

September 2025

CUSTOMER CARE

Benefits Committee Meeting



**Teacher Retirement System of
Texas**

4655 Mueller Blvd.
Austin, Texas 78723

**TEACHER RETIREMENT SYSTEM OF TEXAS MEETING
BOARD OF TRUSTEES
AND
BENEFITS COMMITTEE**

*All or part of the September 18, 2025, meeting of the TRS Benefits Committee and Board of Trustees may be held by telephone or video conference call as authorized under Sections 551.130 and 551.127 of the Texas Government Code. The Board intends to have a quorum and the presiding officer of the meeting physically present at the following location, which will be open to the public during the open portions of the meeting: **4655 Mueller Blvd, 2nd Floor, Boardroom.***

The open portions of the September 18, 2025, meeting are being broadcast over the Internet. Access to the Internet broadcast and agenda materials of the meeting are provided at www.trs.texas.gov. A recording of the meeting will be available at www.trs.texas.gov.

**AGENDA
September 18, 2025 – 9:15 a.m.**

1. Call roll of Committee members.
2. Consider the approval of the proposed minutes of the July 2025 committee meeting – Committee Chair.
3. Receive an update and consider the following regarding TRS pension services – Barbie Pearson and Mark Chi:
 - A. Consider recommending to the Board acceptance of the Medical Board Meeting minutes for July 2025 meeting;
 - B. Consider recommending to the Board approval of Benefit Payments for June – August 2025; and
 - C. Receive Pension Services operational update including an overview of the Disbursement Team.
4. Receive updates on TRS-Care and TRS-ActiveCare health plans, including an update on operations and customer Service – Katrina Daniel and Chris Herrick.

NOTE: The Board of Trustees (Board) of the Teacher Retirement System of Texas will not consider or act upon any item before the Benefits Committee (Committee) at this meeting of the Committee. This meeting is not a regular meeting of the Board. However, because the full Committee constitutes a quorum of the Board, the meeting of the Committee is also being posted as a meeting of the Board out of an abundance of caution.

TAB 2

Minutes of the Benefits Committee July 17, 2025

The Benefits Committee of the Board of Trustees of the Teacher Retirement System of Texas met on July 17, 2025, in the boardroom located on the Second Floor of TRS' offices located at 4655 Mueller Blvd, Austin, Texas, 78723.

Committee members present:

Mr. Elvis Williams, Chair
Ms. Brittney Allred
Mr. Michael Ball
Mr. John R. Rutherford

Other TRS Board Members present:

Mr. Robert H. Walls, Jr.
Mr. John Elliott
Ms. Laronda Graf

Others who participated:

Brian Guthrie, TRS
Caasi Lamb, TRS
Heather Traeger, TRS
Don Green, TRS
Amanda Jenami, TRS
Barbie Pearson, TRS
Katrina Daniel, TRS
Adrea Bridgeman, TRS
Sunitha Downing, TRS
Yimei Zhao, TRS
Meaghan Bludau, TRS
Jeff Bain, TRS
Katherine Farrell, TRS
Suzanne Dugan, Cohen Milstein

Steve Alexander, BCBS TX
Adam Morris, Gainwell Technologies
Zach Shepherd, Health Plan Data Solutions
Dr. Renee Paulson, Elite Research

Benefits Committee Chair, Mr. Elvis Williams, called the meeting to order at 4:45 p.m.

1. Call roll of Committee members.

Ms. Farrell called the roll. A quorum was present.

2. Consider the approval of the proposed minutes of the April 2025, Benefits Committee meeting – Chair Elvis Williams.

On a motion by Mr. Rutherford, seconded by Ms. Allred, the committee unanimously approved the proposed minutes for the April 2025 Benefits Committee meeting as presented.

3. Receive an update and consider the following regarding TRS pension benefits program:

A. Consider recommending to the Board acceptance of the Medical Board Meeting minutes for March and May 2025 – Barbie Pearson;

Ms. Barbie Pearson recommended to the Committee to recommend to the Board acceptance of the Medical Board minutes for March and May 2025 meetings.

On a motion by Ms. Allred, seconded by Mr. Rutherford, the committee unanimously voted to recommend to the Board acceptance of the Medical Board meeting minutes for March and May 2025.

B. Consider recommending to the Board approval of Benefit Payments for March – May 2025 – Barbie Pearson;

Ms. Pearson recommended to the Committee to recommend to the Board the approval of benefit payment for March through May 2025.

On a motion by Mr. Rutherford, seconded by Ms. Allred, the committee unanimously voted to recommend to the Board approval of benefit payment for March through May 2025.

C. Benefit Services Operational update including an overview of the Medical Board Selection process – Barbie Pearson and Adrea Bridgeman.

Ms. Pearson provided an update on Pension Services through the third quarter of the fiscal year 2025. She announced that all metrics were met or exceeded, noting retirement saw a 4 percent decrease over last year. She said it was peak retirement time with about 12,000 pending retirements.

Ms. Adrea Bridgeman provided an overview of the Medical Board solicitation process. She reported changes to how the Medical Board meetings are conducted, from in person to virtual meetings, and resulted in greater responses from qualified physicians outside of the Austin area. She said 30 applications were received and six candidates were interviewed for the two open positions. She said based upon the overwhelming response; staff identified a contingency pool to pull from in the case if one of the Medical Board doctors is no longer able to provide services. She concluded by noting it was a very successful recruitment process this year.

D. Consider recommending to the Board appointments to the Medical Board including the chair of the Medical Board – Ms. Pearson;

Ms. Pearson stated the staff's recommendation is to select Dr. Alice Cox and Dr. Sujana Gogu for a two-year term, starting September 1, 2025 and ending August 31, 2027. She said staff is also recommending the appointment of Dr. Alice Cox as the chair of the Medical Board. For the

contingency pool that Ms. Bridgeman referenced, she said staff recommends Dr. Tiffany Dugas as first alternate and Dr. Antonia Hernandez as second alternate.

On a motion by Mr. Rutherford, and seconded by Ms. Allred, the committee unanimously voted to recommend to the Board the following resolution appointing members to the Medical Board, including the chair of the Medical Board, as presented by staff:

Resolution to Appoint TRS Medical Board Members
July 17, 2025

Whereas, Texas Government Code section 825.204 requires the Board of Trustees of the Teacher Retirement System of Texas to appoint a Medical Board composed of three physicians to perform medical board services under contracts with TRS;

Whereas, The term of two of the current three members will expire August 31, 2025;

Whereas, TRS staff recommends that the Board of Trustees appoint Dr. Alice Cox and Dr. Sujan Gogu as members of the TRS Medical Board effective September 1, 2025, for a two-year term that ends on August 31, 2027;

Whereas, TRS staff recommends that the Board of Trustees appoint Dr. Alice Cox as chair of the TRS Medical Board for a two-year term beginning September 1, 2025, and expiring on August 31, 2027;

Whereas, TRS staff recommends that the Board of Trustees also authorize the designation of two alternate members to serve as Medical Board members in the event a member of the Medical Board needs to be replaced; now therefore, be it

Resolved, That the Board of Trustees appoints Dr. Alice Cox and Dr. Sujan Gogu to the TRS Medical Board for a two-year term beginning on September 1, 2025 and expiring on August 31, 2027;

Resolved, That the Executive Director, or his designee, is hereby authorized to negotiate, with the assistance and advice of legal counsel, contracts for Medical Board services with Dr. Alice Cox and Dr. Sujan Gogu and, if negotiations are deemed by the Executive Director in his discretion to be successful, then the Executive Director or his designee is hereby authorized to execute a contract with Dr. Alice Cox and Dr. Sujan Gogu for two years coinciding with the term of their appointment and according to such terms, conditions, and fees as the Executive Director may deem in his discretion to be appropriate and to provide the best overall value for TRS, and to execute and deliver all such other documents that the Executive Director may deem necessary or appropriate to effect this resolution, as conclusively evidenced by the taking of the action or the execution and delivery of the documents, and to incur, approve, and pay any budgeted expenses or costs associated with such contract and deemed in the discretion of the Executive Director to be reasonably necessary or advisable with respect to such contract;

Resolved, That, if the Executive Director receives notice of the need for a replacement on the Medical Board, the Executive Director will bring to the next meeting of the Board of Trustees the recommendation for appointment of one of the alternate board members to fulfill the unexpired term, to be selected in this order: (1) Dr. Tiffany Dugas (2) Dr. Antonia Hernandez; and

Resolved, That the Board of Trustees appoints Dr. Alice Cox as chair of the TRS Medical Board for a two-year term beginning on September 1, 2025 and expiring on August 31, 2027.

4. Receive the 2025 Reporting Employer Satisfaction Survey Results – Sunitha Downing and Dr. Renee Paulson, Elite Research.

Ms. Sunitha Downing provided the background of the employer satisfaction survey that TRS has conducted since 2019. She said the survey went to all 1,339 reporting employers and had a 20 percent increase in response rate from the previous year with 990 employers responding.

Dr. Renee Paulson provided the survey results and summary of the feedback. She said 90 percent of reporting employers (REs) were satisfied or very satisfied with the quality of TRS services, maintaining from the previous two years. She said the feedback to improve TRS resources were similar to previous years, improving communications was the most frequent recommendation followed by extending deadlines, providing training and improving availability and response times. She said REs continue to value and appreciate RE coaches. She concluded by saying there's a great cause to celebrate the findings and continue the practices. She said there was opportunity to reach the next level of satisfaction from Res.

5. Receive updates and consider the following regarding TRS health insurance benefits program:

- A. Receive an update from the TRS-Care Retirees Advisory Committee (RAC) on the meeting held on April 28, 2025.**
- B. Receive an update on the administration and performance of TRS-Care and TRS-ActiveCare including Health Finance initiatives.**
- C. Consider recommending to the Board the premiums and benefits for the TRS-Care health insurance benefits plans:**
 - i. Consider the premiums for the TRS-Care Medicare Advantage plans including COBRA rates for plan year (PY) 2026;**
 - ii. Consider the benefits for the TRS-Care Standard plan including COBRA rates for PY 2026.**
 - iii. Consider the premiums and benefits for the TRS-Care Optional Dental Plan for PY 2026; and**
 - iv. Consider the premiums and benefits for the TRS-Care Optional Vision Plan for PY 2026.**

Ms. Katrina Daniel shared that Ms. Widmier, the vice chair of the RAC committee, was in attendance but due to timing could not stay. She said Ms. Widmier had a report but wanted to make sure Ms. Daniel thanked the Board for lowering the Medicare Advantage premiums.

Ms. Meaghan Bludau reviewed legislative activities for the Health Division and the outreach for TRS-ActiveCare since rates were adopted in June. She reported three new districts joined ActiveCare in September as part of the normal process and noted five districts are interested in joining through the transitional plan at the September meeting.

Ms. Daniel discussed TRS-Care and the proposed rates. For the Medicare Advantage plan, she reported the fund balance as healthy and recommended that the rates remain the same. For the

Standard plan, she reported no recommended changes to the premiums that continue to remain competitive in the marketplace. She said in order for this plan to align with IRS standards and maintain tax benefits, there were recommended adjustments to the out-of-pocket costs, the deductible and out-of-network and in-network deductibles. Ms. Bludau provided an overview of the member rewards program for retirees starting in September. She said that there were no proposed changes to dental and vision for the upcoming year, recommend to keep premiums and benefits where they are. She reported there was steady enrollment for these products and the aggregate enrollment number was under 60,000 per plan at this point.

Ms. Yimei Zhao reviewed the health finance team noting the diverse expertise allows for them to manage billions in trust assets with precision and care. She reported the \$400 million in savings from the Medicare procurement contributed to reducing retiree premiums. She said the contract terms ensure that ActiveCare is 14 percent below the market. She reported that rebates reduce pharmacy costs by 40 percent and the accounting team reconciles them to ensure that TRS realizes the savings. She said in 2024 they recovered \$7 million. She said with the current medical procurement they continue to innovate to generate savings. For this procurement, she said, they divided the state into five regions so bidders have to compete at the regional level to obtain the best unit cost per region and added an option for a carrier to propose a medical and pharmacy combined benefit plan in the Medicare Advantage plan. She concluded by highlighting cost savings activities such as the 2024 pharmacy benefit manager (PBM) procurement, where costs per-member per-month were reduced by 12 percent, bringing the cost back to 2014 levels.

On a motion by Mr. Rutherford, seconded by Ms. Allred, the committee voted unanimously to recommend to the Board the adoption of the following resolution approving premiums and benefits for the plan year 2026 for the following TRS-Care plans: TRS-Care Medicare Advantage plans, including COBRA rates, TRS-Care Standard plan, including COBRA rates' TRS-Care optional

RESOLUTION APPROVING PREMIUM RATE CHANGES FOR THE TRS-CARE MEDICARE ADVANTAGE PLAN

Whereas, Chapter 1575, Insurance Code (the Texas Public School Retired Employees Group Benefits Act), authorizes the Teacher Retirement System of Texas ("TRS"), as trustee, to implement and administer the Texas Public School Retired Employees Group Benefits Program ("TRS-Care Program"), as described in the statute;

Whereas, under Section 1575.158(c), Insurance Code, TRS-Care offers a Medicare Advantage plan which provides coverage to Medicare-eligible participants, which has a fully insured Medicare Advantage component and a self-funded Medicare Prescription Drug component;

Whereas, Section 1575.052, Insurance Code, authorizes the trustee to take actions it considers reasonably necessary to devise, implement, and administer the TRS-Care Program;

Whereas, Section 1575.212, Insurance Code, authorizes the trustee to determine premiums to be paid by participants of the TRS-Care Program;

Whereas, the trust fund of TRS-Care has experienced growth in recent years stemming from federal changes to Medicare along with TRS' diligent health plan management and other factors, which provides TRS with a unique opportunity to reduce premiums for the participants of the TRS-Care Medicare Advantage plan;

Whereas, TRS received correspondence from legislative leadership directing TRS to use the growth in the TRS-Care fund to reduce premiums and allow for a limited time enrollment opportunity for eligible TRS-Care Medicare Advantage participants;

Whereas, TRS staff and consultants assisting staff (the "Consultants") have evaluated how to use the fund balance to accomplish these goals while maintaining the fund's long-term stability, and have recommended rate changes be made to the TRS-Care Medicare Advantage plan beginning on the plan year that starts on January 1, 2025, as listed in Exhibit A, attached to this resolution and incorporated herein by reference;

Whereas, the Board considered the information provided by TRS staff and the Consultants and desires to approve the recommendations by TRS staff and the Consultants; now, therefore, be it

Resolved, that the Board hereby adopts and authorizes the premium rate changes to the TRS-Care Medicare Advantage plan beginning on the plan year that starts on January 1, 2025, as listed in Exhibit A attached to this resolution and incorporated herein by reference, until further action by the Board; and

Further resolved, that the Board authorizes the Executive Director or his designees to take any actions that he or his designee in his or their discretion deem to be necessary or advisable to implement this resolution until further action by the Board.

RESOLUTION APPROVING BENEFIT CHANGES FOR THE TRS-CARE STANDARD PLAN

Whereas, Chapter 1575, Insurance Code (the Texas Public School Retired Employees Group Benefits Act), authorizes the Teacher Retirement System of Texas ("TRS"), as trustee, to implement and administer the Texas Public School Retired Employees Group Benefits Program ("TRS-Care Program"), as described in the statute;

Whereas, under Section 1575.158(a), Insurance Code, the TRS-Care Program offers a high deductible health plan which provides coverage to non-Medicare eligible participants ("TRS-Care Standard Plan");

Whereas, Section 1575.052, Insurance Code, authorizes the trustee to take actions it considers reasonably necessary to devise, implement, and administer the TRS-Care Program;

Whereas, on May 2024 the Internal Revenue Service (IRS) released inflation adjustments to the minimum deductibles that high deductible health plans must have to be qualified to work together with health savings accounts (HSAs), so that the funds that participants deposit in those HSAs enjoy a tax-favored status;

Whereas, TRS desires to make adjustments to the current deductibles of the TRS-Care Standard Plan according to the IRS guidelines, so that the plan continues to be a qualified high deductible health plan under such IRS guidelines;

Whereas, plan costs require adjustments to the COBRA rates for spouses and children without Medicare, rates which had not changed since the year 2018;

Whereas, accordingly, TRS staff and consultants assisting TRS staff (the “Consultants”) have recommended the benefit changes to be made to the TRS-Care Standard Plan and changes to non-Medicare COBRA rates for spouses and children beginning on the plan year that starts on January 1, 2025, as listed in Exhibit A, attached to this resolution and incorporated herein by reference;

Whereas, the Board considered the information provided by TRS staff and the Consultants and desires to approve the recommendations by TRS staff and the Consultants; now, therefore, be it

Resolved, that the Board hereby adopts and authorizes the benefit changes to the TRS-Care Standard Plan beginning on the plan year that starts on January 1, 2025, as listed in Exhibit A attached to this resolution and incorporated herein by reference, until further action by the Board; and

Further resolved, that the Board authorizes the Executive Director or his designees to take any actions that he or his designees in his or their discretion deem to be necessary or advisable to implement this resolution until further action by the Board.

RESOLUTION APPROVING BENEFITS AND PREMIUM RATES FOR THE TRS-CARE OPTIONAL DENTAL PLAN PY2026

Whereas, Chapter 1575, Insurance Code (the Texas Public School Retired Employees Group Benefits Act), authorizes the Teacher Retirement System of Texas (“TRS”), as trustee, to implement and administer the Texas Public School Retired Employees Group Benefits Program (“TRS-Care Program”), as described in the statute;

Whereas, Section 1575.1601, Insurance Code, requires TRS to establish or contract for and make available under the TRS-Care Program an optional plan that provides coverage for dental care for retirees, dependents, surviving spouses, and surviving dependent children (“TRS-Care Optional Dental Plan”);

Whereas, Section 1575.052, Insurance Code, authorizes the trustee to take actions it considers reasonably necessary to devise, implement, and administer the TRS-Care Program;

Whereas, Section 1575.212, Insurance Code, authorizes the trustee to determine premiums to be paid by participants of the TRS-Care Program;

Whereas, on the May 2024 Board Meeting, TRS selected MetLife Insurance Company (“MetLife”) to be the insurance carrier to provide and administer the TRS-Care Optional Dental Plan;

Whereas, TRS staff have negotiated with MetLife the premium rates and benefits for the TRS-Care Optional Dental Plan to be offered on the initial plan year that starts on January 1, 2025;

Whereas, TRS staff and consultants assisting TRS staff (the “Consultants”) have evaluated the premium rates and benefits and have recommended the Board approves them as listed in Exhibit A, attached to this resolution and incorporated herein by reference;

Whereas, the Board considered the information provided by TRS staff and the Consultants and desires to approve the recommendations by TRS staff and the Consultants; now, therefore, be it

Resolved, that the Board hereby adopts and authorizes the premium rates and benefits to the TRS-Care Optional Dental Plan beginning on the plan year that starts on January 1, 2025, as listed in Exhibit A attached to this resolution and incorporated herein by reference, until further action by the Board; and

Further resolved, that the Board authorizes the Executive Director or his designees to take any actions that he or his designee in his or their discretion deem to be necessary or advisable to implement this resolution until further action by the Board.

RESOLUTION APPROVING BENEFITS AND PREMIUM RATES FOR THE TRS-CARE OPTIONAL VISION PLAN PY2026

Whereas, Chapter 1575, Insurance Code (the Texas Public School Retired Employees Group Benefits Act), authorizes the Teacher Retirement System of Texas (“TRS”), as trustee, to implement and administer the Texas Public School Retired Employees Group Benefits Program (“TRS-Care Program”), as described in the statute;

Whereas, Section 1575.1601, Insurance Code, requires TRS to establish or contract for and make available under the TRS-Care Program an optional plan that provides coverage for vision care for retirees, dependents, surviving spouses, and surviving dependent children (“TRS-Care Optional Vision Plan”);

Whereas, Section 1575.052, Insurance Code, authorizes the trustee to take actions it considers reasonably necessary to devise, implement, and administer the TRS-Care Program;

Whereas, Section 1575.212, Insurance Code, authorizes the trustee to determine premiums to be paid by participants of the TRS-Care Program;

Whereas, on the May 2024 Board Meeting, TRS selected MetLife Insurance Company (“MetLife”) to be the insurance carrier to provide and administer the TRS-Care Optional Vision Plan;

Whereas, TRS staff have negotiated with MetLife the premium rates and benefits for the TRS-Care Optional Vision Plan to be offered on the initial plan year that starts on January 1, 2025;

Whereas, TRS staff and consultants assisting TRS staff (the “Consultants”) have evaluated the premium rates and benefits and have recommended the Board approves them as listed in Exhibit A, attached to this resolution and incorporated herein by reference;

Whereas, the Board considered the information provided by TRS staff and the Consultants and desires to approve the recommendations by TRS staff and the Consultants; now, therefore, be it

Resolved, that the Board hereby adopts and authorizes the premium rates and benefits to the TRS-Care Optional Vision Plan beginning on the plan year that starts on January 1, 2025, as listed in Exhibit A attached to this resolution and incorporated herein by reference, until further action by the Board; and

Further resolved, that the Board authorizes the Executive Director or his designees to take any actions that he or his designee in his or their discretion deem to be necessary or advisable to implement this resolution until further action by the Board.

- D. Receive and review claims administration and rebate audit reports for the TRS-ActieCare and TRS-Care self-funded benefit plans – Yimei Zhao, Jeff Bain; Ted Coulter, Health Plan Data Solutions and Adam Morris, Gainwell.**
- 1. TRS-ActiveCare and TRS-Care medical benefits for the 2023 plan year;**
 - 2. TRS-ActiveCare and TRS-Care pharmacy benefits for the 2023 plan year;**
 - and**
 - 3. TRS-ActiveCare and TRS-Care rebates for the 2023 plan year.**

Mr. Jeff Bain reviewed the scope of the health plan audits that were administered by Blue Cross Blue Shield and the last plan year of the CVS contract.

Mr. Adam Morris reviewed the audit for TRS noting it was a hybrid audit consisting of 400 claims reviewed including both comprehensive and random claims. He said there were 200 comprehensive claims and 200 random claims per plan. He discussed the findings for this year which included less than half a million dollars in findings. He also said the operational audit was unremarkable, meaning performance guarantees were met, staffing levels remained the same.

Mr. Zach Shepherd reviewed the audit for plan year 2023. He said CVS Caremark, as the PBM, successfully implemented the benefit plan with minimal errors, less than .1 percent, but it did result in findings of about \$600,000 back to the plan. He concluded by noting that CVS appeared to have met the necessary expectations of the pharmacy rebates audit.

There being no more business before the Benefits Committee, the committee adjourned at 5:25 p.m.

TAB 3

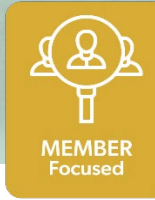


Pension Services

Presentation Date: Sept. 18, 2025
Presented By: Barbie Pearson and Mark Chi



Pension Services at a Glance



Key Updates

Performance Objectives

Achieving all metrics

User Acceptance Testing (UAT)

Survey Results

Retirement Update

- **2.9%** decrease
- **6,439** pending retirements (May 2025-August 2025)

Reporting Employer Kudos

I truly enjoyed this training. [The presenter] was very detailed and very knowledgeable. She took the entire hour and was very thorough.

[The] presenter was patient with the audience in addressing all of the questions asked. Thank you for the opportunity to join this training. Very informative.

I am new to the RE portal and all processes and this was a great session to help me understand the basics.

Efficiency Update



MyTRS Secure Messages



Automating Payment Vouchers



Retirement Certification Reinitiation and Training

Member Services Kudos

The counselor exceeded our expectations with professionalism, grace, concern, patience and knowledge.

[The counselor] was very knowledgeable about her job. She explained everything. Very, very friendly office. Very neat.

I feel completely reassured with the [retirement] process, and I'm very happy with the service I received.



Benefit Accounting - Disbursements



Disbursements – Overview and Workload



Disbursements Team

Manages the monthly annuity payroll process and ensures payments to retirees and beneficiaries are issued correctly and on time. Includes issuing stipends and 13th check payments, processing supplemental and manual payments, and distributing 1099-R tax forms.



FY24 and FY25 (Sep – Jul)

	FY2024 Sept-Jul	FY2025 Sept-Jul
Monthly Payroll Payments	5,494,995	5,668,655
Monthly Payroll Total Gross	\$11.8 billion	\$12.4 billion
Payment as EFT Percentage	98%	98%
Payment as Warrant Percentage	2%	2%
1099-R forms mailed	596,778	605,543
Supplemental and Manual Payments	92,811	85,090
EFT Returns, Reversals and Warrant Cancellations	11,946	13,930
TRS Internal Requests	11,065	9,848
Workflows and Queues	12,624	4,969



Disbursements Team



Chief Benefit Officer
Barbie Pearson

Deputy Chief Benefit Officer
Jennifer Gasior

Senior Director, Benefit Accounting
Mark Chi

Director of Benefit Accounting
Katie Tucker

Disbursements Manager
Lisa Jones

Disbursement Specialists (12)
• 5 dedicated to UAT





Payroll, Benefit Adjustment, and Tax (PBT) Update



Legacy Process

TRUST Process

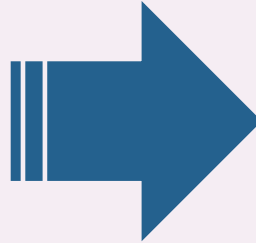
Beginning of
Month

Deduction Amounts and Updates

Deduction Amounts and Updates
Ad Hoc Trial Payroll Run

Middle of
Month

Scheduled Trial Payroll Run
Balancing and Reporting
Voucher Creation and Approval
Manual, electronic voucher
Actual Annuity Payroll Run
CPA File Transmission
HX File Processing
Mismatch & EFT Cancellation Reports



Scheduled Trial Payroll Run
Reporting Summary
Actual Annuity Payroll Run
Balancing and Reporting
Voucher Creation and Approval
CRM Approval Process
CPA File Transmission
HX File Processing
Mismatch & EFT Cancellation Reports

End of
Month

Process Pull List
Manual Vouchers for payments not on payroll
Issue Final Payments (EFT/Warrants)

Process Pull List
Issue Final Payments (EFT/Warrants)

Beginning of
Next Month

Warrant Cancellations and EFT Returns

Warrant Cancellations and EFT Returns



PBT Training



UAT Testers

- 5 Team trainers
- Sandbox environment
- Replicating user testing

Benefit Operation Support

- Hands-on classroom training





Questions



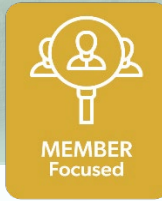
Questions?



Appendix



Member Services Objectives



Business Activity	Objectives	FY Target	Q1	Q2	Q3	June & July	FY25 Sept-July
Telephone Calls	Calls answered within three minutes	90%	98%	93%	99%	96%	97%
	Average speed of answer (minutes/seconds)		0:11	0:30	0:06	0:21	0:17
Office Visits (Austin)	Number of office visits available annually	20,000	4,212	4,772	5,555	3,881	18,420
Conducted	In-Person		1,176	1,238	1,571	1,131	5,116
	Live Video		937	1,307	1,344	447	4,035
	Telephone		678	827	927	356	2,788
	Walk-Ins		310	266	382	339	1,297
Office Visits (El Paso)	Number of office visits available annually	7,500	1,104	1,599	2,449	1,828	6,980
Conducted	In-Person		413	394	594	338	1,739
	Live Video		201	343	593	449	1,586
	Telephone		106	237	373	250	966
	Walk-Ins		533	98	80	90	801



Account Services Objectives



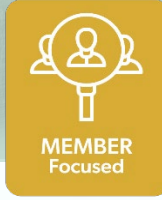
MEMBER
Focused



Business Activity	Objectives	FY Target	Q1	Q2	Q3	June & July	FY25 Sept-July
Refunds	Refunds validated within five business days of receiving final deposit and all paperwork	95%	100%	100%	100%	100%	100%
Benefit Estimates	Benefit estimates mailed within 31 days of request	95%	100%	100%	100%	100%	100%
Retirements	Retirees received first annuity payment on time	98%	98%	98%	98%	99%	98%
Death Claims (acknowledged)	Claims acknowledged within 14 days of receipt of death notification	95%	99%	99%	99%	98%	99%
Death Claims (payments)	Claims payments issued within 31 days of receipt of all required paperwork	95%	99%	99%	99%	99%	99%
Reporting Employer	Regular payroll reports completed by the end of each quarter (cumulative for fiscal year)	90%	99%	99%	99%	99%	99%



Benefit Operation Support Objectives



Business Activity	Objectives	FY Target	Q1	Q2	Q3	June & July	FY25 Sept-July
Foundational Training	Provided pension benefits foundational classroom training for all new hires (cumulative)	100%	100%	100%	100%	100%	100%
Quality Assurance	Number of telephone interactions evaluated	11,500	2,954	3,087	3,066	1,630	10,737
	Number of virtual office visits evaluated	1,200	211	392	467	291	1,361



TAB 4



TRS Health

Thursday, Sept. 18, 2025

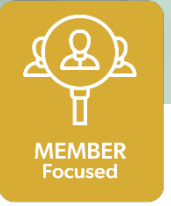
Katrina Daniel, Chief Health Care Officer

Chris Herrick, Deputy Chief of Health Operations

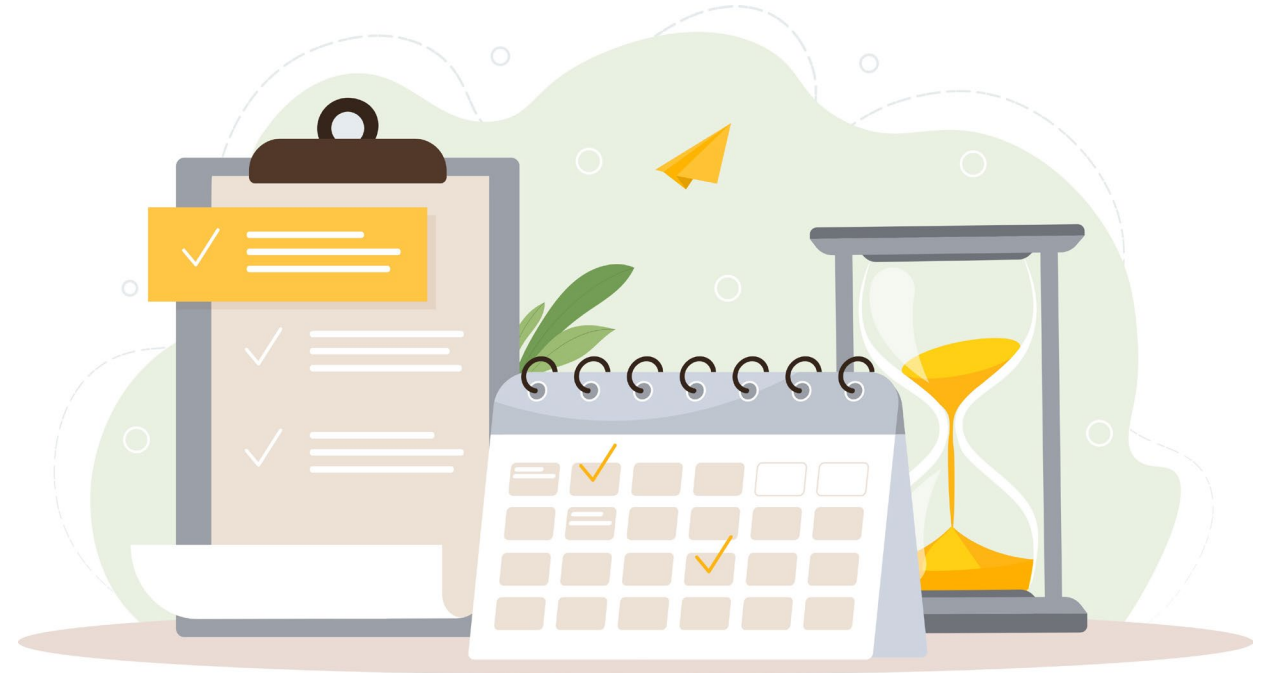




Health Agenda



- **Spotlight on Health Operations**
- **TRS-Care Update**

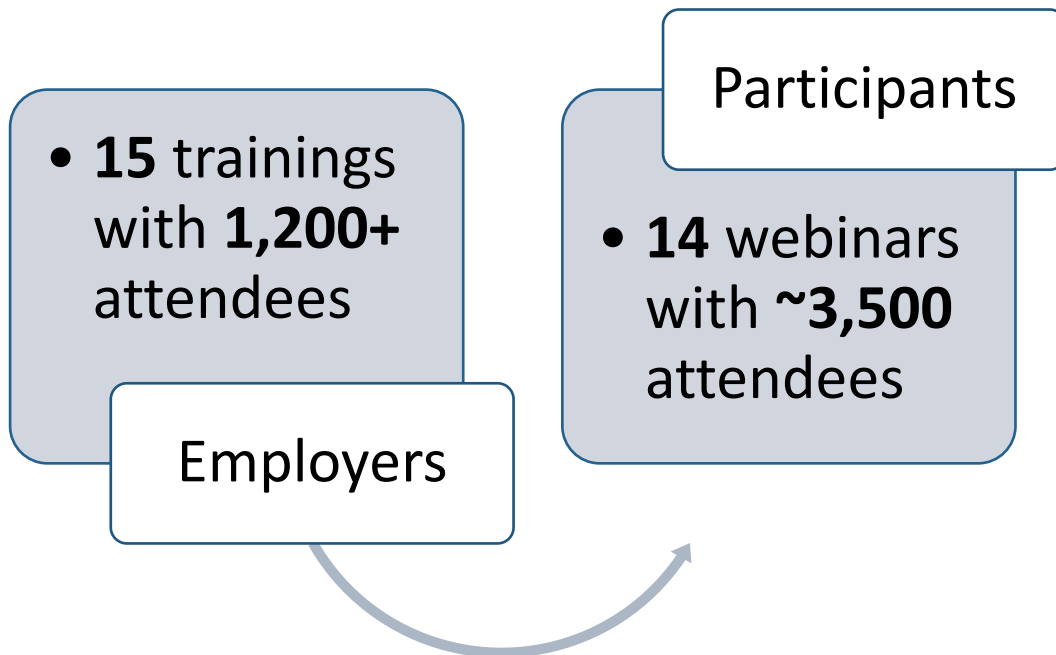




TRS-ActiveCare Update



Successfully wrapped up
Annual Enrollment for nearly
1,000 employers!



Increasing Interest in Joining TRS-ActiveCare

Standard Plan Year Onboarding

- **3** employers joined for PY25-26
- **10** joined in PY24-25

Special Circumstances

- HB 3126 allows **114** eligible employers to join one year early



TRS Health Operations Overview

Chris Herrick, Deputy Chief of Health Operations, TRS Health Division

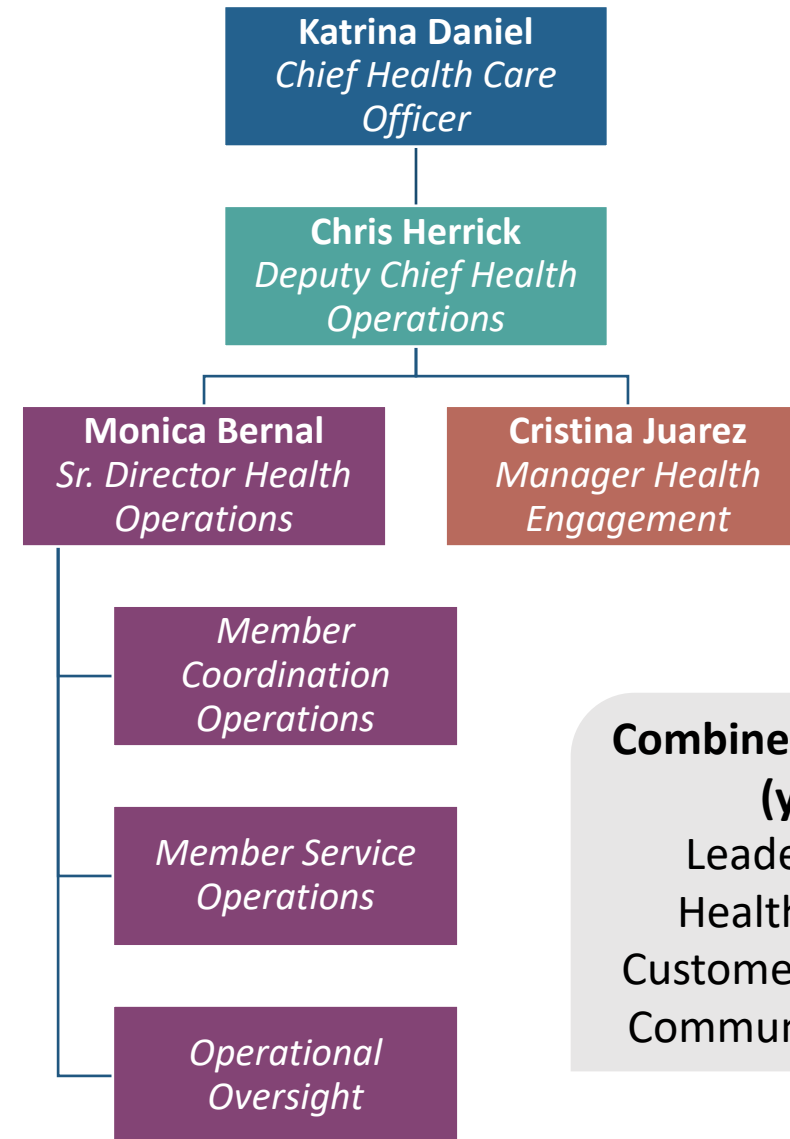


Overview



Chris Herrick

Deputy Chief Health Operations



Combined Experience (years)

Leadership: 72

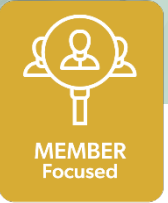
Health Care: 90

Customer Service: 80

Communications: 79



Health Operations Overview



Member Services

Counseling and Benefit Education

173K member interactions

Supporting **30+** in-person and virtual health events

Addressing **700** secure member messages per month



Member Coordination

Enrollment and Eligibility

236,000 member requests
152,000 new enrollments in TRS-Care Plans.

Bill Reconciliation for **1,300** enrollees monthly

Federal and Regulatory Implementation

Support nearly **1K** ISD employers



Operational Oversight

OPS Readiness

Onboarding vendors with **100+** workflows

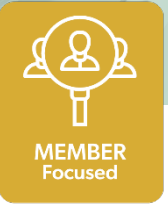
Continuous Process Improvements

Training & review of policy and procedures (200+)

Quality Assurance Program



Member-Focused Accomplishments in FY25



236,000 work items processed through FY25

- Completed work items increased by 18% while the average time to complete the work items was lowered by 25%



200% increase in office visits

- Improved member outreach and accessibility



95% customer satisfaction achieved

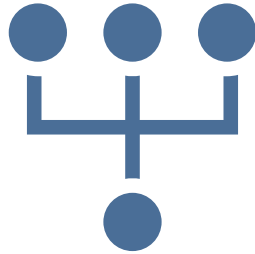
- Over 23K after-call member surveys with an average score of 4.7 out of 5



Initiatives Boosting Efficiency



Real-Time
Vendor
Performance
**Tracking Across
1,200+ Districts**



Consolidated **5
tracking tools
into 1** for the
Member Ally
Team



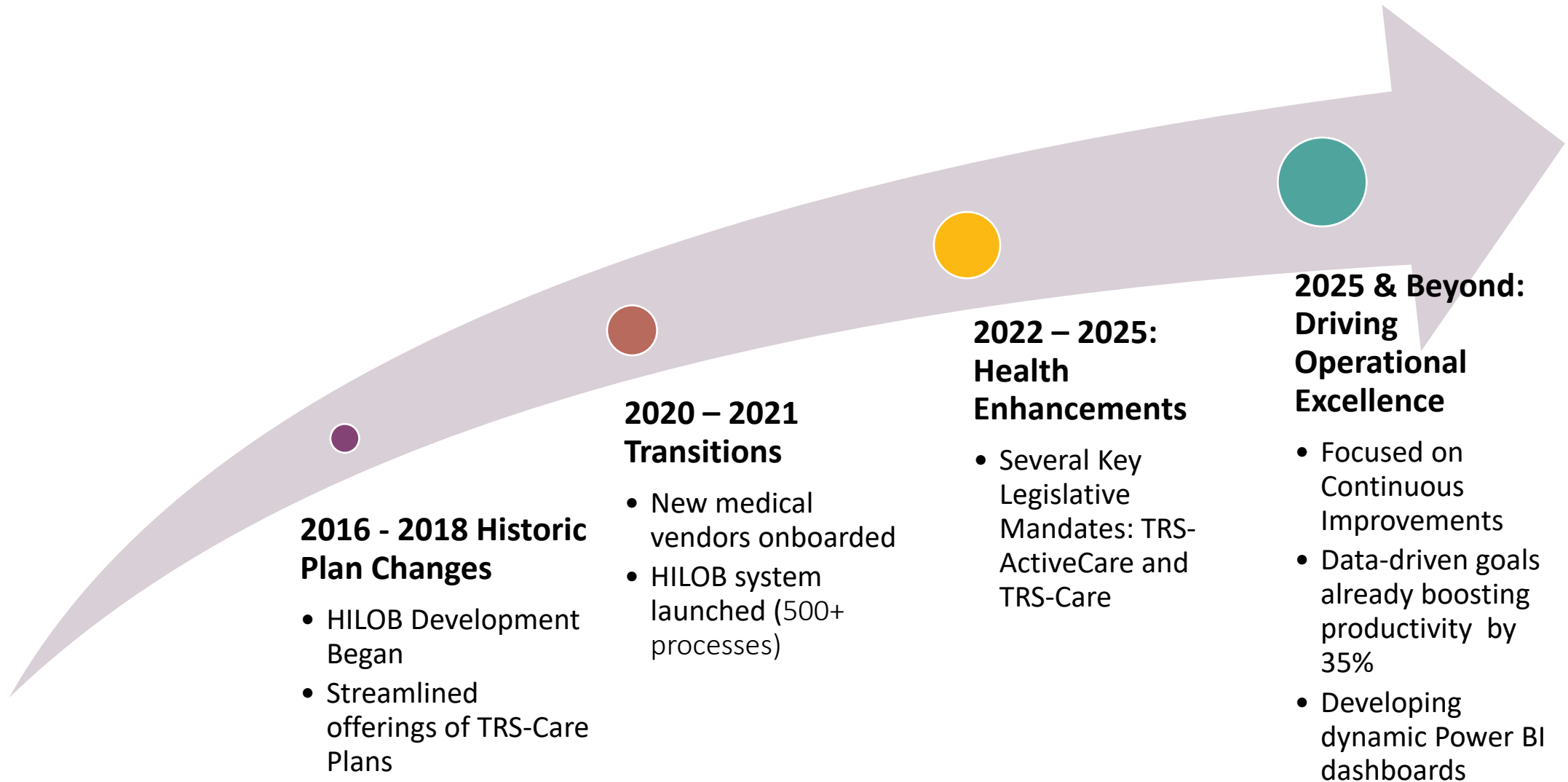
Cut processing
time, **boosting
efficiency by
52%**



Automated ~50
communication
reviews monthly
**saving 60-90
hours**



Building on the Operational Success of the Past





Voice of Customer



“Everybody is always so helpful. And they're very clear and they're very patient. Thank you so much.”

“Every time I call for information or for help, it is always so professional and running so smoothly. Thank you for taking care of retired teachers and all other retirees within the system. Thank you.”

“Both representatives that helped me today were very courteous, and very knowledgeable. They satisfied all my needs and questions.”

“Every person I have talked with throughout TRS has been absolutely amazing, extremely helpful, and very courteous ... ”

Actual Quotes
from TRS Retirees
and Employers
from FY 2025



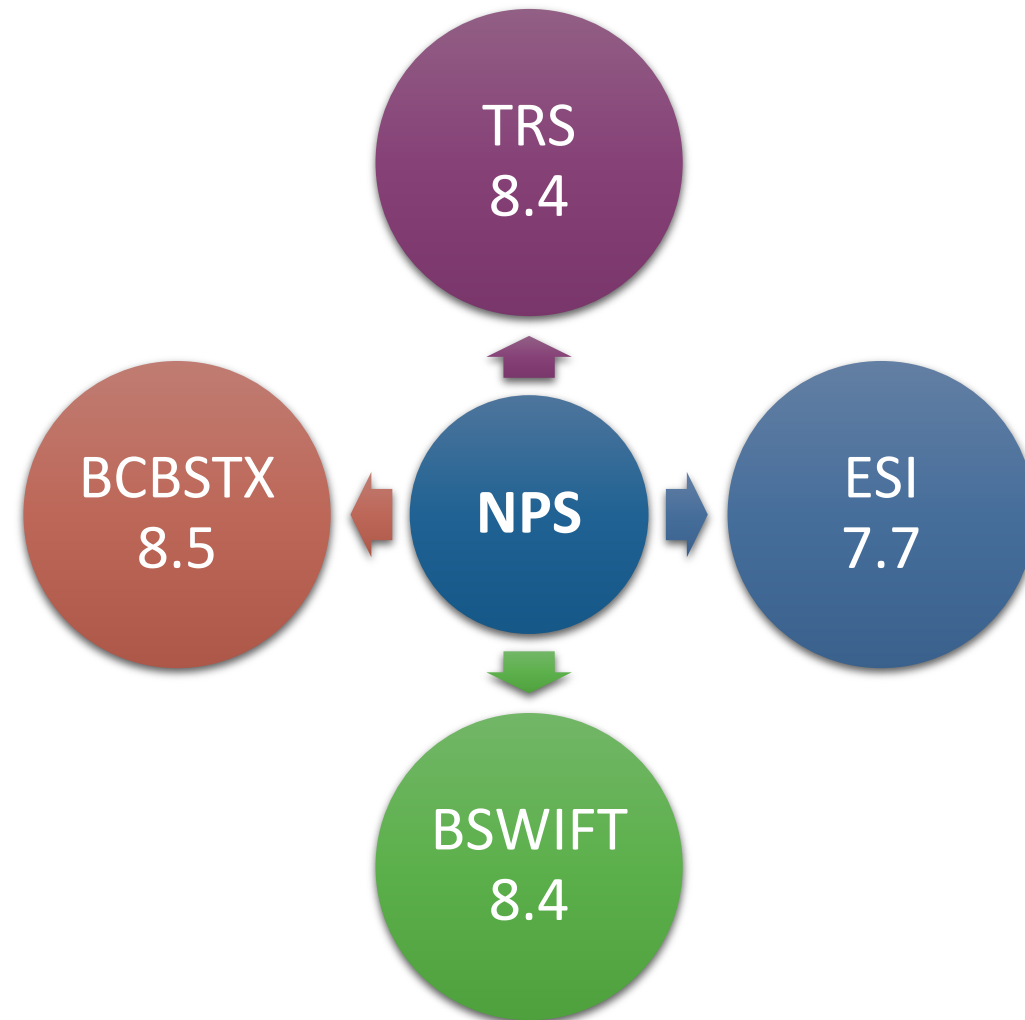
Data Behind the Statements: NPS



Net Promoter Score
(NPS) evaluates employer
experience via
**willingness to
recommend**

Score range between **0-10**

Score based on **300+** responses
from May-June 2025





TRS-Care

Chris Herrick, Deputy Chief of Health Operations, TRS Health Division



Popularity of TRS-Care Dental and TRS-Care Vision Plans

PLAN YEAR 2025

PROJECTED
ENROLLMENTS

40K

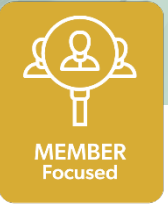
ACTUAL
ENROLLMENTS

106K





Two Enrollment Options



Annual Open Enrollment for TRS-Care Dental and Vision: Oct. 1 to Dec. 8, 2025



NEW Online

New enrollees can enroll in less than five minutes at MyTRS.Texas.gov



By Mail

Option to mail a completed application to TRS.

Retirees can **visit the TRS website** to download the application or **call TRS Health** to request one through the mail.

If retirees are already enrolled and want to stay enrolled, they don't need to do anything.

Accounts Beneficiary Payments Account Management Health Coverage

TRS-Care Dental and Vision Open Enrollment

1 2 3 4 5 6

1. Enrollment Disclosure and Consent Agreement 2. Acknowledgment and Acceptance 3. Demographic 4. Who Do You Want to Enroll? 5. Plan Selection 6. Acceptance and Submission

Fields marked with * are required.

Plan Selection

Use the dental and vision checkboxes to select dental and/or vision coverage for you and any eligible dependents you are enrolling. A dependent can only enroll in dental and/or vision coverage if the retiree is also enrolled in the respective plan.

Select Coverage*	Name	Relationship	Dental Enroll	Dental Effective Date	Vision Enroll	Vision Effective Date
	JANE A DOE	POLICYHOLDER	<input type="checkbox"/>	01/01/2026	<input type="checkbox"/>	01/01/2026
	JOHN A DOE	SPOUSE	<input type="checkbox"/>	01/01/2026	<input type="checkbox"/>	01/01/2026
	BARBARA DOE	CHILD	<input type="checkbox"/>	01/01/2026	<input type="checkbox"/>	01/01/2026
	JENNA DOE	CHILD	<input type="checkbox"/>	01/01/2026	<input type="checkbox"/>	01/01/2026
	JANE B DOE	CHILD	<input type="checkbox"/>	01/01/2026	<input type="checkbox"/>	01/01/2026

Close Previous Next



Multi-Pronged Communication Strategy



MEMBER
Focused



Fall 2025

- Direct mail to unenrolled, eligible retirees to remind them about enrollment
- **16** In-person & **6** virtual events covering over 5,000 miles and meeting with nearly 5,000 retirees
- Paid social media advertisements

~\$650K saved by streamlining TRS-Care print and mail materials into digital resources

2025

July – August

September - October

November – December

2026 >

Summer 2025

Following the July Board Meeting

- Informational packets were mailed to **~330K** retirees with PY 2026 information

Winter 2025

- ID cards mailed



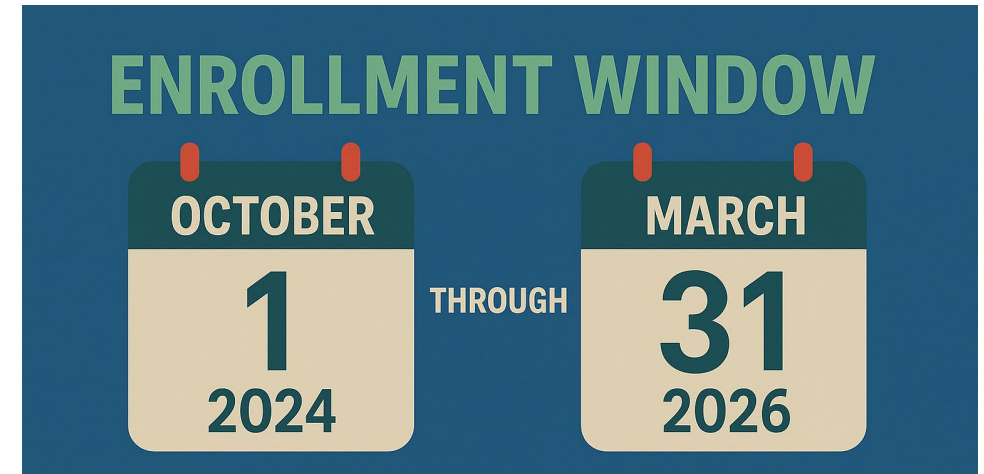
Over 5,000 Retirees Signed Up for TRS-Care Health Fairs





Limited-Time Enrollment Opportunity for Medicare-eligible Retirees

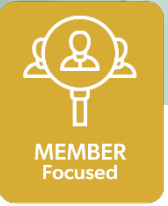
- Limited-Time Enrollment Opportunity (LTEO) allows Medicare-eligible retirees (and their eligible dependents) to enroll in or rejoin TRS-Care Medicare Advantage
- Participants **must be enrolled in and maintain Medicare Part B**
- **Call TRS Health** for more information and to take advantage of the LTEO



3,400+ participants have enrolled since Oct. 1, 2024



New Ways to Save through Member Rewards

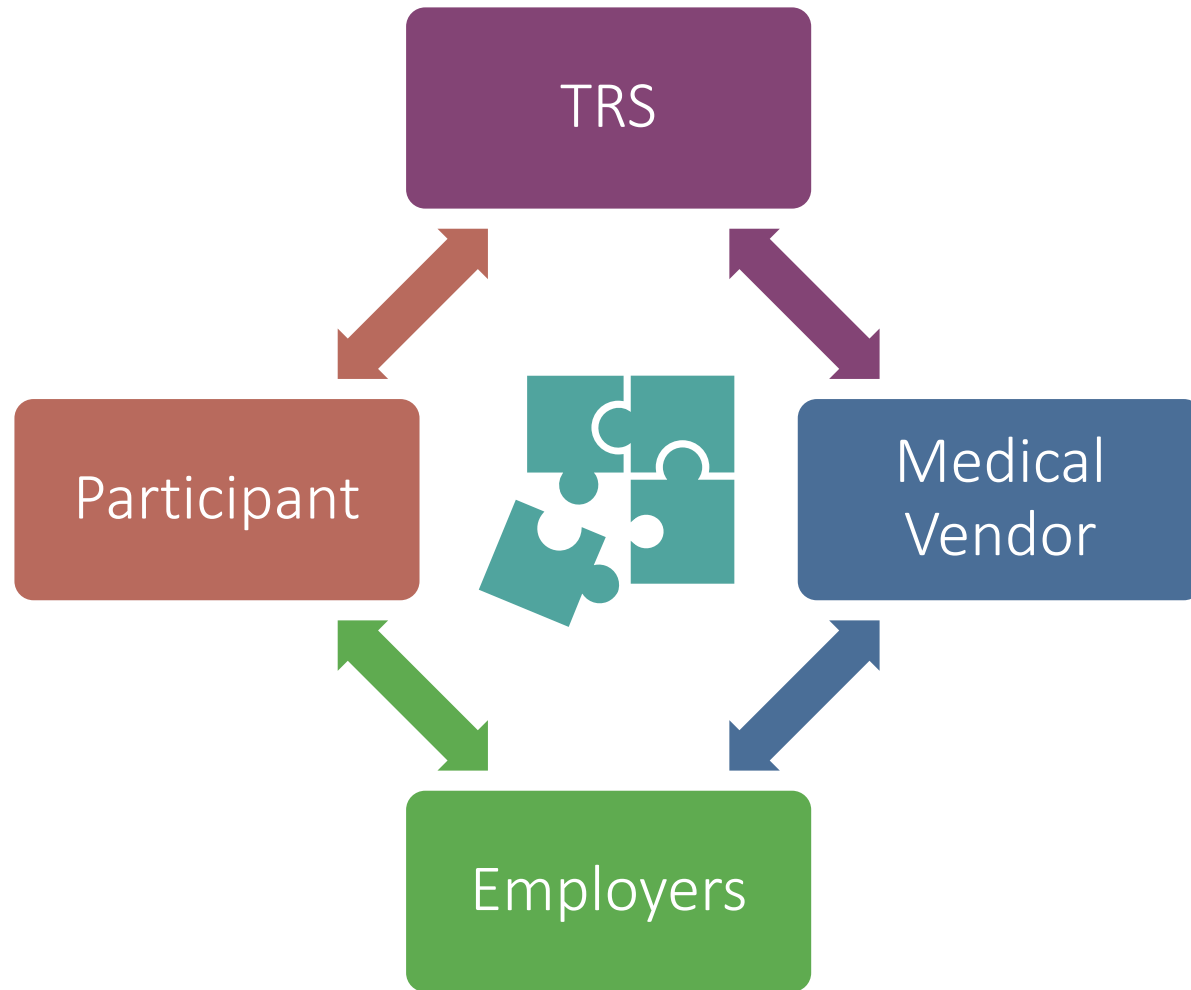


- Member Rewards are now offered to under-65 retirees, enrolled in TRS-Care Standard.
- Retirees can earn up to \$599 per year for choosing a reward-eligible location or provider for their procedure or service.





How Does Member Rewards Work? Through Collaboration!



The results of this program are:

Care provided by highest-quality providers

Participants & Retirees earn rewards and lower out-of-pocket costs

Claims cost for TRS are lower which prevent premiums increases



Appendix

Fund Balances



Appendix: TRS-ActiveCare Fund Balance Projection Through 2027

Fiscal Year	Contributions							Expenditures					Ending Balance (Incurred Basis)
	State/District Contributions	Supplemental Appropriations	Employee Contributions	HMO Contributions	LTC	Other Income	Total Revenue	Medical Incurred	Drug Incurred (Includes Rebates)	HMO Premium Payments	Administrative Costs	Total Expenses	
FY 2019	\$1,049,243,657		\$881,998,119	\$246,513,026	\$146,090	\$11,162,989	\$2,189,063,880	\$1,459,520,631	\$254,168,852	\$243,198,667	\$123,514,885	\$2,080,403,035	\$164,953,230
FY 2020	\$1,035,176,542		\$870,173,250	\$260,364,669	\$145,265	\$8,121,853	\$2,173,981,579	\$1,522,489,616	\$271,480,529	\$256,850,839	\$119,814,483	\$2,170,635,466	\$168,299,343
FY 2021	\$1,011,525,120		\$850,291,777	\$176,981,437	\$142,718	\$1,853,676	\$2,040,794,727	\$1,615,822,471	\$285,092,897	\$173,297,782	\$78,637,967	\$2,152,851,116	\$56,242,954
FY 2022	\$1,033,743,632	\$638,337,761	\$868,968,740	\$149,833,982	\$0	\$1,656,095	\$2,692,540,210	\$1,690,700,579	\$293,845,034	\$146,752,232	\$69,945,345	\$2,201,243,189	\$547,539,975
FY 2023	\$952,097,761		\$800,336,918	\$85,603,456	\$0	\$27,739,322	\$1,865,777,457	\$1,683,988,310	\$288,020,255	\$83,782,801	\$73,689,100	\$2,129,480,467	\$283,836,966
FY 2024	\$1,088,669,143	\$588,518,000	\$757,221,705	\$67,899,516	\$0	\$48,200,848	\$2,550,509,213	\$1,741,530,426	\$251,690,274	\$72,524,931	\$80,123,736	\$2,145,869,368	\$688,476,811
FY 2025	\$1,208,626,518		\$840,657,824	\$7,677,801	\$0	\$35,068,036	\$2,092,030,178	\$1,992,044,970	\$314,080,455	\$7,579,791	\$83,472,005	\$2,397,177,220	\$383,329,769
FY 2026	\$1,334,003,220	\$192,000,000	\$927,863,345	\$9,480,947	\$0	\$16,599,023	\$2,479,946,535	\$2,094,949,078	\$367,394,580	\$9,384,467	\$85,289,752	\$2,557,017,876	\$306,258,428
FY 2027	\$1,463,797,735	\$177,000,000	\$1,018,141,668	\$9,765,375	\$0	\$6,017,384	\$2,674,722,162	\$2,204,933,904	\$415,535,900	\$9,668,895	\$88,793,969	\$2,718,932,668	\$262,047,922

Notes:

- Invoice data through May 31, 2025
- Medical trend: 6% in FY25 (Higher trend used in FY25 to account for new districts). 5.5% trend in FY26 and reduced by 0.25% each year thereafter with a 4% minimum.
- Pharmacy trend: 9% through FY 26; reduced by 0.25% each year thereafter with a 6% minimum.
- Prior to FY2018: State contributions are equal to \$75 per employee per month. District contributions are equal to \$150 per employee per month.
FY2018 and Forward: State/District Contributions are based on September actual contributions.
- Interest rate assumed in FY25 is 5.08%. Rate decreases by a factor of 25% each year with a minimum of 0.5%.
- Average premium rate increase of 9.7% is assumed for FY27.
- Includes state supplemental appropriations of \$192 million in FY26 and \$177 million in FY27.
- The ActiveCare Fund balance is managed to prevent a deficit through premium and benefit adjustments.



Appendix: TRS-Care Fund Balance Projection Through 2027

	Contributions								Expenditures			
Fiscal Year	Retiree Contributions	State Contributions	Supplemental Appropriations	Active Employee Contributions	District Contributions	Investment Income	CMS, Part D and EGWP Subsidies		Medical Expenses	Drug Expenses	Administrative Costs	Ending Balance (Incurred Basis)
FY 2017*	\$373,229,610	\$328,063,352	\$15,559,552	\$213,241,179	\$191,057,800	\$5,225,993	\$195,396,219		\$807,831,048	\$734,805,874	\$51,885,051	\$368,737,886
FY 2018	\$488,069,004	\$425,625,726	\$394,600,000	\$221,325,377	\$266,061,322	\$10,930,281	\$183,159,406		\$840,420,584	\$669,082,906	\$50,430,879	\$798,574,633
FY 2019	\$517,965,033	\$437,189,334	\$73,641,562	\$227,338,454	\$273,110,251	\$25,046,771	\$321,106,153		\$688,148,611	\$648,749,351	\$45,051,884	\$1,292,022,346
FY 2020	\$499,057,861	\$468,330,999	\$230,756,971	\$243,532,120	\$292,411,364	\$25,396,789	\$317,440,892		\$659,668,989	\$668,307,637	\$44,654,785	\$1,996,317,930
FY 2021	\$533,592,849	\$481,564,562	\$5,520,343	\$250,413,572	\$299,803,511	\$9,226,940	\$311,771,512		\$604,926,549	\$705,239,916	\$38,802,284	\$2,539,242,470
FY 2022	\$399,788,260	\$506,388,630	\$83,000,000	\$263,328,449	\$315,688,282	\$13,499,534	\$288,606,867		\$551,595,432	\$694,534,457	\$45,475,384	\$3,117,937,219
FY 2023	\$477,018,666	\$533,605,088	\$0	\$277,468,284	\$334,703,238	\$151,354,211	\$354,575,016		\$590,029,372	\$714,251,845	\$52,615,305	\$3,889,765,200
FY 2024	\$469,319,251	\$558,086,044	\$0	\$290,204,743	\$351,169,597	\$202,197,475	\$395,494,793		\$607,212,304	\$690,449,243	\$41,929,243	\$4,816,646,313
FY 2025	\$376,187,135	\$569,247,765	\$0	\$296,008,838	\$341,548,659	\$172,565,367	\$504,507,105		\$663,587,463	\$884,147,316	\$47,442,051	\$5,481,534,353
FY 2026	\$339,561,369	\$601,202,106	\$0	\$312,625,095	\$360,721,264	\$145,920,491	\$622,999,394		\$664,592,541	\$1,038,426,256	\$55,912,923	\$6,105,632,353
FY 2027	\$342,170,242	\$617,060,141	\$0	\$320,871,273	\$370,236,084	\$120,342,266	\$684,549,060		\$755,987,707	\$1,170,972,330	\$58,544,652	\$6,575,356,731

Notes:

- Invoice data through May 31, 2025
- The purpose of this report is to project revenue and expenses on an incurred basis and should not be used as a projection of cash flow. Cash flow projections are usually less than incurred primarily due to a delay in receipt of federal subsidies.
- State Contribution rate of 1.25%; District Contribution rate of 0.75%; and Active Contribution rate of 0.65% beginning Sept. 1, 2017.
- Medical trends: 7% through FY2025; reduced by 0.25% each year thereafter.
- Pharmacy trends: 7% through FY2025; 12% in FY2026 and reduced by 0.25% each year thereafter.
- Interest rate is set to match current returns and reduced by 25% a year with a floor of 0.5%.
- Expected increase in payroll from Texas House Bill 2 (HB 2) from 89th Legislative Session is accounted for in FY 2026 and FY 2027 projections.

*Note that there was a prior period adjustment to retiree contributions FY2017. This number will not tie to the Annual Comprehensive Financial Report as the adjustment is reflected here.



2025 TRS-Care Health Fair Schedule



**16 Health fairs in 16 cities
this fall!**



**Mark your
calendars!**

2025 Dates and Locations

August 12, 2025	Georgetown
August 13, 2025	College Station
August 21, 2025	Houston
August 26, 2025	Beaumont
August 28, 2025	Conroe
September 9, 2025	Mount Pleasant
September 10, 2025	Tyler
September 11, 2025	Mesquite
September 12, 2025	Arlington
September 16, 2025	Lubbock
September 25, 2025	El Paso
September 29, 2025	Wichita Falls
September 30, 2025	Abilene
October 7, 2025	Laredo
October 8, 2025	Harlingen
October 9, 2025	NE San Antonio



2025 TRS-Care Virtual Events



Online Event	Date	Time
Retire Healthy with TRS-Care Quarterly Webinar	February 12, 2025 May 21, 2025 July 16, 2025 October 21, 2025	10-11:30 a.m.
TRS-Care Medicare Advantage & You Quarterly Webinar	January 22, 2025 April 23, 2025 August 6, 2025 November 21, 2025	10-11:30 a.m.
TRS-Care Medicare Advantage Welcome Quarterly Webinar	March 26, 2025 June 25, 2025 October 3, 2025 December 2, 2025	1-2 p.m.
TRS-Care Medicare Advantage Webinar on 2026 Benefits	September 26, 2025 October 15, 2025	10-11:30 a.m.
TRS-Care Standard Webinar on 2026 Benefits	September 4, 2025 October 10, 2025	10-11:30 a.m.
TRS-Care Dental and TRS-Care Vision Webinar on 2026 Benefits	September 3, 2025 September 17, 2025	10-11:30 a.m.



**18 virtual events
during the year!**