

COAERS CONNECT

FALL 2020 | WWW.COAERS.ORG



City of Austin Employees' Retirement System



2020 Board of Trustees Elections Are Approaching

This Fall, COAERS is gearing up to hold concurrent elections for Retired Member Place 10 and a special election for Active Member Place 6. COAERS members will have the opportunity to cast their ballots and elect two new members to the COAERS Board of Trustees. Currently, Place 10 is held by Eyna Canales-Zarate, whose term expires at the end of December 2020, while Place 6 is held by Michael Benson, who will be leaving active membership to retire.

The Election Process

Every year, elections are held for active and retired trustee positions who serve on the 11-member Board of Trustees. As an active City of Austin employee, members can vote for their peers running for active board positions, while retiree members can vote for candidates running for retired positions. Once candidate applications are received and verified, ballots will be distributed to members via mail in late October and the election voting will commence. This year, members will also have the added benefit of voting online. In the coming months, we encourage our members to be on the lookout for election information in your mailboxes and email updates.

Become a Candidate

Are you interested in becoming a candidate for Place 6 or Place 10? The candidate application packets for Place 6 and Place 10 can be found on the COAERS website at www.coaers.org. To be eligible for the Place 10 election, candidates must be a retired member currently receiving a monthly annuity payment from COAERS. To run in the Place 6 Special Election, candidates must be an active member currently contributing to COAERS and not on a leave of absence. For the Place 6 election, please know that members currently employed by Austin Energy, Austin Water, and Public Works cannot run in this election since those departments are currently represented on the COAERS Board of Trustees.

If you wish to become a candidate for Place 6 or Place 10, please email Michelle Mahaini at michelle.mahaini@coaers.org for more information. The deadline for candidates to submit their completed application is September 18, 2020 at 5 pm. A Candidate Training Workshop is scheduled for Wednesday, September 23, 2020 to inform candidates of Trustee duties and responsibilities.

The election deadlines are subject to change, so please be sure to check www.coaers.org for the latest information about applications and other key election milestones.

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COAERS HOURS OF REMOTE OPERATION

COAERS offices remain closed to the public, however, our staff is standing by remotely to help via telephone, email, or virtual visits.

Monday - Friday
8:00 a.m. to 5:00 p.m.

Tel: (512) 458-2551
Fax: (512) 458-5650

www.coaers.org
member.services@coaers.org

COAERS BOARD OF TRUSTEES

Eyna Canales-Zarate - Chair
Ed Van Eenoo - Vice Chair
Stephanie Beach
Mike Benson
Amy Hunter
Yuejiao Liu
Frank Merriman
Chris Noak
Leslie Pool
Anthony B. Ross, Sr.
Randy Spencer



Actuarial Assumptions Changes to Take Effect January 2021

During the August meeting of the COAERS Board of Trustees, the Board voted to approve the final date for implementing the recent changes in actuarial assumptions. The changes will go into effect starting January 1, 2021. Earlier this year, the Board postponed the scheduled July 2020 implementation.

Funding a pension benefit requires the use of projections, known as actuarial assumptions. Actuarial assumptions include economic assumptions, such as long-term rates of investment return, inflation, and salary increases, and demographic assumptions such as rates of retirement and life expectancies.

The current adopted assumptions changes may affect several categories of benefits calculations including:

- Service Purchase Calculations
- Partial Lump Sum Calculations
- Early Retirement Reduction Factors for Group B Members
- Joint & Survivor Annuity Factors
- Internal Revenue Code Section 415 Limitations
- Retirees Who Return to Work and Suspend Benefits

COAERS expects the costs for Supplementary, Non-contributory, and Military service purchases to increase beginning January 1, 2021. Members wishing to make these purchases

before the cost increases should contact Member Services. Below are the remaining monthly deadlines in 2020 to make these purchases before January 2021:

- September 25, 2020
- October 23, 2020
- November 25, 2020
- December 11, 2020

Whether you are planning for retirement in 2020 or 2021, you can contact our Member Services team for assistance with service purchases and to receive a benefit estimate. Please contact member.services@coaers.org or download the request form at www.coaers.org.



COAERS, City of Austin Discuss Plan Sustainability and Funding Challenges

Over the past few years, the COAERS Board has been proactively reviewing the long-term financial health and sustainability of the retirement system. The Board engaged in a comprehensive assessment of the System to address potential challenges, such as future lower investment returns due to lower inflation and interest rates, liability growth, the challenges of a fixed contribution policy, and demographic changes.

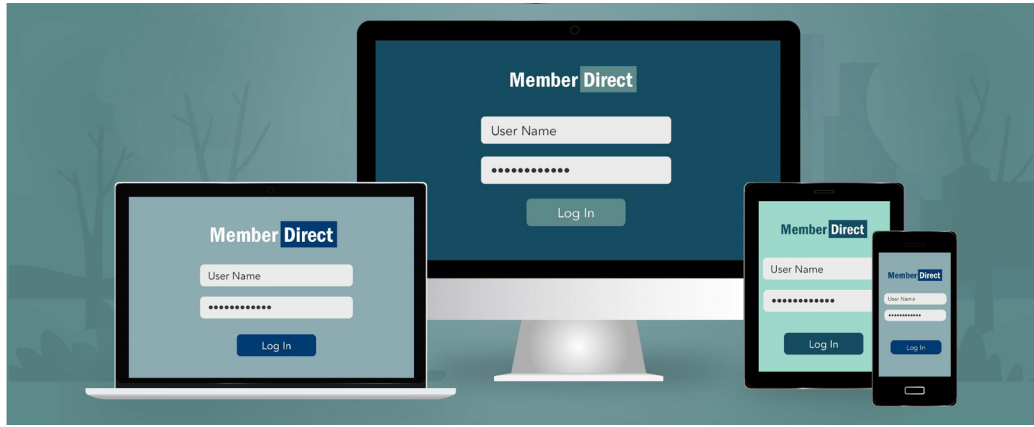
As a part of its ongoing review, the Board adopted a policy framework to tackle future challenges focused on three key tenets:

- Enact a more flexible contribution policy to manage the risks to the System and pay the unfunded actuarial accrued liability and normal cost of the System over an appropriate time period.
- To the extent necessary, amend benefit policies to ensure that the System's obligations can be met for all generations of COAERS members.
- Utilize appropriate risk-sharing between the City and employees to manage the risks inherent in funding a defined benefit plan.

COAERS is working with the City of Austin on proposed solutions to strengthen the System. In June, the City Council's Audit and Finance Committee reviewed the Board's policy recommendations and directed City staff to develop concepts and legislative proposals for retirement system amendments and plan changes. Most recently, COAERS joined the City's working group to discuss and evaluate the City's proposals.

While the City of Austin and COAERS continue to collaborate proactively to resolve future funding challenges, it's important to note that the retirement system is not in crisis and any proposed policy changes will not affect the accrued benefits of COAERS members. COAERS remains in good financial standing to continue delivering benefits for decades to come. However, as fiduciaries, the COAERS Board takes its responsibility seriously to ensure that every past, present, and future City employee receives the benefits promised.

We will keep you well informed of our progress and City of Austin's legislative proposals related to COAERS.



MemberDirect Online Portal to Launch this Fall

COAERS is preparing for the launch of its new online information portal for members, called MemberDirect. The new online portal will allow members to securely access their retirement account and information from anywhere, anytime, and on any device.

Through MemberDirect, active COAERS members will instantly know when they're eligible for retirement, obtain benefit estimates, see options for survivor benefits, and view how deductions and insurance will affect retirement take-home pay. Retired COAERS members will be able to easily access their 1099-R forms, review benefit payment details, update tax withholdings and view payment history. All members can see beneficiaries, update contact information, securely communicate with COAERS staff, obtain forms, and receive important notifications electronically.

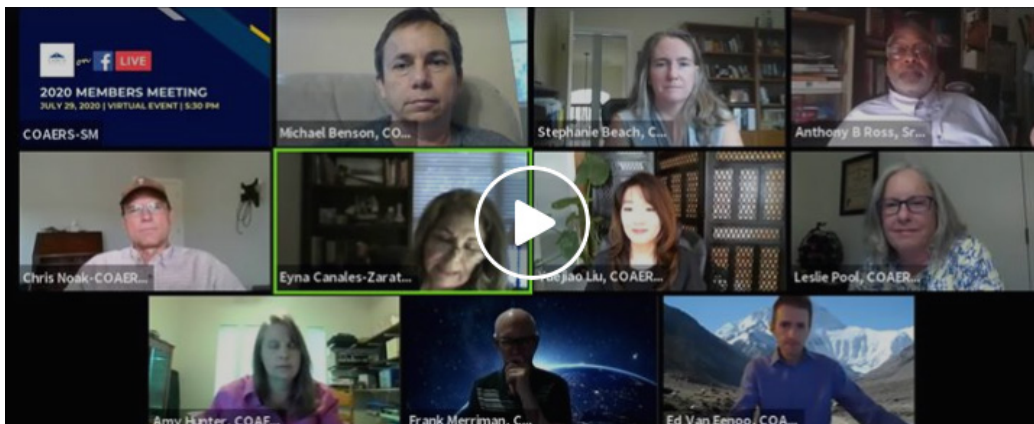
Register for MemberDirect

Starting this Fall, COAERS members will be able to register for a MemberDirect account on our website. Be sure to email news@coaers.org to sign up for MemberDirect launch updates, important announcements, and to receive information about how to register.



Register for the Pre-Retirement Virtual Seminar on October 28

Preparing for retirement is one of the most important things you will do. As you plan for this significant decision, COAERS invites active members who are approaching retirement to join our Pre-Retirement Virtual Seminar on October 28 at 2 pm. Learn about the retirement process, your retirement eligibility, retirement benefit payments, service credits, and much more. To register, visit: www.coaers.org/events. For questions contact member.services@coaers.org or (512) 458-2551.

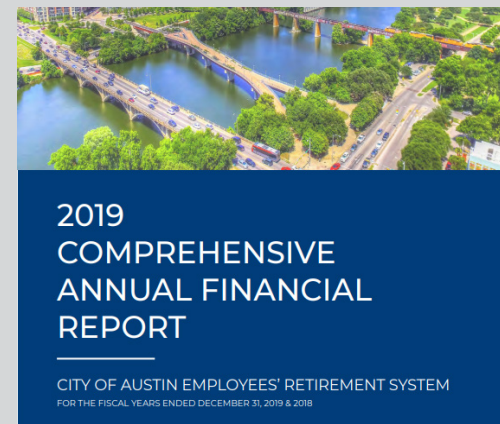


Annual Member Meeting Made Its Digital Debut

On July 29, COAERS members joined the first virtual broadcast of the Annual Member Meeting. This year, in light of the COVID-19 pandemic, the event was held virtually and livestreamed on www.facebook.com/coaers.

The event featured the COAERS Board of Trustees, as well as presentations from Executive Director Christopher Hanson and Chief Investment Officer David Veal. Mr. Hanson provided an update about current organizational operations, COAERS initiatives around membership communication, access, risk management, benchmarking, and reviewed the System's ongoing work on plan sustainability. Mr. Veal outlined the key tenets of COAERS' investment model and portfolio. He also reported on investment performance, cost control measures, as well as how COAERS is protecting itself against emerging risks. Additionally, Trustees and the Executive Team answered questions about the retirement system submitted by COAERS members.

Thank you to all our COAERS members for tuning in and joining our 2020 Member Meeting. If you missed the live event, visit our website at www.coaers.org to watch the meeting replay.



Annual Financial Report Is Now Available

The 2019 Comprehensive Annual Financial Report (CAFR) for COAERS is now available. The annual report provides an overview of the retirement system including detailed information about the financial, investment and actuarial aspects of the System.

For the latest copy of the report, visit www.coaers.org/resources/CAFR.

If you have any questions regarding the CAFR and how to access it, please contact us at news@coaers.org or call (512) 458-2551.

CONNECT WITH US



(512) 458-2551

www.coaers.org
member.services@coaers.org



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IMPORTANT 2020 DATES

SEPTEMBER

9/7 Labor Day Holiday (Office Closed)
9/15 Retirement Application Deadline
9/25 Service Purchase Deadline
9/30 Retiree Payday

OCTOBER

10/15 Retirement Application
Deadline
10/23 Service Purchase Deadline
10/28 Pre-Retirement Virtual Seminar
10/31 Retiree Payday

NOVEMBER

11/11 Veterans Day (Office Closed)
11/13 Retirement Application Deadline
11/25 Service Purchase Deadline

NOVEMBER (continued)

11/26 & 11/27 Thanksgiving Holiday
(Office Closed)
11/30 Retiree Payday

DECEMBER

12/11 Service Purchase Deadline
12/15 Retirement Application Deadline
12/24 Christmas Holiday
(Office Closed)
12/25 Christmas Holiday
(Office Closed)
12/31 Retiree Payday

JANUARY 2021

1/1 New Year's Day (Office Closed)
1/15 Retirement Application Deadline
1/31 Retiree Payday



City of Austin Employees' Retirement System

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DISCLAIMER:

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CITY OF AUSTIN EMPLOYEES' RETIREMENT SYSTEM

FALL
NEWSLETTER

