



TMRS Advisory Committee Meeting

August 16, 2012

Agenda

- Proposal 1: Variable Repeating COLA
- Proposal 2: One Time Extra Payments
- Proposal 3: Flat Rate Repeating COLA
- Proposal 4: Flat Rate Ad Hoc COLA
- Proposal 5: Increase Retirement Eligibility
- Proposal 6: Age/Years Delayed COLA
- Proposed Statement of Philosophy

Purpose of the Meeting

- Narrow the focus to a reasonable number of alternatives
- Give everyone a chance to be heard
- Discuss the pros and cons of each proposal
- Express individual views on each proposal
- Provide input to the TMRS Board

Process

- Go through each of the 6 proposals in an orderly way
- Ask for comments in support of the proposal
- Ask for comments in opposition to the proposal
- Entertain other comments relevant to the proposal under discussion
- Go around the room and ask each Advisory Committee member for their view

Proposal 1: Variable Repeating COLA

- Allow cities a one-time option to adopt a variable COLA (30%, 50%, or 70% of CPI) without a catch-up provision.
- The proposal would be available to any city without regard to its current COLA status for adoption within a five-year window.

Proposal 2: One Time Extra Payments

- Allow cities the option to issue an extra payment (or 13th check) to retirees as frequently as annually.
- The payment would be fully funded at the time of issue.

Proposal 3: Flat Rate Repeating COLA

- Allow cities a one-time option to adopt a repeating flat-rate COLA without a catch-up provision.
- The proposal would be available to any city without regard to its current COLA status for adoption within a five-year window.

Proposal 4: Flat Rate Ad Hoc COLA

- Allow cities a one-time option to adopt an ad hoc flat-rate COLA without a catch-up provision.
- The proposal would be available to any city without regard to its current COLA status for adoption within a five-year window.

Proposal 5: Increase Retirement Eligibility

- Allow cities the option to increase retirement eligibility for new hires from 20 to 25 years of service at any age, and/or from 5 to 10 years of service at age 60.

Proposal 6: Age/Years Delayed COLA

- Allow cities the option to delay the onset of a COLA until a retiree either reaches age 62 or has been retired for a period of 10 years.
- The proposal would only affect employees who retire after city adoption.

Proposed Statement of Philosophy

- The Advisory Committee wanted to discuss and seek consensus on a “legislative philosophy”
 - The legislative philosophy may be useful to the TMRS Board as it prepares for the 83rd Legislative Session
1. The current defined-benefit, cash balance plan structure offered by TMRS should be maintained and not replaced with a traditional defined contribution plan
 2. Local control of benefit options by cities is preferable to one statewide system or system-wide mandates

Next Steps for the TMRS Board

- Considers the Advisory Committee input
- Confers with staff and government relations consultant
- Decides on legislative agenda
- Drafts legislation, if an agenda is to be pursued
- Distributes drafts for comment