

## From the Executive Director



I want to personally assure all TMRS members that the System is in full operation. Our Phone Center (800-924-8677) is open 8 to 5 to answer your questions or set up a counselling session. We are processing new members, retirements, refunds, and city payrolls promptly. Our investment staff is working hard to manage our funds in challenging markets, and we are confident that the long-term financial health of the investment portfolio is strong.

I also want to express just how much I appreciate your hard work as municipal employees. Public safety and public health staff are on the front lines of this emergency, and city administrative staff are working around the clock to ensure their communities receive necessary communications and are in full operation.

We are proud to be your retirement system, and we honor the work you do.

David Gavia  
Executive Director, TMRS

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## Questions from Members

TMRS is getting questions from members and cities arising out of the COVID-19 crisis. For example, some cities are considering furloughing employees or reducing the number of hours employees work in a week.

TMRS participation is mandatory for any employee of a participating city who is employed in a position that normally requires at least 1,000 hours of service in a year. Following this rule, each city makes the determination of participation eligibility for each position its employees fill.

### What if my city reduces the number of hours I work?

If your position normally requires at least 1,000 hours in a year, but your city has temporarily cut back your hours but has not otherwise changed the position, your membership in TMRS will not be affected. If your pay is reduced, the amount of money going into your account each month will be smaller. Members receive service credit for each month that their employer makes a contribution into their TMRS account.

### If I am laid off because of the pandemic, can I refund my account?

Maybe, if certain conditions are met. If you are no longer on the payroll of any city that participates in TMRS, and there is no prearrangement (written or oral) for you to return to work for the city, then you are eligible to refund your account. If you are eligible for a refund, then the refund will include your personal contributions and the interest credited on those contributions, but none of the matching funds the city has paid into TMRS on your behalf will be included. Those city matching funds, along with all of your accumulated service credits and any special credits, will be **forfeited** if you refund your account. The refund process generally takes 6-8 weeks from the later of your last day of employment or TMRS's receipt of your application for refund.

The TMRS Act and the IRS do not permit a refund if there is a prearrangement for you to return to work. Such an arrangement is not considered a "bona fide" separation from service. In the event of a "furlough", this can be an issue because the meaning may vary from city to city with respect to whether the furloughed person is or is not still an employee and whether they are expected to return to work. It will be up to the city to certify that an employee has been terminated, without a prearrangement to return to work, on the TMRS refund application.

For more information on refunds, see this [flyer](#) on our website:and this 5-minute [video](#).

### Do I have to refund my account if I am laid off?

No. You are not required to refund your account if you are no longer working for the city. You can leave your account intact, and if you are not vested, you will still receive a guaranteed annual interest credit of 5% on your account for the next 5 years (60 months from month of termination). If you are vested, you will continue to receive the annual interest credit until you choose to retire or refund your account. For this reason, it is especially important to consider leaving your money in TMRS if you are vested. If you would like to receive an estimate of your potential retirement benefit, log on to your MyTMRS® account [here](#) any time, or call our office between 8 a.m. and 5 p.m. Monday through Friday at 800-924-8677 and a member of our Phone Center will be able to assist you.

### What if I am not laid off, but I am transferred to a position not eligible for TMRS?

If you are no longer contributing to TMRS but still working for the city, you are not eligible to refund your account. TMRS statutes do not allow members to refund their accounts while still working for the city. This is the case even if the position is part-time and not eligible to participate in TMRS.

### If I am laid off because of the pandemic, can I retire through TMRS?

Maybe — if you are already eligible to retire from TMRS and get laid off, you have no prearrangement (written or oral) to return to work for the city from which you retire, and you do not go to work for another city that participates in TMRS before your annuity payments begin, you can retire. You must have a "bona fide" separation from service in order to retire. Again, in the event of a "furlough", it will depend on whether a furloughed person is or is not still an employee and if they are expected to return to work. Also, even if you have a bona fide separation from service and retire, but later decide you want to return to work, your retirement annuity will be suspended if you return to work for the same city from which you retired.

### Does this event qualify me to take a loan from TMRS?

No. The TMRS Act does not allow members to take loans from their accounts, or borrow against their accounts for any reason. If you participate in a 401k, 457, or other savings arrangement, you may wish to check with your city to see if loans are permitted there.

### How has the financial market downturn affected TMRS' investments?

TMRS invests for the long term in a diversified portfolio designed to withstand downturns in the market. Although this crisis is causing market volatility, our Board of Trustees, executive staff, and award-winning investment department will continue to monitor the situation. Your account is secure and is credited with 5% interest each year. Your account balance will not decrease, and all retiree benefits will continue to be paid. For more information about our investment strategy, asset allocation, and recent returns, visit the investment page on our website <https://www.tmr.com/investments.php>.

### I have a TMRS form that requires a notary to witness it. Can this requirement be waived?

No. TMRS does not have the authority to waive the requirement for notarization. Most financial institutions, delivery companies, law offices, and some grocery stores have notaries on staff.

### Can I talk with someone about my personal situation and account?

Absolutely! TMRS is here for you and happy to answer any questions regarding your personal account. Our Phone Center is available Monday through Friday, 8 a.m. –5 p.m. at 800-924-8677. You can also submit a written request through our website <https://www.tmr.com/contact.php>.

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**The TMRS Travel Team is working with a variety of applications to develop virtual meetings with members. Watch for more information soon.**