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SUBJECT: Overview of Tacoma Employees' Retirement System (TERS)
DATE: April 21, 2026

PRESENTATION TYPE:
Informational Briefing

SUMMARY:

The purpose of this briefing is to provide the Government Performance and Finance Committee (GPFC) with an educational overview of the Tacoma Employees' Retirement System (TERS) and how it provides lifetime retirement benefits to its approximately 7,400 members and retirees.

This item is intended to familiarize the committee with TERS, including its funding sources and long-term sustainability.

This is an informational briefing only; no response or action is required from the committee at this time.

BACKGROUND:

TERS is a defined benefit retirement system that provides eligible employees with retirement benefits for life. The system is funded through a combination of:

- **Employee Contributions:** A portion of employees' salaries is contributed to TERS.
- **Employer Contributions:** The City contributes on behalf of employees.
- **Investment Income:** The largest source of funding comes from investment returns generated by the TERS fund, which helps sustain and grow the system over time.

Understanding TERS helps the committee appreciate the structure of employee retirement benefits and the factors supporting the system's long-term viability.

ISSUE:

The topic of this briefing is the structure and funding of TERS benefits. While no decision is required, it is important to note that the long-term viability of the system depends on contributions meeting the actuarially required amounts from both employees and the employer, along with continued investment performance. Understanding these funding requirements helps the committee see how lifetime benefits are sustained for the system's approximately 7,400 members and retirees.

ALTERNATIVES:

This is an information briefing only. There are no alternatives presented.

FISCAL IMPACT:

This is an information briefing only. There is no fiscal impact.

RECOMMENDATION:

This is an information briefing only. There is no recommendation.