



Your City's Contribution Rate: What Is It, and Why Do You Care?

Presented by
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First of all...

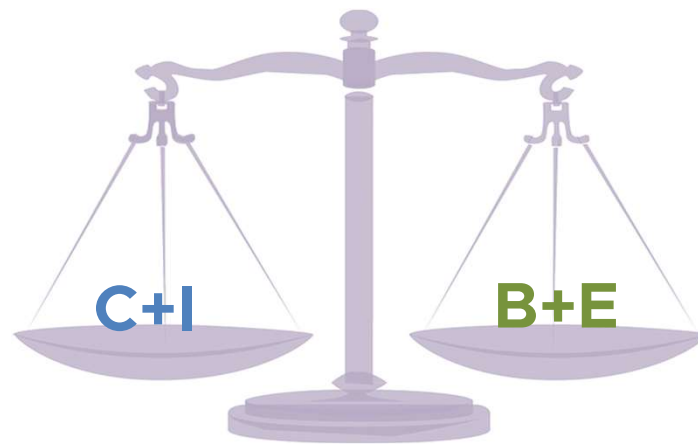


Before We Talk About Your City's Contribution Rate...

Let's talk about the basics of pension funding

Pension Funding Basics

Contributions (C) + Investment Earnings (I) = Benefits (B) + Expenses (E)



Contributions: Two Kinds

Contributions (C) + Investment Earnings (I) = Benefits (B) + Expenses (E)

- **Employee Contributions**
- **City Contributions**

Investment Earnings

Contributions (C) + **Investment Earnings (I)** = Benefits (B) + Expenses (E)

Investment earnings fund almost 70% of a retiree's TMRS benefit

Benefit Costs are Controlled By Your City

Contributions (C) + Investment Earnings (I) = **Benefits (B)** + Expenses (E)

- Employee Contribution Rate (5%, 6%, 7%)
- City Matching Ratio (1:1, 1.5:1, or 2:1)
- USC (50%, 75%, or 100%)
- COLA (30%, 50%, 70%)
- Supplemental Death Benefit (Annual Salary or \$7,500)

Expenses

Contributions (C) + Investment Earnings (I) = Benefits (B) + Expenses (E)

TMRS Administrative Expenses were lower in 2021 than in 2019

So, How Is Your City's Contribution Rate Determined?

- First, let me tell you how it is not determined...
- It is not the Employee Contribution Rate x City Matching Ratio

So, How Is Your City's Contribution Rate Determined?

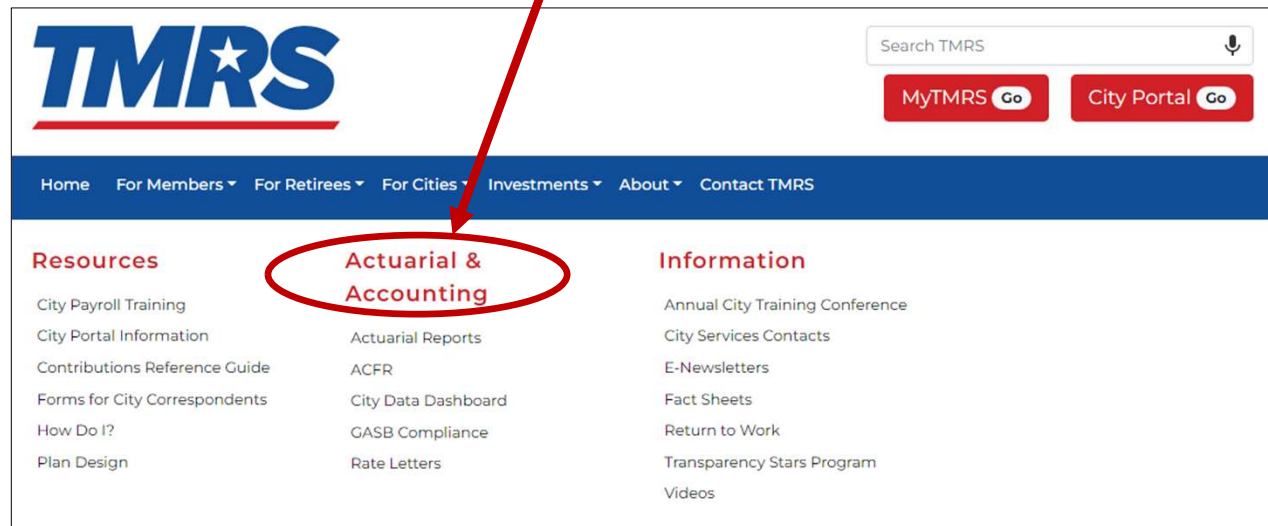
- The city's specific TMRS plan provisions
- The city's current / projected benefit payments
- TMRS actuarial assumptions
- The city's TMRS trust fund assets

Why Does the Contribution Rate Change?

- Actual plan experience vs. expected plan experience
- For example:
 - TMRS' investment returns
 - Turnover / refund rates
 - Retirement rates
 - Mortality rates
- Changes in the city's TMRS plan provisions
- TMRS actuarial assumption changes

TMRS Actuarial Resources For Cities

- Rate Letters
- GASB Compliance
- City Data Dashboard



The screenshot displays the TMRS website interface. At the top left is the TMRS logo. To the right is a search bar labeled 'Search TMRS' with a microphone icon. Below the search bar are two red buttons: 'MyTMRS Go' and 'City Portal Go'. A dark blue navigation bar contains the following links: Home, For Members, For Retirees, For Cities, Investments, About, and Contact TMRS. Below the navigation bar, the page is organized into three columns. The first column is titled 'Resources' and lists: City Payroll Training, City Portal Information, Contributions Reference Guide, Forms for City Correspondents, How Do I?, and Plan Design. The second column is titled 'Actuarial & Accounting' (circled in red) and lists: Actuarial Reports, ACFR, City Data Dashboard, GASB Compliance, and Rate Letters. The third column is titled 'Information' and lists: Annual City Training Conference, City Services Contacts, E-Newsletters, Fact Sheets, Return to Work, Transparency Stars Program, and Videos. A red arrow points from the 'Actuarial & Accounting' link back to the 'For Cities' link in the navigation bar.

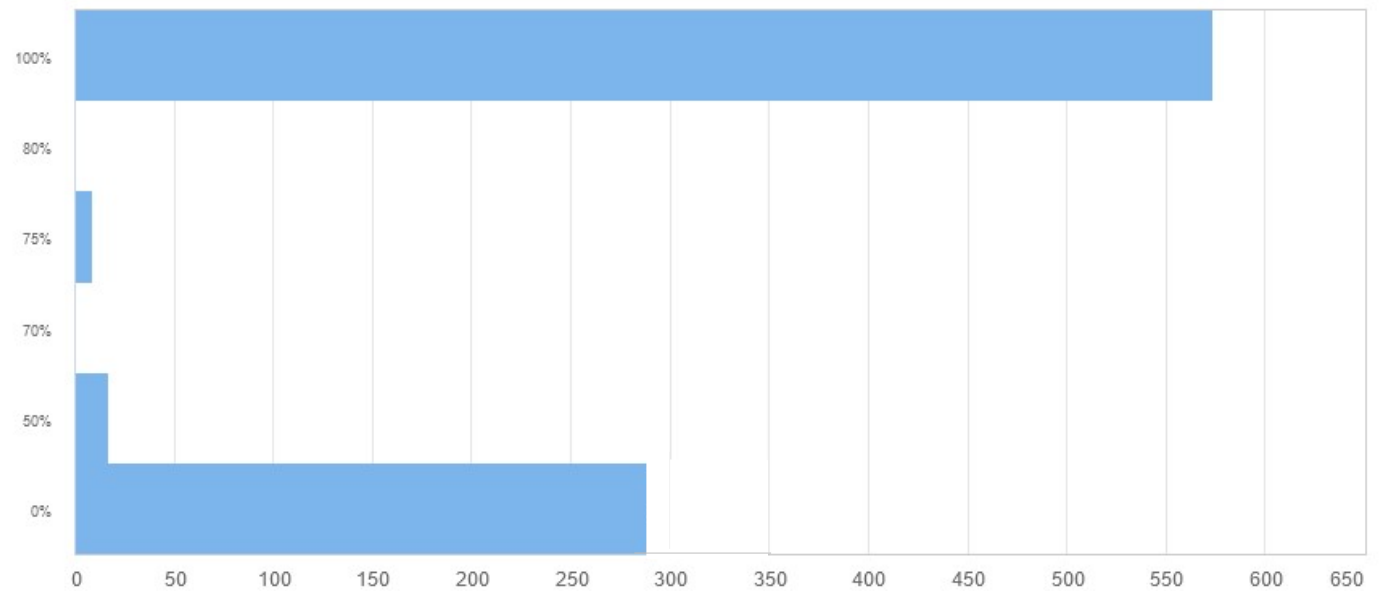
City Data Dashboard – Peer Comparison

Available Dashboards

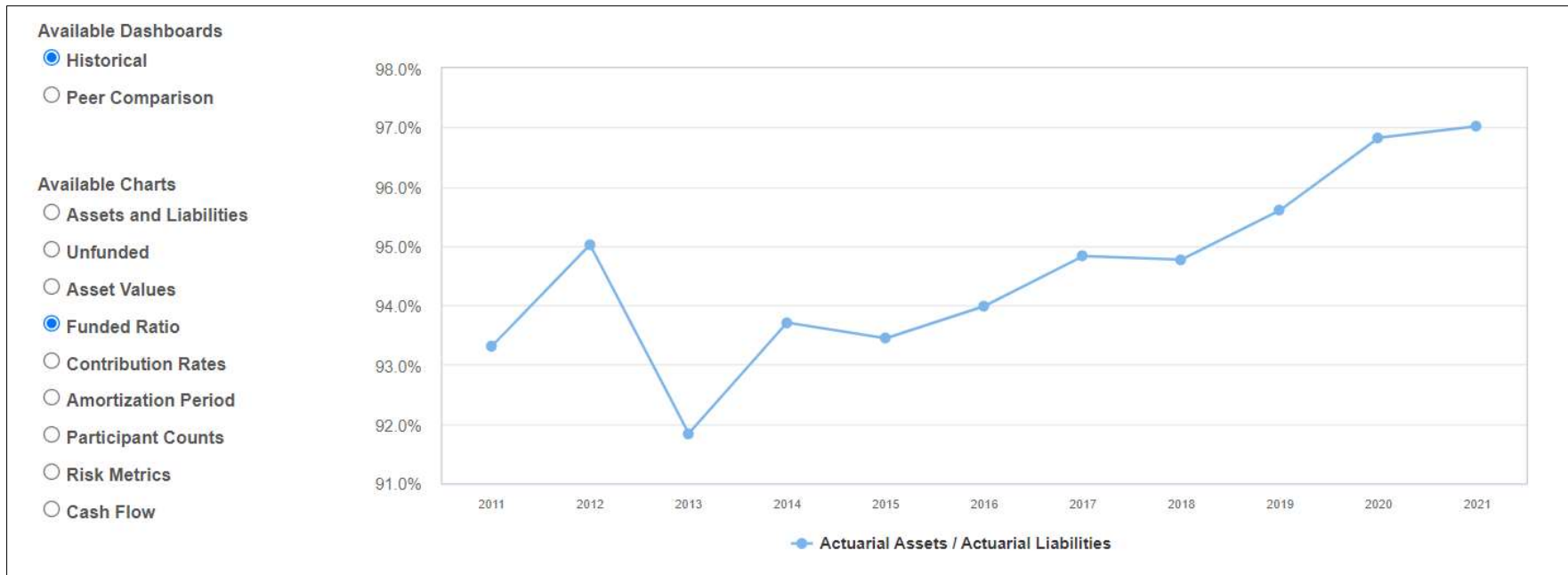
- Historical
- Peer Comparison

Available Charts

- Funded Ratio: 80.0%
- Normal Cost: 4.74%
- Employer Contribution: 13.52%
- Unfunded / Payroll: 54%
- Amortization Period: 7.1 years
- Employee Deposit Rate: 5%
- Employer Match: 2 : 1
- Vesting: 5 years
- Retirement Eligibility: 20 years
- Updated Service Credits: 0%
- COLA: 0%



City Data Dashboard - Historical





Have questions? Please contact:

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