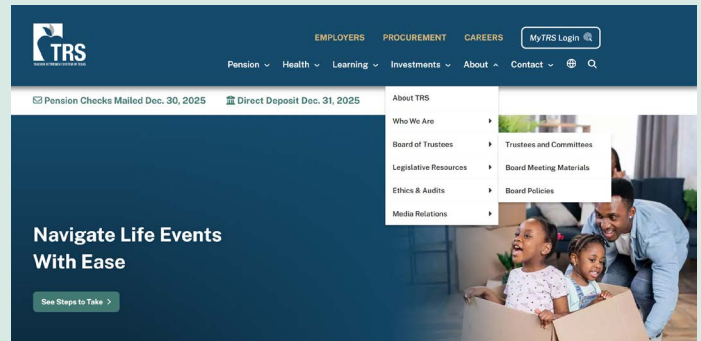


The Teacher Retirement System of Texas (TRS) Board of Trustees met **Dec. 4-5, 2025** at TRS headquarters at 4655 Mueller Blvd. in Austin. View board presentations by clicking on [December's board meeting materials](#).

Meeting webcasts are available at [www.trs.texas.gov](http://www.trs.texas.gov). For prior meeting videos, click on the site's "About" menu. Choose "Board of Trustees," and click on the right-side arrow. Click on "Board Meeting Materials." Scroll down that page to the Archives section and click

on options to the right of the meeting dates: Recordings, Summary, Minutes, Agenda and Board Books.



### Meeting Highlights

- Trust Fund Actuarial Valuation Released
- Read all about it: New FY 2025 Annual Comprehensive Financial Report

### Committee Agenda Highlights

#### Audit, Compliance and Ethics Committee

Trustees received an overview of the clean audit of the FY 2025 Annual Comprehensive Financial Report (ACFR) from the State Auditor's Office.

#### Benefits Committee

The **Chief Benefit Officer** shared an annual update on division operations, including the hire of a manager for the new Rio Grande Valley Regional Office. Eight counselors will staff that location, [TRS' second regional office after El Paso!](#) Opening date will be determined in the near future.

In the works, a plan to redesign the Contact Center's Interactive Voice Response (IVR) system and Agent Assist tools which is Pension Services' big AI initiative.

The Chief Health Care Officer presented a look at Health's engagement strategies with retirees as well as the plan year (FY 2025) update on TRS-ActiveCare enrollment and cost efficiencies. The team's slides appear on page 25.

### FY 2025 Quick Facts

- TRS' Benefits team sent nearly **1.4 million annual member statements**
- The team processed more than **26 thousand retirements**, 98% of those being processed within 31 days and outperforming FY 2024
- **\$13.6 billion** in annuity payments were made
- The TRS Contact Center averaged **17 seconds** to answer a member call

**"We aim to deliver targeted, timely, and impactful messaging that inspires action."**

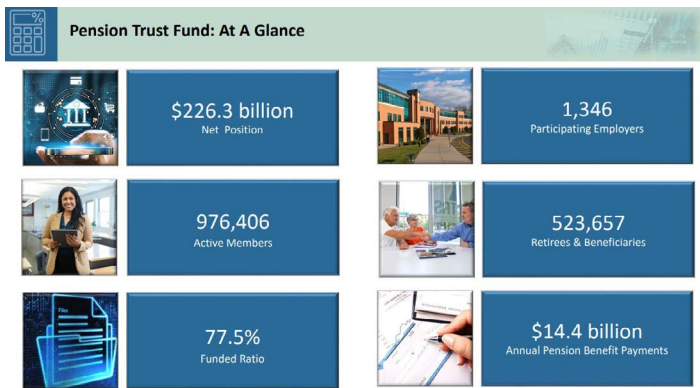
**- TRS Health Engagement Team**

Trustees also received the **2025 Member Satisfaction Survey** results from Elite Research. See committee slides from page 62 for graphs and actionable insights that are now underway. Overall member response rate was up 5% from 2024.

#### Budget Committee

This committee received a review of the latest [Annual Comprehensive Financial Report](#) (ACFR) from the Financial Services, Accounting and Reporting teams (see slides from page six of the committee book).

*continued on next page*



## Investment Management Committee

The Chief Investment Officer shared very good news from TRS' investment team, which produced an 11.5% return over the three-year period ending Sept. 30. That includes 190 basis points of excess return. In dollars put back into the fund? \$11 billion.

More performance data are on the slides from the board's new investment consultant Meketa. TRS' market value: \$229.3 billion, as of Sept. 30. Just five years ago, our fund was valued at \$162.6 billion, according to Meketa's slides from page 13 of the IMC book.

## Other Topics Discussed

Trustees heard from TRS' independent actuary on the **trust fund's annual actuarial valuation**. This year, Gabriel, Roeder, Smith & Company (GRS) reported an impact on our fund's funding period (see slides from page 43 of the board book).

This is the result of new legislation that increases salaries for some Texas public educators. When some of our members are paid more, their future annuities rise. It's a good thing for them, of course, but this impacts how long it would take to pay off TRS' future unfunded liabilities. [Watch GRS' presentation here \(Item 14\).](#)

That funding period is now 35 years. It's worth noting that this past year's investment performance helped with the impact but as expected during the legislative session, TRS is no longer actuarially sound. Soundness is defined under

state law as having a funding period of less than 31 years. None of this affects current annuity payouts.

GRS also spoke to the **Experience Study** (page 64 of the board book) which will help explain and verify assumptions used to determine the health of a pension fund. Some of the assumptions GRS will look at include when TRS members retire, expected benefit amounts paid out of the pension fund, and how long benefits will be paid to members or their beneficiaries.

The Deputy Director and GRS presented an update on the [Pension Plan Design Study](#) that was required by the 89<sup>th</sup> Legislature. The Texas Legislature tasked TRS with conducting what will be the third **pension benefit design study** since 2012:

*"Pension Plan Design Study. Out of funds appropriated elsewhere in this Act, the Teacher Retirement System (TRS) shall produce a report that compares TRS' current defined benefit plan with alternative benefit plan designs. The report shall consider workforce and demographic trends among TRS members and retirees and the actuarial and fiscal impacts of the alternative plan designs. The report shall be submitted to the Legislative Budget Board and the Governor no later than September 1, 2026."*

See the interesting slides on teacher metrics from page 79 of the board book on this and which TRS members take part in social security, based on a new survey. Trustees will hear more about the study at February's meeting.

[Ombuds Lori Labrie](#) shared her metrics, including 569 incoming emails and phone calls between last January and October. Member queries ranged from questions about investment strategy to discussions with beneficiaries who live overseas. Lori's slides appear from page 22 of the board book.

The first full TRS board meeting for 2026 is planned for Thurs. and Fri., Feb. 12-13, 2026, in person at our Austin headquarters in the Mueller Community.

Access all board materials [online](#), including agendas, board books and a link to webcasts.