

A Report on

The Teacher Retirement System's Pension and Retiree Health Insurance Plans

December 2003

Report No. 04-017



The Teacher Retirement System's Pension and Retiree Health Insurance Plans

Overall Conclusion

In our audit report dated November 10, 2003, we concluded that the basic financial statements of the Teacher Retirement System (System) for the fiscal year ended August 31, 2003, were materially correct in accordance with accounting principles generally accepted in the United States of America. We compliment the System because, for the sixth consecutive year, we found no instances of significant noncompliance or material weaknesses in internal control.

Other Issues of Legislative Interest

Although current member benefits are not in jeopardy, the System's pension and retiree health insurance plans are both facing important funding challenges comparable to similar benefit programs across the nation. Specific issues of legislative interest include the following:

- In fiscal year 2003, the market value of the pension plan's net assets rose to \$77.6 billion. However, based on the valuation the System's actuary made as of August 31, 2003, the pension plan's financial health continued to decline, as the increase in its projected funding shortfall (unfunded actuarial accrued liability) demonstrates. At the end of fiscal year 2003, the pension plan's projected funding shortfall was \$5.2 billion, a significant increase from the \$3.3 billion projected funding shortfall it faced at the end of fiscal year 2002. Although additional annual funding is not needed immediately to cover current member benefits, additional funding would be necessary over the long term to amortize the pension plan's unfunded liability. Assuming that pension benefits remain the same and investment returns do not improve significantly, additional funding (above the current contribution rates) of \$329 million per year would be needed to amortize the unfunded liability over a 30-year period.
- The System's actuary has advised the System that "caution is warranted" regarding the pension plan and that the System's Board of Trustees "should begin preparing the Legislature for a recommended increase in the contribution rate for the next

Background Information

Serving more than 1 million members, the Teacher Retirement System (System):

- Pays benefits to members and beneficiaries.
- Collects member contributions and maintains records of member accounts.
- Collects state contributions.
- Invests the pension trust fund.
- Administers the retirement plan.
- Administers health care plans.
- Provides guidelines for the certification of companies offering investment options under Internal Revenue Code Section 403(b) to school employees.

As of August 31, 2003, the System's pension plan had \$77.6 billion in net assets. It paid \$4.9 billion in benefits during fiscal year 2003.

As of August 31, 2003, the System's retiree health insurance plan had negative \$83.0 million in net assets. It paid \$571.7 million in benefits during fiscal year 2003.

Texas Government Code, Section 825.214, requires the System to obtain a financial audit. Our audit opinion is included in the financial section of the System's *Comprehensive Annual Financial Report*, which the System released on November 21, 2003. We also provided the System with a management letter and a report on compliance and internal control.



biennium." The actuary further advised that "for the foreseeable future, no benefit enhancements, including ad hoc increases, should be considered without significant contribution rate increases." If contributions are not increased and investment returns do not improve significantly, the Legislature would need to consider making other adjustments (such as changing the retirement eligibility requirements or adjusting other funding methods) to maintain the pension plan's actuarial soundness. The System plans to continue working closely with the Legislature and the Governor to ensure the viability of both the pension plan and the retiree health insurance plan.

The pension plan's investment returns, membership growth, benefit enhancements, and contribution changes have had a direct impact on its actuarial position. Pension plan benefits have increased significantly since 1991, contribution rates were reduced to 6 percent in 1995, and the pension plan experienced significant investment gains in the 1990s and significant investment losses early in the 2000s.

- Consistent with the System's actuary's smoothing process, the pension plan's actuarial valuation does not include \$11.4 billion in net investment losses that occurred in prior fiscal years. Although the pension plan realized investment gains during fiscal year 2003, those gains were not large enough to offset prior losses. The pension plan must still recognize its prior investment losses during the next three years in accordance with the System's actuary's use of a smoothing process to translate annual market returns to actuarial returns. To offset these losses, the System's actuary estimates that the pension plan would need to earn an average 12.7 percent return on investments during the next three years. The System's actuary has specified that it is unlikely the pension plan will be able to offset these losses and, even if it does, the \$5.2 billion unfunded liability would still necessitate an increase in the contribution rate.
- Even with the addition of \$124.7 million in supplemental state appropriations, the net assets of the System's retiree health insurance plan were negative \$83.0 million at the end of fiscal year 2003. Unlike the pension plan, which has sufficient funding to pay current member benefits, the retiree health insurance plan has faced increasing enrollment and rising health care costs that have presented this plan with funding challenges.

The 78th Legislature and the System's Board of Trustees made changes that will help the retiree health insurance plan remain solvent and be able to pay claims during the 2004-2005 biennium, but increases in both enrollment and health care costs may require further changes in the future to ensure that the plan stays solvent. To maintain the solvency of the retiree health insurance plan for the 2004-2005 biennium, the Legislature increased state and employee contributions and began requiring school districts to make contributions; the System's Board of Trustees also increased premiums and co-payments.

- In its Legislative Appropriations Request for the 2004-2005 biennium, the System requested \$1.369 billion to keep the retiree health insurance plan solvent through August 31, 2005. The Legislature appropriated \$758.6 million. The System projects that the difference between the amount the System requested and the amount it was appropriated will be covered by the increases in contributions, premiums, and co-payments.

- Recent changes to Medicare prescription drug benefits made at the federal level also could have a significant impact on the retiree health insurance program. The specific impact those changes could have is unknown at this time.

On September 1, 2002, the System launched TRS-ActiveCare, a statewide health care program for active school district employees and their dependents established by House Bill 3343 (77th Legislature). A self-funded health insurance plan, TRS-ActiveCare had net assets of \$136.4 million at the end of fiscal year 2003. It achieved an operating income of \$67.1 million during fiscal year 2003. As of September 1, 2003, a total of 992 of the 1,245 school districts in Texas participated in TRS-ActiveCare, and 129,973 employees and their 82,383 dependents were enrolled in the program.

Summary of Information Technology Review

Overall, the System's information systems appeared to be working properly and enabled the System to report financial results accurately. Results of our tests of reconciliations and the financial transactions that the System's information systems processed indicated that the System reported accurate amounts in its financial statements. In addition, access to the System's General Ledger Accounting System (GLAS) was limited to authorized personnel, although we noted that the System's accounting manuals need to be updated. Overall, the risk that information technology problems could lead to errors in the financial statements was minimal.

In the previous year, we reported that the System had started taking corrective action on weaknesses in the documentation of information security roles, policies, and standards by developing an information security manual. The System has now completed this manual.

As part of obtaining an understanding of internal controls relevant to the audit of the fiscal year 2003 basic financial statements, we performed the following information technology-related procedures:

- Reviewed computer center physical security controls
- Reviewed the System's on-line retirement benefit calculator program for processing integrity
- Reviewed the accounting system's edit controls and processing integrity, which included a reconciliation of financial statement balances to total fiscal year data from the accounting system
- Compared the list of current authorized users of GLAS with the list of terminated employees during fiscal year 2003 to determine whether the System had properly deactivated access for terminated employees
- Examined and relied on reviews of information systems conducted by other parties, such as the Department of Information Resources and the System's Internal Audit Department
- Identified key information systems the System used in financial reporting

Detailed Results

Chapter 1

Key Issues Regarding the Teacher Retirement System's Pension Plan

We issued an unqualified opinion on the Teacher Retirement System's (System) basic financial statements for the fiscal year ended August 31, 2003, and found that those statements were materially correct in accordance with accounting principles generally accepted in the United States of America. Conducting our audit of the System's financial statements also enabled us to obtain additional information on other issues of legislative interest.

The market value of the System's pension plan's net assets rose to \$77.6 billion in fiscal year 2003. However, based on the valuation the System's actuary made as of August 31, 2003, the financial health of the pension plan continued to decline. Although current member benefits are not in jeopardy, the pension plan's projected funding shortfall (unfunded actuarial accrued liability) was \$5.2 billion at the end of fiscal year 2003, a significant increase from the \$3.3 billion projected funding shortfall it faced at the end of fiscal year 2002. In addition, the pension plan's normal cost rate (the actuarial cost of benefits for newly hired participants) continues to exceed the combined employer and employee contribution rate. Consistent with its actuary's smoothing process, the pension plan's 2003 actuarial valuation does not include unrecognized net investment losses of \$11.4 billion that occurred in prior fiscal years. The pension plan realized investment gains during fiscal year 2003, but those gains were not large enough to offset prior losses.

Although additional annual funding is not needed immediately to cover current member benefits, additional funding would be necessary over the long term to amortize the pension plan's unfunded liability.

Assuming that pension plan benefits remain the same and investment returns do not improve significantly, additional funding (above the current contribution rates) of more than \$329 million per year would be needed to amortize the pension plan's unfunded liability over a 30-year period.¹

According to the System's actuary, current employer and employee contribution rates are not sufficient to amortize projected funding shortfalls. The pension plan's normal cost rate of 12.46 percent of pay continues to exceed the combined employer and employee contribution rate of 12.40 percent. Coupled with the fact that the pension plan has been underfunded for the past two fiscal years, this means that there are no excess contributions available to amortize future funding shortfalls.

Several Factors Affect the Soundness of the Pension Plan

Even small changes in any of the following can have a significant, long-term impact on the soundness of the pension fund:

- Investment gains and losses
- Number of participants the plan serves
- The level of benefits participants receive
- The number of teachers across the state
- Teacher salaries across the state
- The level of employer and employee contributions
- Actuarial assumptions, including investment rates of return, projected salary increases, and the inflation rate
- Legislative benefit enhancements such as benefit multiplier increases or ad hoc increases

¹ The System's actuary performs this calculation for a 30-year amortization period in accordance with Governmental Accounting Standards Board (GASB) Statement No. 25.

To maintain actuarial soundness, Governmental Accounting Standards Board (GASB) Statement No. 25 requires an employer's annual required contributions to cover the employer's normal cost. If an employer's contributions do not cover normal cost, GASB Statement No. 27 requires the accrual of a liability for the difference between annual pension costs and the employer's contribution. Therefore, because the normal cost rate of the System's pension plan exceeds the combined employer and employee contribution rate, GASB Statement No. 27 required the State to accrue a \$230.2 million liability on its fiscal year 2002 Consolidated Annual Financial Report. This is important because bond-rating agencies consider the State's financial position when they rate state-issued bonds.

If contributions are not increased and investment returns do not improve significantly, the Legislature would need to consider making other adjustments (such as changing the retirement eligibility requirements or adjusting other funding methods) to maintain the pension plan's actuarial soundness. The System plans to continue working closely with the Legislature and the Governor to ensure the viability of both the pension plan and the retiree health insurance plan. Its actuary has advised the System that "caution is warranted" and that the System's Board of Trustees "should begin preparing the Legislature for a recommended increase in the contribution rate for the next biennium." The actuary further advised that "for the foreseeable future, no benefit enhancements, including ad hoc increases, should be considered without significant contribution rate increases."

According to the actuary's report, the employer contribution rate would need to increase from 6.0 percent of pay to 7.39 percent of pay to (1) cover the normal cost rate and (2) amortize the projected funding shortfall (as of August 31, 2003) over the 30-year maximum amortization period specified in GASB Statement No. 25. Based on actual fiscal year 2003 contributions, the 1.39 percent increase in the employer contribution rate translates to approximately \$329 million in additional contributions each year: \$287 million in additional state contributions and \$42 million in additional school district contributions. Although this additional annual funding is not needed immediately to cover current member benefits, it would be necessary over the long term to amortize the pension plan's unfunded liability. Section 67(b)(3), Article 16, of the Texas Constitution restricts the state contribution rate to between 6 percent and 10 percent. From fiscal year 1980 through fiscal year 1995, the state contribution rate ranged from 7.10 percent to 8.50 percent of pay. Since fiscal year 1996, the state contribution rate has been 6.0 percent of pay.

The pension plan's status changed from fully funded in fiscal year 2001 to underfunded in fiscal year 2002; it remained underfunded in fiscal year 2003. At the end of fiscal year 2003, the plan's projected funding shortfall (the amount by which actuarial liabilities exceed actuarial assets) was \$5.2 billion, a significant increase from the \$3.3 billion projected funding shortfall the plan faced at the end of fiscal year 2002.

The pension plan was fully funded during fiscal years 1998–2001; however, during fiscal year 2002 its status changed to underfunded, as we reported in our fiscal year 2002 financial audit (see *An Audit of the Basic Financial Statements of the Teacher Retirement System for the Fiscal Year Ended August 31, 2002*, SAO Report No. 03-014, January 2003). The pension plan remained underfunded in fiscal year 2003.

According to the actuary's 2002 report, the change in the funded status occurred in fiscal year 2002 primarily because of declining stock market conditions during fiscal years 2001 and 2002. The pension plan's membership growth, benefit enhancements, and contribution changes also have had a direct impact on its actuarial position. Pension plan benefits have increased significantly since 1991, contribution rates were reduced to 6 percent in 1995, and the pension plan experienced significant

investment gains in the 1990s and significant investment losses early in the 2000s.

Statutory Provisions to Protect the Pension Fund Disallow Future Benefit Enhancements

Key statutory provisions enacted to protect the financial soundness of the pension fund disallow future benefit increases under certain circumstances. Specifically, Texas Government Code, Section 821.006, states that:

(a) A rate of member or state contributions to or a rate of interest or the rate of a fee required for the establishment of credit in the retirement system may not be reduced or eliminated, a type of service may not be made creditable in the retirement system, a limit on the maximum permissible amount of a type of creditable service may not be removed or raised, a new monetary benefit payable by the retirement system may not be established, and the determination of the amount of a monetary benefit from the system may not be increased, if, as a result of the particular action, the time, as determined by an actuarial valuation, required to amortize the unfunded actuarial liabilities of the retirement system would be increased to a period that exceeds 30 years by one or more years.

(b) If the amortization period for the unfunded actuarial liabilities of the retirement system exceeds 30 years by one or more years at the time an action described by Subsection (a) is proposed, the proposal may not be adopted if, as a result of the adoption, the amortization period would be increased, as determined by an actuarial valuation.

The time required to fund the pension plan's unfunded actuarial liability continues to exceed 31 years; in fact, it is infinite. The 31-year figure is significant because statute prohibits future benefit increases if the amortization period for the unfunded actuarial liabilities exceeds 31 years (see text box for additional details).

The System's actuary considers the System's pension plan to be "actuarially sound" as long as the length of time required to fund the unfunded actuarially accrued liability does not exceed 31 years. While it has not yet categorized the plan as unsound, the System's actuary stated that "in the absence of significant actuarial gains over the near term, an increase in the State contribution rate will be necessary to maintain the actuarial soundness of the System." The actuary further recommended that the System's Board of Trustees "begin laying the groundwork with the Legislature for an increase in the contribution rate." The actuary noted that,

although the Board of Trustees will have the results of another actuarial valuation prior to the 79th Legislative Session, the Board of Trustees must communicate to the "appropriate State Budget personnel that a request for additional funding will be forthcoming."

At the end of fiscal year 2003, the pension plan's funded ratio (the actuarial value of assets expressed as a percentage of the actuarial accrued liability) was 94.5 percent. At the end of the previous fiscal year, the funded ratio was 96.3 percent. While the pension plan has been underfunded in the last two fiscal years, as Table 1 indicates, its 94.5 percent funded ratio compares favorably with the funded ratios of other pension plans. However, the actuarial condition could deteriorate when the pension plan ultimately recognizes its \$11.4 billion in deferred losses.

Table 1 - Despite its underfunded status, the System pension plan's funded ratio compares favorably with other pension plans.

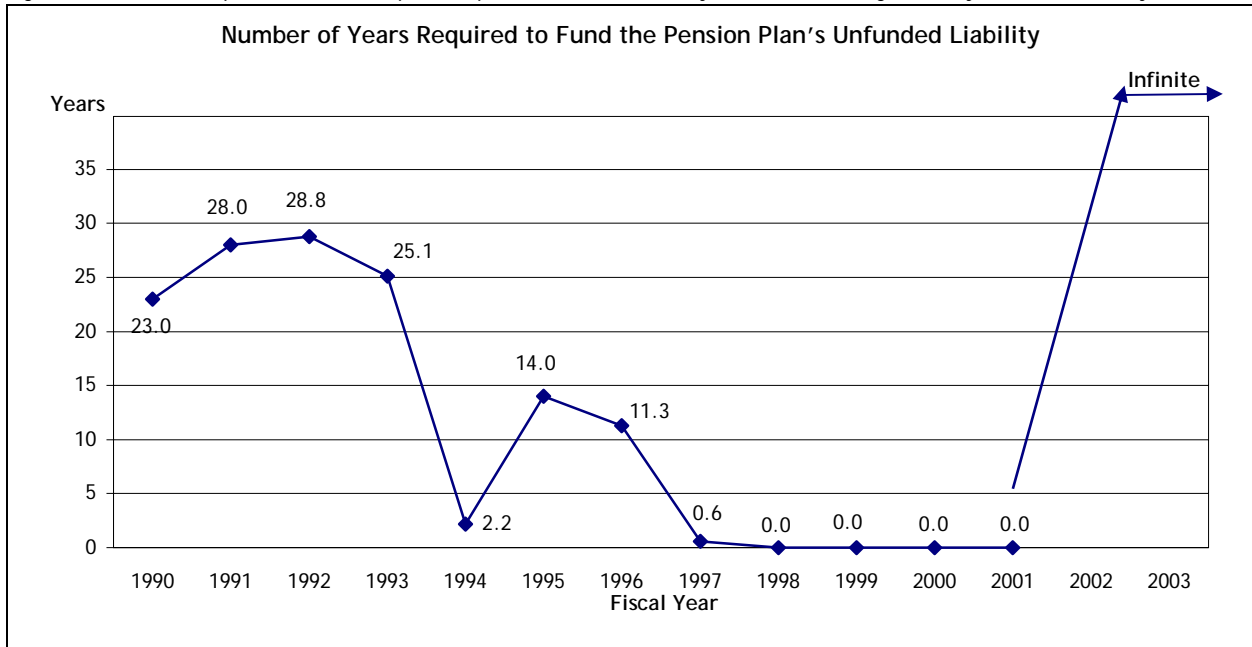
Comparison of the System's Pension Plan Ratio with Other Pension Plans				
State	Pension Plan	Funded Ratio	Net Assets	As of Date
Ohio	Public Employees' Retirement System of Ohio	102.6%	\$48.0 billion	December 31, 2002
		103.0%	\$53.8 billion	December 31, 2001
Texas	Employees Retirement System Fund	97.6% ^a	\$17.5 billion	August 31, 2003
		102.5%	\$16.4 billion	August 31, 2002
Texas	Teacher Retirement System Pension Plan	94.5%	\$77.6 billion	August 31, 2003
		96.3%	\$71.7 billion	August 31, 2002
Missouri	Public School Retirement System of Missouri	81.1%	\$20.0 billion	June 30, 2003
		95.3%	\$20.0 billion	June 30, 2002
New Mexico	Educational Retirement Board of New Mexico	81.1%	\$6.1 billion	June 30, 2003
		86.8%	\$6.0 billion	June 30, 2002
Oklahoma	Teachers' Retirement System of Oklahoma	54.0%	\$5.6 billion	June 30, 2003
		51.4%	\$5.4 billion	June 30, 2002
<p>Note: The information for the various pension plans presented above is not entirely comparable because of the varying valuation dates that appear in the last column.</p> <p>^a ERS changed its actuarial assumptions. If it had not changed them, its funded ratio would be 99.9 percent.</p>				

Sources: Gabriel, Roeder, Smith & Company, Consultants & Actuaries; *Employees Retirement System of Texas 2003 Annual Financial Report* (unaudited); *Employees Retirement System of Texas 2002 Comprehensive Annual Financial Report*; *Employees Retirement System of Texas Actuarial Valuation Report*, August 31, 2003; and *Employees Retirement System of Texas Actuarial Valuation Report*, August 31, 2002.

Private pension plans are subject to the funding requirements of the Employee Retirement Income Security Act (ERISA) of 1974, and their contributions are actuarially determined. The System's pension fund is not directly comparable to the private pension funds. However, it is important to note that if a private pension plan is underfunded by more than 10 percent, the employer is generally required to contribute additional funds, usually over a period of three to five years.

While the pension plan's funded ratio compares favorably with the funded ratios of other pension plans, the time required to fund the pension plan's unfunded actuarial liability has fluctuated significantly as its funded status has changed over the years. As Figure 1 shows, the time required to fund the pension plan's unfunded actuarial liability has ranged from a low of zero years in fiscal years 1998 through 2001 to an infinite number of years in fiscal years 2002 and 2003. Having an infinite amortization period means that the current actuarial funding shortfall will never be reduced or eliminated in the future under the current contribution rates, investment returns, benefit structure, and other actuarial assumptions. Significant changes will have to occur for the pension plan to emerge from the circumstances it began facing in fiscal year 2002.

Figure 1 - The time required to fund the pension plan's unfunded liability has fluctuated significantly over the last 13 years.



Source: Actuarial Valuation Presentation to the System's Board of Directors made by Gabriel, Roeder, Smith & Company, Consultants & Actuaries.

Consistent with the System's actuary's smoothing process, the pension plan's actuarial valuation does not include unrecognized net investment losses of \$11.4 billion that occurred in prior fiscal years. Although the pension plan realized investment gains during fiscal year 2003, those gains were not large enough to offset prior losses. The pension plan will need to recognize its prior losses during the next three years in accordance with the System's actuary's use of a smoothing process to translate annual market returns to actuarial returns.

The pension plan's 2003 actuarial valuation does not currently recognize net investment losses of \$11.4 billion that will be recognized during the next three years. The deferred investment losses were the product of negative investment returns resulting from declining stock market conditions for the previous two years. The pension plan's actuarial valuation has not yet incorporated all of the \$11.4 billion in investment losses because it uses a process to smooth out year-to-year fluctuations in market rates of return. In the smoothing process, the actuary recognizes only 20 percent of each year's investment gains or losses in the year they are earned. The remaining 80 percent is deferred and recognized equally over the next four years. Recognizing the \$11.4 billion in deferred losses could further deteriorate the pension plan's funded status by significantly increasing the unfunded liability.

The System's actuary estimates that the pension plan would need to earn an average 12.7 percent return on investments during the next three years to offset remaining deferred investment losses. The pension plan's average annual investment return for the last 5 fiscal years was 4.8 percent; for the last 10 fiscal years, the average annual investment return was 8.5 percent.

The pension plan's net assets increased by \$5.9 billion to \$77.6 billion during fiscal year 2003 because of positive investment returns.

The increase in net assets occurred because the pension plan achieved an 11.3 percent rate of return on investments in fiscal year 2003 (its benchmark rate of return was 11.1 percent). The pension plan's rate of return on investments was negative 7.8 percent in fiscal year 2002. As discussed above, for the last 10 fiscal years, the average annual investment return was 8.5 percent, which slightly exceeds the long-term target rate of 8.0 percent.

Pension plan membership increased to 1,080,768 (a 3.1 percent increase) during fiscal year 2003.

The number of current members increased by 2.0 percent to 863,291, while retirement recipient membership increased by 8.0 percent to 217,477. Pension plan deductions (primarily consisting of benefit payments) increased by 8.5 percent to \$5.0 billion in fiscal year 2003, largely because of growth in retiree membership.

The growth in retiree membership is expected to accelerate in the next few years in step with anticipated growth in the population of eligible retirees. The additional burden this will place on the pension plan reinforces the importance of strengthening the plan's financial position.

Chapter 2

Key Issues Regarding the Teacher Retirement System's Retiree Health Insurance Plan

Even with the addition of \$124.7 million in supplemental state appropriations, the net assets of the System's retiree health insurance plan were negative \$83.0 million at the end of fiscal year 2003. The System anticipated that the retiree health insurance plan's net assets would be negative.

Retiree Health Insurance Plan Funding Sources

Texas Insurance Code, Title 8, Chapter 1575, Subchapter E, specifies that:

- Each active employee shall contribute 0.5 percent of his or her salary.
- The State shall contribute 1.0 percent of the salary of each active employee. The State also may contribute additional amounts.
- School districts shall contribute an amount prescribed in the General Appropriations Act. For the 2004–2005 biennium, the General Appropriations Act (78th Legislature) required school districts to contribute 0.4 percent of the salary of each active employee.

Other funding sources include:

- Premiums paid by covered retirees.
- Deductibles, co-pays, and Medicare Part B premiums paid by covered retirees.
- Investment earnings.

The 78th Legislature and the System's Board of Trustees made changes that will help the retiree health insurance plan remain solvent and be able to pay claims during the 2004–2005 biennium, but increases in both enrollment and health care costs may require further changes in the future to ensure that the plan stays solvent. Unlike the pension plan, which has sufficient funding to pay current member benefits, the retiree health insurance plan is funded on a pay-as-you-go basis. Retiree health insurance plan costs must be updated on an annual basis to reflect membership growth, changes in health care costs, and other factors.

To maintain the solvency of the retiree health insurance plan for the 2004–2005 biennium, the Legislature increased state and employee contributions and began requiring school districts to make contributions; the System's Board of Trustees also increased premiums and co-payments.

In its Legislative Appropriations Request for the 2004–2005 biennium, the System requested \$1.369 billion to keep the retiree health insurance plan solvent through August 31, 2005. The Legislature appropriated \$758.6 million. The System projects that the difference between the amount the System requested and the amount it was appropriated will be covered by the increases in contributions, premiums, and co-payments. Recent changes to Medicare prescription drug benefits made at the federal level also could have a significant impact on the retiree health insurance program, although the specific impact these changes could have is unknown at this time.

Results of an external health claims audit for the period from May 1, 2002, through February 28, 2003, indicate that the accuracy of the retiree health insurance plan's health care claims compares favorably with that of plans of a similar size. The audit found 96.0 percent and 99.8 percent accuracy rates, respectively, for the number of claims and amount of claims processed by the external vendor.

Chapter 3

The System Launched TRS-ActiveCare in Fiscal Year 2003

On September 1, 2002, the System launched TRS-ActiveCare, a statewide health care program for active school district employees and their dependents established by House Bill 3343 (77th Legislature). A self-funded health insurance plan, TRS-ActiveCare had net assets of \$136.4 million at the end of fiscal year 2003. It also achieved an operating income of \$67.1 million during fiscal year 2003. As of September 1, 2003, a total of 992 of the 1,245 school districts in Texas participated in TRS-ActiveCare, and 129,973 employees and their 82,383 dependents were enrolled in the program.

The State Auditor's Office is currently conducting an audit of the implementation of TRS-ActiveCare and will issue a separate report on the results of that work.

Management's Responses

The Teacher Retirement System is proud of the fact that the System provides accurate and timely financial information while maintaining a strong control environment with no material weaknesses. We want to thank the State Auditor's Office for the professional manner in which they conducted the audit.

The System will continue to work with the Governor and the Legislative leadership to help address long-term funding needs for the pension fund and the retiree health care program.

Other Information

Objective, Scope, and Methodology

Objective

Our objective was to express an opinion on the Teacher Retirement System's (System) basic financial statements for the fiscal year ended August 31, 2003.

Scope

The scope of this audit included expressing an opinion on the System's basic financial statements in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Methodology

We gained an understanding of the System's overall control environment and internal controls to the extent necessary to plan the audit. We tested internal controls and significant accounts as deemed necessary to support our opinion.

Tests of accounts primarily included tests of detailed supporting transactions, confirmations of investments, and analytical review. In addition, we tested compliance with laws and regulations primarily related to investments, pension fund reserve account balances, and benefit payments. We also conducted interviews, administered questionnaires, reviewed documents, and recalculated significant amounts.

Distribution Information

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