

**February TMRS Board Meeting, GASB Webinar TOMORROW,  
Correspondent’s Training Course, Other Reminders**

**TMRS Board of Trustees February Meeting Summary**

The TMRS Board of Trustees met on February 21 and 22, 2013. The agenda on February 21 focused on investments and included:

- A presentation on risk budgeting as a tool for allocating to actively managed strategies.
- Approval of a search to retain one or more transition managers to assist in future diversification of the portfolio.
- Reviews of two fixed income managers: PIMCO and BlackRock. Both reviews were positive, and recommendation was made that they be retained.
- A report on the transition of the System’s securities lending program to Deutsche Bank and adoption of guideline revisions to the System’s [Investment Policy Statement](#) related to securities lending.
- Approval of a one-year extension of the contract of investment consultant R.V. Kuhns.
- Approval of an amendment to the contract with investment manager PIMCO to conform that contract to other TMRS manager contracts.
- [December 31, 2012 performance snapshot](#); quarterly in-depth report to be provided at the March 21-22, 2013 Board meeting.

The agenda on February 22 included:

- Approval of the December 31, 2012, interest credit allocation to the Benefit Accumulation Fund at a rate of 9.95%. Member accounts had already been credited with 5% on December 31, 2012.
- A legislative update. A [current summary](#) of bills affecting TMRS is posted on the [Legislative page](#) on the TMRS website.
- Adoption of the 2013 internal audit risk-based audit plan.
- Approval of Mr. Gregg Shipley as a member of the [TMRS Advisory Committee](#) on Retirement Matters, representing the Combined Law Enforcement Associations of Texas (CLEAT).
- An educational presentation on the legal background of the TMRS statutory maximum contribution rate (Stat Max).
- A progress report on the TMRS Strategic Plan.

The next meeting of the Board of Trustees will be on March 21 and 22, 2013 in Austin.

**AICPA Webinar Will Discuss GASB Changes**

The AICPA is conducting an audio webcast **TOMORROW**, Wednesday, February 27, from 12:00 – 2:00 p.m. Central Time, titled, “The New GASB Pension Standards – An Auditor’s Perspective.”

The panel will discuss the nature and type of evidence required under the new accounting provisions. Participants can register and receive 2 CPE credits. Visit the AICPA Store tab on the AICPA's website, at [www.aicpa.org](http://www.aicpa.org), for more information.

As most cities are aware, GASB has not yet issued formal guidance on the new pension standards; however, their projected timetable for release of implementation guides for the Plans (GASB Stmt. No. 67) is June 2013, with Employer guidance (GASB Stmt. No. 68) following in January 2014.

### **First 2013 Certification Course to be Held April 9-10**

Sign up now to receive your certification as a City Correspondent! This year, in addition to our two courses in Austin, we're offering one in Addison.

Certification training takes place over a one-and-a-half-day period (registrants may need to book a hotel for one or two nights; click on the Map link below for suggested hotels in Austin). The purpose of this training is to give City Correspondents and other TMRS plan administrators the knowledge and tools they need to administer TMRS benefits.

In 2013, we are planning three courses:

- Austin – Tuesday and Wednesday, April 9-10  
[Registration form](#) | [Agenda](#) | [Map](#)
- Addison – Tuesday and Wednesday, July 23-24
- Austin – Tuesday and Wednesday, November 12-13

### **TMRS Is on Facebook**

If you have a Facebook account, you can now “Like” us and receive updated information from TMRS. We will use this page to communicate with current members, retirees, cities, and any other interested parties. We cannot answer any questions about a member's personal account on Facebook, but this is a good way to provide general information.

We won't ever post anything on Facebook that hasn't already been distributed through other communications channels (e-bulletins, website, and/or print publications). As our Facebook following grows, we will add more and more information to the page. As always, we appreciate your comments – let us know what you would like to see by sending a note to [communications@tmrs.com](mailto:communications@tmrs.com).

### **Annual Statements Coming Soon**

The Annual Statements for members will be mailed by March 22. We will post the mail dates by zip codes on the website sometime this week. At the time the statements mail, they will also immediately be available as PDF files on [MyTMRS](#) – using this online feature allows members to see their account information as well as view or print retirement estimates and annual statements.

## **REMINDER - Rate Letters are Going Paperless!**

Starting with this year's annual Rate Letters, TMRS will no longer be mailing hard copies to city finance personnel and correspondents. Because this city-specific correspondence (usually mailed in May each year) will be available on-line only, we'll send an e-mail to all city contacts, letting you know that the letters are available and how to view or download them.

## **An SDB Becomes a Taxable Fringe Benefit When ...**

Reminder to city payroll departments: For federal tax purposes, the Supplemental Death Benefit provided by TMRS is considered to be similar to a group-term life insurance program. As such, SDB coverage provided to an employee in excess of \$50,000 may be considered taxable compensation to the employee.

TMRS has posted a link on our website to a useful publication, recently released by the IRS: [Federal, State and Local Governments – Quick Reference Guide for Public Employers](#). City payroll departments will find the reference to Group-term Life Insurance on page 13 of the document.

## **Information about Maximum Compensation Limit**

Each year, the IRS sets a compensation limit, which specifies the maximum amount of compensation that may be used in calculating the amount that may be contributed to a retirement plan. Employees who began participating with TMRS on or after January 1, 1996, are subject to this compensation limit. **For 2013, the annual cap on compensation for which contributions can be made has been increased to \$255,000.** For example, in a city with a 7% deposit rate, the maximum amount of the employee deposit contribution for 2013 would be \$17,850 (7% × \$255,000).

Employee deposits submitted by cities in excess of the cap will be returned to the city and may affect the amount of the employee's wages subject to federal income tax. TMRS attempts to identify members who may be subject to the limit and makes every effort to advise both the members and their employers.

If you have any employees who may exceed the limit, you may wish to consider implementing maximum compensation limits on the contributions submitted to TMRS. Contact TMRS at 800.924.8677 if you have questions.

*NOTE - Previously issued e-bulletins are posted in the E-Bulletin section under the City Services tab on the TMRS website.*