

Teacher Retirement System of Texas

Pension Trust Fund

Actuarial Valuation as of 8/31/16

- The TRS Trust Fund (Fund) earned a return of 7.3% and ended the 2016 fiscal year at a market value of \$134 billion compared to a market value of \$128.5 billion for the fiscal year ending 8/31/15.
- The period of time necessary to amortize the unfunded liability has increased from 33.3 years to 33.6 years. Given that current contributions cannot amortize the unfunded liability in less than 31 years, the System does not meet the state statutory definition for actuarial soundness.
- The funding period only slightly increased from fiscal year 2015 because the payroll on which the system received contributions increased faster than expected due to a 2.3% increase in the number of active members.
- It is estimated that the unfunded liability and the funding period will both continue to increase over the next few years before beginning to once again decline as the Fund moves towards full funding.
- Results of the 8/31/16 valuation and comparisons to the 8/31/15 valuation are summarized below:

TRS Trust Fund Valuation	8/31/16	8/31/15	Change 8/31/15 - 8/31/16
Unfunded Actuarial Accrued Liability	\$35.4 billion	\$33 billion	+2.4 billion
Funded Ratio	79.7%	80.2%	-0.5%
State Contribution Rate	6.8%	6.8%	0%
Non-Social Security School District Contribution Rate	1.5%	1.5%	0%
Member Contribution Rate of Payroll	7.70% Ultimate Rate by FY 2017	7.70% Ultimate Rate by FY 2017	N/A
Funding Period	33.6 years	33.3 years	+.3 years
Actuarially Sound According to State Statute?	No	No	N/A
Actuarially Determined Employer Contribution (ADEC)	7.94%	7.92%	+.02%

