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## October Board of Trustees Meeting

The TMRS Board of Trustees met in Austin on October 31, 2019. The Board:

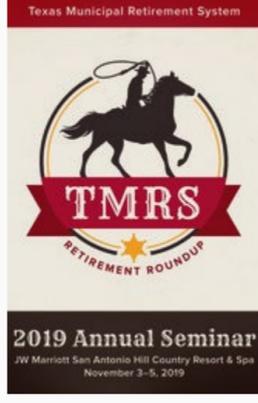
- Established an Executive Director Search Committee, consisting of the Board Chair and Vice Chair. The committee will work with Hudepohl & Associates to approve the job posting.
- Heard a presentation on the preliminary TMRS operating budget for 2020; a final budget will be presented for approval in December.
- Adopted a new set of actuarial assumptions based on the *Actuarial Experience Investigation Study as of December 31, 2018*, prepared by TMRS' consulting actuary, GRS. See the presentation made at the September meeting for details of the assumption changes. The full experience study report may be found [here](#).
- Adopted a contribution phase-in policy that will allow cities seeing a net contribution rate increase greater than 0.5% resulting from the 2019 actuarial changes to phase in such increases at a maximum of 0.5% per year until the full rate is reached. For this purpose, the net increase is the rate increase solely due to the change in assumptions less any rate decrease attributable to experience gains.
- Approved a process to develop and issue an RFP for the Board's Governmental Relations consultant and authorized staff and the Legislative Committee of the Board to review responses, interview finalists, and make a recommendation to the Board.
- Approved allocations of up to \$100 million each to two managers in the real estate portfolio.

The Board did not meet on November 1, and items on the agenda for that date will be considered at a future meeting. The Board's next meeting will be December 5 – 6 in Austin.

## Upcoming Advisory Committee Vacancies

Do you know a TMRS member or retiree with knowledge of the System and an interest in contributing to TMRS' future? Please spread the word that the TMRS Advisory Committee on Benefit Design will have two vacancies in the individual class membership by the end of 2019. One of these voluntary positions is reserved for an active member of TMRS and one for a TMRS retiree. The Advisory Committee supports the TMRS Board of Trustees in its study of benefit design issues and helps the Board develop legislative proposals. See the [Advisory Committee page](#) for details on the committee's operations and for an application to be considered for appointment by the Board.

## TMRS Annual Seminar a Resounding Success!



On November 3 – 5, approximately 150 attendees from 96 cities across Texas joined the TMRS staff at "Retirement Roundup," the 2019 TMRS Annual Seminar. This year's seminar took place at the JW Marriott Hill Country Resort and Spa and included an evening dinner at the historic Knibbe Ranch, whose original owners founded the City of Spring Branch.

Visiting speakers included Carmen Medina, who talked about being a change agent in your organization; David Dylan Thomas, who gave tips on collaboration and understanding bias; Dianne Gottsman, who discussed networking etiquette; and Utpal Dholakia, who explained financial and psychological preparations for retirement.

Panel discussions covered cybersecurity and how to handle complicated member issues. TMRS staff speakers and visiting consultants gave updates on legislative changes, actuarial matters, and SOC-1 audits, while TMRS Investment staff talked about their due diligence process, asset class performance, and the benefits of teamwork.

If you were unable to attend this year or just want to view the presentations, visit the [2019 Annual Training Seminar Presentations and Handouts](#) page of the TMRS website.

**TELL US WHAT YOU THINK! This short survey about the TMRS Annual Seminar is important for our event planning. Even if you have never attended an Annual Seminar, we want your opinion, and if you have attended, please share your ideas for future seminars. Thank you!**

## Online Security Tips for Cities

At the 2019 TMRS Annual Seminar, one of the panels covered cybersecurity. The presentation included important steps cities can take to help ensure they do not fall victim to cyberattacks. Employee education – training that teaches email users not to click on unsolicited "phishing" emails – is extremely important because human error is the primary way hackers target governmental entities.

View the [full presentation](#) and others from the 2019 Annual Seminar on the TMRS website. The presentation describes why online security matters, how your city can mitigate threats through best practices, what TMRS is doing to provide security for sensitive data, what to do if a cyberattack happens. It also lists educational resources to help protect against this type of fraud.

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## Reminder About Resources for Financial Reporting

The Governmental Accounting Standards Board Statement No. 68 (GASB 68) pension disclosure and No. 75 (GASB 75) OPEB information for 2019 fiscal years are available on the [Eye on GASB](#) page of our website.

These **Employer Reporting Packages** are based on the December 31, 2018 (measurement date) actuarial valuation. Select the year 2019 and then your city from the drop-down menu to download the package.



Please be sure your finance officer is aware of these resources. They are updated annually. If you have questions about any of these financial reporting materials, send an email to [pensionaccounting@tmrs.com](mailto:pensionaccounting@tmrs.com).

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## Two Regional Pre-Retirement Conferences Left in 2019



Employees who are close to retirement have a great opportunity to learn about their TMRS benefit at a Regional Pre-Retirement Conference.

These free programs also include a presentation by a Social Security expert. Employees self-register through Eventbrite using the link for the date/location they want to attend. The remaining Regional Conferences for 2019 are:

- **November 19** – Nacogdoches
- **December 11** – Grapevine

## REMINDERS FOR CITY ADMINISTRATORS – Enrollment and Monthly Payroll

**Information Submitted about New Members Is IMPORTANT.** Whether you are submitting enrollments online using the City Portal or filling out new member forms, it is EXTREMELY important for all information to be correct. When a new member joins TMRS, we collect personal information, such as date of birth, gender, and monthly salary. Our actuaries require accurate information as part of the annual valuation process, which determines your city's rate each year. Missing or incorrect information can affect your city's contribution rate. The best way to submit new member enrollment data is through the [City Portal](#), but if you choose to use a TMRS-0016 form, please be sure the form is accurate, legible, and complete.

**TIMELY Submission of Enrollment for New Members is IMPORTANT.** When enrolling

new employees in TMRS, please complete the enrollment process as soon as possible,

**and no later than the same monthly payroll that reports the first contribution deduction.** Enrollment can be done either through the City Portal or by using the New Member Form (TMRS-0016), but please do not duplicate an enrollment by using both. If the first contribution is sent to TMRS without enrollment being completed, we must perform additional research to allocate the contributions that are received from the city. Also, new members will not be able to set up their MyTMRS® accounts until the enrollment process has been completed

**Potential Risks of Paper!** Please be aware of the potential risk in sending paper forms, checks, and payrolls through the mail. The most secure option to transfer documents to TMRS is the [City Portal](#). TMRS strongly encourages cities to upload all official documents and forms (including monthly payroll reports) through the City Portal. **IMPORTANT NOTE: In the City Portal, use the Payroll tab (not the upload tab!) for payroll documents.** TMRS also highly recommends that cities send their funds via EFT/ACH. Questions? Contact Jennifer Andrews at 800.924.8677 or send her an email.

**NOTE: The City Portal Training Manual has been updated and is available on the TMRS website. If you would like a hard copy, send a note to [communications@tmrs.com](mailto:communications@tmrs.com).**

**REMINDER: 1,000-Hour Rule Mandatory Enrollment** means that a city must enroll employees in TMRS if they are regularly employed in a position that normally requires 1,000 hours or more of work in a year. The city determines eligibility based on the 1,000-hour rule. Temporary employees and volunteer firefighters would not qualify for eligibility. Seasonal employees may or may not be eligible depending on the number of hours the seasonal position normally requires in a year. The city determines whether the position for which the employee will be hired qualifies for TMRS membership based on this 1,000-hour rule. As you hire and enroll new employees, please contact TMRS if you have any questions about their eligibility!

**Maximum Compensation Limit.** The IRS has announced that the 2020 annual compensation limit (aka Max Comp) for deferred compensation plans under IRC §§ 401(a)(17), 404(l), 408(k)(3)(C), and 408(k)(6)(D)(ii) is increased from \$280,000 to \$285,000. TMRS is a qualified plan under Section 401(a) of the Internal Revenue Code. If any of your city employees will receive gross compensation over \$285,000 for 2020, contact TMRS for instructions. See the full list of IRS 2020 limitations for qualified retirement plans [here](#).

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