Schedule F: Agency Workforce Plan

System Overview

The Teacher Retirement System of Texas (TRS) was formed by constitutional amendment and enabling legislation in 1937. The original responsibility of the system was to provide service and disability retirement benefits to teachers and administrators of the public school systems of Texas, including institutions of higher education. Over the years, legislation has:

- Expanded TRS pension plan membership eligibility to all public school employees (1949).
- Assigned TRS to administer a health benefit program for public school retirees (1985).
- Assigned TRS to administer a health benefit program for active public school employees (2001).

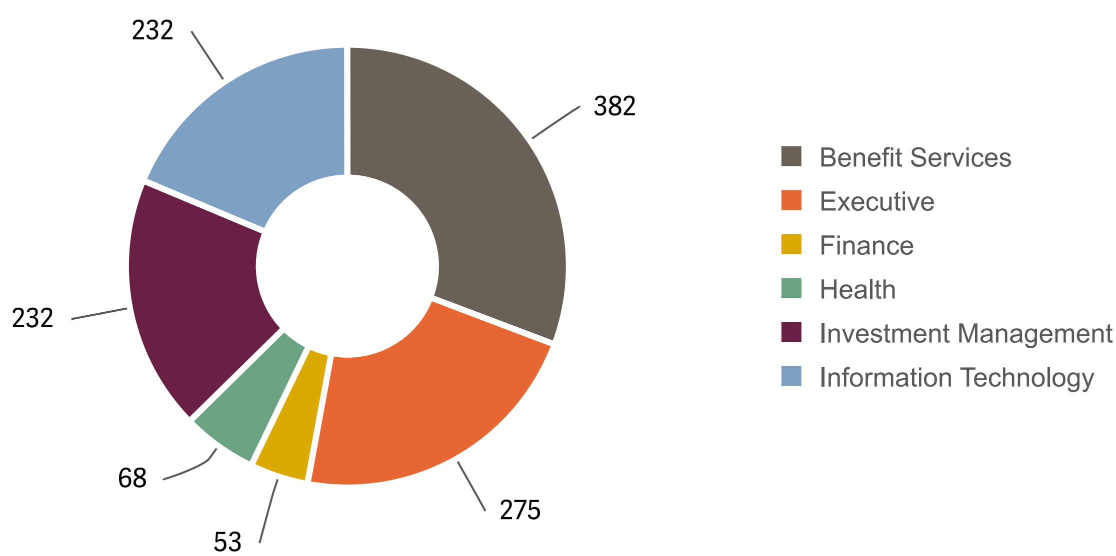
The TRS pension plan had about 38,000 members in its first year of operation. Today, TRS is the largest public retirement system in Texas, in both membership and assets. For the fiscal year ending Aug. 31, 2025, TRS served 2,102,992 participants – 1,579,335 public and higher education members and 523,657 retirement recipients. As of Aug. 31, 2025, system net assets totaled approximately $226.3 billion. The TRS pension plan operates under Article XVI, Section 67 of the Constitution of Texas to provide retirement and related benefits for those employed by public schools, colleges and universities supported by the state of Texas. TRS is responsible for investing funds under its stewardship and for delivering benefits to members as authorized by the Texas Legislature. TRS is a defined benefit plan, with retirement benefits determined by a preestablished formula. The pension trust fund is sustained principally by three sources – contributions by members during their working careers, contributions by the state and investment revenues.

TRS currently operates out of its headquarters at 4655 Mueller Blvd in Austin. The El Paso regional office (opened in 2022) continues to be popular with TRS members in that region. In fiscal year 2025, the office was visited by almost 5,500 members through in-person, telephone or video appointments as well as walk-in visitors without scheduled appointments. TRS is planning a new regional office in the Rio Grande Valley. The office is anticipated to open by the end of 2027. Opening an office in the Rio Grande Valley will provide additional opportunities for members who live more than four to five hours from the TRS headquarters in Austin to meet in person with a TRS Benefit Counselor regarding their pension benefits.

The business of the system involves two broad functions: administering benefits (pension and health care) and managing investments. The financial, information technology and executive administration areas provide essential services to TRS' mission-critical divisions. As of Aug. 31, 2025, TRS has six major divisions: Benefit Services, Executive, Finance, Health, Information Technology, and Investment

Management. The following chart details the number of positions filled for each division as of fiscal year 2025.

Figure 3. TRS Divisions and Positions



Mission, Strategic Goals and Objectives

TRS Mission: Improving the retirement security of our members by prudently investing and managing the trust assets and delivering benefits that make a positive difference in their lives.

TRS has four goals as part of the Strategic Plan for FY 2027-31. Certain strategies related to TRS' workforce plan have been identified in Goal 4, Objective 1.

Goal 4: Align people, processes and technology to achieve excellence in service delivery.

Objective 1: Attract, develop and retain top talent.

Strategies:

- Promote a strong workplace culture that fosters creativity and innovation.
- Maintain workforce planning strategies to align talent needs with organizational goals, enhance learning and development opportunities and expand succession planning initiatives to develop and retain future leaders.

TRS does not anticipate fundamental changes to the core nature of its business. However, the organization recognizes the importance of remaining agile and responsive to change by proactively forecasting workforce supply and demand, and planning for potential talent gaps. This approach helps ensure TRS has the workforce capacity and capabilities needed to achieve its strategic objectives. TRS must also remain prepared to respond to the impact of legislation, board directives, and other external forces. Key environmental factors expected to influence TRS operations include:

- growth in plan participants;
- increased expectations by members and retirees for enhanced customer service;
- potential loss of institutional knowledge due to turnover of critical employees;
- effective management of complex, diversified investment portfolios; and
- greater challenges associated with implementing mandated changes to benefit plans.

Member annuities continue to be paid, medical and pharmacy claims continue to be processed, and investment activities are ongoing. The 89th Texas Legislature provided funding for the biennium to TRS-ActiveCare that provides health care benefits for public education employees. This appropriation is part of a five fiscal year plan that began in 2023 to help offset the cost of health premium increases due to no premium increases and some premium decreases during the pandemic. Because of the value TRS-ActiveCare provides, more than 99 percent of participating school districts chose to remain in TRS-ActiveCare in 2025.

The Office of the Ombuds, established in 2021 as a result of Sunset Advisory Commission Review, continues to provide TRS members and retirees with an additional contact for addressing concerns or issues related to TRS pension and health care benefits.

Current Workforce Profile (Supply Analysis)

TRS' core functions are delivering retirement benefits, facilitating health care coverage, managing investments, and managing the TRS infrastructure including technology upgrades for the pension and financial systems. The skills that are most critical to support TRS' core functions include:

- pension administration;
- health benefit plan management;
- investment expertise, including diversified portfolio management skills and managing alternative asset classes;
- information technology, including engineering, data analysis, programming, information security, and systems administration;
- developing and monitoring complex contracts;

- specialized professional skills including contract management, communications, accounting, auditing, human resources, and legal; and
- facilities management and security.

TRS has been successful at attracting and developing staff with the following skills and competencies to meet critical business needs. These are essential to successfully achieve TRS' mission and goals:

- accountability;
- business process analysis;
- critical thinking and problem solving;
- project management;
- strategic planning;
- creative or innovative thinking;
- data-driven decision making;
- leadership;
- adaptability and efficiency;
- customer service; and
- communication and collaboration.

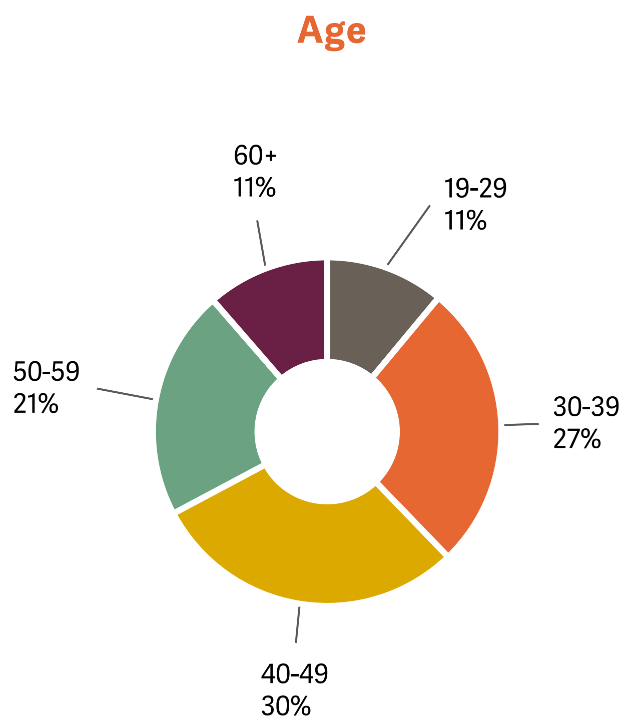
Workforce Demographics

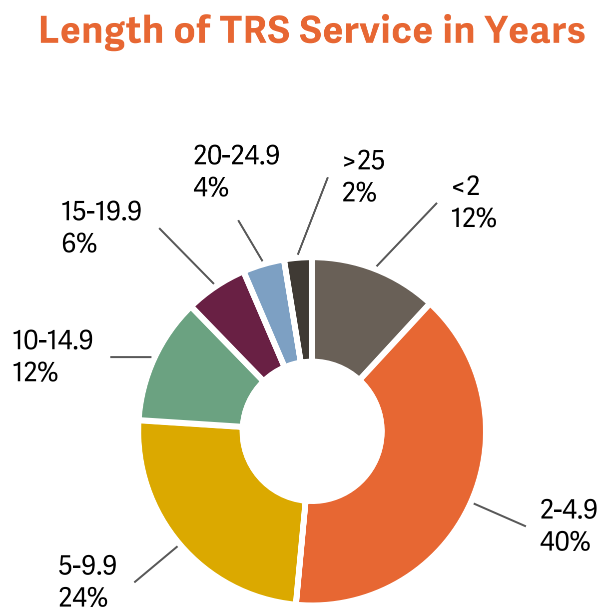
TRS maintains three work arrangements: fully onsite, hybrid, and fully remote. Based on member needs and job responsibilities, TRS evaluates which roles are best suited for each arrangement. In 2025, TRS launched a return-to-office initiative and reassessed onsite and remote expectations. Some positions, including contact center roles, remain eligible for fully remote work, while most others are expected to work onsite full time, or the majority of the time.

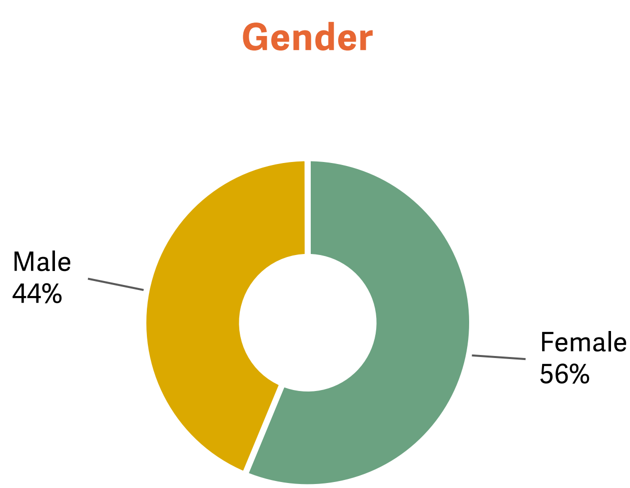
Hybrid work remains an important safeguard during inclement weather, natural disasters and facility disruptions. Combined with organizational change management and strong technology and security capabilities, the return-to-office effort helps staff remain productive and efficient whether working onsite or remotely.

The following charts profile the system's workforce as of Aug. 31, 2025. The TRS workforce is comprised of 56% females and 44% males. Approximately 52% of employees have been with TRS less than five years. Approximately 32% are 50 years of age or older.

Figure 4. Distribution of TRS Employees by Age, Length of TRS Service and Gender







TRS was asked to provide the following information on ethnicity and gender by defined job categories as part of the submission of the Schedule F.

The following table compares the ethnic and gender composition of the TRS workforce (as of Aug. 31, 2025) to the statewide (Texas) civilian workforce as reported by the Texas Workforce Commission (TWC) – Civil Rights Division (CRD). In accordance with state requirements, TRS actively monitors this information.

Table 1. Ethnic and Gender Composition of the TRS Workforce

	African-American		Hispanic		Female	
Job Category	% at TRS	% in Statewide Workforce	% at TRS	% in Statewide Workforce	% at TRS	% in Statewide Workforce
Officials/ Administrators	7.9 %	13.0 %	12.3 %	16.6 %	43.0 %	58.7 %
Administrative Support	11.5 %	17.8 %	50.0 %	34.1 %	65.4 %	80.6 %
Service/ Maintenance	9.1 %	22.8 %	81.8 %	37.9 %	36.4 %	45.7 %
Professionals	9.5 %	11.5 %	19.1 %	18.2 %	47.6 %	59.1 %
Paraprofessionals	24.0 %	34.9 %	41.7 %	30.1 %	82.2 %	70.6 %
Protective Services	23.5 %	40.0 %	29.4 %	24.7 %	23.5 %	49.0 %
Technicians	27.8 %	17.5 %	22.2 %	28.1 %	33.3 %	58.7 %

**TRS does not have any employees in the Skilled Craft category.*

Recruitment and Hiring

TRS continues to prioritize strategic recruiting and talent outreach to strengthen its workforce pipeline. The agency uses a balanced mix of traditional and innovative recruiting strategies, including outreach to Texas colleges and universities, advertising of vacancies, participation in job fairs and student organization events, virtual career fairs, and hosting on-site open houses. TRS also advances internal talent mobility through staff development, career coaching and intentional internal sourcing.

The employment policies and practices of TRS have been certified as in compliance with Civil Rights Department (CRD) standards, in accordance with Chapter 21 of the Texas Labor Code (most recently in August 2020).

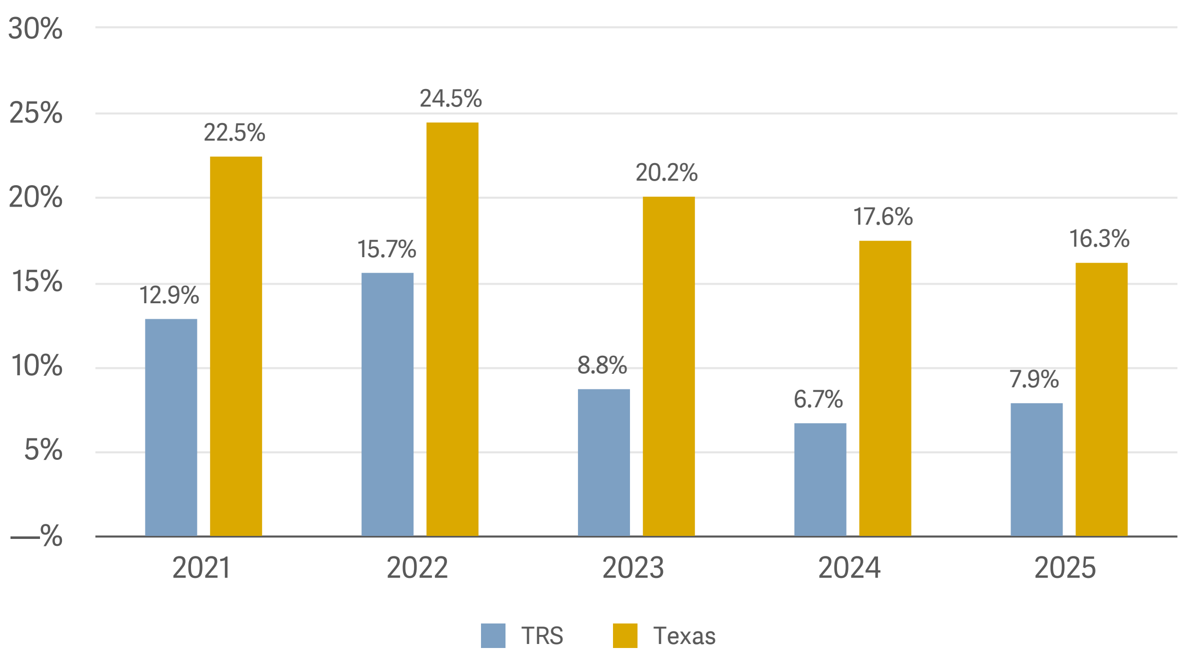
Employee Turnover

As reflected in the following chart, employee turnover at TRS has consistently been below the statewide average among state agencies, as reported by the State Auditor's Office. In fiscal year 2025, TRS turnover was 7.9%, well below the state average of 16.3% for the same period.

2025 remained a competitive year for employers. During 2025, the unemployment rate in Texas remained around 4%, which was below the national average. Between calendar 2024 and 2025, Texas added 132,500 non-farm jobs to the labor market and the labor force reached a record high of 15,964,000 in December 2025. These circumstances created strong competition for talent. TRS' job offer decline rate for Fiscal Year 2025 was low, at 12.1%.

TRS manages a compensation plan tailored to meet the agency's specific business needs and provides an efficient and flexible framework to effectively recruit and retain talent. In addition to hiring regular positions, TRS also invests in strong and successful internship and fellowship programs for recent undergraduate and graduate degree recipients, helping to build sustainable talent pipelines.

Figure 5. Employee Turnover



Retirement Eligibility Projections

The following chart provides estimates on the number of TRS employees who will be eligible to retire over the next five years. These estimates are based on the rule of 80 using total state service for employees as of Aug. 31, 2025.

Table 2. Retirement Eligibility Projections

Division	January 2026 Eligible Employees	January 2026 % Eligible	January 2028 Eligible Employees	January 2028 % Eligible	January 2030 Eligible Employees	January 2030 % Eligible
Executive	41	3.3 %	50	4.0 %	66	5.3 %
Investment Management	10	0.8 %	16	1.3 %	25	2.0 %
Pension Services	25	2.0 %	36	2.9 %	53	4.3 %
Shared Services	37	3.0 %	46	3.7 %	63	5.1 %
Health	4	0.3 %	5	0.4 %	8	0.7 %
Total	**117**	**9.4 %**	**153**	**12.3 %**	**215**	**17.4 %**
Executive Council Members	9	69.2 %	9	69.2 %	10	76.9 %

Future Workforce Profile (Demand Analysis)

The size of the population served by TRS and the need to provide timely, professional member service continues to expand. TRS monitors business processes and staffing levels, and makes adjustments as necessary to efficiently provide excellence in customer service to members.

The continued growth in the size and complexity of the TRS lines of business has required additional member services professionals, technology professionals, business analysts, investment professionals, and program managers. The agency has major initiatives underway to review statutory provisions, streamline benefit administration processes and deploy enhanced technology solutions related to critical member needs.

TRS continues to develop the skills of its current workforce, recruit new staff with required expertise and contract with outside parties, when feasible and cost effective, to supplement the workforce in highly specialized areas. To sustain and strengthen the quality of its future workforce, TRS will continue seeking professionals with strong communication and interpersonal skills, a service-oriented mindset and the ability to think both analytically and creatively. To support mission continuity and business priorities, TRS will also maintain a need for employees with specialized investment management expertise.

TRS' analysis of future needs indicates that in addition to the skills required above to maintain core functionality, the following areas of expertise will be of value:

- Contract and purchasing negotiation and administration
- Information technology including systems engineers, application developers, data engineers, application support and lifecycle systems support including design, management and implementation, support for the use of artificial intelligence
- Information security and cybersecurity
- Business process research, analysis, design, and project management
- Leadership and management skills including collaborative leadership and development, complex problem solving and the ability to maintain agile, cohesive and productive work teams
- Continuity planning and knowledge management for executive leadership, portfolio management and health benefit plan management

Based on changes in the labor market and physical work environment, TRS talent acquisition efforts will continue to evolve ensuring TRS is maximizing talent pools of highly qualified statewide candidates that will excel in service to members.

Gap Analysis

TRS addresses potential gaps in skills and staffing by conducting regular reviews of the workforce plan, analyzing market trends, updating job descriptions, reviewing performance appraisals, identifying career development opportunities, reviewing talent management strategies, and conducting employee engagement surveys. Although TRS proactively reviews staffing needs, potential gaps in worker or skill needs may develop as a result of:

- Increased competition for experienced staff in certain fields
- Changing roles and responsibilities for staff as a result of legislation, agencywide initiatives or technological advancements
- Loss of institutional knowledge and expertise due to turnover of critical staff

Strategy Development

It is a priority for TRS to address potential gaps identified in the workforce plan. Implementing the following strategies and action steps will help ensure TRS remains an employer of choice and continues to meet our mission and goals.

Table 3. Potential Gaps in the Workforce Plan

Potential Gap	Strategy
Increased competition for experienced staff in certain fields	Maintain a work environment that allows TRS to attract, retain and develop staff that provides excellence in the delivery of service to members. Action steps include: • Promote a strong workplace culture that reflects TRS' values and mission. • Expand leadership and career development opportunities for staff at all levels. • Strengthen staffing and workforce strategies to support service delivery, while sustaining recognition and engagement efforts that improve retention. • Continue employee engagement and organizational development efforts that strengthen communication and working relationships between management and staff. • Encourage staff involvement in organizational activities.
Changing roles and responsibilities for staff as a result of legislation, agencywide initiatives or technological advancements	Acquire necessary expertise to fulfill assigned responsibilities. Action steps include: • Continue to provide change management support for agencywide initiatives. • Conduct research to identify issues affecting other public pension funds or state agencies that may potentially affect TRS. • Maintain awareness of prospective legislative and environmental changes to allow adequate planning for new skillset requirements. • Explore options for developing skills or upskilling within the current workforce, attracting new staff with the required experience or outsourcing certain functions.
Loss of institutional knowledge and expertise due to turnover of critical staff	Ensure a smooth transition of duties, responsibilities and institutional expertise when critical staff leave the agency. Action steps include: • Conduct best practices for business process reviews and utilize existing knowledge management and transfer programs and techniques. • Continue to utilize the Leadership Development Program to offer staff the opportunity to be prepared for leadership positions as they become vacant. • Continue to maximize opportunities for cross-training efforts and create framework for greater utilization. • Refine and evolve development of succession plans to ensure continuity during any period of extended absence or turnover among critical staff. • Maintain effective talent acquisition practices and strategies (such as use of contingent staff, internships, fellowships, employee value propositions and proactive sourcing) to attract, develop and retain qualified staff.

TRS will continue to strengthen and scale its talent strategies to attract, develop and retain a high-performing workforce aligned with current and future business needs. Key priorities include:

- Positioning TRS as an employer of choice through targeted recruitment strategies and strategic partnerships.
- Building sustainable talent pipelines through internship, fellowship and academic partnership programs.
- Expanding access to qualified talent through stronger partnerships with universities, technical college, and other workforce channels.
- Enhancing TRS' employer brand on social media platforms to increase visibility and competitiveness in the talent market.
- Advancing strategic workforce planning through flexible staffing models, proactive sourcing, redeployment of current staff, and other practices that support operational agility.
- Investing in leadership development to strengthen the readiness of current and future leaders.
- Supporting career growth and internal mobility through professional development opportunities.
- Strengthening workforce resilience through cross-training and continuity planning for critical roles.