

# TMRS E-bulletin

News for Cities | Vol 5 | July 1, 2020

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## June Board of Trustees Meeting

The TMRS Board of Trustees met in Austin on June 25. The meeting was webcast. The Board:

- Adopted a Partial Year **Board and Committee Work Plan**
- Continued a discussion of the **Board's Investments Beliefs**
- Approved additional proposed amendments to Chapter 123 of the TMRS Rules for later submission for publication in the Texas Register
- Received reports on the results of **2019 Financial Statement Audit and the System and Organization Controls (SOC) Audit**
- Heard an overview and approved distribution of the **2019 CAFR**. The 2019 **financial reports** are posted on the TMRS website
- Authorized the Executive Director to negotiate the terms of an agreement with Ron Lewis & Associates as the **Governmental Relations Consultant** to the Board
- Heard reports from the Chief Investment Officer and Executive Director

On June 26, the Board met in Executive Session to conduct interviews of candidates for the position of Executive Director (see item below).

The next meeting of the TMRS Board of Trustees is planned for August 20 – 21 in Austin.

## Executive Director Update

In 2019, current TMRS Executive Director David Gavia announced his intention to retire in May 2020. Due to the COVID-19 emergency, the Board of Trustee's search for his successor has been slightly delayed, and Mr. Gavia has postponed his retirement to accommodate the search delay. The Board conducted interviews with finalists for the position on June 26. Watch the TMRS website, social media, and other communications for updates.

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## COVID-19 Status and City Actions

The TMRS office remains closed to visitors and our staff is not traveling. Because of the increase in coronavirus cases in Texas, the office will stay closed at least through the end of August. Remember, you can always reach us by calling the Phone Center (800-924-8677), sending an email to the [TravelTeam@tmrs.com](mailto:TravelTeam@tmrs.com), or consulting the **TMRS Town Square** to request a virtual meeting with a Regional Manager on the TMRS Travel Team (see item below).

If your city is thinking about offering retirement incentives, which might include lump-sum payouts by the city to employees, there are issues you may wish to consider. In general, additional money awarded to employees is considered "compensation" under the TMRS Act, so your city's percentage for employee contributions (5, 6, or 7% of compensation) would be added to their accounts prior to calculating the retirement benefit. However, for persons who first became TMRS members on or after January 1, 1996, the IRS imposes limits on the maximum amount of compensation that can be used for purposes of determining TMRS employee contributions and benefits. Please reach out to us ([TravelTeam@tmrs.com](mailto:TravelTeam@tmrs.com)) to discuss how these incentives may affect your employees' accounts so you can fully communicate this information to them.

In addition to incentives, some cities are considering layoffs, furloughs, reducing the number of work hours for some employees, and other cost-cutting measures. On the question of "furloughs," please review [this previous ebulletin](#). If your city is considering any type of reduction that will affect members' TMRS accounts, we strongly urge you to communicate with your members to help them understand their options and encourage them to contact TMRS if they need additional assistance. If you are considering any unusual actions to address COVID-19's impact on your city, please call TMRS and work with us so that we can provide any needed information.

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## Online Training at the TMRS Town Square

With travel still restricted, TMRS is offering expanded online training. The **TMRS Town Square** page on the website offers virtual options to give you the training and information you need. Whether you join a webinar, watch a video, or schedule a virtual face-to-face meeting with a Travel Team member, you still have access to the guidance you may need to help your employees understand their TMRS benefits.

The Travel Team recently presented a webinar for employees approaching retirement, and it can be viewed [here](#). Watch for future webinar announcements on the TMRS Town Square webpage and [Facebook](#), and contact the **Travel Team** to schedule a webinar for your employees or a virtual meeting for your benefit administrators.

Take a stroll in the Town Square [here](#).

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**Additional service credit may help  
your employees reach vesting or  
retirement eligibility, and this can  
be extremely important information  
if they are making a decision about  
their benefits.**

**One important note about RPSC:** Service credit cannot be established for the same period of time more than once. For example, if your employee had prior service for the State of Texas and your city adopted RPSC, the employee could not claim that state service under both the Proportionate Retirement Program and RPSC. Similarly, if your employees have prior military service, they cannot claim it as both Military Service Credit and RPSC.

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