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HMEPS
HOUSTON MUNICIPAL EMPLOYEES PENSION SYSTEM

Pension Press

The Newsletter of the Houston Municipal Employees Pension System

Update from the **Chairman**

Sherry Mose
Chairman

Dear Participants,

Autumn greetings as we enter the final few months of what has been a very busy year. I begin this edition of the Pension Press by acknowledging the City Incentive, which resulted in more than 1,000 City employees retiring in the last few months. I want to recognize and thank them for their years of dedicated service, and wish each of them well in retirement. I also want to thank the HMEPS Board and Staff for their efforts during this extraordinary occurrence, which involved bringing on additional staff, including trained and experienced retirees, to accommodate the surge in retirement applications. For insights on the City Incentive, see page 4.

On August 31, 2025, HMEPS' Executive Director David L. Long retired. Mr. Long led the System from 1994-2010, and again from 2016-2025. In 2010, he was elected as a retiree Trustee on the HMEPS Board of Trustees, where he served until returning to the Executive Director position in 2016. I thank Mr. Long for his many years of service to our participants, and wish him the very best. More information on Mr. Long's leadership and contributions to the System are on page 3.

HMEPS' Director of Administration Doug Wynkoop retired on September 30, 2025. Mr. Wynkoop led the System's investment team until 2010, and most recently managed HMEPS' accounting, records and information technology divisions. I am grateful for Mr. Wynkoop's service and congratulate him on his retirement.

I am pleased to report that HMEPS returned 11.8% on its investments for Fiscal Year 2025. The System's $4.7 billion fund has an annualized return of 9.8% over the 10-year period ending June 30, 2025, a performance return that places HMEPS in the top 5% of all public pension systems in the nationally recognized Wilshire TUCS database.

(Cont. on Page 2)

Inside This Issue

HMEPS WILL OBSERVE THE UPCOMING HOLIDAYS

NOV 11	Veteran's Day
NOV 27-28	Thanksgiving
DEC 24-25	Christmas
JAN 1	New Year's Day

HMEPS NEEDS YOUR E-MAIL ADDRESS TO KEEP YOU UPDATED ON PENSION MATTERS — VISIT WWW.HMEPS.ORG TO SIGN UP

Update from the **Chairman** cont.

Recently, HMEPS was honored by the National Conference on Public Employee Retirement Systems (NCPERS) for our ongoing work educating and preparing trustees to fulfill their fiduciary responsibilities to the System and its participants. More information is found on page 6.

Finally, earlier this year the Texas Legislature completed its 89th Regular Session in Austin, as well as two subsequent Special Called Sessions. HMEPS closely monitored each session, but there was no legislation specific to HMEPS considered.

My best wishes for the upcoming holiday season, and for a happy and healthy 2026. As always, I am honored to serve as your Chairman.

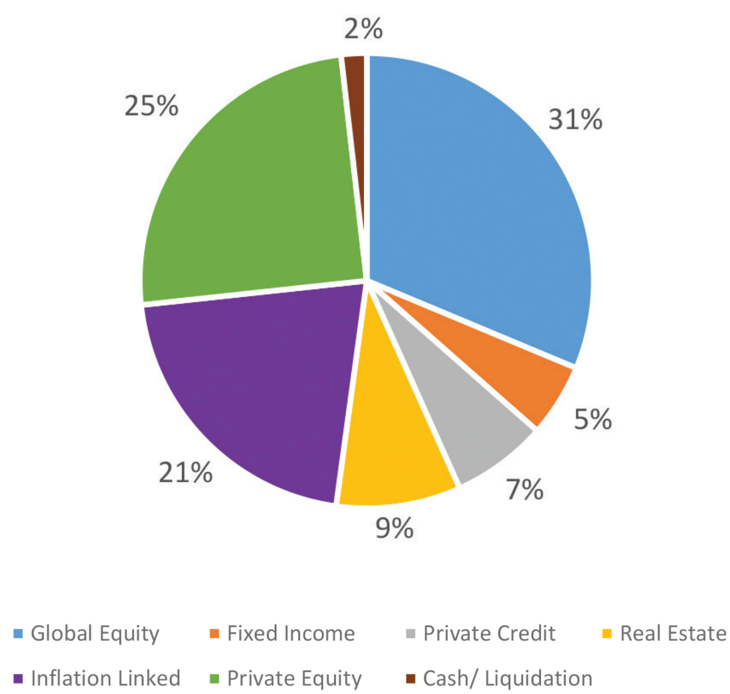
Sherry Mose

HMEPS Investment Update

Market Value by Asset Class

	March 31, 2025	June 30, 2025
Global Equity	$1,358,712,723	$1,474,657,753
Fixed Income	240,285,392	245,234,873
Private Credit	291,163,770	320,875,293
Real Estate	423,840,756	418,571,179
Inflation Linked	1,039,302,509	996,325,055
Private Equity	1,178,838,430	1,173,560,647
Cash/Liquidation	77,455,860	85,439,570
Total	**$ 4,609,599,440**	**$ 4,714,664,370**

Asset Allocation as of June 30 ,2025



HMEPS Executive Director David L. Long Retires

HMEPS congratulates Mr. Long on his retirement and thanks him for his years of strong leadership

After over 45 years of excellence in public service, HMEPS Executive Director David L. Long announced his retirement effective August 31, 2025. Mr. Long extended his tenure as Executive Director to ensure that HMEPS had the staff and resources to process the historic number of retirements associated with the 2025 City Incentive.

Mr. Long began working for the City of Houston in 1979, and served in the City's Finance and Administration Department before becoming Executive Director of HMEPS in 1993. Following his 2010 retirement, Mr. Long won election to the HMEPS Board of Trustees, where he served as a retiree Trustee for over five years. In 2016, he returned to the Executive Director position, where he helped drive the exceptional advances in investment performance, technology, and benefit funding that the System enjoys today.

"It has been a great honor and genuine pleasure to work with the Board and the staff of professionals at the System to provide outstanding service and secure benefits for hard-working City employees, both active and retired, and the survivors who make up our over 33,000 participants," Mr. Long said. "I know that the System is in good hands, and that the HMEPS team will continue to provide excellent service and always work in the best interests of our participants."

HMEPS Board of Trustees Chairman Sherry Mose thanked Mr. Long for his valuable service to the pension system and the City of Houston.

"Forty-five years of public service is a testament to Mr. Long's loyalty, dedication and exceptional leadership," Ms. Mose said. "As HMEPS Executive Director, Mr. Long displayed an unwavering commitment to securing for participants the benefits they earned. His leadership and guidance have shaped the HMEPS team in innumerable ways. While his retirement marks the end of an era, the impact he has had on the System sets a strong foundation for continued success."

Known for his quick wit and ability to make even the most challenging days enjoyable, Mr. Long's leadership and humor will continue to guide the HMEPS team long after his retirement. We thank him for helping HMEPS advance technological innovation, achieve extraordinary investment performance and establish solid and secure funding for the retirement plan that provides lifetime benefits for HMEPS participants and beneficiaries. Please join us in wishing Mr. Long a well-deserved retirement filled with happiness and enjoyment.

To ensure continuity at HMEPS, the Board of Trustees appointed HMEPS's General Counsel to serve as Acting Executive Director until the Board installs a new Executive Director.

Record Number of Retirements Related to the City Incentive

HMEPS Thanks the Participants, City Employees and HMEPS Board and Staff

The Houston Municipal Employees Pension System would like to dedicate this edition of the HMEPS Pension Press to the devoted and hard-working employees who were part of the extraordinary number of retirements associated with the 2025 City Incentive program:

- **The over 1,000 employees who elected the City Incentive and retired effective June 1, 2025.**

  You all were active members for many years, and now you are part of our incredible retiree group with a lifetime benefit! We appreciate the kind words and support from all of you who understood the challenge of the HMEPS staff's massive swing from an average of 39 retirements a month to over 1,000 retirements in five months, plus the hundreds of other transactions such as DROP distributions, Cash Balance distributions and survivor benefits. We know that those who had to wait until September needed to stretch their 3-month pay incentive more than expected, and we want you to know that this concern motivated the push to achieve pay status by September 30 for all those who completed the application process.

- **The City staff who made the City Incentive possible.**

  Hard-working City employees expedited delivery of thousands of requested employment records, including City employment dates, historical pay and leave data so that HMEPS had a large portion of the participant information needed to determine retirement eligibility and calculate benefits. The City also assisted in April 2025 by sending an email on behalf of HMEPS to City-identified eligible employees with an overview of the timing and process for retirement. City staff further assisted in distributing requests to apply for retirement to hundreds of City Incentive-eligible employees.

- **The HMEPS Board of Trustees and staff who did amazing work to make sure you were retired and paid.**

  The Board of Trustees recognized the need to augment staffing and increase opportunities for HMEPS' trained and experienced employees to handle the extraordinary surge in retirements. Our highly valued employees received, indexed and processed tens of thousands of documents, returned thousands of phone calls, had hundreds of in-person meetings, calculated and prepared retirement information for approval, entered names, addresses, benefit amounts, tax, direct deposit, insurance premiums and other related items in the payroll system, and consistently worked to ensure that every person who elected the City Incentive and for whom HMEPS timely received required information would be paid by September 30 retroactive to June 1.

Please join us in giving a resounding round of applause to all those who worked so hard to help achieve this important milestone for so many deserving participants!

Director of Administration Doug Wynkoop Retires

Doug Wynkoop, HMEPS' Director of Administration, retired September 30, 2025. Doug was an integral part of HMEPS since joining the System in 1995 as a Financial Analyst, after which he served as Senior Financial Analyst, Investment Manager and Chief Investment Officer before leaving to pursue other opportunities. Doug returned to HMEPS in 2019 and finished his career as the Director of Administration, where he led the Accounting, Records and Information Technology teams.

Doug graduated from Ohio State University and moved to Texas to work as an aerospace engineer, during which time he also received his Master's of Business Administration Degree. During his service in the HMEPS investment group, Doug earned the highly regarded Chartered Financial Analyst designation. Since 2019, Doug was instrumental in helping HMEPS manage the challenges following the COVID-19 pandemic, upgrade technology, create efficiencies in financial reporting and payroll, and streamline processes for updating the pension administration system.

When asked what he enjoyed about HMEPS, Doug said, "I have truly enjoyed my time working at HMEPS. I enjoyed it so much that I came back to HMEPS after a nine year absence when the opportunity presented itself. The two things I've enjoyed the most are the people, including the HMEPS staff, our members and our vendors. And second, working at this organization provides a real sense of purpose. It is very gratifying to know the dramatic impact we are providing to so many people."

Please join us in thanking Doug for his years of great service to HMEPS. We wish him the best in retirement and many good days on the golf course.

RMD Notice to Retirees with a DROP Balance or Cash Balance Account

If you are a retiree with a DROP balance or a Cash Balance Account who is subject to the Required Minimum Distribution (RMD) rules (see Spring 2023 Pension Press at http://www.hmeps.org/publications), an HMEPS check in the amount of your RMD will be mailed to your mailing address of record by the end of October or November 2025. Even if your monthly HMEPS benefit is paid by direct deposit, your RMD payment is paid by check sent to your mailing address on file at HMEPS.

Remember that you are responsible for ensuring that the correct RMD amount is distributed each year. Failing to take your RMD each year may result in significant IRS penalties being assessed against you. Failing to cash your RMD check may result in forfeiture of the payment amount. For the treatment of uncashed checks, see page 45 of the HMEPS Benefits Handbook (as of July 2017), available on the HMEPS website at http://www.hmeps.org/assets/2017-benefits-handbook.

HMEPS RECEIVES 2025 NCPERS CHAMPIONS AWARD

The National Conference on Public Employee Retirement Systems (NCPERS), the largest trade association for public pensions, honored HMEPS with the 2025 NCPERS Champions Award for our exceptional commitment to trustee and staff education. HMEPS Chairman Sherry Mose accepted the award on behalf of HMEPS in the category of pension funds with $1 billion to $50 billion in assets.

The HMEPS Board and staff have considerable economic, actuarial and investment expertise, due in large part to our commitment to on-going education and training. An important part of this commitment is Trustee and staff participation in public pension and investment industry conferences and seminars that provide information on cutting-edge pension issues, opportunities to learn and share with other pension plans, and strategies for fulfilling the critical responsibilities of public pension plan fiduciaries.

The HMEPS team is proud to receive the NCPERS Champions Award and looks forward to continuing to deliver exceptional service to our over 33,000 participants.

Chairman Sherry Mose (center) accepts the 2025 NCPERS Champions Award on behalf of HMEPS, with Trustees Roy W. Sanchez (5th from left) and Roderick J. Newman (7th from left).

Retirements:

A list of retirements from recent quarters will be available on the AccessHMEPS page of our website in Spring 2026. Visit www.hmeps.org/AccessHMEPS to sign in or register for access.

Direct Deposit

Top 5 Reasons to Use Direct Deposit

If you have not signed up for direct deposit of your pension payment, now is the time to have your benefit payment electronically deposited to your account at a bank or financial institution so that you can avoid possible mail-related delays in receiving your payment.

Direct deposit is a simple, safe, and smart way to receive money because HMEPS benefit payments are electronically transferred to your checking or savings account, without the need for paper checks. As long as an individual has a bank account, direct deposit can be an excellent financial planning tool as well as a safe, private, convenient way to receive payments.

If you don't have an account, consider opening one and sign up for direct deposit at that time. Most banks, savings and loans and credit unions offer a variety of accounts, some with little or no fees. Some financial institutions offer low-cost Electronic Transfer Accounts (ETA) that feature a minimal cost per month. Look for one that meets your needs.

In addition, benefit payments made by direct deposit should be available to you on the date of the deposit. If a pay date falls on a holiday or other dates when HMEPS is closed, your benefit payment will be available the day before.

In summary, here are some of the ways you can benefit from direct deposit:

1. ***It's reliable*** – you always know when your check will be deposited, even if you are out of town.
2. ***It's convenient*** – no more traveling to the bank or waiting in line.
3. ***It's safer*** – direct deposit eliminates the possibility of a lost, stolen or misplaced check (and your having to wait for a new one) and increases confidentiality.
4. ***There is no cost, and direct deposit can even save you money.***
5. ***It's easy to sign up!*** Just call the HMEPS office at (713) 595-0100 and ask for a Direct Deposit Enrollment Application.

Sign up today and join the other HMEPS retirees who are enjoying the reliability and convenience of Direct Deposit!

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HOUSTON MUNICIPAL EMPLOYEES PENSION SYSTEM

2025 PENSION PAYMENT SCHEDULE

The schedule on the right indicates the dates set for payment of benefits. Direct Deposits (ACH) will be deposited on the last business day of each month. If you receive your pension benefit by mail it is typically mailed to arrive by the last business day of the month. To enroll in direct deposit, please call the HMEPS office at 713-595-0100.

October

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

November

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

December

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	28	30	31			

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Houston Municipal Employees Pension System

1201 Louisiana, Suite 900
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713-595-0100
1-800-858-1450

www.hmeps.org

Pension Press

Thanks to the HMEPS staff for their contributions to the ongoing success of the *Pension Press.*

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NEWSLETTER CONTENT

The material contained in this newsletter is intended to provide you with important information about your pension participation. The content cannot be taken as the basis of any contractual rights between HMEPS and its participants. If there is a question of interpretation, retirement laws are the final authority.