

Ord. # 2023-14

AN ORDINANCE REGARDING THE VILLAGE OF SALADO'S TEXAS MUNICIPAL RETIREMENT SYSTEM BENEFITS AUTHORIZING (1) AN INCREASE TO THE EMPLOYEE CONTRIBUTION RATE; AND (2) ANNUALLY ACCRUING UPDATED SERVICE CREDITS AND TRANSFER UPDATED SERVICE CREDITS.

Whereas, the Village of Salado, Texas (the "City"), elected to participate in the Texas Municipal Retirement System (the "System" or "TMRS") pursuant to Subtitle G of Title 8, Texas Government Code, as amended (which subtitle is referred to as the "TMRS Act"); and

Whereas, the Board of Aldermen finds that it is in the public interest to: (1) increase the employee contribution rate contributed to TMRS, and (2) in accordance with TMRS Act §§853.401 through 853.404, reauthorize annually accruing Updated Service Credits and transfer Updated Service Credits, now:

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE VILLAGE OF SALADO, TEXAS:

Section 1. Increased Employee Contribution Rate.

(a) The rate of member contributions to be made by the City to the System shall be **7%** of the compensation of City employees who are members of the System, in accordance with TMRS Act §855.401. The City shall submit a monthly payroll report and deposit the amounts deducted from employees' compensation to the System in accordance with TMRS Act §855.402.

(b) The increased employee contribution rate under this Section shall be effective on the first day of the month of January, 2024.

Section 2. Authorization of Annually Accruing Updated Service Credits and Transfer Updated Service Credits.

(a) On the terms and conditions set out in TMRS Act §§853.401 through 853.404, the City authorizes each member of the System who on the first day of January of the calendar year immediately preceding the January 1 on which the Updated Service Credits will take effect (i) has current service credit or prior service credit in the System by reason of service to the City, (ii) has at least 36 months of credited service with the System, and (iii) is a TMRS-contributing employee of the City, to receive "Updated Service Credit," as that term is defined and calculated in accordance with TMRS Act §853.402.

(b) The City authorizes and provides that each employee of the City who (i) is eligible for Updated Service Credits under Subsection (a) above, and (ii) who has unforfeited prior service credit and/or current service credit with another System-participating municipality or municipalities by reason of previous employment, shall be credited with Updated Service Credits pursuant to, calculated in accordance with, and subject to adjustment as set forth in TMRS Act §853.601 (also known as "Transfer USC"), both as to the initial grant and all future grants under this Ordinance.

(c) The Updated Service Credit authorized and provided under this Ordinance shall be **100%** of the "base Updated Service Credit" of the TMRS member calculated as provided in TMRS Act §853.402.

(d) Each Updated Service Credit authorized and provided by this Ordinance shall replace any Updated Service Credit, prior service credit, special prior service credit, or antecedent service credit previously authorized for part of the same service.

(e) The initial Updated Service Credit authorized by this Section shall be effective on January 1 immediately following the year in which this Ordinance is approved, subject to receipt by the System prior to such January 1 and approval by the Board of Trustees ("Board") of the System. Pursuant to TMRS Act §853.404, the authorization and grant of Updated Service Credits in this Section shall be effective on January 1 of each subsequent year, using the same percentage of the "base Updated Service Credit" stated in Subsection (c) in computing Updated Service Credits for each future year, provided that, as to such subsequent year, the actuary for the System has made the determination set forth in TMRS Act §853.404(d), until this Ordinance ceases to be in effect as provided in TMRS Act §853.404(e).

Passed and approved Nov. 16, 2023.

ATTEST:

APPROVED:



City Secretary



Mayor