

TMRSE-bulletin

FOR CITIES

**February Board Meeting • Legislative Update • New GASB 68 Q&A for Cities
Pre-Retirement Seminars and Correspondent Training
TMRSDirect and the City Portal • Maximum Contribution Limits**

February Board of Trustees Meeting Summary

The TMRS Board of Trustees held its first meeting of 2015 on February 26 and 27 in Austin. Among other items, the Board:

- Heard investment reports from Chief Investment Officer T.J. Carlson and the System's investment consultant RVK. A summary of the 2014 fourth quarter investment information provided by RVK is available [here](#).
- Heard an educational session on private equity investment.
- Heard an educational presentation that provided an overview of information and options for investment decision governance.
- Heard an update on the legislative session (see article below).
- Approved three members and three alternate members to the Advisory Committee on Retirement Matters, representing these organizations: Arlington Professional Fire Fighters – member Alex Cramer, alternate David Crow; Government Finance Officers Association of Texas – member Keith Dagan, alternate Bob Scott; Texas Municipal League – member J.J. Rocha, alternate Monty Wynn.
- Ratified Updated Service Credit and/or Annuity Increase ordinances adopted and received by TMRS prior to their January 1, 2015 dates.

The next Board meeting will be March 26-27 in Austin.

Legislative Update

The 84th Legislative Session gaveled in on January 13, 2015. Lt. Governor Dan Patrick and Speaker of the House Joe Straus have appointed committee chairs and members. The Senate State Affairs Committee and House Pensions Committee have oversight responsibilities for Texas' pension systems, including TMRS. Senator Joan Huffman from Houston is the Senate State Affairs Committee Chair, while Representative Dan Flynn from Van is Chair of the House Pensions Committee. Both committees have started holding hearings that involve pension-related legislation. A list of bills affecting TMRS and public pension systems is located [here](#). As a reminder, the TMRS Board of Trustees decided not to pursue any legislative changes this session.



Introducing: TMRSDirect

TMRSDirect is a strategic initiative to transform TMRS administration from the current paper-based system to a "Straight-Through Processing" (STP) model that will reduce paperwork, improve data accuracy, enhance security, and increase the speed of data updates. TMRSDirect will change TMRS' online systems, MyTMRS® and the TMRS City Portal, by providing new self-service capabilities to cities, members, and retirees.

A long term project of TMRS' Project Management, IT, and Member Services departments, TMRSDirect upgrades will be rolled out over the next five years. The first enhancement will be to the City Portal, which will provide Enrollment for New Members online in the second quarter of 2015.

Member Annual Statements to Mail Soon

Statements reflecting each member's account for the 2014 calendar year will be sent this month

and will be available on MyTMRS at the time they mail. TMRS will mail the statements in four groups (by ZIP codes); see dates on the TMRS website.

Regional Pre-Retirement Conferences for 2015



If you have employees who are thinking about retiring within the next five years, please help them learn more about their options by encouraging them to attend one of the free Regional Pre-Retirement Conferences in your area. A few weeks prior to each conference (approximately six weeks ahead), we post registration forms and agendas on the website.

Here are the remaining conferences for 2014:

March 11, Wednesday — Victoria [RSVP Form](#) | [Agenda/Flyer](#)

March 24, Tuesday — Granbury [RSVP Form & Agenda/Flyer](#)

May 15, Friday — Abilene

May 28, Thursday — San Marcos

June 2, Tuesday — McAllen

June 23, Tuesday — Grand Prairie

July 1, Wednesday — Addison

July 14, Tuesday — Tyler

July 30, Thursday — Pasadena

August 6, Thursday — Wichita Falls

October 21, Wednesday — Midland

October 29, Thursday — Lubbock

City Correspondent Certification Courses



Every year, TMRS conducts courses to train City Correspondents and other TMRS administrators. Each course lasts one-and-one-half days and gives administrators the knowledge and tools they need to function in partnership with TMRS. For 2015, we are planning to hold courses in the following cities:

April 7 and 8 • Tuesday and Wednesday — Austin

NOTE - The deadline for the Doubletree's TMRS block of rooms has been extended to Friday, March 13. Sign up now!

[Registration Form](#) | [Agenda](#) | [Hotel Information](#)

May 6 and 7 • Wednesday and Thursday — Friendswood

July 22 and 23 • Wednesday and Thursday — Brownsville

September 30 and October 1 • Wednesday and Thursday — Plano

If you would like to attend Correspondent training but can't make it to one of these courses on these dates, or if you can't make it to this year's Annual Training Seminar in San Antonio (November 9-10), please let us know. Send a note to communications@tmrs.com so that we can keep you informed of other training options.

GASB 68 Q&A for Cities

TMRS has prepared a flyer to update cities on the upcoming GASB 68 disclosure requirements. The sheet details requirements for cities and discusses the materials that TMRS will be making available to cities on the City Portal later this year. The [Q&A for Cities on GASB 68](#) is posted on the "Eye on GASB" page on the TMRS website. We strongly encourage cities to download and consult this handout.

As you are no doubt aware, the new pension accounting standards under GASB Statement No. 68 (GASB 68), effective for fiscal years beginning on or after June 15, 2014, SIGNIFICANTLY change what cities must report in their financial statements and pension disclosures.

TMRS will continue to post information about GASB 68 as needed on the [Eye on GASB](#) page, and your city's finance personnel or external auditor may email pensionaccounting@tmrs.com with GASB 68-related questions. City-specific information related to the new standards will be available on the TMRS City Portal.

City Portal Usage and Usability Growing

2015 Maximum Compensation Limit

Since January 1, 2015, 73 cities have signed up to use the City Portal, which brings the total number of Portal-using cities to 343, representing 77,370 contributing members and 39,434 retirees.

All cities should [sign up for the City Portal](#). In addition to its existing capabilities (submitting payroll, running estimates, creating reports), the City Portal will soon become the access point for city-specific information related to the new GASB pension disclosure standards. The TMRS SOC-1 Audit Report and your city's specific census data, which will be essential information for your city's auditors, will be available through the City Portal.

Also, as part of the TMRSDirect initiative (see story above), cities will soon be able to enroll new members online, with more features to follow. If you have any questions about signing your city up for the City Portal, please send an email to CityPortal@tmrs.com.

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 2015, the annual cap on compensation for which contributions can be made has been increased to \$265,000.** For example, in a city with a 7% deposit rate, the maximum amount of the employee deposit contribution for 2015 would be \$18,550 (7% × \$265,000).

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.



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