September 2026

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 17 - 18, 2026, 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 17 - 18, 2026, 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 17, 2026 – 4:00 p.m.
September 18, 2026 – 9:00 a.m.

1. Call roll of Committee members.

2. Consent Agenda: Consider the following items that may be taken up by consent without discussion– Committee Chair:
   A. Approval of the proposed July 2026 committee meeting minutes (Agenda Item 3);
   B. Recommending to the Board acceptance of the Medical Board meeting minutes of May and July 2026 (Agenda Item 4A); and
   C. Recommending to the Board approval of Benefit Payments for June – August 2026 (Agenda Item 4B).

3. Consider the approval of the proposed minutes of the July 2026 committee meeting – Committee Chair (Consent Agenda Item 2A).

4. Receive an update and consider the following regarding TRS pension services – Barbie Pearson and Deanna DeGraw:
   A. Consider recommending to the Board acceptance of the Medical Board Meeting minutes for May and July 2026 meeting (Consent agenda Item 2B);
   B. Consider recommending to the Board approval of Benefit Payments for June – August 2026 (Consent agenda Item 2C); and

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.

C. Receive Pension Services operational update including an overview of the Benefit Operations Support Department.

5. Receive updates on TRS-Care and TRS-ActiveCare Programs, with a focus on Operations and Customer Service and consider recommending to the Board approval of the appointment of a member to the Retirees Advisory Committee (RAC) for the vacated active school administrator position – Meaghan Bludau and Chris Herrick.

TAB 3

Minutes of the Benefits Committee
July 16, 2026

The Benefits Committee of the Board of Trustees of the Teacher Retirement System of Texas met on July 16, 2026, in the boardroom located on the Second Floor of TRS' offices located at 4655 Mueller Blvd, Austin, Texas, 78723.

Committee members:

Ms. Laronda Graf, Chair
Ms. Brittny Allred
Dr. Pete Pape
Mr. Dan West

Other TRS Board Members Present:

Mr. John Elliott
Mr. Robert H. Walls, Jr.
Mr. Elvis Williams

Others who participated:

Brian Guthrie, TRS
Caasi Lamb, TRS
Barbie Pearson, TRS
Scott Murphy, TRS
Sunitha Downing, TRS
Katrina Daniel, TRS
Meaghan Bludau, TRS
Matt Pasyk, TRS
Katherine Farrell, TRS
Suzanne Dugan, Cohen Milstein
Renee Paulson, PhD, Elite Research
Kirsten Schatten, Segal

Benefits Committee Chair, Ms. Laronda Graf, called the meeting to order at 11:26 a.m.

1. Call roll of Committee members.

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

2. Consent Agenda: Consider the following items that may be taken up by consent without discussion - Committee Chair:

- **A. Approval of the proposed April 2026 committee meeting minutes (Agenda Item 3);**
- **B. Recommending to the Board acceptance of the Medical Board meeting minutes of March 2026 (Agenda Item 4A);**
- **C. Recommending to the Board approval of Benefit Payments for March through May 2026 (Agenda Item 4B);**
- **D. Recommending to the Board approval of the premiums and benefits for the TRS-Care Optional Dental plan for plan year 2027 (Agenda Item 6C); and**
- **E. Recommending to the Board approval of the premiums and benefits for the TRS-Care Optional Vision plan for plan year 2027 (Agenda Item 6D).**

On a motion by Ms. Allred, seconded by Dr. Pape, the committee voted to approve all items on the consent agenda.

3. Consider the approval of the proposed minutes of the April 2026 committee meeting (Proposed Consent Agenda 2A) - Committee Chair.

This item was considered and approved as part of the consent agenda under Agenda Item 2.

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

A. Consider recommending to the Board acceptance of the Medical Board meeting minutes for March 2026 - Barbie Pearson (Proposed Consent Agenda 2B);

B. Consider recommending to the Board approval of Benefit Payments for March through May 2026 - Barbie Pearson (Proposed Consent Agenda 2C);

Items 4A and 4B were considered and approved as part of the consent agenda under Agenda Item 2.

C. Consider recommending to the Board appointments to the Medical Board – Barbie Pearson.

Ms. Barbie Pearson reviewed how in February of last year a notice of opportunity for appointment to the Medical Board was posted and several candidates were identified and the Board approved a contingency pool. She reported Dr. Rothschild's contract expires on August 31, 2026. She said staff recommended appointing Dr. Tiffany Dugas from the previously approved contingency pool for a two-year term beginning September 1, 2026, and ending August 31, 2028.

On a motion by Ms. Allred, seconded by Dr. Pape, the committee voted to recommend to the Board the appointment of Dr. Tiffany Dugas to the Medical Board, as presented by staff.

RESOLUTION TO APPOINT TRS MEDICAL BOARD MEMBER

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 one of the current three members will expire August 31, 2026;

Whereas, The Board of Trustees designated Dr. Tiffany Dugas as an alternate Medical Board member in July 2025;

Whereas, TRS staff recommends that the Board of Trustees appoint Dr. Tiffany Dugas as a member of the TRS Medical Board effective September 1, 2026, for a two-year term that ends on August 31, 2028; now therefore, be it

Resolved, That the Board of Trustees appoints Dr. Tiffany Dugas to the TRS Medical Board for a two-year term beginning on September 1, 2026 and expiring on August 31, 2028;

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. Tiffany Dugas 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. Tiffany Dugas for two years coinciding with the term of her 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. Additionally, the Executive Director or his designee is hereby authorized to take any contract actions he may deem appropriate during the contract term, including but not limited to, amending or terminating the contract.

D. Pension Services Operational Update including an overview of the Contact Center Operations - Barbie Pearson, Adam Fambrough and Scott Murphy.

Ms. Pearson reported that Pension Services was meeting eleven of twelve performance objectives. She stated that the Contact Center service-level objective, 90 percent of calls within three minutes, was not being met because of staffing challenges. She stated that through May, 72 percent of calls had been answered within three minutes. She also reviewed outreach to members with inactive or potentially inactive accounts, progress on the El Paso regional office lease and retirement processing activity that has a 10.4 percent increase over the previous fiscal year. She concluded her report by providing a quick update on initiatives. Ms. Pearson described enhancements to the interactive voice response system, employer engagement resources, the expanded online retirement process, employer reporting training, and planned use of Copilot to surface knowledge-base articles and summarize calls for counselors.

Mr. Scott Murphy provided an overview of Contact Center operations which he noted was the first place of contact for members. He stated that the Contact Center handles approximately 700,000 calls and 55,000 secure messages annually with 130 retirement counselors. He reviewed service expectations concerning accessibility, courtesy, knowledge and follow-through, as well as forecasting, scheduling, quality evaluations and counselor training. He noted the service level objective of answering 90 percent of calls within three minutes will be met soon. Ms. Pearson noted the increase in call-volume during the summer and the new class training.

5. Receive the 2026 Reporting Employer Satisfaction Survey Results - Sunitha Downing and Dr. Rene Paulson, Elite Research.

Ms. Sunitha Downing provided background on the annual survey of reporting employers (REs). Dr. Renee Paulson reported that results were generally similar to the prior year, with RE coaches rated higher than overall TRS quality and satisfaction. She noted improved satisfaction with nearly all resources and that, for the first time, a majority of respondents were very satisfied with the agency overall. She identified communication, response time and availability as areas raised by respondents for opportunities to improve relationships with REs.

Ms. Graf announced, without objection, taking up agenda items 6 -9 together.

6. Receive updates and consider recommending to the Board approval of the premiums and benefits for the following TRS-Care health insurance benefits plans - Katrina Daniel:

- **A. Premiums for the TRS-Care Medicare Advantage plans, including COBRA rates, for plan year 2027;**
- **B. Premiums and benefits for the TRS-Care Standard plan, including COBRA rates, for plan year 2027;**
- **C. Premiums and benefits for the TRS-Care Optional Dental plan for plan year 2027 (Proposed Consent Agenda Item 2D); and**
- **D. Premiums and benefits for the TRS-Care Optional Vision plan for plan year 2027 (Proposed Consent Agenda Item 2E).**

7. Consider and recommend to the Board approval to reduce the TRS-Care surcharge for return-to-work retirees - Katrina Daniel, Meaghan Bludau, Matt Pasyk, and Kirsten Schatten.

Ms. Meaghan Bludau presented staff's recommendation to reduce TRS-Care Medicare Advantage premiums by 27 percent beginning January 2027 while maintaining current benefits. She noted this was the second premium reduction for the Medicare Advantage plan since 2018, when there were significant plan changes to the retiree plans. She said since then, the fund balance has continued to grow and is now in a very healthy position allowing for staff to make the recommendation to lower premiums. She also described a limited-time enrollment opportunity for eligible retirees beginning in October 2026 and continuing through March 2028. Mr. Matt Pasyk explained that favorable Medicare market experience and active plan management that has also contributed to the fund's financial position supporting the proposed reduction.

Ms. Bludau stated staff's proposal for TRS-Care Standard as maintaining premiums at current levels and increasing deductibles as required for a high-deductible health plan to retain health savings account eligibility. She also reviewed recommended COBRA rate adjustments. She stated the Optional Dental and Optional Vision plan premiums and benefits were approved earlier under the consent agenda without changes. Ms. Bludau presented staff's recommendation to reduce the monthly TRS-Care surcharge for return-to-work retirees from $535 to $450, effective September 1, 2027.

On a motion by Ms. Allred, seconded by Dr. Pape, the committee voted to recommend to the Board the adoption of the following resolutions approving premiums and benefits for plan year 2027 for the following TRS-Care plans: TRS-Care Medicare Advantage plans, including COBRA rates; TRS-Care Standard plan, including COBRA rates and the reduction of the TRS-Care surcharge for return-to-work retirees, as presented by staff:

RESOLUTION APPROVING BENEFIT AND PREMIUM RATES
FOR THE TRS-CARE MEDICARE ADVANTAGE PLAN PY 2027

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, TRS staff and the consultants assisting staff ("the Consultants") are not recommending any benefit changes for the TRS-Care MA Plan for the plan year that starts on January 1, 2027, thus recommending the continuation of the benefits adopted by the Board for the previous 2026 plan year;

Whereas, TRS staff and the Consultants are recommending premium changes for the TRS-Care Medicare Advantage Plan, including the COBRA premiums, for the plan year that starts on January 1, 2027, 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 authorizes the continuation for the plan year that starts on January 1, 2027, of the benefits adopted by the Board for the TRS-Care Medicare Advantage Plan in the previous 2026 plan;

***Resolved*,** That the Board hereby adopts and authorizes, beginning on the plan year that starts on January 1, 2027, the changes to the premium rates to the TRS-Care Medicare Advantage Plan, including the COBRA premiums, as listed in Exhibit A attached to this resolution and incorporated herein by reference, until further action by the Board; and

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.

EXHIBIT A

TO THE RESOLUTION APPROVING PREMIUM CHANGES FOR THE TRS-CARE MEDICARE ADVANTAGE PLAN, INCLUDING COBRA

TRS-Care Medicare Advantage Plan		
Plan Tier	**2025-2026 Plan Year Rates**	**Proposed 2027 Plan Year Rates**
Retiree only	$75	$50
Retiree and Spouse	$280	$230
Retiree and Child(ren)	$408	$383
Retiree and Family	$613	$563

TRS-Care Medicare Advantage COBRA Rates		
Coverage Tier	**2025-2026 Plan Year Rates**	**Proposed 2027 Plan Year Rates**

COBRA Spouse - Medicare	$349	$326
COBRA Child	$284	$341

RESOLUTION APPROVING BENEFIT CHANGES AND COBRA PREMIUM RATES FOR THE TRS-CARE STANDARD PLAN PY2027

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

Whereas, in May 2026, the Internal Revenue Service (IRS) released inflation adjustments to the minimum deductibles that high deductible health plans must have for the 2027 tax year 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 2027 IRS guidelines, by increasing the deductibles so that the plan continues to be a qualified high deductible health plan under such IRS guidelines;

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 beginning on the plan year that starts on January 1, 2027, as listed in Exhibit A, attached to this resolution and incorporated herein by reference; -2-

Whereas, TRS staff and the Consultants are recommending changes to the TRS-Care Standard Plan COBRA premiums for the plan year that starts on January 1, 2027, as listed in Exhibit B, 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, 2027, as listed in Exhibit A attached to this resolution and incorporated herein by reference, until further action by the Board; and

Resolved, That the Board hereby adopts and authorizes, beginning on the plan year that starts on January 1, 2027, the changes to the TRS-Care Standard Plan COBRA premium rates, as listed in Exhibit B 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.

EXHIBIT A

TO THE RESOLUTION APPROVING BENEFIT CHANGES FOR THE TRS-CARE STANDARD PLAN **TRS-Care Standard**

Plan Feature	**Current 2026 Plan Year**	**Proposed 2027 Plan Year**
Individual In-Network Deductible	$1,700	$1,750
Family In-Network Deductible	$3,400	$3,500
Individual Out-of-Network Deductible	$3,400	$3,500
Family Out-of-Network Deductible	$6,800	$7,000

EXHIBIT B

TO THE RESOLUTION APPROVING COBRA PREMIUM CHANGES FOR THE TRS-CARE STANDARD PLAN

TRS-Care Standard COBRA Rates

Coverage Tier	**Current 2026 Plan Year Rates**	**Proposed 2027 Plan Year Rates**
COBRA Spouse - Non-Medicare	$864	$1,037
COBRA Child - Non-Medicare	$284	$341

RESOLUTION APPROVING BENEFITS AND PREMIUM RATES FOR THE TRS-CARE OPTIONAL DENTAL PLAN PY2027

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, TRS staff and the consultants assisting staff ("the Consultants") are not recommending any benefit or premium changes for the TRS-Care Optional Dental Plan for the plan year that starts on January 1, 2027, thus recommending the continuation of the benefits and premiums adopted by the Board for the previous 2026 plan year;

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, beginning on the plan year that starts on January 1, 2027, the continuation of the benefits and premium rates to the TRS-Care Optional Dental Plan adopted by the Board for the previous 2026 plan year until further action by the Board; and

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 ANDPREMIUM RATES FOR THE TRS-CARE OPTIONAL VISION PLAN PY2027

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, TRS staff and the consultants assisting staff ("the Consultants") are not recommending any benefit or premium changes for the TRS-Care Optional Vision Plan for the plan year that starts on January 1, 2027, thus recommending the continuation of the benefits and premiums adopted by the Board for the previous 2026 plan year;

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, beginning on the plan year that starts on January 1, 2027, the continuation of the benefits and premium rates to the TRS-Care Optional Vision Plan adopted by the Board for the previous 2026 plan year until further action by the Board; and

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 RELATED TO THE TRS-CARE SURCHARGE RATE

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 Sections 1575.204(b), Insurance Code, 825.4092(c), Government Code, and 34 Texas Administrative Code § 41.4, employers who report the employment of a retiree who is enrolled in and receiving coverage under the TRS-Care Program are required to pay a contribution to the TRS-Care Program to be established by TRS (the "surcharge");

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, TRS staff and the consultants assisting staff ("the Consultants") are recommending reducing the surcharge to align with TRS-Care Medicare Advantage premium reductions that reflect the cost of covering retirees under the plan, thus recommending reducing the surcharge from $535 to $450, effective September 1, 2027;

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, beginning on September 1, 2027, and thereafter, the reduction of the TRS-Care surcharge rate from $535 to $450 until further action by the Board; and

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.

8. Receive an update related to risk-based ratings for entities entering the TRS-ActiveCare program - Katrina Daniel.

Ms. Bludau explained how a large new employer, or multiple employers joining a region, could materially affect regional rates. She said new entrants may have higher costs and have not contributed to program reserves. She described a proposed two-year risk-based rating approach for new entrants beginning with the 2028 plan year. Mr. Pasyk and Ms. Kirsten Schatten explained that the approach would provide a glide path into TRS-ActiveCare, reflect the risk and reserve requirements of new entrants, and limit the effect on existing participating employers.

9. Receive claims administration and rebate audit reports for the TRS-ActiveCare and TRS-Care self-funded benefit plans for plan year 2024 - Yimei Zhao and Jeff Bain.

There was no discussion on this item, the full reports were included in the committee materials.

There being no more business before the Benefits Committee, the committee adjourned at 12:18 p.m.

Approved by the Benefits Committee of the Board of Trustees of the Teacher Retirement System of Texas on September _____, 2026.

____ ________________
Katherine H. Farrell Date
Secretary of the TRS Board of Trustees

TAB 4

TRS TEACHER RETIREMENT SYSTEM OF TEXAS

Pension Services

Presentation Date
Sept. 17, 2026

Presented By
Barbie Pearson, Deanna DeGraw

Pension Services at a Glance

Key Updates

FY 26 Performance Objectives

Achieving 11 out of 12 metrics

Retirement Update

- 7.5% increase
- 9,141 pending retirements (May 2026-August 2026)

Member and Employer Presentations/Trainings

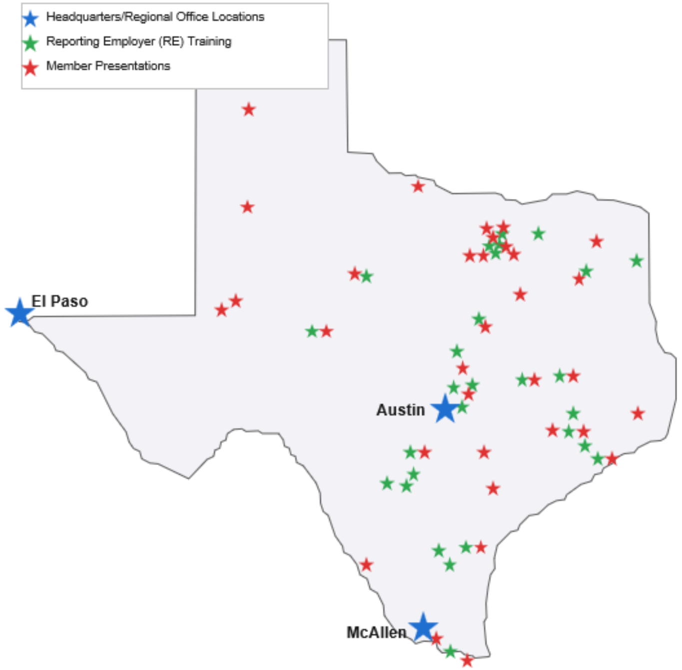
90 RE Trainings with over 3,000 Attendees

41 trainings were held virtually and 49 in-person

145 Member Presentations with over 7,300 Attendees

86 presentations were held virtually and 59 in-person

September 2025 – July 2026



Reporting Employer Kudos

"Overall, we are very grateful to have the help and support from TRS to get the reporting done timely and accurately. Thank you all for your help and support!"

"My TRS RE Coach does a great job about getting back with me when I have a question or issue."

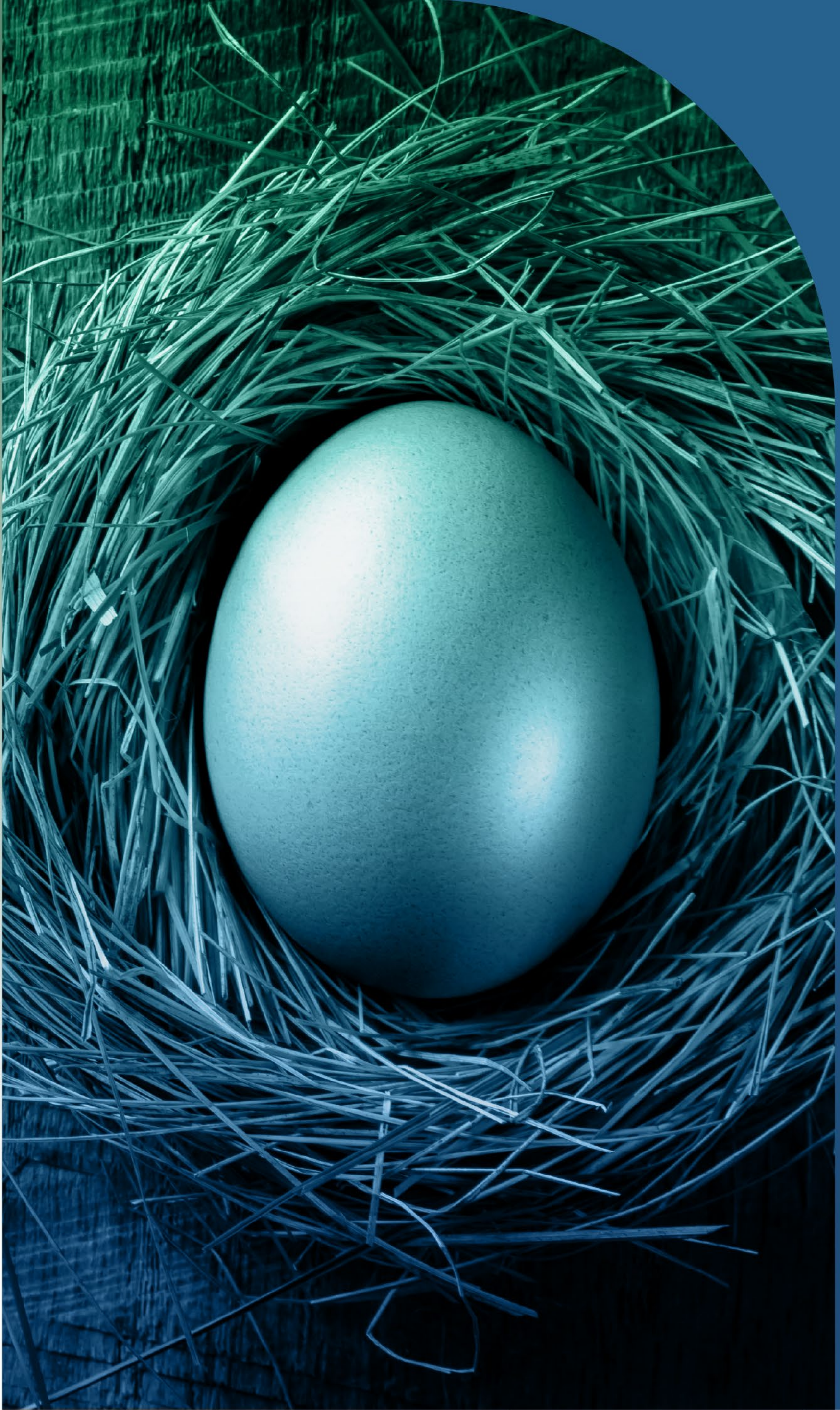
"My RE Coach is a wonderful Coach, always willing to help and provide me information that can help me with my TRS reports."

Member Services Kudos

"She was very patient with me. She communicated very clearly and she eased my concerns. She was wonderful."

"She was very informative, friendly, and able to answer all my questions."

"Great session. The counselor did a nice job both in the presentation, but also patiently handling the many questions."



Benefit Operations Support (BOS) Overview

Training, eLearning, Knowledge Management

Training

- Foundational Training
- On-the-Job Coaching Training
- Soft Skills Training
- System-conversion Training
- System Release Notes
- Year-round refresher training

E-Learning

- Self-paced, Virtual Training
- Instructor-led Courses
- Instructional Training Materials
- Supplemental and Design Materials

Knowledge Management

- Resource articles
- Content creation, Review and Lifecycle Management
- Expert Platform

12
Foundational Training Classes

132
PBT Classes

56
Soft Skills Classes

8
e-Learning Courses

82
Instructional Materials

51
Supplemental Materials

400+
Articles Managed

216
Articles Updated

Expert Platform coming soon!

September 2025 – July 2026

Quality Assurance and Workforce Management

Quality Assurance

Evaluate | **Support**

- Phone Call and Virtual Office Visit Monitoring
- Foundational Training Case Studies
- Recording Requests
- Counselor Support
- Dedicated Call Support

13,230 Call Evaluations

1,667 Office Visit Evaluations

465 Recording Requests

Workforce Management

Scheduling | **Monitoring** | **Analytics** | **Systems**

- Agent Scheduling, Forecasting and Staff Planning
- Absence-line Reporting and Real-time Schedule Adherence
- Data Reporting, Analysis and Power BI Dashboards
- Workforce Management Application Administration and Maintenance

61,120 Schedules Produced

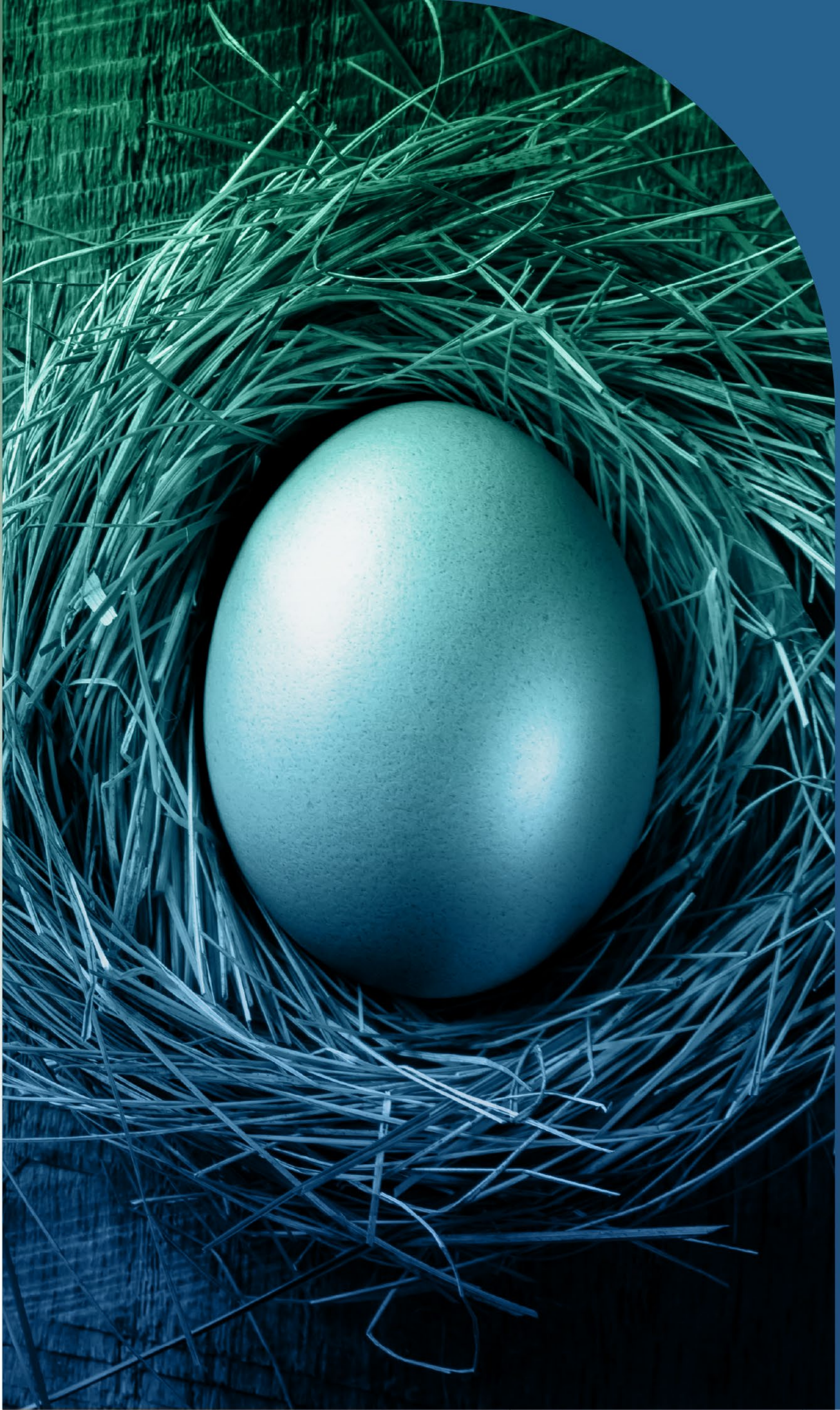
45,682 Schedule Changes

1,556 Reports Published

14 Dashboards Maintained

September 2025 – July 2026

Any Questions?



Appendix

Member Services Objectives

Business Activity	Objectives	FY Target	Q1	Q2	Q3	June & July	FY26 Sept-July
Telephone Calls	Calls answered within three minutes	90%	88%	75%	54%	70%	71%
	Average speed of answer (minutes/seconds)		0:51	2:15	5:13	2:30	2:43
Office Visits (Austin)	Number of office visits available annually	20,000	4,645	4,654	5,559	4,393	19,251
Conducted	In-Person		1,243	1,289	1,748	1,192	5,472
	Live Video		960	985	1,290	897	4,132
	Telephone		716	776	1,011	684	3,187
	Walk-Ins		311	305	338	266	1,220
Office Visits (El Paso)	Number of office visits available annually	7,500	2,296	1,992	1,903	1,288	7,479
Conducted	In-Person		478	373	596	404	1,851
	Live Video		607	553	578	308	2,046
	Telephone		342	399	376	239	1,356
	Walk-Ins		90	78	65	78	311

September 2025 – July 2026

Account Services Objectives

Business Activity	Objectives	FY Target	Q1	Q2	Q3	June & July	FY26 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%	99%	99%	99%	99%	99%
Death Claims (acknowledged)	Claims acknowledged within 14 days of receipt of death notification	95%	99%	98%	99%	99%	99%
Death Claims (payments)	Claims payments issued within 31 days of receipt of all required paperwork	95%	98%	98%	98%	99%	98%
Reporting Employer	Regular payroll reports completed by the end of each quarter (cumulative for fiscal year)	90%	99%	99%	99%	99%	99%

September 2025 – July 2026

Benefit Operations Support Objectives

Business Activity	Objectives	FY Target	Q1	Q2	Q3	June & July	FY26 Sept-July
Foundational Training	Provided pension benefits foundational classroom training for all new hires (cumulative)	100%	100%	96%	93%	95%	96%
Quality Assurance	Number of telephone interactions evaluated	11,500	2,821	3,946	4,280	3,229	14,276
	Number of virtual office visits evaluated	1,200	326	305	556	390	1,557

September 2025 – July 2026

Office Visit Evaluations started March 2024

TAB 5

TRS
TEACHER RETIREMENT SYSTEM OF TEXAS

TRS Health

Presentation Date

Sept. 17, 2026

Presented By

Meaghan Bludau, Chief Health Care Officer
Chris Herrick, Deputy Chief of Health Operations

Health Division At A Glance

Key Initiatives

Chief Health Care Officer Transition

- Connect call with district leadership in August with **50 attendees**
- Calls with **six districts considering joining** TRS-ActiveCare in a Special Transition plan
- **16 retiree health fairs** across the state between Aug. – Oct.
- Presented to House Select Committee on Health Care Affordability in early September

Procurement and Contracts

- Successfully executed TRS-ActiveCare health plan administrator, enrollment and direct bill contracts

Data-Driven Decision Making

- Established a secure, HIPAA-compliant Databricks data environment that enables analytics across more than 900 tables and 38 billion rows of data

Customer Service Enhancements

- Using AI to **improve call routing** and enhance the member experience
- Expanded digital self-service capabilities for retirees to **enroll in health plans online**

Program Updates

- **TRS-ActiveCare:** largest employer growth since SB 1444 (25 new employers, including 14 that are reentering early); benefit tiering strategies for Region 4 (Houston) and Arlington ISD.
- **TRS-Care:** 33% TRS-Care Medicare Advantage premium reduction for PY 2027

Health Operations Spotlight

Chris Herrick, *Deputy Chief of Health Operations*

Meeting the Mission of Delivering Best-in-Class Service

Member Coordination Operations

- 50% reduction in processing time
- Average monthly inventory of work reduced from 2700 to 900

Member Service Operations

- 21% reduction in post-call processing time
- 8% reduction in hold time

Process Review

- 67% reduction in TRS Internal Requests
- 30% reduction in death notification tasks

Working to benefit our members in FY 2026

Meeting the Mission of Delivering Best in Class Service

Member Channel of Choice in FY 2026

1 Million+

Phone calls

Answered within 19 seconds on average

Received by TRS, BCBSTX, UnitedHealthcare, Express Scripts, and MetLife

10,115

Mail, email, and fax received

7,610

Secure messages answered through MyTRS

881

In-person office visits completed

53

Virtual visits hosted so far

Meeting the Mission of Delivering Best in Class Service

Web Self Service (WSS) Options through MyTRS

Initial Enrollment

- Dental & Vision – Phase 1
- TRS Care Standard & TRS-Care Medicare Advantage

Request

- Evidence of Coverage
- Premium Breakdown letter
- Submit Member Medicare Beneficiary Identifier (MBI)
- Request Termination of medical benefits

Secure Messaging

Coming in October 2026

- Make changes to dental and vision benefits
- Enroll in TRS-Care Medicare Advantage through the Limited-Time Enrollment Opportunity

Member Channel of Choice in FY 2026

36% of Initial Enrollments are through WSS

Significant increase in requests for Premium Breakdown Letters and Evidence of Coverage

47% of requests to terminate are through WSS

Retirees Advisory Committee Nomination

One vacancy for the Active School Administrator position on the RAC

Nomination Window: June 26 – Aug. 14, 2026

Interviewed **six** applicants

Criteria

- TRS member/retiree
- Volunteer experience
- Credentials, awards
- TRS-Care participation, if applicable
- Geographic diversity
- Health benefits experience

Appendix

TRS-ActiveCare Fund Balance Projection

Financial History and Projection through FY2029 as of May 31, 2026

	Contributions							Expenditures					
Fiscal Year	State/District Contributions	Supplemental Appropriations	Employee Contributions	HMO Contributions	LTC	Other Income	Total Revenue	Medical Incurred	Drug Incurred (includes	HMO Premium Payments	Administrative Costs	Total Expenses	Ending Balance (Incurred Basis)
FY 2017	$754,034,435		$1,141,916,735	$230,628,896	$145,792	$4,844,126	$2,131,569,985	$1,426,394,600	$306,703,364	$227,088,896	$127,129,189	$2,087,316,049	$97,804,829
FY 2018	$934,605,313		$1,003,203,754	$240,692,840	$110,090	$7,033,199	$2,185,645,196	$1,589,245,112	$275,730,514	$237,386,929	$124,795,087	$2,227,157,640	$56,292,384
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	$1,033,743,705	$638,337,761	$868,968,802	$149,833,847	$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	$1,205,306,611	$369,224,574	$838,348,669	$7,653,508	$0	$39,982,705	$2,460,516,067	$1,961,981,400	$275,892,828	$7,555,813	$84,806,577	$2,330,236,617	$818,756,260
FY 2026	$1,296,599,134		$901,383,385	$1,837,086	$0	$39,833,256	$2,239,652,862	$2,038,544,556	$305,731,354	$1,817,556	$85,447,737	$2,431,541,203	$626,867,919
FY 2027	$1,492,898,000		$1,038,382,300	$0	$0	$24,376,427	$2,555,656,727	$2,299,194,163	$355,173,534	$0	$90,501,453	$2,744,869,150	$437,655,496
FY 2028	$1,669,866,882		$1,161,472,662	$0	$0	$14,886,265	$2,846,225,809	$2,477,680,185	$405,225,510	$0	$92,975,504	$2,975,881,199	$308,000,105
FY 2029	$1,833,129,903		$1,275,029,938	$0	$0	$9,862,863	$3,118,022,704	$2,620,146,796	$452,895,088	$0	$93,901,839	$3,166,943,723	$259,079,086

NOTES

- Invoice data through May 31, 2026
- Medical trend: 6.0% trend in FY26, 6.2% trend assumed in FY27 to account for new districts
- Pharmacy trend: 9.0% trend in FY26, 9.7% trend assumed in FY27 to account for new districts
- Prior to FY2018: State contributions are equal to $75 PEPM. District contributions are equal to $150 PEPM.
- FY2018 and Forward: State/District Contributions are based on September actual contributions.
- Interest rate assumed in FY26 is 4.5%. Rate decreases by a factor of 25% each year with a minimum of 0.5%.
- FY27 rates are updated to reflect a 9.9% rate increase.
- The ActiveCare Fund balance is managed to prevent a deficit through premium and benefit adjustments.

TRS-Care Fund Balance Projection

Financial History and Projection through FY2037 as of May 31, 2026

	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	$376,630,174	$567,207,577	$0	$294,947,940	$357,176,773	$220,852,534	$507,069,348	$649,683,033	$872,609,166	$48,447,996	$5,569,790,466
FY 2026	$333,533,632	$618,750,000	$0	$321,750,000	$371,250,000	$229,518,584	$577,252,117	$701,253,608	$989,067,256	$57,591,581	$6,273,932,352
FY 2027	$304,951,500	$631,125,000	$0	$328,185,000	$378,675,000	$193,099,158	$701,397,719	$770,389,111	$1,071,143,106	$58,366,321	$6,911,467,192
FY 2028	$292,128,064	$643,747,500	$0	$334,748,700	$386,248,500	$157,847,750	$761,639,221	$871,465,041	$1,152,138,377	$61,327,336	$7,402,896,172
FY 2029	$295,620,165	$656,622,450	$0	$341,443,674	$393,973,470	$150,381,579	$815,500,335	$955,710,095	$1,242,410,662	$64,522,270	$7,793,794,818

NOTES

- Invoice data through May 31, 2026
- 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 9/1/2017.
- Medical trends: 6.75% through FY2026; and 6.5% in FY2027
- Pharmacy trends, Non-Part D: 9% in 2026 and reduced by 0.25% each year thereafter.
- Pharmacy trends, Part D: -1.4% in 2026 and 6% in 2027.
- Interest rate is set to match current returns and reduced by 25% a year with a floor of 0.5%.

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