

ORDINANCE: O-2024-05-06

AN ORDINANCE PROVIDING FOR PARTICIPATION IN THE TEXAS MUNICIPAL RETIREMENT SYSTEM AND ITS SUPPLEMENTAL DEATH BENEFITS FUND BY THE TOWN OF WESTON, TEXAS; AND AUTHORIZING ACTUARIALLY DETERMINED CONTRIBUTION RATE PAYMENTS.

WHEREAS, Subtitle G of Title 8, Texas Government Code, as amended (which subtitle is referred to as the "TMRS Act"), authorizes the governing body of the Town of Weston, Texas ("Town") to elect to have one or more Town departments participate in the Texas Municipal Retirement System (the "System"); and

WHEREAS, before adoption of this Ordinance, the Town did not provide retirement benefits to its employees that were funded partly or wholly by the Town; and

WHEREAS, the Town Council of the Town finds that it is in the public interest for the Town to have its employees participate in the System as provided in this Ordinance; now, therefore,

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF WESTON, TEXAS:

Section 1.

Authorization of Participation in the Texas Municipal Retirement System Retirement Plan.

(a) The Town Council of the Town voluntarily elects to have all departments of the Town now existing and those created in the future participate in the System and be subject to the provisions of the TMRS Act.

(b) Each person who is or becomes an employee of the Town on or after the effective date of this Ordinance in a position that normally requires services of 1,000 hours or more per year ("Employee") shall become a member of the System ("Member") as a condition of their employment.

(c) The Town authorizes that each Member will be eligible to retire and receive a service retirement annuity if they have at least 20 years of credited service in the System performed for one or more municipalities, including the Town, that have adopted a like provision under TMRS Act §854.202(g).

(d) In accordance with TMRS Act §855.401, the rate of Member contributions to be made by the Town to the System shall be **7%** *[5%, 6% or 7%]* of each Employee's compensation (as defined by the TMRS Act).

(e) Each Employee who is eligible to receive "prior service credit," as described in TMRS Act §853.101, shall be granted prior service credit at the rate of **100%** percent *["any multiple of 10 percent that does not exceed 100 percent of the base credit, with 10 percent being the minimum percentage..." TMRS Act §853.105(d)]* of the "base credit" of such Member, calculated in the manner prescribed in TMRS Act §853.105. The Town Manager, or their designee, is hereby authorized and directed to ascertain and certify officially on behalf of the Town for each current Employee of the participating departments (i) their number of months of prior service rendered to the Town, and (ii) their average prior service compensation received (calculated pursuant to TMRS Act §853.104), and to make and execute all prior service certifications and reports which may be required of the Town under the provisions of the TMRS Act or in compliance with the rules of the System's Board of Trustees ("Board").

(f) For each month of current service rendered to the Town by each of its Employees who are Members of the System, the Town elects to provide for each such Member at the time of his or her

retirement, a sum that is **200%** [100%, 150%, or 200%] of such Member's accumulated contributions (as defined in the TMRS Act) for such month of employment, and said sum shall be a liability of the Town's account in the benefit accumulation fund, pursuant to TMRS Act §§854.002 and 855.501.

(g) Pursuant to TMRS Act §855.407(g), the Town shall make future normal and prior service contributions to its account in the System's benefit accumulation fund at no less than the combined rate of the total compensation paid by the Town to its Employees who are Members of the System, as the System's actuary shall annually determine as the rate necessary to fund, within the amortization period applicable to the Town under the TMRS Act, the costs of all benefits that are or may become chargeable to or are to be paid out of the Town's account in said benefit accumulation fund, regardless of other TMRS Act provisions limiting the combined rate of Town contributions.

(h) The Town Manager, or their designee, is hereby directed to remit to the System's Board the Town contributions and the amounts that shall be deducted from the compensation of Employees, all as required under the provisions of the TMRS Act and any applicable Board rules, and to make and execute all other reports and certifications which may be required of the Town under the provisions of the TMRS Act, or in compliance with the rules and regulations of the System's Board.

Section 2.

Authorization of Participation in the System Supplemental Death Benefits Fund.

The Town elects to participate in the System's Supplemental Death Benefits ("SDB") Fund for the purpose of providing in-service death benefits for each Town Employee who is a Member, and for the purpose of providing post-retirement death benefits for each retiree whose last covered employment was as an Employee of the Town, in the amounts and on the terms of TMRS Act §§852.004, 854.601 through 854.605, 855.314, 855.408 and 855.502 and applicable rules and regulations of the System's Board.

Section 3.

Notification of Participation and Effective Date.

(a) The Town Manager, or their designee, is hereby directed to (i) notify the System's Board that the Town has elected to participate and have the Town's Employees participate in the System and in the SDB Fund; and (ii) provide the System with a copy of this Ordinance.

(b) Pursuant to TMRS Act §852.001(c), the Town's participation in the System will begin on the first day of the second month after the Ordinance is received by the System.

Passed and approved May 28, 2024

ATTEST:

Kristina Dean
Kristina Dean
Town Secretary

APPROVED:

Jerry Randall
Jerry Randall
Mayor

