Dear City Correspondents and Officials:

As we start a new year, we have an exciting list of events planned to help communicate how TMRS works — for our members, our near-retirees, and our retirees. In addition to Regional Pre-Retirement Conferences and Correspondent Certification Classes, we are offering a new event — the Retiree Luncheon. Retiree Luncheons will give annuitants a chance to get together, network, and gather information. Our first Retiree Luncheon will be held in March in Victoria.

These are challenging times for cities in terms of managing their workforces. As always, TMRS will work with you to ensure that your employees understand their retirement benefits, that their benefits are secure, and that TMRS remains a vital part of your city’s compensation package. We appreciate your assistance in helping us keep your employees informed and in administering the TMRS program.

Here’s to a great year in 2006!

Sincerely,

Gary W. Anderson

---------

Funding Survey in the Works

TMRS® is conducting a study to gather information about city attitudes toward the funding of TMRS benefits. If your city was randomly chosen to be surveyed, you may have recently received an e-mail asking you to participate in this Web-based actuarial survey. If you have received this e-mail, please respond to the short list of questions right away. Your feedback is essential. The deadline to respond is February 10.

According to Eric Davis, Deputy Executive Director of TMRS, this survey of a variety of TMRS cities will help us chart our future course for retirement payments, benefit levels, and contribution levels. “We are doing this to figure out what options we have, or may need to incorporate, so cities can fund their plans in the way that works best for them,” he said. TMRS commissioned this study in partnership with our actuary, The Segal Company, to help us determine future financing directions.

“The survey will allow us to find out which options would be most beneficial to cities, and we hope to get the information in time to help us craft a legislative package for the next session,” said Davis. Some questions cover whether the city anticipates privatizing functions or whether the city is concerned about unfunded actuarial liabilities. The survey also asks about the economic outlook for cities.

If you have any questions about the survey, send an e-mail to Eric Davis at edavis@tmrs.com. If you would like to have information on your city’s funded status before taking the survey, please visit www.tmrs.com/GASB2004.php3.

---------

From the Executive Director

Dear City Correspondents and Officials:

As we start a new year, we have an exciting list of events planned to help communicate how TMRS works — for our members, our near-retirees, and our retirees. In addition to Regional Pre-Retirement Conferences and Correspondent Certification Classes, we are offering a new event — the Retiree Luncheon. Retiree Luncheons will give annuitants a chance to get together, network, and gather information. Our first Retiree Luncheon will be held in March in Victoria.

These are challenging times for cities in terms of managing their workforces. As always, TMRS will work with you to ensure that your employees understand their retirement benefits, that their benefits are secure, and that TMRS remains a vital part of your city’s compensation package. We appreciate your assistance in helping us keep your employees informed and in administering the TMRS program.

Here’s to a great year in 2006!

Sincerely,

Gary W. Anderson
During 2006, the TMRS Travel Team might well be singing the Willie Nelson favorite, “On the Road Again.” Not only will the team make city visits upon request, but they will also conduct several other planned events. In all of these events the city correspondents play a crucial role, either as actual participants or to help sign up participants.

The events scheduled for this year include:

- **Regional Pre-Retirement Conferences** at four different locations around the state. These are one- or two-day gatherings designed to help employees better understand their TMRS benefits and make plans for their retirements. Regional Conferences include not only TMRS speakers, but also experts in Social Security benefits and financial planning. All employees are welcome to attend, but these conferences are especially useful for members eligible for or considering retirement. Another advantage for attendees is they may sit down with Membership Development staff and receive one-on-one counseling, retirement estimates, and other useful information. These meetings are publicized on the Website and by working with the correspondents, who sign up attendees within a particular region. After we receive the roster of attendees, we send confirmations, maps, and agendas. Spouses are welcome to attend.

- **City Correspondent Certification Courses** in two locations. The Certification Course is designed to give the City Correspondent the knowledge and tools needed to function in partnership with TMRS. Our correspondents are important to the success of the program, and we encourage new and veteran correspondents to attend to learn and refresh their skills. It’s also a great way to meet and share stories with your fellow correspondents.

- **Retiree Luncheons** in two locations. These are new events (see story on page 5) designed to keep in touch with TMRS retirees, give them a chance to network with other retirees and pick up information about related topics such as health care and Social Security. We will publicize these through our Website and newsletters and by working with correspondents and local retiree associations.

- **The TMRS Annual Seminar** in Austin is scheduled for early October at the Hyatt Regency Hotel on Town Lake. The Annual Seminar allows city contacts to meet TMRS staff and fellow correspondents; keep abreast of TMRS changes and policies; stay up-to-date with actuarial, tax, and retirement information; and gain insights from visiting speakers. We will let all our member cities know the details of the Annual Seminar as soon as plans are finalized.

See the Calendar on page 4 for the dates of all of these events!

---

**What’s New?**

**TMRS Rolls Out Retiree Luncheons**

As of January 31, 2006, TMRS had 27,939 annuitants, and the number keeps growing. This year, we’re reaching out to our annuitants with a new kind of event, the Retiree Luncheon.

The first Retiree Luncheon of 2006 will be held in Victoria, and we are hoping to draw lots of retirees from neighboring communities. Planned for Monday, March 20, at the Victoria Convention Center, (the Dome), the program includes luncheon remarks by TMRS Executive Director Gary Anderson and will offer one-on-one assistance from TMRS staff, vendor booths, and networking opportunities. We will provide a tasty lunch for retirees and their spouses. Details about future luncheons will be announced next issue and posted on www.tmrs.com, and retirees from the area will receive invitations in the mail.

To receive directions and an invitation to the luncheon in Victoria, please e-mail us at communications@tmrs.com or call Angela Deats at 512.225.3715.

**Help Us Help!**

Let us know if you’d like us to plan a retiree luncheon for your area. If you have an active retiree group in your community, please contact us so that we may plan future retiree luncheons. Send contact info for retiree organizations to communications@tmrs.com.

---

**TMRS Rolls Out**

**What Do I Say?**

As a correspondent, you may have gotten questions about the “extra check” and other benefit changes this year from your city retirees. You may have wondered about the best way to deal with the question about why the distributive benefit was lower. The answer: “The amount of the additional payment, if any, is determined by the rates earned on TMRS’ investments.” In other words, our investment results allow the Board to determine a rate that is safe for the plan and its participants. Furthermore, it is very important to communicate that the distributive benefit is not guaranteed, and never has been.

Starting with the Spring 2006 issue of RetirementWise, city correspondents will also receive the magazine that goes to our annuitants. We hope this will provide information to assist you in answering questions from retirees.

---

**Request for E-Mail Addresses**

TMRS is diligently compiling e-mail addresses of our correspondents and other city contacts. Having your e-mail addresses will make it much easier to communicate with you. We ask your cooperation so that we can be sure we’re not missing anyone. Please include your e-mail address on correspondence to aid in the data collection. To be absolutely sure you’re on the list, send an e-mail to Dinah Harris at dharris@TMRS.com.

---

**Tell Me What You Need**

**MAIN STREET** is sent directly to TMRS city contacts and correspondents twice a year. Let us know what kind of information you would like to see in this newsletter. If you have questions, suggestions, or ideas for stories, send a fax or an e-mail to the editor at 512.225.3781 or communications@tmrs.com.

Copyright 2006, Texas Municipal Retirement System. This newsletter is an informal presentation of the TMRS Act and related law. If any specific questions of fact or law should arise, the statutes will govern. For information about your own individual situation, please contact TMRS at 800.924.8677 or by e-mail: phonecenter@tmrs.com. TMRS and MyTMRS are registered trademarks of the Texas Municipal Retirement System. The TMRS logo is a trademark of the Texas Municipal Retirement System.
When Members Die

We don’t like to think about it, but death is inevitable. When it happens, we must take action quickly. If an active contributing member dies, the correspondent will be the first line of communication with TMRS. If a member dies before retirement, his or her beneficiary may either request a refund or be entitled to a monthly benefit if the member was vested. If a retiree dies, the correspondent often works with the surviving family and helps them provide the necessary documentation to TMRS.

Checklist

✦ Please contact our Phone Center as soon as you become aware of a death for a TMRS member or retiree.

✦ When calling TMRS, please remember to provide as much information as possible. Important information includes:
  - Date of death
  - Marital status
  - Contact information for close family members (phone and address are critical)

✦ Send, or have the survivor send, a photocopy or faxed copy of the death certificate.

When it happens, we must take action quickly. If an active contributing member dies, the correspondent will be the first line of communication with TMRS. If a member dies before retirement, his or her beneficiary may either request a refund or be entitled to a monthly benefit if the member was vested. If a retiree dies, the correspondent often works with the surviving family and helps them provide the necessary documentation to TMRS.

Supplemental Death Benefits

If your city provides Supplemental Death Benefits, contact TMRS for how to proceed. If the city’s SDB program includes retirees, a lump sum of $7,500 will be paid to the SDB beneficiary. +

TMRS Calendar of Events

<table>
<thead>
<tr>
<th>Event Date</th>
<th>Event Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 20</td>
<td>Holiday (President’s Day)</td>
</tr>
<tr>
<td>March 7-8</td>
<td>Regional Pre-Retirement Conference - McAllen</td>
</tr>
<tr>
<td>March 20</td>
<td>Retiree Luncheon - Victoria</td>
</tr>
<tr>
<td>March 24-25</td>
<td>TMRS Board Meeting - Austin</td>
</tr>
<tr>
<td>April 5-6</td>
<td>Correspondent Certification Course - Austin</td>
</tr>
<tr>
<td>April 14</td>
<td>Holiday (Good Friday)</td>
</tr>
<tr>
<td>April 28</td>
<td>TMRS Board and Advisory Committee Meeting - Austin</td>
</tr>
<tr>
<td>May 23</td>
<td>Regional Pre-Retirement Conference - San Angelo</td>
</tr>
<tr>
<td>May 29</td>
<td>Holiday (Memorial Day)</td>
</tr>
<tr>
<td>June 23-24</td>
<td>TMRS Board Meeting - Austin</td>
</tr>
<tr>
<td>July 4</td>
<td>Holiday (Independence Day)</td>
</tr>
<tr>
<td>August 15-16</td>
<td>Regional Pre-Retirement Conference - Live Oak</td>
</tr>
<tr>
<td>September 4</td>
<td>Holiday (Labor Day)</td>
</tr>
<tr>
<td>September 15-16</td>
<td>TMRS Board Meeting - San Antonio</td>
</tr>
<tr>
<td>October 1-3</td>
<td>TMRS Annual Seminar - Austin</td>
</tr>
<tr>
<td>November 15-16</td>
<td>Correspondent Certification Course - Addison</td>
</tr>
</tbody>
</table>

Texas Municipal Retirement System

Board of Trustees

Frank Simpson, Chair
City Manager
Missouri City

Pat Hernandez, Vice Chair
Municipal Court Judge
Plainview

Carolyn Linér
Director of Human Resources / Civil Service
San Marcos

Rick Menchaca
City Manager
Midland

Roy Rodriguez
General Manager, Public Utility
McAllen

Kathryn Usrey
Director of Human Resources
Carrollton

How to Contact TMRS

Location
1200 North Interstate 35
Austin, TX 78701

Mailing Address
P.O. Box 149153
Austin, TX 78714-9153

Toll-free
800.924.8677

Local (in Austin)
512.476.7577

Website
www.tmrs.com

E-mail
phonecenter@tmrs.com

Did You Know?

Forms Advice

How to Get Forms
You can always call or e-mail us (phonecenter@tmrs.com) to request forms in quantities from 1 to 100. Or, go to the Website (www.tmrs.com), click on Forms and Publications, then on On-line Forms for a list. Click on the name of the form you need, and there it is!

Online Population
No, this term doesn’t refer to a colony of cyber-clones. What it means is you can “populate” the data on our online forms by typing the information into the electronic document. From there, you can print a copy for yourself and a copy to submit to us. The nifty thing about online population is that you don’t have to keep reentering information on forms with multiple pages, such as the retirement packet.

Don’t Double Up!
Reminder, if you fax a form to us, please do not also follow up by sending us the original. Once is enough. If you send two, it creates additional unnecessary record keeping and can cause confusion in the member’s file.

Electronic Payroll
The ability to send your payroll electronically to our FTP site is a technological advance we encourage all cities to use. It’s quick and easy to set up. If you haven’t yet signed up to FTP your payroll data directly to us, do so now and we’ll send you a TMRS mug! Call Chad Nichols at 800.924.8677 to get started.

Name Change
In order to make a name change, we must have legal documentation. The city or member can’t just send in a change form alone. In addition to the form, we need a copy of the marriage license, divorce decree, or other legal document changing the member’s name.

Proof of Birth
When retiring with TMRS, we need proof of the member’s birth. This needs to be in the form of a certified birth certificate. A hospital birth certificate (such as the document with the baby’s footprints on it) is not acceptable because it is not a legal record.

Online Population
No, this term doesn’t refer to a colony of cyber-clones. What it means is you can “populate” the data on our online forms by typing the information into the electronic document. From there, you can print a copy for yourself and a copy to submit to us. The nifty thing about online population is that you don’t have to keep reentering information on forms with multiple pages, such as the retirement packet.

Don’t Double Up!
Reminder, if you fax a form to us, please do not also follow up by sending us the original. Once is enough. If you send two, it creates additional unnecessary record keeping and can cause confusion in the member’s file.

Electronic Payroll
The ability to send your payroll electronically to our FTP site is a technological advance we encourage all cities to use. It’s quick and easy to set up. If you haven’t yet signed up to FTP your payroll data directly to us, do so now and we’ll send you a TMRS mug! Call Chad Nichols at 800.924.8677 to get started.

Name Change
In order to make a name change, we must have legal documentation. The city or member can’t just send in a change form alone. In addition to the form, we need a copy of the marriage license, divorce decree, or other legal document changing the member’s name.

Proof of Birth
When retiring with TMRS, we need proof of the member’s birth. This needs to be in the form of a certified birth certificate. A hospital birth certificate (such as the document with the baby’s footprints on it) is not acceptable because it is not a legal record.

Online Population
No, this term doesn’t refer to a colony of cyber-clones. What it means is you can “populate” the data on our online forms by typing the information into the electronic document. From there, you can print a copy for yourself and a copy to submit to us. The nifty thing about online population is that you don’t have to keep reentering information on forms with multiple pages, such as the retirement packet.

Don’t Double Up!
Reminder, if you fax a form to us, please do not also follow up by sending us the original. Once is enough. If you send two, it creates additional unnecessary record keeping and can cause confusion in the member’s file.

Electronic Payroll
The ability to send your payroll electronically to our FTP site is a technological advance we encourage all cities to use. It’s quick and easy to set up. If you haven’t yet signed up to FTP your payroll data directly to us, do so now and we’ll send you a TMRS mug! Call Chad Nichols at 800.924.8677 to get started.

Name Change
In order to make a name change, we must have legal documentation. The city or member can’t just send in a change form alone. In addition to the form, we need a copy of the marriage license, divorce decree, or other legal document changing the member’s name.

Proof of Birth
When retiring with TMRS, we need proof of the member’s birth. This needs to be in the form of a certified birth certificate. A hospital birth certificate (such as the document with the baby’s footprints on it) is not acceptable because it is not a legal record.

Online Population
No, this term doesn’t refer to a colony of cyber-clones. What it means is you can “populate” the data on our online forms by typing the information into the electronic document. From there, you can print a copy for yourself and a copy to submit to us. The nifty thing about online population is that you don’t have to keep reentering information on forms with multiple pages, such as the retirement packet.

Don’t Double Up!
Reminder, if you fax a form to us, please do not also follow up by sending us the original. Once is enough. If you send two, it creates additional unnecessary record keeping and can cause confusion in the member’s file.

Electronic Payroll
The ability to send your payroll electronically to our FTP site is a technological advance we encourage all cities to use. It’s quick and easy to set up. If you haven’t yet signed up to FTP your payroll data directly to us, do so now and we’ll send you a TMRS mug! Call Chad Nichols at 800.924.8677 to get started.

Name Change
In order to make a name change, we must have legal documentation. The city or member can’t just send in a change form alone. In addition to the form, we need a copy of the marriage license, divorce decree, or other legal document changing the member’s name.

Proof of Birth
When retiring with TMRS, we need proof of the member’s birth. This needs to be in the form of a certified birth certificate. A hospital birth certificate (such as the document with the baby’s footprints on it) is not acceptable because it is not a legal record.
**Why It Matters**

**Vested Beneficiary Designation**

Members need to be sure that their designated beneficiary information is always correct and current. The beneficiary designation is particularly important after an employee is vested, because a vested employee’s beneficiary is eligible to receive a monthly benefit, called the Vested Death Benefit.

To designate a beneficiary after the employee is vested, he or she must submit a Vested-Change of Beneficiary form (TMRS-007V). If a vested member dies and this form is not on file, then the benefit will be paid in the following manner:

- To the member’s surviving spouse
- To the member’s surviving children, if there is no spouse
- To the member’s last beneficiary designated with TMRS if there are no surviving children, OR
- To the member’s estate if there is no beneficiary designated with TMRS.

From this list, it is easy to see why not filing the TMRS-007V could cause unwanted problems. Say the member wanted his father to be his beneficiary. If the member becomes vested and doesn’t file a Vested Beneficiary form, the benefit would go to his surviving spouse or children, not his parent.

TMRS always sends members a letter notifying them when they become vested. For many members, the beneficiary they chose when they joined will continue to be their beneficiary, but vesting is still a good time to be sure the choice they have made is still the one they want. It is equally helpful for the correspondent to remind vested employees of why a Vested-Change of Beneficiary form needs to be on file.

---

**TMRS Terms**

**Membership Eligible**

Municipal employees are “membership eligible” (that is, they must join TMRS) if they are:

- Employed with a city that participates in TMRS
- In a position that regularly requires at least 1,000 hours of work per year

The city must classify each position as to whether or not it “regularly requires” services from the person for not less than 1,000 hours a year, and the city must enroll each employee who fills such a position. Employee membership starts the first day of employment.