



Independent Auditor's Report

Employees Retirement System's Board of Trustees

Mr. I. Craig Hester, Chair
Mr. Doug Danzeiser, Vice Chair
Ms. Ilesa Daniels
Ms. Cydney Donnell
Mr. Brian D. Ragland
Ms. Jeanie Wyatt

Report on the Schedules

We have audited the accompanying schedules of employer allocations of the Employees Retirement System (System) for the following defined benefit pension plans: Employees Retirement System Plan, Law Enforcement and Custodial Officer Supplemental Retirement Plan, and Judicial Retirement System of Texas Plan II, as of and for the year ended August 31, 2016, and the related notes. We have also audited the columns titled net pension liability, total deferred outflows of resources excluding employer specific amounts, total deferred inflows of resources excluding employer specific amounts, and pension expense (specified column totals) included in the accompanying schedules of collective pension amounts of the System for the three pension plans mentioned above as of and for the year ended August 31, 2016, and the related notes.

Management's Responsibility for the Schedules

Management is responsible for the preparation and fair presentation of these schedules in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these schedules of employer allocations and the specified column totals included in the schedules of collective pension amounts based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedules of employer allocations and the specified column totals included in the schedules of collective pension amounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedules of employer allocations and the specified column totals included in the schedules of collective pension amounts. The procedures selected depend on the

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auditor's judgment, including the assessment of the risks of material misstatement of the schedules of employer allocations and the specified column totals included in the schedules of collective pension amounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedules of employer allocations and the specified column totals included in the schedules of collective pension amounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedules of employer allocations and the specified column totals included in the schedules of collective pension amounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations, net pension liability, total deferred outflows of resources excluding employer specific amounts, total deferred inflows of resources excluding employer specific amounts, and pension expense for the three pension plans administered by the System as of August 31, 2016, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the System as of and for the year ended August 31, 2016, and our report thereon, dated December 1, 2016, expressed an unmodified opinion on those financial statements.

Restriction on Use

Our report is intended solely for the information and use of the System management, Board of Trustees, and state agencies participating in the three pension plans mentioned above and their auditors and is not intended to be and should not be used by anyone other than those specified parties.



Lisa R. Collier, CPA, CFE, CIDA
First Assistant State Auditor

January 30, 2017



**Employees Retirement System of Texas
Audited Schedule of Employer Allocations for ERS Fund
As of and for the year ended 8/31/2016**

Agency No.	Agency Name	Fiscal Year 2016 Actual Employer Contributions	Employer Allocation Percentage
0101	Senate	2,480,441.14	0.36113768%
0102	House of Representatives	2,912,756.45	0.42408026%
0103	Texas Legislative Council	2,640,110.74	0.38438464%
0104	Legislative Budget Board	1,397,770.07	0.20350712%
0105	Legislative Reference Library	130,970.37	0.01906852%
0116	Sunset Advisory Commission	197,638.15	0.02877496%
0201	Supreme Court	411,417.65	0.05990000%
0202	State Bar of Texas	1,876,733.80	0.27324143%
0203	Board of Law Examiners	102,996.24	0.01499565%
0211	Court of Criminal Appeals	462,037.21	0.06726991%
0212	Office of Court Administration	1,693,919.77	0.24662478%
0213	State Prosecuting Attorney, Office of	38,213.24	0.00556362%
0215	Office of Capital and Forensic Writs	89,592.56	0.01304415%
0221	Court of Appeals - First Court of Appeals District	269,240.29	0.03919981%
0222	Court of Appeals - Second Court of Appeals District	222,652.12	0.03241684%
0223	Court of Appeals - Third Court of Appeals District	203,255.47	0.02959280%
0224	Court of Appeals - Fourth Court of Appeals District	220,924.21	0.03216527%
0225	Court of Appeals - Fifth Court of Appeals District	380,505.08	0.05539931%
0226	Court of Appeals - Sixth Court of Appeals District	104,153.03	0.01516407%
0227	Court of Appeals - Seventh Court of Appeals District	116,985.54	0.01703241%
0228	Court of Appeals - Eighth Court of Appeals District	98,834.66	0.01409856%
0229	Court of Appeals - Ninth Court of Appeals District	132,389.63	0.01927515%
0230	Court of Appeals - Tenth Court of Appeals District	94,525.54	0.01376236%
0231	Court of Appeals - Eleventh Court of Appeals District	80,569.15	0.01173040%
0232	Court of Appeals - Twelfth Court of Appeals District	101,299.90	0.01474867%
0233	Court of Appeals - Thirteenth Court of Appeals District	176,946.50	0.02576237%
0234	Court of Appeals - Fourteenth Court of Appeals District	300,619.52	0.04376844%
0241	District Courts - Comptroller's Judiciary Section	2,288,114.12	0.33313600%
0242	State Commission on Judicial Conduct	93,907.82	0.01367240%
0243	State Law Library	59,411.59	0.00864998%
0300	Governor - Fiscal	712,847.79	0.10378646%
0301	Governor - Executive	1,127,536.41	0.16416269%
0302	Attorney General	21,869,194.88	3.18402651%
0303	Texas Facilities Commission	1,650,360.26	0.24028277%
0304	Comptroller of Public Accounts	17,268,414.68	2.51417990%
0305	General Land Office	4,195,416.82	0.61082808%
0306	Texas State Library and Archives Commission	691,861.56	0.10073099%
0307	Secretary of State	934,276.77	0.13602522%
0308	State Auditor	1,519,492.59	0.22122921%
0312	State Securities Board	584,348.78	0.08507776%
0313	Department of Information Resources	1,587,427.01	0.23112006%
0320	Texas Workforce Commission	11,962,298.65	1.74164052%
0326	Texas Emergency Services Retirement System	48,930.72	0.00712403%
0327	Employees Retirement System of Texas	2,884,700.37	0.41999546%

0329	Texas Real Estate Commission – Semi-Independent	551,054.61	0.08023032%
0332	Texas Department of Housing and Community Affairs	1,882,372.31	0.27406237%
0338	State Pension Review Board	71,501.05	0.01041013%
0347	Texas Public Finance Authority	102,827.24	0.01497104%
0352	Bond Review Board	66,970.49	0.00975051%
0356	Texas Ethics Commission	173,842.88	0.02531050%
0359	Office Of Public Insurance Counsel	79,762.03	0.01161288%
0360	State Office of Administrative Hearings	864,761.72	0.12590423%
0362	Texas Lottery Commission	2,023,343.42	0.29458694%
0364	Health Professions Council	35,654.04	0.00519102%
0401	Texas Military Department	2,635,103.54	0.38365562%
0403	Texas Veterans Commission	1,826,539.12	0.26593338%
0405	Department of Public Safety	52,250,601.39	7.60738111%
0407	Texas Commission on Law Enforcement	247,193.23	0.03598988%
0409	Commission on Jail Standards	77,420.29	0.01127194%
0411	Texas Commission on Fire Protection	163,363.65	0.02378479%
0448	Office of Injured Employee Counsel – Administered by 454	753,169.19	0.10965702%
0450	Department of Savings and Mortgage Lending – Semi-Independent	375,090.14	0.05481092%
0451	Texas Department of Banking – Semi-Independent	1,598,370.99	0.23271344%
0452	Texas Department of Licensing and Regulation	2,258,805.77	0.32886887%
0454	Texas Department of Insurance	7,648,221.48	1.11353619%
0455	Railroad Commission of Texas	4,098,955.41	0.59678387%
0456	Board of Plumbing Examiners	139,375.51	0.02029226%
0457	Texas State Board of Public Accountancy – Semi-Independent	190,670.92	0.02776057%
0458	Texas Alcoholic Beverage Commission	3,534,494.80	0.51480171%
0459	Texas Board of Architectural Examiners – Semi-Independent	139,755.88	0.02034764%
0460	Texas Board of Professional Engineers – Semi-Independent	206,095.18	0.03000625%
0464	Texas Board of Professional Land Surveying	24,981.20	0.00363712%
0466	Office of Consumer Credit Commissioner – Semi-Independent	493,111.62	0.07179416%
0469	Credit Union Department – Semi-Independent	207,564.03	0.03022011%
0473	Public Utility Commission of Texas	1,292,157.18	0.18813051%
0475	Office of Public Utility Counsel	129,142.98	0.01880246%
0476	Texas Racing Commission	270,097.51	0.03932461%
0477	Commission on State Emergency Communications	180,536.42	0.02337316%
0479	State Office of Risk Management	609,866.23	0.08879295%
0481	Texas Board of Professional Geoscientists	40,667.75	0.00592099%
0503	Texas Medical Board	982,908.90	0.14310548%
0504	State Board of Dental Examiners	260,029.87	0.03785882%
0507	Texas Board of Nursing	656,219.51	0.09554171%
0508	Texas Board of Chiropractic Examiners	60,903.07	0.00886713%
0512	State Board of Podiatric Medical Examiners	22,184.07	0.00322987%
0513	Texas Funeral Service Commission	58,527.14	0.00852121%
0514	Texas Optometry Board	29,352.69	0.00427358%
0515	Texas State Board of Pharmacy	485,774.80	0.07072596%
0520	Board of Examiners of Psychologists	67,056.96	0.00976310%
0529	Health and Human Services Commission	50,204,063.35	7.30941718%
0530	Department of Family and Protective Services	51,660,380.94	7.52144848%
0533	Executive Council of Physical and Occupational Therapy Examiners	102,240.97	0.01488569%
0537	Department of State Health Services	48,991,032.63	7.13280702%
0538	Department of Assistive and Rehabilitative Services	14,849,636.18	2.16202023%
0539	Department of Aging and Disability Services	56,728,828.12	8.25938466%
0542	Cancer Prevention and Research Institute of Texas	286,267.58	0.04167888%
0551	Department of Agriculture	3,379,434.55	0.49202585%
0554	Texas Animal Health Commission	842,494.04	0.12266219%
0578	State Board of Veterinary Medical Examiners	92,263.62	0.01343304%
0580	Texas Water Development Board	1,991,684.12	0.28997753%



Employees Retirement System of Texas
Audited Schedule of Employer Allocations for JRS, Plan 2
As of and for the year ended 8/31/2016

Agency No.	Agency Name	Fiscal Year 2016 Actual Employer Contributions	Employer Allocation Percentage
0201	Supreme Court	210,671.56	1.70250644%
0211	Court of Criminal Appeals	184,910.07	1.49431933%
0221	Court of Appeals - First Court of Appeals District	193,359.36	1.56260084%
0222	Court of Appeals - Second Court of Appeals District	169,720.91	1.37157072%
0223	Court of Appeals - Third Court of Appeals District	145,117.44	1.17274195%
0224	Court of Appeals - Fourth Court of Appeals District	169,059.61	1.36622653%
0225	Court of Appeals - Fifth Court of Appeals District	295,525.15	2.38823632%
0226	Court of Appeals - Sixth Court of Appeals District	72,754.56	0.58795362%
0227	Court of Appeals - Seventh Court of Appeals District	97,358.05	0.78678255%
0228	Court of Appeals - Eighth Court of Appeals District	72,915.39	0.58925334%
0229	Court of Appeals - Ninth Court of Appeals District	96,875.52	0.78288307%
0230	Court of Appeals - Tenth Court of Appeals District	72,754.56	0.58795362%
0231	Court of Appeals - Eleventh Court of Appeals District	48,241.92	0.38985689%
0232	Court of Appeals - Twelfth Court of Appeals District	72,754.56	0.58795362%
0233	Court of Appeals - Thirteenth Court of Appeals District	145,358.73	1.17469190%
0234	Court of Appeals - Fourteenth Court of Appeals District	217,641.17	1.75883016%
0241	District Courts - Comptroller's Judiciary Section	10,109,181.91	81.89563710%
Grand Total		\$12,374,200.47	100.00000000%

Notes:

The contributions for Fiscal Year 2016 are based on ERS records of actual contributions from each of the agencies as shown above.
 To the best of our knowledge, the information contained within this schedule is accurate and fairly presented in conformity with GASB 67 and 68.

Additional related documents available on the ERS website include:

- Comprehensive Annual Financial Report for FY 2016
- Actuarial Valuation for FY 2016
- GASB Reporting and Disclosure Information for ERS FY 2016
- Schedule of Collective Pension Amounts for ERS FY 2016

Employees Retirement System of Texas

Ariana Whaley Budget Analyst 01/23/17
 Prepared By: Title: Date:

[Signature] CFO 1/23/2017
 Approved By: Title: Date:

Comptroller of Public Accounts

[Signature] Director 1/24/17
 Approved By: Title: Date:



**Employees Retirement System of Texas
Schedule of Collective Pension Amounts for ERS Fund
As of and for the year ended 8/31/2016**

Deferred Outflows of Resources					Deferred Inflows of Resources				
Net Pension Liability	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Total Deferred Outflows of Resources Excluding Employer Specific Amounts *	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Total Deferred Inflows of Resources Excluding Employer Specific Amounts *	Pension Expense *
\$ 19,756,976,634	92,208,137	1,633,005,337	3,752,725,883	5,477,939,357	127,345,976	586,306,928	1,299,249,813	2,012,902,717	2,158,336,871

*Employer specific amounts that are excluded from this schedule are the changes in proportion and differences between employer contributions and proportionate share of contributions as well as the related amortization as defined in paragraphs 54-55 of GASB Statement No. 68, *Accounting and Financial Reporting of Pensions*.

GASB 68, paragraph 33 prescribes the amortization period for recognition of deferred outflow and deferred inflow of resources. Specifically, for the difference between expected and actual experience and changes in assumption are recognized in pension expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan determined at the beginning of the measurement period. For ERS Plan, the amortization period is 3.23 years.

The methods and assumptions used in preparing the Schedule of Employers Allocations and the Schedule of Collective Pension Amounts for the Employees Retirement System Benefit Trust Fund (ERS); Law Enforcement and Custodial Officer Supplemental Retirement Fund (LECOSR); Judicial Retirement System Plan Two Fund (JRS II) was; the Comprehensive Annual Financial Report for Fiscal Year 2016; the Actuarial Valuation for Fiscal Year 2016; the Independent Auditor's Report from the State Auditor's Office; and the Gabriel Roeder Smith & Company Consultants & Actuaries, GASB Reporting and Disclosure Information for ERS Fiscal Year 2016.

Source: Gabriel Roeder Smith & Company Actuaries - GASB Reporting and Disclosure Information for ERS Fiscal Year Ending August 31, 2016, dated October 28, 2016.

Notes:

This schedule complements the actuarial valuation report as of August 31, 2016, and the GASB Reporting and Disclosure Information for the Fiscal Year Ending August 31, 2016, which should be considered together as a complete report for the plan year ending August 31, 2016. Please see the actuarial valuation report as of August 31, 2016 for additional discussion of the nature of calculations and more information related to participant data, economic and demographic assumptions and benefit provisions.

To the best of our knowledge, the information contained within this schedule is accurate and fairly represents the actuarial position of the Employees Retirement System of Texas. All calculations have been made by the ERS actuaries in conformity with generally accepted actuarial principles and practices as well as with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

Additional related documents available on the ERS website include:
 Comprehensive Annual Financial Report (CAFR) for FY 2016
 Actuarial Valuation for FY 2016
 GASB Reporting and Disclosure Information for ERS FY 2016



**Employees Retirement System of Texas
Schedule of Collective Pension Amounts for LECOSRF
As of and for the year ended 8/31/2016**

Deferred Outflows of Resources					Deferred Inflows of Resources				
Net Pension Liability	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		Total Deferred Outflows of Resources Excluding Employer Specific Amounts *	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		Total Deferred Inflows of Resources Excluding Employer Specific Amounts *	Pension Expense *
		Changes of Assumptions				Changes of Assumptions			
\$ 1,353,753,127	-	57,174,154	418,428,918	475,603,072	55,859,370	20,075,312	-	75,934,682	190,015,923

*Employer specific amounts that are excluded from this schedule are the changes in proportion and differences between employer contributions and proportionate share of contributions as well as the related amortization as defined in paragraphs 54-55 of GASB Statement No. 68, *Accounting and Financial Reporting of Pensions*.

GASB 68, paragraph 33 prescribes the amortization period for recognition of deferred outflow and deferred inflow of resources. Specifically, for the difference between expected and actual experience and changes in assumption are recognized in pension expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan determined at the beginning of the measurement period. For LECOSRF Plan, the amortization period is 4.96 years.

The methods and assumptions used in preparing the Schedule of Employers Allocations and the Schedule of Collective Pension Amounts for the Employees Retirement System Benefit Trust Fund (ERS); Law Enforcement and Custodial Officer Supplemental Retirement Fund (LECOSRF); Judicial Retirement System Plan Two Fund (JRS II) was; the Comprehensive Annual Financial Report for Fiscal Year 2016; the Actuarial Valuation for Fiscal Year 2016; the Independent Auditor's Report from the State Auditor's Office; and the Gabriel Roeder Smith & Company Consultants & Actuaries, GASB Reporting and Disclosure Information for ERS Fiscal Year 2016.

Source: Gabriel Roeder Smith & Company Actuaries - GASB Reporting and Disclosure Information for ERS Fiscal Year Ending August 31, 2016, dated October 31, 2016.

Notes:

This schedule complements the actuarial valuation report as of August 31, 2016, and the GASB Reporting and Disclosure Information for the Fiscal Year Ending August 31, 2016, which should be considered together as a complete report for the plan year ending August 31, 2016. Please see the actuarial valuation report as of August 31, 2016 for additional discussion of the nature of calculations and more information related to participant data, economic and demographic assumptions and benefit provisions.

To the best of our knowledge, the information contained within this schedule is accurate and fairly represents the actuarial position of the Employees Retirement System of Texas. All calculations have been made by the ERS actuaries in conformity with generally accepted actuarial principles and practices as well as with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

Additional related documents available on the ERS website include:
Comprehensive Annual Financial Report (CAFR) for FY 2016
Actuarial Valuation for FY 2016
GASB Reporting and Disclosure Information for ERS FY 2016



**Employees Retirement System of Texas
Schedule of Collective Pension Amounts for JRS, Plan 2
As of and for the year ended 8/31/2016**

Deferred Outflows of Resources					Deferred Inflows of Resources				
Net Pension Liability	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Total Deferred Outflows of Resources Excluding Employer Specific Amounts *	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Total Deferred Inflows of Resources Excluding Employer Specific Amounts *	Pension Expense *
\$ 105,362,420	-	24,338,840	33,829,531	58,168,371	9,135,867	8,274,624	6,084,244	23,494,735	23,939,323

*Employer specific amounts that are excluded from this schedule are the changes in proportion and differences between employer contributions and proportionate share of contributions as well as the related amortization as defined in paragraphs 54-55 of GASB Statement No. 68, *Accounting and Financial Reporting of Pensions*.

GASB 68, paragraph 33 prescribes the amortization period for recognition of deferred outflow and deferred inflow of resources. Specifically, for the difference between expected and actual experience and changes in assumption are recognized in pension expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan determined at the beginning of the measurement period. For JRS-2 Plan, the amortization period is 3.74 years.

The methods and assumptions used in preparing the Schedule of Employers Allocations and the Schedule of Collective Pension Amounts for the Employees Retirement System Benefit Trust Fund (ERS); Law Enforcement and Custodial Officer Supplemental Retirement Fund (LECOSR); Judicial Retirement System Plan Two Fund (JRS II) was; the Comprehensive Annual Financial Report for Fiscal Year 2016; the Actuarial Valuation for Fiscal Year 2016; the Independent Auditor's Report from the State Auditor's Office; and the Gabriel Roeder Smith & Company Consultants & Actuaries, GASB Reporting and Disclosure Information for ERS Fiscal Year 2016.

Source: Gabriel Roeder Smith & Company Actuaries - GASB Reporting and Disclosure Information for ERS Fiscal Year Ending August 31, 2016, dated October 28, 2016.

Notes:

This schedule complements the actuarial valuation report as of August 31, 2016, and the GASB Reporting and Disclosure Information for the Fiscal Year Ending August 31, 2016, which should be considered together as a complete report for the plan year ending August 31, 2016. Please see the actuarial valuation report as of August 31, 2016 for additional discussion of the nature of calculations and more information related to participant data, economic and demographic assumptions and benefit provisions.

To the best of our knowledge, the information contained within this schedule is accurate and fairly represents the actuarial position of the Employees Retirement System of Texas. All calculations have been made by the ERS actuaries in conformity with generally accepted actuarial principles and practices as well as with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

Additional related documents available on the ERS website include:
 Comprehensive Annual Financial Report (CAFR) for FY 2016
 Actuarial Valuation for FY 2016
 GASB Reporting and Disclosure Information for ERS FY 2016



Notes to the 2016 Schedule of Employer Allocation and Schedule of Collective Pension Amounts

The Notes to the Schedule of Employer Allocation and Schedule of Collective Pension Amounts have been prepared in conformity with generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) and audited by the State Auditor's Office of Texas in conformance with generally accepted auditing standards.

A. Comprehensive Annual Financial Report (CAFR) 2016

The Employees Retirement System of Texas was created by the Texas Legislature in 1947 and is administered in accordance with the Texas Constitution. The System provides a retirement and disability pension system for State employees, law enforcement and custodial officer, elected state officials and two classes of judges. The Employees Retirement System of Texas Plan (ERS), the Law Enforcement and Custodial Officer Supplemental Retirement Plan (LECOS), and the Judicial Retirement System of Texas Plan Two (JRS 2) are single employer defined pension plans. ERS issues a publicly available, audited Comprehensive Annual Financial Report that includes financial statements, notes and required supplementary information for the pension plan. That report is available online at the following link:

http://www.ers.state.tx.us/About_ERS/Reports/Overview/

Or the report may be obtained by writing to ERS at:

Employee Retirement System of Texas
200 E. 18th Street
Austin, Texas 78701

Information that is available in the audited financial report and needed by employers to implement GASB 68 is not repeated in the allocation schedules and related notes. Please refer to ERS CAFR referenced above for those items.

- Investment related information including earning and asset allocation appears in Note 2.
- Plan descriptions and information on contributions, fund status, single discount rate assumptions and sensitivity, membership and reserves is included in Note 3.
- The Benefits information is presented in the Summary of Plan Provisions.
- Required Supplementary Information (RSI) appears immediately following the Notes to the Financial Statements.

B. GASB Reporting and Disclosure Information

At the request of ERS, Gabriel Roeder Smith & Company has provided information required by the governmental employers participating in ERS in

connections with GASB Statement 68 “Accounting and Financial Reporting for Pensions.” These reports are presented in a separate file.

C. Employer Contributions

Employer contributions were taken from the ERS Peoplesoft Financials (Financials) system. Employer contribution information is provided to ERS through the Comptroller of Public Account and the State of Texas Financial Network.

For the Employee Retirement System plan, the contributions include:

- State contributions for active employees, service purchases, and return to work employees, and
- Agencies contributions for active employees and return to work employees.

For the Law Enforcement and Custodial Officer Supplemental Retirement Plan, the contributions include:

- State contributions for active employees, service purchases and return to work employees, and
- Agencies contributions for return to work employees.

For the Judicial Retirement System of Texas Plan 2, the contributions include State Contributions for active employees and service purchases.