

TMRS E-bulletin

FOR CITIES

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March TMRS Board Meeting Summary

The TMRS Board of Trustees met on March 30-31, 2017. The Board:

- Heard a [presentation from GRS](#) and approved an annual interest credit to city accounts at 6.73%
- Discussed the TMRS Strategic Plan and heard a [strategic planning overview](#) from MOSAIC Governance Advisors
- Heard a [quarterly report](#) from investment consultant RVK
- Authorized allocations of up to \$50 million each to two providers in the [real estate](#) portfolio, pending successful contract negotiations
- Authorized a total of up to \$280 million to three funds in the [absolute return](#) asset class, pending successful contract negotiations
- Heard a comprehensive annual review of the [fixed income](#) asset class
- Received and discussed KPMG's [external audit](#) plan for TMRS' financial statements for the year ending December 31, 2016
- Heard a [status report on legislation](#) during the current session of the Texas Legislature
- Received a [457 Trustee and Record-keeper Recommendation](#) and authorized the Executive Director to negotiate a contract with Empower Retirement to provide 457 plan services to TMRS
- Heard a report from the Deputy Executive Director on the [Executive/Administrative Department](#) at TMRS

The next Board meeting will be May 18 and 19 in Austin.

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Executive Workshop Coming to Austin

The first TMRS Executive Workshop for 2017 will be held April 25 from 9:30 to 12:30 at the Texas Municipal League Building, 1821 E. Rutherford Lane, Suite 400. The Executive Workshops deliver an overview of TMRS' plan design and provide detailed information about actuarial, investment, and legislative matters. In addition, they facilitate networking among city executives — City Managers, Assistant City Managers, Finance Officers, HR Directors, elected officials, and other city decision-makers.

Agenda:

- 9:30 Breakfast
- 10:00 Welcome and Introductions
- 10:15 What's New at TMRS
- 10:45 Investments and Actuarial Panel Discussion
- 11:45 Questions/Summary
- 12:00 Lunch

The other workshops for 2017 are:

- May 10 – Arlington (Bob Duncan Center, 2800 S. Center St., Main Room)
- June 13 – Corpus Christi (American Bank Center, 1901 N. Shoreline Blvd., Watergarden B)
- July 25 – San Antonio (Central Library Auditorium, 600 Soledad St.)
- August 22 – Sugar Land (City Hall, 2700 Town Center Blvd. North)

Links to the Eventbrite invitations are on the [TMRS events calendar](#).



New Executive E-Newsletter

In conjunction with the Executive Workshops, we are publishing a new e-news bulletin approximately twice a year, featuring in-depth articles on retirement system issues. The first issue contained stories about the 2017 Executive Workshops, the investment return assumption, and a state and national legislative summary. Copies are available on the [Electronic Publications page](#) on the TMRS website. Also, when you open that webpage, you'll see a signup link for all TMRS E-Newsletters to ensure that you receive future issues. You may also manage your email subscriptions to TMRS publications from the footer link at the bottom of this E-Bulletin.

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Correction of Errors and Settlement Agreements

As noted in the last issue, it is very important for city staff to understand the procedure for correcting errors that affect a member's participation or service credit in TMRS. The procedure is especially important if a settlement agreement or other agreement with an employee includes any proposed adjustments to their TMRS benefit.

If you discover an error has been made, it is important to notify TMRS as soon as possible. When you notify TMRS that a need for correction has been identified, our Member Services department will provide you with the information TMRS requires to process the correction. Applications are time-sensitive; corrections can only be made for errors that occurred within **four years** prior to the date a **written** application for correction is **received** by TMRS.

If a correction may result from a settlement agreement, an agreed court order, or other agreement, we recommend that your legal advisors work with the TMRS Legal Department **before finalizing** the agreement, to ensure it can be implemented.

If you have any questions, please contact one of our Membership Analysts at 800-924-8677.

2017 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 2017, the annual cap on compensation for which contributions can be made is \$270,000.** For example, in a city with a 7% deposit rate, the maximum amount of the employee deposit contribution for 2017 would be \$18,900 (7% × \$270,000).

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.

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Other Training Events

City Correspondent Certification Courses – Specially designed one-and-a-half day courses give TMRS administrators all the information they need to be a successful City Correspondent. The agenda and course manual are posted on the web calendar, as are [links to register online](#). In 2017, the remaining courses will be held in Lewisville and Austin.

Regional Pre-Retirement Conferences for Members – Consult the TMRS website for a list of

member cities that are hosting [Pre-Retirement Regional Conferences](#) this year. Please encourage your employees who are close to or considering retirement to sign up online (links are available on the web calendar). The half-day events are free, spouses are welcome, and breakfast is included..

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CITY CORRESPONDENT REMINDERS

Sign Up for Electronic Payroll, Get Free Registration to a TMRS Training Course!

Employees who are responsible for submitting monthly City payrolls to TMRS will want to review the online training that shows how to submit the City's Monthly Payroll Report. The training page is posted on the TMRS website [here](#). Included within the training are the following components:

1. [Payroll Reference Guide](#) (a resource that can be reviewed, printed, and kept for future reference).
2. Forms tutorial "[How to Fill Out Payroll Forms](#)," which guides you through completion of TMRS payroll forms, and shows you how to calculate the correct amount to send to TMRS each month.
3. As needed for review, "[FAQs Regarding Payroll Submission](#)."
4. Instructions for filing payroll electronically, using either the [Electronic Payroll Guide](#) or the TMRS [City Portal](#).

Act now! Sign up and submit your first electronic payroll and you'll qualify to send someone from your city to a 2017 TMRS training event (either the Annual Training Seminar or a Correspondent Course). For either option, TMRS will waive the registration fee (\$125 or \$50, respectively). To take advantage of this offer and also receive payroll upload assistance, email Chris Gillis at cgillis@tmrs.com or Chad Nichols at cnichols@tmrs.com, or call our office at 800-924-8677 and ask to speak to Chris or Chad.

Importance of Safeguarding Confidential Member Information

TMRS makes the protection of confidential member information one of our highest priorities. If your city encounters a situation where you believe private information for members, such as Social Security numbers, has been compromised, please contact us.

*TMRS follows a strict protocol for identifying callers, and if there is any doubt as to the caller's identification, we ask the member to request information in writing with a signature. Member communications are confidential. **Never send confidential information in emails or as attachments to emails.***

About FAXING to TMRS...

Fax machines have given way to electronic faxing. Whatever form of fax you use to send documents, be aware that faxing degrades image quality. If you're sending a copy of anything via fax, please start with the best image quality you can before sending. Sometimes photocopied images such as driver's licenses are practically unreadable. TMRS is working to provide electronic upload capability that will reduce the need for faxing.

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NEW COLA FACT SHEET FOR MEMBERS

An informational flyer (legal size) on the TMRS [Cost of Living Adjustments for Retirees](#) is available on the TMRS website. The fact sheet provides all the information members and retirees need to understand how TMRS COLAs work to protect the value of their benefit.

NOTE • Previously issued e-bulletins are posted in the [E-Bulletin section](#) under the City Services tab on the TMRS website.



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