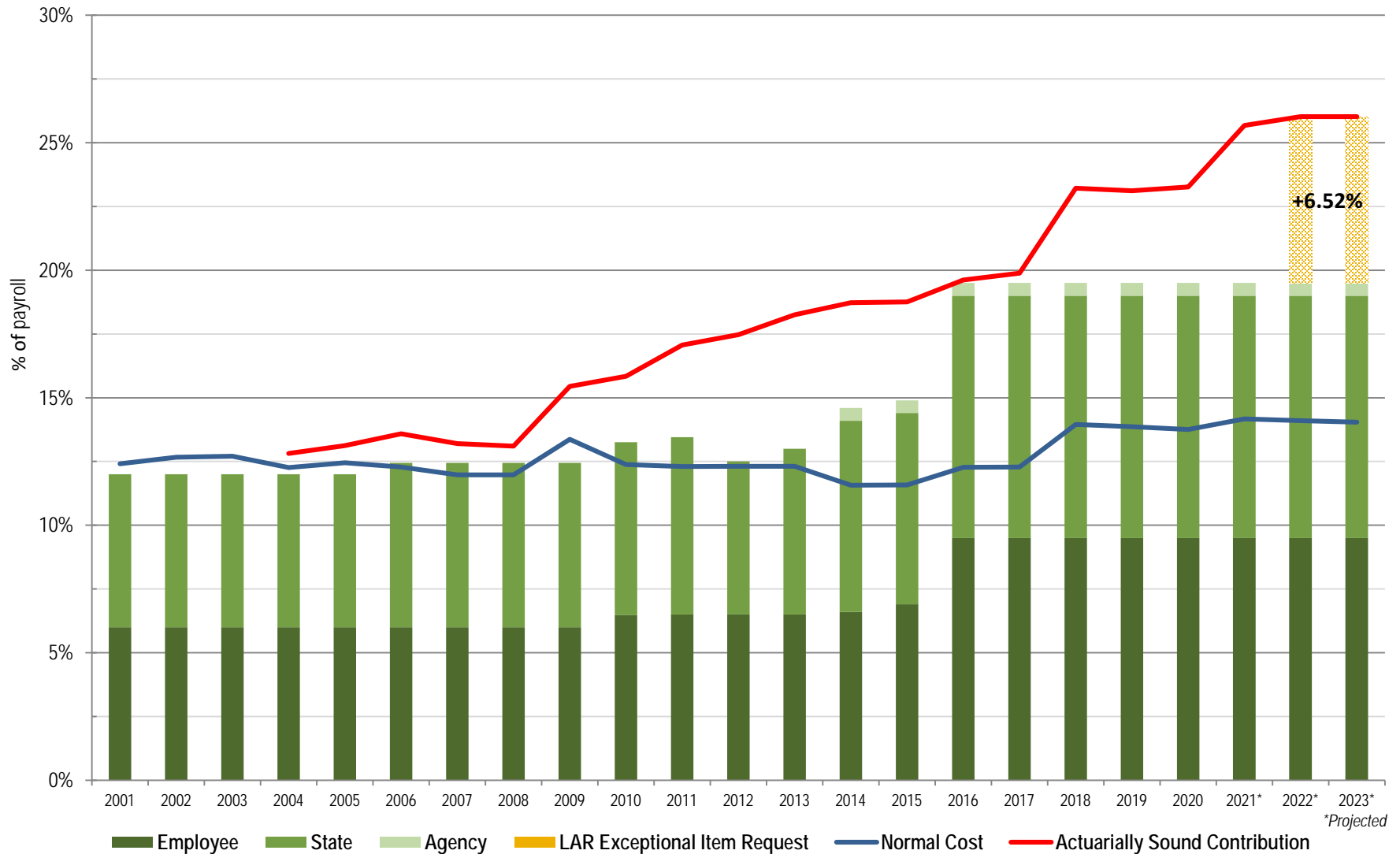
LECO\*

17.39%

15.85%

15.79%

# The Legislature has increased contributions but have not met the actuarially sound rate



- ERS health insurance program remains financially strong
- Thanks to cost management initiatives and competitive contracting, ERS will not be requesting appropriations in the agency's Legislative Appropriations Request (LAR) above base funding levels in order to maintain current benefits for the coming biennium