



Mr. John Doe
City Manager
City of Sample
P.O. Box XX
Sample, TX

Example letter sent to cities that offer annually repeating benefits, whose rate did not increase more than 0.5%, and whose matching ratio is not greater than 1:1.

Dear John,

This letter contains information about your city's TMRS contribution rate and some of the changes that will take place in 2008 and 2009.

Your city's rate for 2008 for retirement benefits is **5.90%**. **The actuarial changes TMRS is implementing will not cause this rate to change in 2008.**

(Note that the rates in this letter do not include the cost of the Supplemental Death Benefit (SDB), if your city has that provision. The 2008 rate you received earlier in January includes the cost of the SDB. Your SDB contribution for 2009 should not vary much from your 2008 rate. Your actual total rate for 2009, including the cost of the SDB, will be provided in May. The rates below are estimates to be used for planning purposes only.)

Most of the changes that are being made by TMRS will have a much greater effect on cities with annually repeating benefits — either Updated Service Credits (USC) or both USC and Annuity Increases — than on those cities that do not have the repeating feature. Your city's plan currently includes annually repeating benefits.

Several factors are causing a change in cities' contribution rates. These factors are explained in detail in Attachment A.

You will receive your final 2009 contribution rate in the Rate Letter package in May, but we wanted to provide an early estimate of what your rate could be in future years. As discussed in Attachment A, this estimated rate will vary somewhat from your final rate because it is based on your city's demographic and other data as of 12/31/06, but it should be reasonably close to the rate you will receive in the spring and should be useful for preliminary planning. The rate you will receive in May will be based on 12/31/07 data and will likely be different from the rate set out in this letter.

Your projected full contribution rate for 2009 is **6.14%**.

The Rate Letter you receive in the spring will contain the GASB disclosure letter for your city's plan. Attachment B discusses the letter in more detail and provides suggestions for cities that are preparing their annual financial reports between now and the spring.

Attachment C contains general information on a timetable, some options for cities that are facing significant increases in contribution rates, and legislation that is likely to be proposed in 2009. Some of this information may not apply to your city but is included for your reference.

TMRS will continue to keep you informed about these important changes to our System. In the meantime, please do not hesitate to call us if we can answer questions or provide assistance.

Sincerely,

A handwritten signature in black ink that reads "Eric Henry". The signature is written in a cursive, slightly slanted style.

Eric Henry
Executive Director