



Texas Municipal Retirement System

2014

**Comprehensive Annual Financial Report
For the Years Ended December 31, 2014 and 2013**

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Texas Municipal Retirement System

TMRS®

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Comprehensive Annual Financial Report

For the Years Ended December 31, 2014 and 2013

Prepared by: The Finance Department of the Texas Municipal Retirement System

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Introductory





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

Texas Municipal Retirement System

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO



Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2014***

Presented to

Texas Municipal Retirement System

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Alan H. Winkle
Program Administrator



June 10, 2015

To: The Participants and Employers of the Texas Municipal Retirement System
and the Readers of the *Comprehensive Annual Financial Report*

We are pleased to present the *Comprehensive Annual Financial Report* (AFR) of the Texas Municipal Retirement System (TMRS, or the System) for the year ended December 31, 2014 and 2013. We hope you will find this report informative.

The AFR is prepared by TMRS staff under the direction of the Board of Trustees. Management of TMRS assumes full responsibility for both the accuracy of the data and the completeness and fairness of its presentation, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement. This report complies with generally accepted accounting principles as established by the Governmental Accounting Standards Board (GASB).

The TMRS Act requires that independent auditors perform an annual audit on the financial statements contained in this report. The Board selected KPMG LLP to perform the audit for the 2014 fiscal year. For information regarding the scope of the audit, please see the Independent Auditors' Report in the Financial Section. Management's Discussion and Analysis (MD&A) is found in the Financial Section immediately following the Independent Auditors' Report and provides an analysis of condensed financial information for the current and prior fiscal years. MD&A should be read in conjunction with this transmittal letter.

About TMRS

TMRS is a statewide agent multiple-employer public employee retirement system created by law in 1947 to provide retirement, disability, and death benefits to employees of participating cities. As a hybrid, defined benefit plan, TMRS members contribute at a designated rate toward their own retirement benefit. At retirement, the member's account balance (including credited interest) plus employer matching contributions is used to calculate the member's retirement benefit. As of December 31, 2014, TMRS had 860 member cities, 149,073 employee accounts, and 53,455 retirement accounts. TMRS paid \$1.0 billion in benefits in 2014, up from \$946.5 million in 2013.

Activity in 2014

In preparation for the new reporting requirements of GASB Statement No. 67, *Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 25*, and to enable TMRS to provide information to cities for their financial reports, TMRS engaged KPMG LLP to complete a SOC-1 Type 2 audit, with

Letter of Transmittal

Continued

completion in early 2015. Throughout 2014, TMRS continued its communications to cities about the upcoming changes under the new GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*. We posted flyers and informational links on the “Eye on GASB” web page, sent targeted emails to cities, and provided speakers at public events to address questions from city finance officers and auditors.

In March 2015, the TMRS Board approved an approximate 5.68% interest credit to city accounts as of December 31, 2014, based on account balances as of January 1, 2014; member accounts were credited with 5%. The System’s smoothing policy and deferred gains from prior years resulted in an actuarial return of approximately 7.45%.

In 2014, during the interim period before the convening of the 84th Texas Legislature, working with the TMRS Advisory Committee on Retirement Matters, TMRS considered a number of potential legislative issues, but the Board chose to pursue no changes in the 84th Regular Session. TMRS also worked during the interim to ensure compliance with legislation passed in 2013, providing reporting and trustee education duties overseen by the Texas State Pension Review Board.

The demand for member and retirement services continued to grow. Ten new cities joined the System in 2014. Staff answered over 101,100 member requests for assistance and processed 3,675 new retirements in 2014, a 11% increase from the previous year.

The number of cities using the City Portal (an application that provides secure online access to member and city data) and the number of members using MyTMRS® (a tool that provides secure online access to personal data) expanded during 2014. This led to increased retirement estimate requests: estimates requested via MyTMRS grew to over 140,000, and those requested through the City Portal totaled approximately 5,050. By comparison, estimates requested from member services representatives totaled over 22,500.

In 2014, TMRS began implementing *TMRS Direct*™ — our strategic initiative to transform TMRS administration from manual paper-based operational processes to “straight-through processing” (online automated administration for cities and members). *TMRS Direct* is a multi-year program that will change both MyTMRS and the TMRS City Portal, by providing new self-service capabilities to support cities, members, and retirees. *TMRS Direct* will reduce paperwork, improve data accuracy, and enhance the security and timeliness of our systems. When the project is completed in 2018, cities will be able to enroll new employees, process retirements, and verify refunds, and members will be able to update their beneficiaries and addresses and apply for refunds and retirements via an enhanced secure online interface.

Staff provided a high level of support to cities in examining contribution rates and plan change requests. In support of this function and member education, the Travel Team made approximately 290 trips to cities, visited with approximately 23,000 members, answered 6,400 emails, and provided individual counseling for 1,700 TMRS members. For group training sessions, the Communications department prepared and presented 12 Regional Pre-Retirement Seminars, 3 City Correspondent Certification Courses, and an Annual Training Seminar in 2014.

Investments

TMRS administered \$23.9 billion in assets as of December 31, 2014. T.J. Carlson was hired to be the Chief Investment Officer of the System effective January 2014 and expanded the staff to handle the new asset classes.

The Investments Department at TMRS follows these Total Portfolio Performance Objectives:

- Achieve a Total Rate of Return, over rolling five-year periods, consistent with the assumed long-term rate of return on TMRS assets established by the consulting actuary (currently 7%)
- Exceed an appropriate benchmark reflective of asset class participation over rolling five-year periods (i.e., Policy Index)

TMRS has adopted a fully diversified asset allocation strategy. Diversification is being implemented through a deliberate multi-year process. The asset allocation strategy is expected to meet the long-term total return objective of 7%, consistent with the actuarial interest rate assumption for the plan. This allows for a more conservative investment allocation, reflected in a lower equity allocation than the median plan sponsor in a peer universe of large public pension plans.

As described in the Investment Section of this AFR, the overall one-year rate of return for 2014 on the investment portfolio was 5.99%. The Investment Section of this AFR contains a detailed summary of investment operations during 2014, including performance of different asset classes and diversification progress.

Funding and Actuarial Overview

As required by statute, TMRS obtains an annual actuarial valuation for each participating municipality, with results for the System as a whole presented in the Actuarial Section of this AFR. Following the completion of the annual actuarial valuation, TMRS provides a Rate Letter to each participating municipality, reconciling the city's rate from the prior valuation to the current valuation and explaining the components of the reconciling items. TMRS makes these Rate Letters available on our website.

The TMRS Board of Trustees has been working with the actuarial firm of Gabriel, Roeder, Smith & Company (GRS) since June 2008, and GRS completed its seventh actuarial valuation for the System for the fiscal year ended December 31, 2014. As certified by GRS, the calculations for funding are prepared in accordance with Actuarial Standards of Practice, GASB principles, and state law. Each city has its own retirement program within the options offered by the plan. Each city's plan objective is to accumulate sufficient assets to pay benefits when they become due and to finance its long-term benefits through a contribution rate that is annually determined by the consulting actuary.

A member city's retirement contribution rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated to the year immediately following the valuation date; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits if adopted by a city — such as Updated Service Credit and Annuity Increases, also called COLAs — as well as future increases in salary.

Since 2013, TMRS has used the Entry Age Normal (EAN) cost method for actuarial funding purposes. While the EAN cost method resulted in initially higher Actuarial Accrued Liabilities and lower funded ratios, the EAN cost method is expected to produce contribution rates that are more predictable and stable than under the previous method (Projected Unit Credit). A Summary of Actuarial Assumptions in effect for the December 31, 2014 valuation is provided in the Actuarial Section of this AFR.

Letter of Transmittal

Continued

Conservative features of TMRS' plan include the 7% investment return assumption, and that each city's unfunded liability is amortized over a closed period of 25 or 30 years. As of December 31, 2014, TMRS as a whole was 85.8% funded; this funded ratio increased from 84.1% in 2013. Historical information relating to progress in meeting the actuarial funding objective is presented in the Schedule of Funding Progress, included in the Actuarial Section of this AFR.

Professional Services

The Board of Trustees appoints consultants to perform services that are essential to the effective and efficient operation of TMRS. The Supplemental Schedules of the Financial Section contain information on professional services.

Awards and Acknowledgments

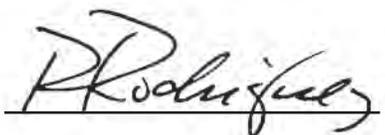
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to TMRS for its *Comprehensive Annual Financial Report for the Year Ended December 31, 2013 and 2012*. This was the 27th consecutive year that TMRS has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. TMRS believes that our current *Comprehensive Annual Financial Report* continues to meet the Certificate of Achievement Program's requirements, and is submitting it to the GFOA to determine its eligibility for another certificate.

TMRS also received the Public Pension Standards 2014 Award from the Public Pension Coordinating Council (PPCC) in recognition of meeting professional standards for plan design and administration as set forth in the Public Pension Standards.

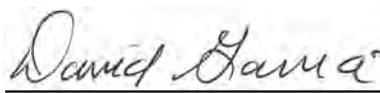
This AFR is made available to all participating TMRS cities; their combined cooperation contributes significantly to the success of TMRS.

We would like to express our gratitude to the staff, advisors, and all who have contributed to the preparation of this report and to the continued success of the System.

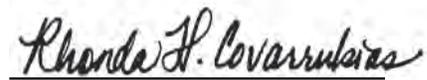
Respectfully submitted,



Roel "Roy" Rodriguez
Chair, Board of Trustees



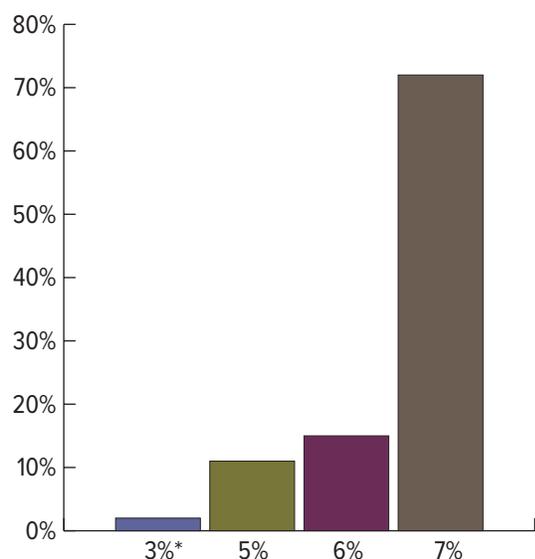
David Gavia
Executive Director



Rhonda H. Covarrubias
Director of Finance

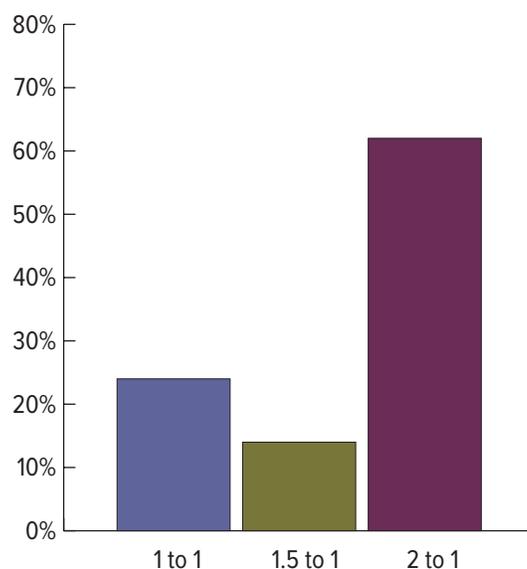
	2012	2013	2014
Employer Contributions	\$664.8 mil	\$681.5 mil	\$719.9 mil
Employee Contributions	\$327.4 mil	\$339.9 mil	\$355.4 mil
Total Amount Paid to Retirees	\$864.9 mil	\$946.5 mil	\$1.0 bil
Amount Paid to Terminated Members	\$57.9 mil	\$57.7 mil	\$58.7 mil
Member Municipalities	849	850	860
New Member Municipalities	2	2	10
Employee Accounts	142,883	145,448	149,073
New Employee Members	13,176	11,093	14,457
Terminated Employee Members	7,500	7,459	7,735
Retirement Accounts	46,902	49,969	53,455
New Retirements	2,995	3,317	3,675
Investments, at Fair Value	\$20.6 bil	\$23.9 bil	\$23.9 bil
Annual Total Return, Gross	10.11%	9.86%	5.99%
Interest Rate on Employee Deposits	5.0%	5.0%	5.0%
Interest Rate on Municipality Deposits	9.95%	9.70%	5.68%
Cities that:			
Adopted Updated Service Credit (USC)	596	597	598
Reduced Percentage or Rescinded USC	3	-	-
Adopted Annuity Increases to Retirees (AI)	476	475	475
Reduced or Rescinded AI	6	4	2
Increased Employee Contribution Rate	8	11	9
Increased City Matching Ratio	17	17	13
Reduced City Matching Ratio	-	-	-
Adopted Supplemental Death Benefits	3	1	-
Rescinded Supplemental Death Benefits	-	-	-
Adopted 5-Year Vesting	1	1	2
Adopted 20-Year, Any Age Retirement	4	11	6

2014 Distribution of Membership by Contribution Rate (Employee Deposit Rate)



* This rate is no longer allowed for new cities

2014 Distribution of Membership by City Matching Rate



TMRS Board of Trustees



Roel "Roy" Rodriguez, PE, 2014 Chair
City Manager
McAllen
Term expires: February 1, 2017



David Landis
City Manager
Perryton
Term expires: February 1, 2015



Julie Oakley, CPA, 2014 Vice Chair
Director of Finance
Lakeway
Term expires: February 1, 2019



Jim Parrish
Deputy City Manager – Administrative Services
Plano
Term expires: February 1, 2017



James "Jim" Paul Jeffers
City Manager
Nacogdoches
Term expires: February 1, 2015



Bill Philibert
Human Resources Director
Deer Park
Term expires: February 1, 2019

The TMRS Act provides that the administration of TMRS is entrusted to a six-member Board of Trustees, appointed by the Governor with the advice and consent of the Senate. Three Trustees are "Executive Trustees" (Landis, Philibert, and Rodriguez) who are either the chief executive officer, chief finance officer, or other officer, executive, or department head of a participating municipality. Three Trustees are "Employee Trustees" (Jeffers, Oakley, and Parrish) who are employees of a participating municipality. Per the Texas Constitution, Trustees continue to perform the duties of their office until a successor has been duly qualified.

TMRS Executive Director



David Gavia

The TMRS Advisory Committee on Retirement Matters is appointed by the TMRS Board of Trustees and serves at the pleasure of the Board. The Advisory Committee provides valuable assistance to the Board in considering benefit changes and improvements to the System, and acts as a voice for member, retiree, and city issues.

The Advisory Committee is a 19-member body composed of nine “Individual Representatives” representing TMRS members, retirees, and elected officials; and ten members representing associations and groups with an interest in the TMRS program, called “Group Representatives.” Group Representatives are chosen by their respective associations and approved by the Board. The following members were on the Committee as of December 31, 2014.

Individual Representatives

- Allen Bogard, City Manager, Sugar Land
- Michael Dane, Assistant City Manager/Chief Financial Officer, San Angelo
- Dean Frigo, TMRS Retiree
- Victor Hernandez, City Councilmember, Lubbock
- Bryan Langley, Assistant City Manager/Chief Financial Officer, Denton
- Julie Masters, Mayor, Dickinson
- Charles Windwehen, TMRS Retiree

Note: Two individual representative positions were vacant as of December 31, 2014.

Group Representatives

- David Crow, Arlington Professional Fire Fighters
- Jerry Gonzalez, Service Employees International Union, San Antonio
- Scott Kerr, Texas State Association of Fire Fighters
- Tadd Phillips, Texas Municipal Human Resources Association
- David Russell, Texas Municipal Police Association
- Bob Scott, Government Finance Officers Association of Texas
- Greg Shipley, Combined Law Enforcement Associations of Texas
- Lori Steward, City of San Antonio
- Greg Vick, Texas City Management Association
- Monty Wynn, Texas Municipal League

The following members of the Advisory Committee served during calendar year 2014, but were not members at year-end: Ron Crabtree – TMRS Retiree, Neil Resnik – City Councilmember / Addison, Joe Angelo – City of San Antonio, Kevin Lawrence – Texas Municipal Police Association, and Mike Perez – Texas City Management Association. TMRS extends sympathy to the family of Mr. Crabtree, who passed away in 2014.

TMRS Professional Advisors

Actuary

Gabriel, Roeder, Smith & Company

Custodian

State Street Bank and Trust Company

Securities Lending Agent

Deutsche Bank AG

Depository Bank

JPMorgan Chase Bank

Economic Advisor

A. Gary Shilling & Co.

Fiduciary Counsel

Robert D. Klausner

Independent Auditor

KPMG LLP

Investment Consultants

RVK

ORG Portfolio Management, LLC

Medical Board

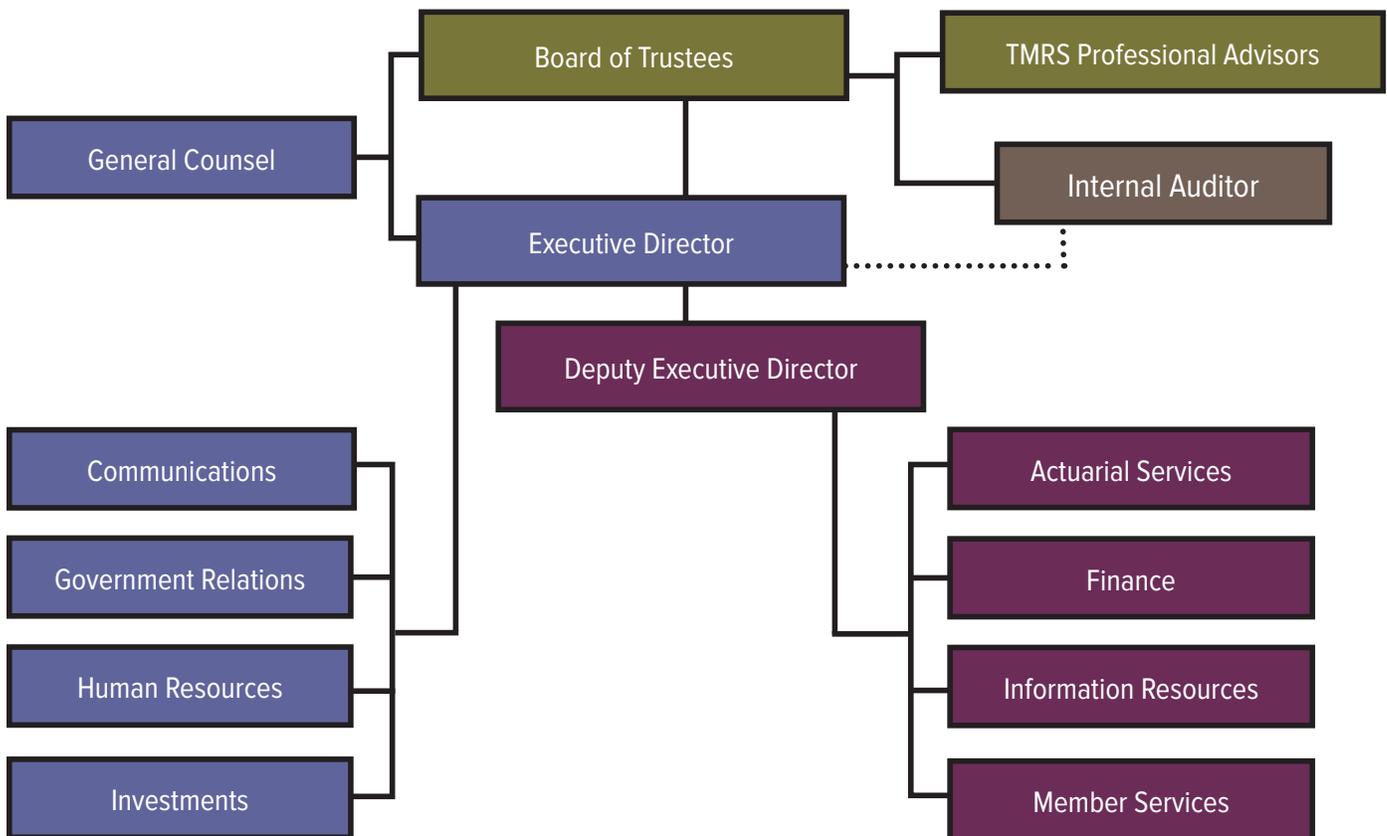
Marvin Cressman, MD

John A. Genung, MD

William E. McCarron, MD

Note: A schedule of investment management fees, by external manager, is provided in the Investment Section of this report.

TMRS Administrative Organization



Executive/Administrative

David Gavia, Executive Director
 Eric Davis, Deputy Executive Director
 Leslee Hardy, Director of Actuarial Services
 Kristie O'Hara, Director of Human Resources
 Dan Wattles, Director of Governmental Relations
 Bruce Boatright, Facilities Technician
 Ariel Chou, Actuarial Analyst
 Karen Jackson, Executive Assistant
 Jesse Pittman, Senior Project Manager
 LaShelle Ruiz, Administrative Assistant
 Adrienne Strong, Human Resources Generalist

Communications

Bill Wallace, Director of Communications
 Angela Deats, Communications Analyst
 Donna Neal, Communications Technology Design Specialist
 Melanie Thomas, Process & Content Management Specialist

Travel Team/City Services

Colin Davidson, Regional Manager, City Services
 Shannon Lucero, Regional Manager, City Services
 Anthony Mills, Senior Regional Manager, City Services
 Lorraine Moreno, Regional Manager, City Services
 David Rodriguez, Senior Regional Manager, City Services
 Sean Thompson, Regional Manager, City Services

Finance

Rhonda Covarrubias, Director of Finance
 Josette Madry, Accounting Operations Supervisor
 Candace Nolte, Assistant Finance Director
 Nadia Ali, Accounting Specialist
 Sherry Chapman, Investment Accountant
 Paula Nguyen, Investment Accountant

Information Resources

Scott Willrich, Director of Information Resources

Software Development

Pete Krnavek, Information Systems Manager
 Martin Burke, Business Process Analyst
 Ming Cheung, Senior Software Developer
 Blanca DaCosta-Cruz, Quality Assurance Analyst
 David Himawan, Database Administrator/Developer
 Monica Kache, Systems Analyst for Financial Applications
 Steve Li, Database Administrator/Developer
 Steven Lohmeyer, Senior Software Developer
 Gretchen Meyer, Senior Systems Analyst
 Tin-Sze Poon, Senior Software Developer
 Kevin Wang, Senior Software Architect

Network Operations

Brian Farrar, Network Operations Manager
 Chris Gillis, Computer Support Specialist
 Bryan Meche, Network Systems Administrator
 Joseph Roberts, Network Systems Administrator
 Robert Stevenson, Network Systems Administrator

Records

John Carroll, Records and Information Manager
 Chyrlynne Crockett, Records Technician
 Brittany Royal, Records Technician
 Rachael Shipps, Records Technician

Investments

T.J. Carlson, Chief Investment Officer
 Marc Leavitt, Director of Investments/Absolute Return Strategies
 Holly Macki, Director of Investments/Fixed Income
 Tom Masthay, Director of Investments/Real Estate
 Kristin Qualls, Director of Investments/Equities
 Chris Schelling, Director of Investments/Private Equity
 Dimitry Shishkoff, Director of Investments/Risk Management
 Debbie Farahmandi, Administrative Assistant
 Di Fu, Investment Data Analyst
 Melissa Jerkins, Investment Quantitative Analyst
 Carol Leung, Investment Analyst II
 Cindy Morse, Investment Support Analyst
 Kate Reed, Investment Analyst II
 Eddie Schultz, Investment Analyst II

Legal

Christine Sweeney, General Counsel
 Madison Jechow, Assistant General Counsel
 Michelle Mellon-Werch, Assistant General Counsel
 Nicholas O'Keefe, Assistant General Counsel
 Tish Root, Legal Assistant

Member Services

Debbie Muñoz, Director of Member Services
 Chad Nichols, Member Services Manager
 Vikki Vasquez, Member Services Manager
 Jay Adams, Member Services Analyst II
 Jade Danh, Member Services Analyst I
 Debbie Davila, Member Services Analyst II
 David Eastwood, Member Services Analyst II
 Natalie Garza, Member Services Analyst I
 Ida Gomez, Member Services Analyst II
 Rhonda Green, Member Services Analyst II
 April Hernandez, Member Services Analyst I
 Karin Hicks, Member Services Analyst II
 Peter Jeske, Member Services Project Specialist
 Patricia King, Member Services Administrative Aide
 Maryann Malave-Jaini, Member Services Analyst II
 Corinne Moreno, Member Services Analyst II
 Pamela Morgan, Support Services Analyst
 Richard Ramos, Member Services Analyst II
 Shelley Ransom, Member Services Analyst II
 Cris Rodriguez-Horn, Support Services Analyst
 Shavon Rossett, Member Services Analyst I
 Anna Silva, Member Services Analyst I
 Wade Slaton, Member Services Analyst II
 Leslie Smith, Member Services Analyst II
 Tricia Solis, Support Services Analyst
 Caroline Touchet, Member Services Analyst II

Purpose

The Texas Municipal Retirement System (TMRS, or the System) is an entity created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code, as a retirement system for municipal employees in the State of Texas. TMRS is a public trust fund governed by a Board of Trustees with a professional staff responsible for administering the System in accordance with the TMRS Act. The System bears a fiduciary obligation to its members and their beneficiaries.

Administration

The TMRS Act entrusts the administration of TMRS to a six-member Board of Trustees, appointed by the Governor with the advice and consent of the Senate. Three trustees are Executive Trustees, who must be a chief executive officer, chief finance officer, or other officer, executive, or department head of a participating municipality. Three trustees are Employee Trustees, who must be employees of a participating municipality.

The TMRS Act requires regular Board meetings in March, June, September, and December of each year. The Board of Trustees employs actuarial, legal, medical, and other experts for the efficient administration of the System. The Board also forms committees to serve in an advisory role as needed.

The Board appoints an Executive Director to manage TMRS under its supervision and direction.

Membership

Cities choose to participate in TMRS. When a city joins TMRS, all of its eligible employees become members of the System. An employee in a position that normally requires at least 1,000 hours of work in a year, as determined by the city, is an eligible employee and is required to be a member of TMRS.

A person who leaves employment with all TMRS cities may withdraw all member deposits and interest from TMRS and cancel service credit with the System. A member may not refund his/her TMRS account unless there is a “bona fide” separation, and the employing city must certify that the employee has terminated employment.

Service Credit

TMRS members earn a month of service credit for each month they are employed in an eligible position by a participating TMRS city and make the required contribution to the System. Members may also receive Prior Service Credit for periods of city employment before the employing city joined TMRS. Because TMRS is a statewide retirement system, service credit may be a combination of service with several member cities. Service credit may also include Military Service Credit, credit for previously refunded TMRS service that has been purchased, and other types of service credit allowed under the TMRS Act.

A participating municipality can also grant, by ordinance, Restricted Prior Service Credit to an employee for service performed as a full-time paid employee of:

- Any public authority or agency created by the United States
- Any state or territory of the U.S.
- Any political subdivision of any state in the U.S.

- Any public agency or authority created by a state or territory of the U.S.
- A Texas institution of higher education, if employment was as a commissioned law enforcement officer serving as a college campus security employee

Restricted Prior Service Credit also can be granted for credit previously forfeited under one of the following systems:

- Texas Municipal Retirement System
- Teacher Retirement System of Texas
- Employees Retirement System of Texas
- Texas County and District Retirement System
- Judicial Retirement System of Texas
- City of Austin Employees Retirement System

This restricted credit may only be used to satisfy length-of-service requirements for vesting and retirement eligibility, and has no monetary value under TMRS.

Member Contributions

TMRS member cities designate, by ordinance, the rate of member contributions for their employees. This rate is 5%, 6%, or 7% of an employee's gross compensation. Three cities have a 3% rate, no longer available to cities under the TMRS Act. Compensation for retirement contribution purposes includes overtime pay, car allowances, uniform allowances, sick leave, vacation pay, and other payments if they are taxable.

All member contributions since 1984 are tax-deferred under the Internal Revenue Code, pursuant to Sections 401(a) and 414(h)(2). The member contribution rate may be increased by ordinance. However, the member contribution rate may only be reduced if the members in the city, by a 2/3 vote, consent to a reduction, and the city, by ordinance, provides for the reduction.

Interest is credited to member accounts annually on December 31 at a 5% rate, based on the balance in the account on January 1 of that year. In the year of retirement, interest will be prorated for the months of service in that year.

Vesting and Retirement Eligibility

TMRS members vest after either 5 or 10 years of service, based on their city's plan. If a vested member leaves covered employment before reaching retirement eligibility, the member may leave his or her deposits with TMRS, earn interest on the deposits, and, upon reaching age 60, apply for and receive a monthly retirement payment.

A member becomes eligible for service retirement based on various combinations of age and service, depending on which provisions have been adopted by the employing municipality, including:

- Age 60 with 5 years of service
- Age 60 with 10 years of service
- Any age with 20 years of service
- Any age with 25 years of service

Summary of Plan Provisions

Continued

Before a city adopts the 20-year, any-age provision, the System must prepare an actuarial study to determine the provision's effect on the city's contribution rate, and the city must conduct a public hearing on the adoption.

Effective January 1, 2002, TMRS law was changed to give cities the option to choose 5-year vesting. Cities that did not opt out of that vesting provision before December 31, 2001, automatically changed from 10-year to 5-year vesting. Cities that chose to retain 10-year vesting may change to 5-year vesting at any time.

City Contributions

Upon an employee's retirement, the employing city matches the accumulated employee contributions plus interest earned. Each city chooses a matching ratio: 1 to 1 (100%); 1.5 to 1 (150%); or 2 to 1 (200%). This match is funded with monthly contributions by the participating municipality at an annual, actuarially determined rate. A municipality may elect to increase or reduce its matching ratio effective January 1 of a calendar year.

Updated Service Credit

Member cities, at their option, may elect to adopt Updated Service Credit, either annually or on an annually repeating basis, effective January 1 of a calendar year. Updated Service Credit improves retirement benefits by using a member's average monthly salary over a recent three-year period to recalculate the member's retirement credit as if the member had always earned that salary and made deposits to the System, matched by the city, on the basis of that average monthly salary. Updated Service Credit also takes into account any changes in the city's TMRS plan provisions that have been adopted, such as an increase in the member contribution rate or the city's matching ratio. If there is a difference between the recalculated amount and the actual account balances, a percentage (50%, 75%, or 100%) of this difference is granted to the employee, funded by the participating municipality, as the Updated Service Credit. A member must have at least 36 months of service credit as of the study date in the adopting city before becoming eligible to receive this credit. Interest on Updated Service Credit is prorated in the year of retirement.

Retirement Payment Options

After applying for retirement, a TMRS member may choose one of seven optional monthly benefit payments. The member makes this choice before receipt of the first benefit payment, and the choice is irrevocable after the date the first payment becomes due. All options pay a monthly annuity for the life of the retiree. The options include:

- A benefit for the retiree's lifetime only ("Retiree Life Only" option)
- Three guaranteed-term benefits that pay a benefit for the lifetime of the member and to a beneficiary for the balance of 5, 10, or 15 years if the member dies before the term is reached ("Guaranteed Term" options)
- Three options that pay a lifetime benefit to the member and, upon the member's death, a survivor lifetime benefit equal to 50%, 75%, or 100% of the member's benefit ("Survivor Lifetime" options)

As a minimum benefit, TMRS guarantees that an amount equal to at least the member's contributions and interest will be returned, either through payment of a monthly benefit or through a lump-sum refund.

Each of the three survivor lifetime retirement options includes a “pop-up” feature. The “pop-up” feature provides that if the designated beneficiary dies before the retiree, the retiree’s benefit will “pop up” to the Retiree Life Only amount. Retirees who marry or remarry after retirement and who meet specific conditions also have a one-time option to change from a Retiree Life Only benefit to one that provides a survivor benefit.

Members who are eligible for service retirement may choose to receive a Partial Lump Sum Distribution, a portion of the member’s deposits and interest in cash, at the time of retirement. The Partial Lump Sum Distribution is equal to 12, 24, or 36 times the amount of the Retiree Life Only monthly benefit, but cannot exceed 75% of the member’s deposits and interest. The remaining member deposits are combined with the city’s funds to pay a lifetime benefit under the selected retirement option.

The Partial Lump Sum Distribution may be chosen with any of the retirement options and is paid in a lump sum with the first retirement payment. This amount may be subject to federal income tax and an additional 10% IRS tax penalty if not rolled over into a qualified plan.

Section 415(b) of the Internal Revenue Code limits the amount of an annual benefit that may be paid by a pension plan’s trust to a retiree. This provision is known as the Section 415 limit, which is set by Congress and can be periodically adjusted by the IRS. Any portion of a retiree’s annual benefit that exceeds the Section 415 limit cannot be paid from the TMRS trust fund. However, Internal Revenue Code Section 415(m) allows pension plans to create a separate fund, known as a qualified governmental excess benefit arrangement, to pay the benefits above the Section 415 limit. Accordingly, the TMRS Act established such an arrangement, which is referred to as the “Full Benefit Arrangement.” Additional details are made available to affected retirees if they will reach the Section 415 limit in any given year.

Annuity Increases (COLAs)

A member city may elect to increase the annuities of its retirees (grant a cost-of-living adjustment, or COLA), either annually or on an annually repeating basis, effective January 1 of a calendar year. For cities that adopted annuity increases since January 1, 2000, the adjustment is either 30%, 50%, or 70% of the increase (if any) in the Consumer Price Index – All Urban Consumers (CPI-U) between the December preceding the member’s retirement date and the December 13 months before the effective date of the increase, applied to the original monthly annuity.

Survivor Benefits

If a member dies before vesting, the member’s designated beneficiary is eligible to receive a lump-sum refund of the member’s deposits and interest. For a vested member, a beneficiary who is the member’s spouse may select a monthly benefit payable immediately; withdraw the member’s deposits and interest in a lump sum; or leave the member’s deposits with TMRS, where they will earn interest until the date the member would have reached age 60, and then the beneficiary may receive a lifetime benefit. A beneficiary who is not the member’s spouse may select a monthly benefit payable immediately or withdraw the member’s deposits and interest in a lump sum.

Disability Retirement

All active TMRS cities have adopted an Occupational Disability Retirement benefit. If a member is judged by the TMRS Medical Board to be disabled to the extent that the member cannot perform his or her occupation,

Summary of Plan Provisions

Continued

and the disability is likely to be permanent, the member may retire with a lifetime benefit based on the total reserves as of the effective date of retirement. The Occupational Disability annuity will be reduced if the combined total of the Occupational Disability annuity and any wages earned exceeds the member's average monthly compensation for the highest 12 consecutive months during the three calendar years immediately before the year of retirement (indexed to the CPI-U). As the minimum disability benefit, the member's deposits and interest are guaranteed to be returned, either through payment of the monthly benefit, or upon termination of the annuity through a lump-sum refund.

Supplemental Death Benefits

Member cities may elect, by ordinance, to provide Supplemental Death Benefits for active members, including or not including retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary, calculated based on the employee's actual earnings on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is \$7,500. This benefit is paid in addition to any other TMRS benefits the beneficiary might be entitled to receive. If an individual has multiple retirements, his/her beneficiary will receive only one Supplemental Death Benefit; the last employing city with this provision pays the benefit.

Buyback of Service Credit

When a member terminates employment and chooses to take a refund of his or her deposits and interest, the member forfeits all service credit. If the member is reemployed by a TMRS member city, and if the employing city adopts the buyback provision by ordinance, the member may repay the amount of the refund plus a 5% per year withdrawal charge, in a lump sum, to reinstate the previously forfeited credit. A member must have 24 consecutive months of service with the reemploying city, and must be an employee of that city on the date the buyback ordinance is adopted to be eligible to buy back service credit.

Military Service Credit

Members who leave employment with a TMRS city, serve in the military, and then return to city employment may establish credit for the time they spend in the military, up to 60 months. Members who meet the requirements of the federal Uniformed Services Employment and Reemployment Rights Act (USERRA) may make member contributions to TMRS as though they had been employed by the city for the period of their military service.

In cities that have adopted Military Service Credit, members who are not eligible for USERRA credit, or who choose not to make contributions, may establish service credit for up to 60 months of military time. A member must have five years of TMRS service credit to establish non-USERRA Military Service Credit.

Members with five years of TMRS service credit who were employed on December 31, 2003, by a city that had previously adopted Military Service Credit, may choose to purchase this credit at a cost of \$15 per month of credit sought (purchase amount would increase the member's account balance), or may use the no-cost time-only provision. ■

This discussion is an informal presentation of the TMRS Act. If any specific questions of fact or law should arise, the statutes will govern.

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KPMG LLP
Suite 1900
111 Congress Avenue
Austin, TX 78701-4091

Independent Auditors' Report

The Board of Trustees
Texas Municipal Retirement System

We have audited the accompanying statements of fiduciary net position of the Texas Municipal Retirement System (TMRS), as of December 31, 2014 and 2013, and the related statements of changes in fiduciary net position for the years then ended and the related notes to the financial statements, which collectively comprise TMRS' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Texas Municipal Retirement System as of December 31, 2014 and 2013, and the changes in fiduciary net position for the years then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2014 TMRS adopted the provisions of Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. Our opinion is not modified with respect to this matter.



Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis, Schedules of Funding Progress and Employer Contributions for the Supplemental Death Benefits Fund, and Schedule of Investment Returns on pages 24-27 and 51-52 respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise TMRS' basic financial statements. The Introductory Section on pages 6-20, Other Supplementary Information – Changes in Fiduciary Net Position by Fund, Schedule of Administrative Expenses, Schedule of Professional Services, and Schedule of Investment Expenses on pages 53-56, the Investment Section on pages 58-70, the Actuarial Section on pages 72-100 and the Statistical Section on pages 102-154 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Other Supplementary Information – Changes in Fiduciary Net Position by Fund, Schedule of Administrative Expenses, Schedule of Professional Services, and Schedule of Investment Expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Other Supplementary Information – Changes in Fiduciary Net Position by Fund, Schedule of Administrative Expenses, Schedule of Professional Services, and Schedule of Investment Expenses are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory, Actuarial, and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

KPMG LLP

Austin, Texas
June 10, 2015

Management's Discussion and Analysis (MD&A) of the Texas Municipal Retirement System (TMRS, or the System) for the years ended December 31, 2014 and 2013, provides a summary of the financial position and performance of TMRS, including highlights and comparisons. The MD&A is presented as a narrative overview and analysis in conjunction with the Letter of Transmittal, which is included in the Introductory Section of the TMRS *Comprehensive Annual Financial Report (AFR)*. For more detailed information regarding TMRS financial activities, the reader should also review the actual financial statements, including the notes and supplementary schedules.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the TMRS basic financial statements, which comprise the following components:

- Fund Financial Statements
- Notes to Financial Statements

This report also contains Required Supplementary Information and other supplemental information in addition to the basic financial statements. Collectively, this information presents the fiduciary net position and the changes in fiduciary net position of TMRS as of December 31, 2014 and 2013. The information contained in each of these fiduciary components is summarized as follows:

Fund Financial Statements. Two statements, both containing financial information for the Pension Trust Fund and the Supplemental Death Benefits Fund (SDBF), are provided. These funds are presented as fiduciary funds of the System and reflect the resources available for benefits to members, retirees, and their beneficiaries (Pension Trust Fund) and other postemployment benefits (SDBF). The Statements of Fiduciary Net Position as of December 31, 2014 and 2013 reflect the financial position of TMRS at a point in time. The Statements of Changes in Fiduciary Net Position for the years ended December 31, 2014 and 2013 present the activities that occurred during the respective periods.

Notes to Financial Statements. The financial statement notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

Required Supplementary Information. Required supplementary information consists of the 2014 investment returns on pension plan investments. In addition, schedules and related notes concerning the funding status and contribution trends of the Supplemental Death Benefits Fund administered by TMRS are included.

Other Supplemental Schedules. Supplemental schedules include additional information regarding fund activity, administrative expenses, professional services, and investment expenses.

Financial Highlights

Net Position Restricted for Pensions – Pension Trust Fund

The following table displays a summary of assets, liabilities, and net position for the TMRS Pension Trust Fund at December 31, 2014, 2013, and 2012 (in millions). The overall financial condition of the Pension Trust Fund reflects an increase in net position from 2012 to 2014.

	2014	2013	2012	2014-2013		2013-2012	
				\$ Change	% Change	\$ Change	% Change
Investments, at fair value	\$ 23,896.1	\$ 23,868.4	\$ 20,627.6	\$ 27.7	0.1 %	\$ 3,240.8	15.7 %
Invested securities lending collateral	1,030.8	1,886.1	147.1	(855.3)	(45.3)	1,739.0	1,182.2
Cash, receivables and other	1,602.6	1,241.8	1,808.7	360.8	29.1	(566.9)	(31.3)
Capital assets, net	7.9	8.4	9.0	(0.5)	(6.0)	(0.6)	(6.7)
Total assets	26,537.4	27,004.7	22,592.4	(467.3)	(1.7)	4,412.3	19.5
Securities lending collateral	1,033.5	1,890.4	153.2	(856.9)	(45.3)	1,737.2	1,133.9
Other liabilities	1,776.4	2,645.7	1,948.6	(869.3)	(32.9)	697.1	35.8
Total liabilities	2,809.9	4,536.1	2,101.8	(1,726.2)	(38.1)	2,434.3	115.8
Net Position Restricted for Pensions	\$ 23,727.5	\$ 22,468.6	\$ 20,490.6	\$1,258.9	5.6 %	\$ 1,978.0	9.7 %

The increase in investments during each of the three years ending December 31, 2014 is due to the appreciation in market values during these periods, as well as growth of the Trust Fund from net membership cash flows. The change in the securities lending collateral asset and liability is due to the wind-down of the securities lending program with State Street at the end of 2012 in anticipation of the transfer of the program to Deutsche Bank, effective January 1, 2013, at which time the program resumed lending activity. The fluctuation of receivables and other liabilities from year-to-year is due primarily to trade activity occurring near year-end, impacting the investment trade receivable and payable amounts reported.

Management's Discussion and Analysis

Continued

A summary of the change in net position of the Pension Trust Fund for 2014, 2013, and 2012 is as follows (in millions):

	2014	2013	2012	2014 - 2013		2013 - 2012	
				\$ Change	% Change	\$ Change	% Change
Additions:							
Employer contributions	\$ 719.9	\$ 681.4	\$ 664.8	\$ 38.5	5.7 %	\$ 16.6	2.5 %
Plan member contributions	355.4	339.9	327.4	15.5	4.6	12.5	3.8
Net investment income	1,285.3	1,974.9	1,863.3	(689.6)	(34.9)	111.6	6.0
Total additions	2,360.6	2,996.2	2,855.5	(635.6)	(21.2)	140.7	4.9
Deductions:							
Retirement benefits	1,028.5	946.5	864.9	82.0	8.7	81.6	9.4
Refunds	58.7	57.7	57.9	1.0	1.7	(0.2)	(0.3)
Administrative & other costs	14.5	14.0	13.4	0.5	3.6	0.6	4.5
Total deductions	1,101.7	1,018.2	936.2	83.5	8.2	82.0	8.8
Change in net position	1,258.9	1,978.0	1,919.3	(719.1)	(36.4)	58.7	3.1
Net position - beginning of year	22,468.6	20,490.6	18,571.3	1,978.0	9.7	1,919.3	10.3
Net position - end of year	\$ 23,727.5	\$ 22,468.6	\$ 20,490.6	\$ 1,258.9	5.6 %	\$ 1,978.0	9.7 %

The increase in employer and plan member contributions from 2012 to 2014 is due to the increase in covered payroll (\$5.37 billion in 2014, \$5.14 billion in 2013, and \$4.96 billion in 2012). City membership increased slightly over the three-year period, totaling 860, 850, and 849 at December 31, 2014, 2013, and 2012, respectively.

Net investment income is presented after deduction of investment expenses and comprises interest and dividends, net appreciation in fair value of investments, and net income from securities lending activities. The changes in net investment income from 2012 to 2014 primarily result from the change in the net appreciation in the fair value of investments during those periods (\$980.5 million, \$1.7 billion, and \$1.5 billion appreciation during the years ended 2014, 2013, and 2012, respectively). During 2013 and 2012, TMRS' investment portfolio recognized substantial market gains, with public equities contributing the most significantly. Assets such as equities, which have a greater risk profile, continue to be a source of gains during the ongoing accommodative monetary environment — both in domestic and foreign markets. In addition, while the cost basis of the securities lending collateral pool exceeded market values at each of the three years ending December 31, 2014, the collateral pool continued to experience recovery, resulting in appreciation each year of \$1.6 million, \$1.9 million, and \$9.3 million, respectively. At December 31, 2014, the cumulative unrealized loss on the collateral was \$2.6 million.

The increase in retirement benefits is due primarily to growth in the number of retirement accounts each year (53,455, 49,969, and 46,902 in 2014, 2013, and 2012, respectively), as well as annuity increases (COLA adjustments) that may be applied each year.

Net Position – Supplemental Death Benefits Fund

The following table displays a summary of net position and changes in net position for the Supplemental Death Benefits Fund at December 31, 2014, 2013, and 2012. The overall financial condition of the Supplemental Death Benefits Fund reflects a decrease in net position over the three year period.

	2014	2013	2012
Total assets and net position	\$ 22,720,056	\$23,910,477	\$25,685,451

A summary of the change in net position of the Supplemental Death Benefits Fund for 2014, 2013, and 2012 is as follows (in thousands):

	2014	2013	2012	2014 - 2013		2013 - 2012	
				\$ Change	% Change	\$ Change	% Change
Additions:							
Employer contributions	\$ 6,126.8	\$ 5,673.1	\$ 5,248.4	\$ 453.7	8.0 %	\$ 424.7	8.1 %
Income allocation	1,132.8	1,202.1	1,310.7	(69.3)	(5.8)	(108.6)	(8.3)
Total additions	7,259.6	6,875.2	6,559.1	384.4	5.6	316.1	4.8
Deductions:							
Supplemental death benefits	8,450.0	8,650.1	8,619.7	(200.1)	(2.3)	30.4	0.4
Total deductions	8,450.0	8,650.1	8,619.7	(200.1)	(2.3)	30.4	0.4
Change in net position	(1,190.4)	(1,774.9)	(2,060.6)	584.5	32.9	285.7	13.9
Net position - beginning of year	23,910.5	25,685.4	27,746.0	(1,774.9)	(6.9)	(2,060.6)	(7.4)
Net position - end of year	\$ 22,720.1	\$ 23,910.5	\$ 25,685.4	\$ (1,190.4)	(5.0)%	\$ (1,774.9)	(6.9)%

Employer contributions are based on the covered payroll of the participating municipalities at actuarially determined rates. The increase in contributions from 2012 to 2014 is due to the increase in covered payroll as well as increased rates as a result of the aging population. The fluctuation in supplemental death benefits over the three-year period is a result of the change in total numbers of claims as well as type of claims in those years (active vs. retired). The Supplemental Death Benefits Fund receives a 5% statutory interest allocation from the Pension Trust Fund based on the fund's average balance during the year.

Requests for Information

This financial report is designed to provide a general overview of the Texas Municipal Retirement System's finances. Questions and requests for additional information should be addressed to the Finance Department of the Texas Municipal Retirement System, P.O. Box 149153, Austin, Texas 78714-9153. ■

Statements of Fiduciary Net Position

As of December 31, 2014 and 2013	2014			2013		
	Pension Trust Fund	Supplemental Death Benefits Fund	Total	Pension Trust Fund	Supplemental Death Benefits Fund	Total
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ 1,499,634	\$ -	\$ 1,499,634
Receivables						
Contributions	87,926,093	543,842	88,469,935	81,438,365	488,688	81,927,053
Interest and dividends	52,688,822	-	52,688,822	57,789,872	-	57,789,872
Securities lending income	198,713	-	198,713	208,970	-	208,970
Investment trades	6,796,650	-	6,796,650	138,073,200	-	138,073,200
Securities sold on a when-issued basis	1,454,800,799	-	1,454,800,799	962,486,242	-	962,486,242
Total Receivables	1,602,411,077	543,842	1,602,954,919	1,239,996,649	488,688	1,240,485,337
Investments, at fair value						
Short-term investments	1,377,290,882	-	1,377,290,882	1,902,981,211	-	1,902,981,211
Derivative contracts	7,996,950	-	7,996,950	(1,103,447)	-	(1,103,447)
Fixed income securities	9,599,944,762	-	9,599,944,762	10,334,443,294	-	10,334,443,294
Equities	10,598,674,673	-	10,598,674,673	10,857,317,344	-	10,857,317,344
Absolute return assets	1,113,810,523	-	1,113,810,523	-	-	-
Real estate funds	1,014,662,868	-	1,014,662,868	625,274,935	-	625,274,935
Real estate securities	183,720,245	-	183,720,245	149,450,079	-	149,450,079
Total investments	23,896,100,903	-	23,896,100,903	23,868,363,416	-	23,868,363,416
Invested securities lending collateral	1,030,835,345	-	1,030,835,345	1,886,115,119	-	1,886,115,119
Property and equipment, at cost, net of accumulated depreciation of \$16,790,200 and \$16,455,426 at December 31, 2014 and 2013, respectively	7,889,360	-	7,889,360	8,449,172	-	8,449,172
Funds held by Pension Trust Fund	-	22,176,214	22,176,214	-	23,421,789	23,421,789
Other assets	147,844	-	147,844	253,766	-	253,766
TOTAL ASSETS	26,537,384,529	22,720,056	26,560,104,585	27,004,677,756	23,910,477	27,028,588,233
LIABILITIES						
Due to custodial and depository banks	11,670,372	-	11,670,372	5,113,305	-	5,113,305
Accounts payable and other accrued liabilities	10,518,068	-	10,518,068	5,728,881	-	5,728,881
Funds held for Supplemental Death Benefits Fund	22,176,214	-	22,176,214	23,421,789	-	23,421,789
Securities lending fees payable	29,498	-	29,498	15,385	-	15,385
Securities lending collateral	1,033,480,569	-	1,033,480,569	1,890,371,310	-	1,890,371,310
Investment trades payable	867,627,788	-	867,627,788	520,766,636	-	520,766,636
Securities purchased on a when-issued basis	864,404,094	-	864,404,094	2,090,626,826	-	2,090,626,826
TOTAL LIABILITIES	2,809,906,603	-	2,809,906,603	4,536,044,132	-	4,536,044,132
FIDUCIARY NET POSITION						
Net position restricted for pensions	23,727,477,926	-	23,727,477,926	22,468,633,624	-	22,468,633,624
Fiduciary net position held in trust for other postemployment benefits	-	22,720,056	22,720,056	-	23,910,477	23,910,477
TOTAL FIDUCIARY NET POSITION	\$ 23,727,477,926	\$ 22,720,056	\$ 23,750,197,982	\$ 22,468,633,624	\$ 23,910,477	\$ 22,492,544,101

See accompanying notes to financial statements.

Statements of Changes in Fiduciary Net Position

For the Years Ended December 31, 2014 and 2013	2014			2013		
	Pension Trust Fund	Supplemental Death Benefits Fund	Total	Pension Trust Fund	Supplemental Death Benefits Fund	Total
ADDITIONS						
Contributions						
Employer	\$ 719,904,310	\$ 6,126,769	\$ 726,031,079	\$ 681,469,222	\$ 5,673,095	\$ 687,142,317
Plan member	355,413,935	-	355,413,935	339,906,924	-	339,906,924
Total contributions	1,075,318,245	6,126,769	1,081,445,014	1,021,376,146	5,673,095	1,027,049,241
Net investment income						
From investing activities						
Net appreciation in fair value of investments	980,540,406	-	980,540,406	1,681,646,053	-	1,681,646,053
Interest and dividends	322,383,177	-	322,383,177	305,366,693	-	305,366,693
Total investing activities income	1,302,923,583	-	1,302,923,583	1,987,012,746	-	1,987,012,746
Less investment activities expense	(21,215,770)	-	(21,215,770)	(15,980,128)	-	(15,980,128)
Net income from investing activities	1,281,707,813	-	1,281,707,813	1,971,032,618	-	1,971,032,618
From securities lending activities						
Securities lending income	1,766,151	-	1,766,151	2,506,550	-	2,506,550
Securities lending expenses						
Borrower rebates	616,308	-	616,308	(151,244)	-	(151,244)
Agent fees	(357,060)	-	(357,060)	(353,296)	-	(353,296)
Net appreciation in fair value of collateral pool	1,610,967	-	1,610,967	1,853,849	-	1,853,849
Net income from securities lending activities	3,636,366	-	3,636,366	3,855,859	-	3,855,859
Net investment income	1,285,344,179	-	1,285,344,179	1,974,888,477	-	1,974,888,477
Other miscellaneous	29,491	-	29,491	17,961	-	17,961
Income allocation from Pension Trust Fund	-	1,132,803	1,132,803	-	1,202,065	1,202,065
TOTAL ADDITIONS	2,360,691,915	7,259,572	2,367,951,487	2,996,282,584	6,875,160	3,003,157,744
DEDUCTIONS						
Benefit payments						
Service retirement	861,959,010	-	861,959,010	794,458,670	-	794,458,670
Disability retirement	16,873,699	-	16,873,699	16,469,149	-	16,469,149
Partial lump sum distributions	149,739,411	-	149,739,411	135,568,703	-	135,568,703
Supplemental death benefits	-	8,449,993	8,449,993	-	8,650,134	8,650,134
Total benefit payments	1,028,572,120	8,449,993	1,037,022,113	946,496,522	8,650,134	955,146,656
Refunds of contributions	58,723,123	-	58,723,123	57,727,674	-	57,727,674
Administrative expenses	13,419,567	-	13,419,567	12,821,721	-	12,821,721
Income allocation to Supplemental Death Benefits Fund	1,132,803	-	1,132,803	1,202,065	-	1,202,065
TOTAL DEDUCTIONS	1,101,847,613	8,449,993	1,110,297,606	1,018,247,982	8,650,134	1,026,898,116
NET INCREASE/(DECREASE) IN NET POSITION	1,258,844,302	(1,190,421)	1,257,653,881	1,978,034,602	(1,774,974)	1,976,259,628
FIDUCIARY NET POSITION						
Net position restricted for pensions						
Beginning of year	22,468,633,624	-	22,468,633,624	20,490,599,022	-	20,490,599,022
End of year	23,727,477,926	-	23,727,477,926	22,468,633,624	-	22,468,633,624
Fiduciary net position held in trust for other postemployment benefits						
Beginning of year	-	23,910,477	23,910,477	-	25,685,451	25,685,451
End of year	-	22,720,056	22,720,056	-	23,910,477	23,910,477
TOTAL FIDUCIARY NET POSITION	\$ 23,727,477,926	\$ 22,720,056	\$ 23,750,197,982	\$ 22,468,633,624	\$ 23,910,477	\$ 22,492,544,101

See accompanying notes to financial statements.

1. Summary of Significant Accounting Policies

A. Background and Reporting Entity

The Texas Municipal Retirement System (TMRS, or the System) is an agency created by the State of Texas and administered in accordance with the Texas Municipal Retirement System Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement and disability pension system for municipal employees in the State of Texas. As such, TMRS is a public trust fund that has the responsibility of administering the System in accordance with the TMRS Act and bears a fiduciary obligation to its members and their beneficiaries.

The System's financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). TMRS has no component units and is not a component unit of any other entity. The accompanying financial statements include only the operations of the System, which comprises two fiduciary trust funds — the Pension Trust Fund and the Supplemental Death Benefits Fund. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees (the Board). Three Trustees are "Executive Trustees" who are either the chief executive officer, chief finance officer, or other officer, executive, or department head of a participating municipality. Three Trustees are "Employee Trustees" who are employees of a participating municipality. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas.

B. New Accounting Pronouncements

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans — an Amendment of GASB Statement No. 25*, which replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements. The Statement requires defined benefit pension plans to present two financial statements — a statement of fiduciary net position and a statement of changes in fiduciary net position. In addition, the Statement requires certain new note disclosures as well as required supplementary information. The requirements of this Statement have been implemented in 2014.

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*, which establishes standards for determining fair value for certain investments and provides guidance for disclosures related to all fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Statement 72 is effective for the System's 2016 fiscal year, implementation of which is currently being evaluated.

C. Basis of Accounting

The Pension Trust Fund and the Supplemental Death Benefits Fund are maintained on the accrual basis of accounting. Employer and employee contributions are recognized in the period that the employer reports compensation for the employee, which is when contributions are legally due.

Participant benefits are recorded when payable in accordance with the System's plan terms. Refunds are recorded and paid upon receipt of an approved application for refund.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The System utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and that any such changes could materially affect the amounts reported in the Statements of Fiduciary Net Position and the Statements of Changes in Fiduciary Net Position.

D. Basis of Presentation

The financial statements are organized on the basis of funds, as required by the TMRS Act, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. These accounts are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with applicable statutory guidelines or restrictions.

Each of the System's funds is considered a Fiduciary Fund. The following is a brief description of each fund category.

Fiduciary Fund — Pension Trust Fund

The Pension Trust Fund reports the resources held in trust for TMRS members and beneficiaries. The TMRS Act does not create legally required reserves, but establishes accounts that comprise the net position restricted for pensions as follows:

Benefit Accumulation Fund — The purpose of the Benefit Accumulation Fund (BAF) is to accumulate the activity impacting the balance of each municipality's reserve fund. The fund is increased by contributions made by employers and employee members, and decreased by benefit payments and refunds due to withdrawals and death. Effective each December 31, the Board of Trustees approves an interest credit to the BAF, allocated to each municipality in proportion to its BAF balance at January 1st of that year. The fund received an approximate 5.68% interest credit on December 31, 2014.

Full Benefit Arrangement Fund — Section 415(b) of the Internal Revenue Code limits the amount of an annual benefit that may be paid by a tax-qualified pension plan trust to its retirees. This provision is known as the Section 415 limit, which is set by Congress and can be periodically adjusted by the IRS. Any portion of a retiree's annual benefit that exceeds the Section 415 limit cannot be paid from the TMRS pension trust fund. However, Internal Revenue Code Section 415(m) allows pension plans to create a separate fund, known as a qualified governmental excess benefit arrangement, to pay the benefits above the Section 415 limit. Accordingly, the TMRS Act established such an arrangement, which is referred to as the "Full Benefit Arrangement." The purpose of the fund is to record the contributions from employers as well as the benefits paid from such contributions.

Supplemental Disability Benefits Fund — The TMRS Board of Trustees initiated legislation to amend the TMRS Act in 1987, which terminated all cities' participation in the Supplemental Disability Benefits Fund effective January 1, 1988. Consequently, there have been no contributions to this Fund since 1987. The fund continues to pay the remaining benefit payments that are obligations of the fund. Each December 31, the Supplemental Disability Benefits Fund receives a 5% interest credit on the mean balance of the fund during the year. This fund will likely experience fluctuations in funding from year to year, as this is a small closed group; TMRS management will continue to annually monitor the balances and obligations of this fund.

Endowment Fund — The purpose of the Endowment Fund is to accumulate unallocated investment income (Interest Reserve Account), escheated accounts, and funds and assets accruing to the System that are not specifically required by the other funds.

Expense Fund — The purpose of the Expense Fund is to record the expenses incurred for the administration and maintenance of the System. The Board, as evidenced by a resolution of the Board and recorded in its minutes, may transfer from the Interest Reserve Account of the Endowment Fund to the Expense Fund the amount estimated to cover the System's administrative costs for the year.

Fiduciary Fund — Supplemental Death Benefits Fund

The Supplemental Death Benefits Fund (SDBF) reports the resources available to pay supplemental death claims for covered participants. Member cities may elect, by ordinance, to provide a "Supplemental Death Benefit" for their active members, including or not including retirees. The SDBF is a separate trust administered by the TMRS Board of Trustees. The TMRS Act requires the Pension Trust Fund to allocate a 5% interest credit to the SDBF each December 31 based on the mean balance in the SDBF during the year. Death benefit payments are payable only from this fund and are not an obligation of, or a claim against, the other funds of the System.

E. Investments

Investments at December 31, 2014 and 2013 include investments in short-term custodian-managed funds, repurchase agreements, fixed income securities, commingled equity funds, equity securities, real estate securities, interests in private real estate funds, hedge fund-of-funds, and private non-core fixed income funds. Investments are reported at fair value, and security transactions are reported on a trade-date basis. Forward currency contracts and Futures contracts are considered derivative financial instruments and are reported at fair value, with valuation changes reported as investment income. Fixed income securities, including TBA securities, are valued by pricing vendors that utilize quoted market prices, broker prices, or other valuation methodologies. Equity securities and real estate securities are valued by the custodian using the last trade date "quoted market price" supplied by various pricing data vendors. Fair values of the commingled equity funds are determined based on the funds' net asset values at the date of valuation. Short-term investment funds and repurchase agreements are reported at cost, which approximates market value. Fair values of the investments in private real estate funds, hedge fund-of-funds and non-core fixed income funds are reported at the net asset values as provided by the respective General Partner, which are based on audited financial statements of the fund. Withdrawal from the private real estate, hedge fund-of-funds and non-core fixed income funds prior to liquidation is allowable, however is subject to certain constraints as defined in the respective Limited Partnership Agreement.

The TBA, or “to be announced,” securities market is a forward, or delayed delivery market for 30-year and 15-year fixed-rate single-family mortgage-backed securities (MBS) issued by Fannie Mae, Freddie Mac, and Ginnie Mae. A TBA trade represents a purchase or sale of single-family mortgage-backed securities to be delivered on a specified future date; however, the specific pools of mortgages that will be delivered are unknown at the time of the trade. Parties to a TBA trade agree upon the issuer, coupon, price, product type, amount of securities, and settlement date for delivery. Settlement for TBA trades is standardized to occur on one specific day each month. Notification date occurs 48 hours prior to settlement date, where the seller communicates to the buyer the exact details of the MBS pools that will be delivered. Securities must meet “good delivery guidelines.” Good delivery guidelines, notification, and settlement dates are established by the Securities Industry and Financial Markets Association (SIFMA). TBAs are an eligible security per the TMRS Investment Policy Statement. The policy requires purchases of TBAs to be backed by cash until settlement, and sales of TBAs to be backed by a deliverable security. The receivables and payables associated with the sale and purchase of TBAs are reflected in the accompanying statements of fiduciary net position as securities sold and purchased on a when-issued basis.

F. Property and Equipment

Property and equipment consisting of building and improvements, furniture, software, equipment, and land are recorded at cost. It is the System’s policy to capitalize items that individually exceed \$5,000. Depreciation on furniture, equipment, and software is calculated on a straight-line basis over their estimated useful lives, which range from three to ten years; depreciation for building and improvements is calculated on a straight-line basis over forty years.

G. Securities Lending

The Board of Trustees has authorized the System to participate in a securities lending program, whereby certain securities are loaned to an approved counterparty with a simultaneous agreement to return the collateral for the same securities. Collateral is in the form of cash or eligible securities and is initially equal to not less than 102% of the market value plus any accrued interest on the loaned securities, and is maintained at a minimum level of 100% of the market value plus any accrued interest. Securities received as collateral may not be pledged or sold without borrower default. The securities lending contract requires the securities lending agent to indemnify the System fully in the event a counterparty defaults on its obligations to the System.

The fair value of securities on loan totaled \$1,014,002,399 and \$1,853,434,350 at December 31, 2014 and 2013, respectively. At December 31, 2014 and 2013, TMRS had no credit risk exposure to borrowers as the collateral amounts received exceeded amounts on loan. Additionally, TMRS did not experience any losses from default of a borrower or lending agent during 2014 or 2013.

Cash collateral received is invested by the securities lending agent. At December 31, 2014 and 2013, the cost basis of the System’s collateral holdings totaled \$1,033,480,569 and \$1,890,371,310, respectively, which exceeded market values by \$2,645,224 and \$4,256,191, respectively. The change in unrealized loss on securities lending collateral is reported as net appreciation in fair value of collateral on the Statements of Changes in Fiduciary Net Position.

2. Plan Description

A. Pension Trust Fund

TMRS is a statewide agent multiple-employer public employee retirement system that administers 860 nontraditional, joint contributory, hybrid defined benefit plans covering all eligible employees of member cities in Texas. Membership in TMRS as of December 31, 2014 and 2013 follows:

	2014	2013
Inactive plan members (or beneficiaries) currently receiving benefits	53,455	49,969
Inactive plan members entitled to but not yet receiving benefits		
Vested	26,018	25,025
Non-vested	<u>19,036</u>	<u>17,553</u>
Total	45,054	42,578
Active plan members		
Vested	66,081	66,934
Non-vested	<u>37,938</u>	<u>35,936</u>
Total	104,019	102,870
Total member municipalities	860	850

Benefits — Upon retirement, benefits depend on the sum of the employee's contributions, with interest, and the city-financed monetary credits, with interest. City-financed monetary credits are composed of three sources: prior service credits, current service credits, and updated service credits. Prior Service Credit, granted by each city joining TMRS, is a monetary credit equal to the accumulated value of the percentage of prior service credit adopted times an employee's deposits that would have been made, based on the average salary prior to participation, for the number of months the employee has been employed, accruing 3% annual interest, and including the matching ratio adopted by the city. Monetary credits for service since each plan began (or current service credits) are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, each city can grant, either annually or on an annually repeating basis, another type of monetary credit referred to as Updated Service Credit. This monetary credit is determined by hypothetically re-computing the member's account balance by assuming that the current member deposit rate of the currently employing city (3%, 5%, 6%, or 7%) has always been in effect. The computation also assumes that the member's salary has always been the member's average salary — using a salary calculation based on the 36-month period ending a year before the effective date of calculation. This hypothetical account balance is increased by 3% each year (not the actual interest credited to the member's account in previous years), and increased by the city match currently in effect (100%, 150%, or 200%). The resulting sum is then compared to the member's actual account balance increased by the actual city match and actual interest credited. If the hypothetical calculation exceeds the actual calculation, the member is granted a monetary credit (or Updated Service Credit) equal to the difference between the hypothetical calculation and the actual calculation times the percentage adopted.

At retirement, the benefit is calculated as if the sum of the employee's contributions with interest and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options: retiree life only; one of three survivor lifetime options; or one of three guaranteed term options. Members may also

choose to receive a portion of their benefit as a Partial Lump Sum Distribution (PLSD) in an amount equal to 12, 24, or 36 monthly payments under the retiree life only option, which cannot exceed 75% of the total member deposits and interest. A member city may elect to increase the annuities of its retirees, either annually or on an annually repeating basis, effective January 1 of a calendar year. Cities may adopt annuity increases at a rate equal to either 30%, 50%, or 70% of the increase (if any) in the Consumer Price Index – all Urban Consumers (CPI-U) between the December preceding the member's retirement date and the December one year before the effective date of the increase, minus any previously granted increases.

The plan provisions are adopted by the governing body of each city, within the options available in the state statutes governing TMRS. Members in most cities can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. Some cities have elected retirement eligibility with 25 years of service regardless of age. Most plans also provide death benefits and all provide disability benefits. Effective January 1, 2002, members are vested after 5 years, unless a city opted to maintain 10-year vesting. Members may work for more than one TMRS city during their career. If a member is vested in one TMRS city, he or she is immediately vested upon employment with another TMRS city. Similarly, once a member has met the eligibility requirements for retirement in a TMRS city, he or she is eligible in other TMRS cities as well.

Contributions — The contribution rates for employees are either 5%, 6%, or 7% of employee gross earnings (three cities have a 3% rate, which is no longer allowed for new cities under the Act), and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of each city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. (EAN was first used in the December 31, 2013 valuation; previously, the Projected Unit Credit actuarial cost method had been used). This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases. The employer contribution rate cannot exceed a statutory maximum rate, which is based on a combination of the employee contribution rate and the city matching percentage. There is an optional higher maximum that may be applied in certain circumstances if elected by the city, or a city may elect to remove the maximum rate. For example, with a 6% employee contribution rate and a city matching percentage of 200%, the maximum employer contribution rate is 12.5% (13.5% if the higher maximum is elected). The maximum does not apply at all for cities beginning participation on or after December 31, 1999.

Contributions are made monthly by both the employees and the member cities. Since each member city must know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the contribution rate and the calendar year when the rate goes into effect. Contributions totaling \$710.0 million and \$679.5 million were made in 2014 and 2013, respectively, by the member cities in accordance with the actuarially determined city contribution rates, based on the December 31, 2012 and 2011 actuarial valuations, respectively. In addition, effective January 1, 2008, member cities are allowed to make additional contributions to the Pension Trust Fund. During 2014 and 2013, eight cities contributed

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\$9.2 million and eight cities contributed \$1.3 million, respectively, in such additional contributions. Employees of the cities contributed \$355.4 million and \$339.9 million in 2014 and 2013 in accordance with the city-adopted employee contribution rate for each city. If affected, a city may also pay contributions for the Full Benefit Arrangement (FBA). Such contributions totaled \$714,293 and \$693,389 in 2014 and 2013, respectively.

Investment Policy — The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS. The Board’s adopted strategic asset allocation policy as of December 31, 2014 is as follows:

Asset Class	Minimum %	Target %	Maximum %
U.S. Equities	12.5%	17.5%	22.5%
International Equities	12.5%	17.5%	22.5%
Core Fixed Income	25.0%	30.0%	40.0%
Non-Core Fixed Income	5.0%	10.0%	15.0%
Real Estate	5.0%	10.0%	15.0%
Real Return	2.0%	5.0%	10.0%
Absolute Return	0.0%	5.0%	10.0%
Private Equity	0.0%	5.0%	10.0%
Cash Equivalents	0.0%	0.0%	10.0%

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 5.85%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

B. Supplemental Death Benefits Fund

TMRS also administers a cost sharing multiple-employer defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage (“Supplemental Death Benefits”) for their active members, including or not including retirees. Employers may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. Participation in the SDBF as of December 31, 2014 and 2013 is summarized below; these counts represent those eligible for the retiree death benefit only:

	2014	2013
Annuitants eligible for benefits	24,569	22,986
Terminated vested employees	7,672	7,233
Current employee accounts		
Vested	43,117	43,422
Non-vested	<u>25,856</u>	<u>24,831</u>
Total	68,973	68,253
Number of municipalities providing retiree coverage	740	731

Benefits — Payments from this fund are similar to group-term life insurance benefits, and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered a postemployment benefit other than pension benefit (OPEB, or other postemployment benefit) and is a fixed amount of \$7,500. The obligations of this plan are payable only from the SDBF and are not an obligation of, or a claim against, the Pension Trust Fund.

Contributions — Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each city. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the city. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund. The TMRS Act requires the Pension Trust Fund to allocate investment income to the SDBF on an annual basis (see note 1-D). The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. As such, contributions are utilized to fund active member deaths on a pay-as-you-go basis; any excess contributions and investment income over payments then become net position available for OPEB.

Funded Status and Funding Progress —The funded status of the SDBF as of December 31, 2014, the most recent actuarial valuation date, is as follows (amounts in millions of dollars):

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1) / (2)	Unfunded AAL (UAAL) (2) - (1)	Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
	(1)	(2)	(3)	(4)	(5)	(6)
12/31/2014	\$22.7	\$145.4	15.6%	\$122.7	\$3,526.1	3.5%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to

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reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Additional information as of the latest actuarial valuation follows:

Valuation Date	12/31/2014
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	25 Years – Open Period
Asset Valuation Method	Fund Value
Actuarial Assumptions*	
Investment Rate of Return	4.25%
Projected Salary Increases	Varies by age and service
Includes Inflation at	3.0%
Cost-of-Living Adjustments	None

* See Summary of Actuarial Assumptions in the Actuarial Section for more detailed information.

Assets of the SDBF are valued at “fund value” (or fund balance) as these assets are pooled with those of the Pension Trust Fund under the provisions of the TMRS Act. GASB Statement No. 43 requires the investment return (discount rate) assumption to take into account the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Benefits are expected to be provided partially from accumulated plan assets (including accumulated investment earnings) and partially from direct employer contributions. While assets invested in the SDBF are expected to earn 5% interest annually, employer contributions will be made from working funds held in cash or short-term investments. Based on the expected blend of the source of these funds, the investment return assumption has been set at 4.25%.

C. TMRS as Employer

Pension Trust Fund — TMRS, as an employer, participates as one of the 860 plans in the statewide agent multiple-employer plan administered by the System, providing pension benefits for all of its eligible employees. The plan provisions that have been adopted by the TMRS Board of Trustees are within the options available in the TMRS Act. Employees can retire at age 60 and above with 5 or more years of service, or with 20 years of service regardless of age. The contribution rate for employees is 7% and the matching percentage for TMRS is 200%. TMRS, as an employer, has also adopted 100% updated service credit (USC) on a repeating basis and annuity increases (AI) on a repeating basis, at 70% of the change in the CPI. Employees are vested after 5 years of service, but their accumulated deposits and interest must remain in the plan to receive any employer-financed benefits. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee’s personal account balance and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TMRS Act. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a PLSD (see section A of this note for a full description of the pension benefits).

As an employer, TMRS contributes to the Plan at an actuarially determined rate, which for 2014 was 16.85% of annual covered payroll. TMRS’ annual pension cost and net pension obligation/(asset) for the three years ended December 31, 2014 are as follows:

For Year Ended December 31	Annual Required Contribution (ARC)	Interest on Net Pension Asset	Adjustment to ARC	Annual Pension Cost (APC)	Employer Contributions	Percentage of APC Contributed	Net Pension Obligation/ (Asset)
2012	\$ 1,045,853	(5,051)	\$ 4,096	\$ 1,044,898	\$ 1,045,853	100.1 %	\$ (73,117)
2013	1,184,720	(5,118)	4,150	1,183,752	1,184,720	100.1	(74,085)
2014	1,263,826	(5,186)	4,205	1,262,845	1,266,847	100.3	(78,087)

The above reported amounts for ARC and employer contributions exclude payments made by TMRS to the FBA, which for 2014 and 2013 totaled \$29,507 and \$30,440, respectively.

The funded status as of December 31, 2014 is presented as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1) / (2)	Unfunded AAL (UAAL) (2) - (1)	Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
	(1)	(2)	(3)	(4)	(5)	(6)
12/31/2014	\$27,855,890	\$35,064,284	79.4%	\$7,208,394	\$7,675,567	93.9%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Additional information as of the latest actuarial valuation follows:

Actuarial Methods and Assumptions • TMRS as Employer	
Valuation Date	12/31/2014
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Payroll
Equivalent Single Amortization Period	25.0 years
Asset Valuation Method	10-year smoothed market
Actuarial Assumptions:	
Investment Rate of Return	7.0%
Projected Salary Increases	Varies by age and service
Includes Inflation at	3.0%
Cost-of-Living Adjustments	2.10%

The following schedule of funding progress, presented as required supplementary information, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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Required Supplementary Information Schedule of Funding Progress • TMRS as Employer (Amounts in Millions of Dollars)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1)/(2)	Unfunded AAL (UAAL) (2) - (1)	Covered Payroll	UAAL as a Percentage of Covered Payroll (4)/(5)
12/31/2012	\$23.0	\$28.9	79.6 %	\$5.9	\$6.7	87.9 %
12/31/2013	25.4	32.7	77.8	7.3	7.4	98.7
12/31/2014	27.9	35.1	79.4	7.2	7.7	93.9

Supplemental Death Benefits Fund — TMRS, as an employer, participates in the cost sharing multiple-employer defined benefit group-term life insurance plan it operates known as the Supplemental Death Benefits Fund (SDBF). TMRS elected to provide group-term life insurance coverage to both current and retired employees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death). Retired employees are insured for \$7,500; this coverage is an other postemployment benefit, or OPEB.

TMRS contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.16% for 2014 and 0.15% for 2013, of which 0.01% represented the retiree-only portion for each year, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees’ entire careers. As an employer, TMRS’ contributions to the SDBF for the years ended December 31, 2014, 2013, and 2012 were \$12,281, \$11,027, and \$9,405, respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

See section B of this note for a full description of the SDBF.

TMRS Insurance Plan — TMRS, as an employer, participates in the Employees Retirement System of Texas (ERS) Group Benefits Program (GBP). ERS provides health, life, disability, and dental insurance benefits through the GBP; the GBP is administered through a trust (irrevocable per statute – Texas Insurance Code, Section 1551.401), which is governed and managed by a Board of Trustees. The State Retiree Health Plan (SRHP) is a cost sharing multiple-employer defined benefit postemployment healthcare plan that covers retired employees of the State and other entities as specified by the state legislature, including TMRS. The plan assets are legally protected from creditors of the State of Texas and ERS. The ERS issues a publicly available financial report that includes financial statements and required supplementary information for SRHP. That report may be obtained by writing to ERS, P.O. Box 13207, Austin, Texas 78711-3207 or by calling 877-275-4377.

As a cost sharing plan, all assets and risks are pooled and the contribution rates are the same for each participating employer. Contribution requirements or “premiums” are established and may be amended by the Texas Legislature. TMRS remits monthly premium contributions to ERS to cover both active employees and TMRS retirees that are covered under the plan. TMRS’ contributions to ERS for the years ended December 31, 2014, 2013, and 2012 were \$837,716, \$776,819, and

\$688,579, respectively, for active employees and \$36,309, \$31,766, and \$29,633, respectively, for TMRS retirees, which equaled the required contributions each year.

TMRS provides health coverage to TMRS retirees based on a tenure schedule approved by the TMRS Board of Trustees through the annual budget process. The retiree, at his/her own expense, may elect spouse health coverage, as well as dental and life insurance offered through the plan.

3. Deposits and Investments

A. Cash in Bank and Deposits

Cash balances represent both demand deposit accounts, held by a local banking institution under terms of a written depository contract, and cash on deposit with the custodian.

Demand deposits totaled \$968,636 and \$980,971, with carrying amounts of (\$7,509,309) and (\$5,113,305) at December 31, 2014 and 2013, respectively. Securities pledged had a market value of \$10,511,772 and \$3,277,187 at December 31, 2014 and 2013, respectively. The account, Due to Custodial and Depository Banks on the Statements of Fiduciary Net Position, consists of benefit checks outstanding at each year-end.

Cash on deposit with the custodian totaled (\$4,161,063) and \$1,499,634 at December 31, 2014 and 2013, respectively. The overdraft position at December 31, 2014 is included in the liability, Due to Custodial and Depository Banks, on the Statements of Fiduciary Net Position.

B. Deposit and Investment Risk

State and local governments have deposits and investments that are subject to various risks. GASB Statement No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*, provides disclosure requirements related to deposit and investment risks: custodial credit risk, credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the System's deposits might not be recovered. TMRS does not have a formal deposit policy for custodial credit risk of its deposits. Demand deposits held by the depository bank as of December 31, 2014 and 2013, to the extent not insured by the Federal Deposit Insurance Corporation, were collateralized by securities held by a third party independent custodian, in the System's name, under a joint custody agreement giving the System unconditional rights and claims to collateral. The current FDIC coverage limit is \$250,000 for deposits held in noninterest-bearing accounts. Deposits denominated in a foreign currency are neither collateralized nor insured as of December 31, 2014 and 2013.

Custodial Credit Risk – Investments

Custodial credit risk is the risk that, in the event of failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The assets of the System may be held in the name of agents, nominees, depository trust companies, or other entities designated by the Board of Trustees. At December 31, 2014 and 2013, all investment securities were registered in the System's name or in the name of the System's

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custodian, which was established through a master trust custodial agreement, and are held by the custodian in the name of the System.

The System's investments in repurchase agreements of \$690,100,343 and \$769,600,000 at December 31, 2014 and 2013 were collateralized by U.S. Treasury notes, held in the System's name, with a total market value of \$693,778,600 and \$770,135,100, respectively.

The fair values of investments at December 31, 2014 and 2013 are as follows:

	2014		2013	
	Fair Value	Cost	Fair Value	Cost
Short-term investments				
Short-term investment funds	\$ 499,458,640	\$ 499,458,640	\$ 74,052,077	\$ 74,052,077
U.S. Treasury bills	188,594,336	188,579,191	223,195,524	223,199,252
U.S. government agency discount notes	-	-	835,958,610	835,795,400
Broker collateral	(862,437)	(862,437)	175,000	175,000
Repurchase agreements	690,100,343	690,100,343	769,600,000	769,600,000
Derivative contracts				
Forward currency contracts	7,975,085	-	(1,103,447)	-
Futures contracts	21,865	-	-	-
Fixed-income securities				
U.S. Treasury bonds/notes	1,947,723,341	1,934,918,882	2,679,957,480	2,717,595,740
U.S. Treasury inflation-protected	705,067,015	699,593,011	263,517,923	260,574,151
U.S. government agency	183,367,722	149,055,386	289,407,137	277,298,373
Municipal	175,825,469	149,221,387	114,201,582	105,189,433
Corporate	3,136,457,766	3,102,945,086	2,757,541,475	2,740,553,515
Residential mortgage-backed	1,690,018,173	1,640,089,092	3,109,417,519	3,114,467,337
Commercial mortgage-backed	457,754,704	463,294,707	223,518,444	223,803,424
Other asset-backed	41,165,696	41,031,504	30,550,431	30,090,323
Foreign government	200,903,205	197,256,018	445,000,315	426,775,798
Foreign government inflation-linked	661,662,907	629,165,876	421,330,988	402,242,241
Non-core fixed income funds	399,998,764	400,000,000	-	-
Equities				
Equity securities	1,194,140,840	1,175,584,375	386,137,968	377,560,196
Domestic commingled funds	5,576,531,204	2,692,494,452	5,472,573,442	2,963,833,397
International commingled funds	3,828,002,629	3,224,089,488	4,998,605,934	4,068,101,053
Absolute return assets	1,113,810,523	1,100,000,000	-	-
Real estate				
Private real estate funds	1,014,662,868	879,257,539	625,274,935	544,679,909
Real estate securities	183,720,245	163,882,878	149,450,079	152,869,139
Total	\$ 23,896,100,903	\$ 20,019,155,418	\$ 23,868,363,416	\$ 20,308,455,758

Credit Risk – Investments

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. According to TMRS investment policy as adopted by the TMRS Board of Trustees, credit risk is managed by requiring minimum credit ratings by sector and mandate as outlined below:

Core Fixed Income: (1) All securities must be rated at least B- by S&P or Fitch, or B3 by Moody's. (2) The portfolio shall maintain a minimum weighted average credit quality of A+. (3) Global US dollar denominated – issue and issuer's national government (if the issuer is not the national government itself) must be rated investment grade, at least BBB- by S&P or Fitch, or Baa3 by Moody's. (4) Securitized – the weighted average credit quality of securitized product must be AA. (5) Municipal – issue must be rated investment grade, at least BBB- by S&P or Fitch, or Baa3 by Moody's. (6) Non US dollar denominated bonds – issue and issuer's national government (if the issuer is not the national government itself) must be rated at least A- by S&P or Fitch, or A3 by Moody's.

Core Plus Fixed Income: (1) At least 85% of the portfolio shall be invested in fixed income securities with a quality rating of investment grade. (2) The portfolio shall maintain a minimum weighted – average credit quality of A+. (3) Global US dollar denominated – issue and issuer's national government (if the issuer is not the national government itself) must be rated investment grade, at least BBB- by S&P or Fitch, or Baa3 by Moody's. (4) Securitized – must be rated investment grade and the weighted average credit quality must be AA. (5) Municipal – must be rated investment grade, at least BBB- by S&P or Fitch, or Baa3 by Moody's. (6) Non US dollar denominated – issue and the issuer's national government (if the issuer is not the national government itself) must be rated at least A- by S&P or Fitch, or A3 by Moody's. (7) High yield or non-investment grade corporate – issuer must be rated at least B- by S&P or Fitch, or B3 by Moody's.

Non-Core Fixed Income: (1) At the time of issuance, all securities must have had at least one rating of AAA by S&P, or Fitch, or Aaa by Moody's. (2) All securities must be US dollar denominated. (3) Residential mortgage-backed securities must be originally AAA rated mezzanine tranches, or higher, of residential securitizations of Prime, Alt-A, PayOption-ARM, Subprime issued prior to 2009 (4) Commercial mortgage-backed securities must be originally AAA-rated mezzanine tranches, or higher, of commercial securitizations issued prior to 2009. (5) US Treasury Futures - US Treasury bill, note, and bond contracts cleared on a US futures exchange, with a maximum maturity of the futures contract being no greater than 360 days. Cash equivalents equaling the purchase value of the contracts on buy trades and value of the futures contract based on the "cheapest to deliver" bill, note, or bond on sell trades must be maintained during the entire life of the contract to avoid leverage.

Real Return: (1) The portfolio shall maintain a minimum weighted average credit quality of A. (2) The portfolio shall be invested in fixed-income securities with a quality rating of investment grade by Moody's, Standard & Poor's, or Fitch. (3) Local-currency/non US dollar denominated (a) Both the issuer and national government of the country where the issuer's primary operations are located (if the issuer is not the national government itself) must be rated investment grade. Within this set, investments rated BBB+/Baa1 and below shall be at a maximum of 10%. (b) Long-term foreign currency ratings will apply instead of local currency ratings. (c) For 95% of the portfolio, the issuer's country must be part of the Barclays Capital Global Aggregate Index, a widely followed index that includes only those local markets that are fairly liquid and fairly well developed. The portfolio may invest up to 5% of the total market value of the portfolio in countries that are not a part of the Barclays Capital Global Aggregate Index, subject to credit quality restrictions. (4) Global US dollar denominated – Both the issue and the national government of the country where the issuer's primary operations are located (if the issuer is not the national government itself) must be rated investment grade, at least BBB- by S&P or Fitch, or Baa3 by Moody's.

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The System's long-term fixed income investments with exposure to credit risk as of December 31, 2014 and 2013 are presented below by quality category:

	Fair Value at 12/31/14	Fair Value at 12/31/13	Rating
U.S. government agency	\$ 161,745,785	\$ 270,613,653	AAA
U.S. government agency	21,621,937	18,793,484	NR
Municipal	38,632,583	40,136,380	AAA
Municipal	97,281,512	47,258,390	AA
Municipal	39,911,374	26,806,812	A
Residential mortgage-backed	-	3,526,295	AA
Residential mortgage-backed	-	4,381,608	A
Residential mortgage-backed	-	1,641,189	BBB
Residential mortgage-backed	9,152,141	-	CCC
Residential mortgage-backed	1,680,866,032	3,099,868,427	NR
Corporate	436,737,737	479,931,307	AAA
Corporate	416,343,177	303,795,921	AA
Corporate	1,253,325,434	1,201,823,697	A
Corporate	811,504,682	695,334,024	BBB
Corporate	181,098,236	48,235,697	BB
Corporate	33,438,500	6,129,250	B
Corporate	4,010,000	22,291,579	NR
Other asset-backed	16,597,365	-	AAA
Other asset-backed	-	4,189,292	AA
Other asset-backed	8,286,189	3,520,044	A
Other asset-backed	1,521,028	4,127,897	BBB
Other asset-backed	14,761,114	18,713,198	NR
Commercial mortgage-backed	89,829,676	109,676,456	AAA
Commercial mortgage-backed	50,581,866	77,728,472	AA
Commercial mortgage-backed	20,244,418	-	A
Commercial mortgage-backed	25,581,502	28,456,971	BBB
Commercial mortgage-backed	56,367,925	-	BB
Commercial mortgage-backed	105,682,964	-	B
Commercial mortgage-backed	65,661,263	-	CCC
Commercial mortgage-backed	3,473,569	-	CC
Commercial mortgage-backed	16,452,143	-	D
Commercial mortgage-backed	23,879,378	7,656,545	NR
Foreign government	32,663,638	121,968,261	AAA
Foreign government	69,279,543	83,548,576	AA
Foreign government	290,000	146,590,846	A
Foreign government	92,706,309	92,892,632	BBB
Foreign government	5,963,715	-	NR
Foreign government inflation-linked	168,243,333	173,299,384	AAA
Foreign government inflation-linked	343,574,672	248,031,604	AA
Foreign government inflation-linked	86,907,229	-	A
Foreign government inflation-linked	62,937,673	-	BBB
Non-core fixed income funds	399,998,764	-	BB
Total	\$ 6,947,154,406	\$ 7,390,967,891	

Concentration of Credit Risk — Investments

Concentration of credit risk is the risk of loss attributed to the magnitude of the System's investment in a single issuer. The System's investment policy requires that issuer diversification limits be applied separately to investment mandates as follows:

- **Core Fixed Income** — Investments in a single government related issuer (excluding U.S. Treasuries and U.S. government agencies) will not exceed 5% of the total market value of the mandate; investments in a single corporate issuer will not exceed 2% of the total market value of the mandate; and for asset-backed, non-agency mortgage-backed, and commercial mortgage-backed securities, each separate trust (pool of assets) is defined as a separate issuer and shall not exceed 1.5% of the total market value of the mandate.
- **Core Plus Fixed Income** — Investments in a single government related issuer (excluding U.S. Treasuries and U.S. government agencies) will not exceed 5% of the total market value of the mandate; investments in a single corporate issuer will not exceed 2% of the total market value of the mandate; and for asset-backed, non-agency mortgage-backed, and commercial mortgage-backed securities, each separate trust (pool of assets) is defined as a separate issuer and shall not exceed 1.5% of the total market value of the mandate.
- **Global Inflation-Linked Bonds** — Investments in a single issuer (excluding U.S. government guaranteed bonds and sovereign government guaranteed bonds) will not exceed 5% of the total market value of the mandate.

As of December 31, 2014 and 2013, the System did not exceed any of the issuer diversification limits.

Interest Rate Risk — Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The System's investment policy states that interest rate risk will be controlled through duration management, by mandate, as follows:

- **Core Fixed Income** — maintained within +/- 25% of the Barclay's U.S. Aggregate Bond Index.
- **Core Plus Fixed Income** — maintained within +/- 25% of the Barclay's U.S. Aggregate Bond Index on an option-adjusted or effective basis.
- **Real Return (Global Inflation-Linked Bonds)** — maintained within +/- 25% of the Barclay's Capital World Government Inflation-Linked Bond Index on a modified duration basis.

Duration is a measure of the sensitivity of the price (the value of principal) of a fixed income investment to a change in interest rates, and is expressed as a number of years.

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The following tables display the fair value and weighted-average effective duration as of December 31, 2014 and 2013 for TMRS' long-term fixed income securities.

	Fair Value at 12/31/2014	Effective Duration
U.S. Treasury bonds/notes	\$1,947,723,341	5.99
U.S. Treasury inflation-protected	705,067,015	8.35
U.S. government agency	183,367,722	11.36
Municipal	175,825,469	11.27
Corporate	3,136,457,766	4.59
Residential mortgage-backed	1,690,018,173	4.60
Commercial mortgage-backed	457,754,704	2.12
Other asset-backed	41,165,696	1.42
Foreign government	200,903,205	5.08
Foreign government inflation-linked	661,662,907	10.16
Non-core fixed income funds	399,998,764	0.44
TOTAL	\$9,599,944,762	5.49

	Fair Value at 12/31/2013	Effective Duration
U.S. Treasury bonds/notes	\$2,679,957,480	5.85
U.S. Treasury inflation-protected	263,517,923	9.61
U.S. government agency	289,407,137	6.59
Municipal	114,201,582	9.41
Corporate	2,757,541,475	4.27
Residential mortgage-backed	3,109,417,519	4.78
Commercial mortgage-backed	223,518,444	1.15
Other asset-backed	30,550,431	4.59
Foreign government	445,000,315	10.77
Foreign government inflation-linked	421,330,988	8.34
TOTAL	\$10,334,443,294	5.47

Note: Mortgage-backed securities are sensitive to changes in prepayment rates, which impact duration.

Foreign Currency Risk — Investments

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Currency risk is generally considered in the diversification benefits of foreign investments and so is not expected to be hedged except specifically authorized by TMRS and according to the relevant asset class mandate guidelines. TMRS' exposure to foreign currency risk (in U.S. dollars) as of December 31, 2014 and 2013, is presented below.

Foreign Currency Exposure at December 31, 2014					
Currency	Cash Equivalents	Forward Currency Contracts	Fixed Income Securities	Equities	Total
Australian Dollar	\$ -	\$ 3,158,457	\$ 94,928,121	\$ 4,222,653	\$ 102,309,231
Brazilian Real	-	1,421,030	29,739,844	-	31,160,874
Canadian Dollar	-	-	-	4,505,380	4,505,380
Danish Krone	-	-	-	3,552,665	3,552,665
Euro Currency	455	821,225	142,564,714	96,114,214	239,500,608
Hong Kong Dollar	-	-	-	7,444,542	7,444,542
Japanese Yen	11,327	-	15,351,260	63,589,659	78,952,246
Mexican Peso	-	705,270	43,398,824	-	44,104,094
New Zealand Dollar	-	260,426	73,315,211	-	73,575,637
Polish Zloty	-	1,453,123	28,157,145	-	29,610,268
United Kingdom Pound Sterling	-	155,554	234,207,788	78,128,220	312,491,562
South Korean Won	-	-	-	2,318,266	2,318,266
Swiss Franc	-	-	-	30,529,479	30,529,479
Swedish Krona	-	-	-	12,217,624	12,217,624
Total	\$ 11,782	\$ 7,975,085	\$ 661,662,907	\$ 302,622,702	\$ 972,272,476

Foreign Currency Exposure at December 31, 2013				
Currency	Cash Equivalents	Forward Currency Contracts	Fixed Income Securities	Total
Australian Dollar	\$ 66	\$ 1,050,498	\$ 76,498,636	\$ 77,549,200
Brazilian Real	81,477	330,739	29,514,948	29,927,164
Euro Currency	-	(1,134,960)	216,450,896	215,315,936
Japanese Yen	212,918	-	17,343,138	17,556,056
Mexican Peso	923,728	(180,712)	45,204,273	45,947,289
New Zealand Dollar	282,422	(579,915)	72,198,613	71,901,120
Polish Zloty	-	(519,812)	22,709,390	22,189,578
United Kingdom Pound Sterling	-	(69,285)	230,688,466	230,619,181
Swedish Krona	-	-	9,543,879	9,543,879
Total	\$ 1,500,611	\$ (1,103,447)	\$ 720,152,239	\$ 720,549,403

Note 1: Amounts in U.S. Dollars.

Note 2: Excluded from this schedule are foreign government securities denominated in U.S. Dollars, which total \$200,903,205 and \$148,650,757 at December 31, 2014 and 2013, respectively, and included is a non-USD denominated corporate bond with a market value of \$2,366,638 at December 31, 2013.

Notes to Financial Statements

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Derivatives

Derivative instruments are financial contracts whose values depend on the values of one or more underlying assets, reference rates, or financial indexes. They include forward currency contracts and futures contracts. TMRS' derivative instruments are considered investments and not hedges for accounting purposes. The notional values associated with the derivative contracts are generally not recorded on the financial statements; however, the exposure to forward currency contracts is recorded in the Statements of Fiduciary Net Position. The change in unrealized appreciation on futures contracts for the year is included as investment income in the Statements of Changes in Fiduciary Net Position.

Foreign currency managers may engage in forward currency transactions to eliminate foreign currency risk in the settlement of trades. The following table summarizes the forward currency contracts in the portfolio as of December 31, 2014 and 2013.

Forward Currency Contracts at December 31, 2014		
Currency	Net Notional Long/(Short)	Exposure
Australian Dollar	\$ (90,395,267)	\$ 3,158,457
Brazilian Real	(28,573,916)	1,421,030
Euro Currency	(25,318,563)	821,225
Mexican Peso	(11,882,438)	705,270
New Zealand Dollar	(69,554,916)	260,426
Polish Zloty	(25,463,595)	1,453,123
Pound Sterling	(16,042,863)	155,554
U.S. Dollar	275,206,643	-
Total	\$ 7,975,085	\$ 7,975,085

Forward Currency Contracts at December 31, 2013		
Currency	Net Notional Long/(Short)	Exposure
Australian Dollar	\$ (72,133,855)	\$ 1,050,498
Brazilian Real	(26,152,753)	330,739
Euro Currency	(78,220,358)	(1,134,960)
Mexican Peso	(14,075,249)	(180,712)
New Zealand Dollar	(71,361,635)	(579,915)
Polish Zloty	(19,516,294)	(519,812)
Pound Sterling	(7,395,859)	(69,285)
U.S. Dollar	287,752,556	-
Total	\$ (1,103,447)	\$ (1,103,447)

Note: Amounts in U.S. Dollars.

TMRS could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. Currently, TMRS limits counterparty exposure on its forward currency contracts to its custodian bank.

TMRS Investment Managers may be allowed to invest in U.S. Treasury Note and U.S. Treasury Bond futures contracts, cleared on a U.S. futures exchange, with a maximum maturity of the contract being no greater than 360 days. Cash equivalents equaling the purchase value of the contracts on buy trades and the value of the futures contract based on the "cheapest to deliver" bond on sell trades must be maintained during the entire life of the contract.

The following table lists the open futures contracts at December 31, 2014. There were no open futures contracts at December 31, 2013.

Futures Contracts at December 31, 2014				
Futures Contract	Expiration Date	Notional Value	Notional Cost	Accumulated Gain
U.S. 5-Yr Treasury Note Futures	3/31/15	\$30,446,000	\$30,400,000	\$46,000
U.S. 10-Yr Treasury Note Futures	3/20/15	38,799,844	38,699,438	100,406
Total		\$69,245,844	\$69,099,438	\$146,406

4. Property and Equipment

The following is a schedule of property and equipment balances as of December 31, 2014 and 2013, and changes to those account balances during the years then ended:

	Land	Buildings and Improvements	Furniture, Software, and Equipment	Total
Property and Equipment				
Balances, December 31, 2012	\$ 254,388	\$ 11,984,784	\$ 12,803,783	\$ 25,042,955
Additions	-	-	23,240	23,240
Retirements	-	-	(161,597)	(161,597)
Balances, December 31, 2013	254,388	11,984,784	12,665,426	24,904,598
Additions	-	-	12,135	12,135
Retirements	-	-	(237,173)	(237,173)
Balances, December 31, 2014	254,388	11,984,784	12,440,388	24,679,560
Accumulated depreciation				
Balances, December 31, 2012	-	3,894,204	12,098,833	15,993,037
Additions	-	344,054	279,932	623,986
Retirements	-	-	(161,597)	(161,597)
Balances, December 31, 2013	-	4,238,258	12,217,168	16,455,426
Additions	-	344,053	227,894	571,947
Retirements	-	-	(237,173)	(237,173)
Balances, December 31, 2014	-	4,582,311	12,207,889	16,790,200
Net balances, December 31, 2014	\$ 254,388	\$ 7,402,473	\$ 232,499	\$ 7,889,360

5. Commitments and Contingencies

TMRS had outstanding commitments to private real estate funds in the amounts of \$579.7 million USD and \$50 million GBP as of December 31, 2014, and \$612.6 million USD as of December 31, 2013. Outstanding commitments to private non-core fixed income funds totaled \$100 million at December 31, 2014.

6. Risk Management

The System is exposed to various risks of loss related to torts; errors and omissions; violation of civil rights; theft of, damage to, and destruction of assets; and natural disasters. These risks, with the exception of pension and welfare fund fiduciary responsibility insurance, are covered by the System's participation in the Texas Municipal League Intergovernmental Risk Pool. This is a pooled arrangement whereby the participants pay experience-rated annual premiums that are designed to pay claims and build sufficient reserves so that the pool will be able to protect the participating entities with its own capital. The pool reinsures excess losses to preserve the capital base. Property physical damage is insured to replacement value with a \$1,000 deductible and a limit of coverage of \$12,798,900; automobile liability limits are set at \$1,000,000 for each occurrence and physical damage is insured to actual value with a \$10,000 deductible per occurrence; general liability is limited to \$1,000,000 per occurrence; sudden events involving pollution are limited to \$1,000,000 for each occurrence with an annual aggregate of \$2,000,000; workers' compensation coverage is in compliance with the workers' compensation laws of the State of Texas with no accident or aggregate deductibles.

The System maintains a pension and welfare fund fiduciary responsibility insurance policy with a commercial carrier. The policy has an aggregate limit of liability of \$1,000,000.

No significant reductions in insurance coverage occurred in the past year, and settled claims have not exceeded insurance coverage in any of the past three fiscal years.

7. Subsequent Event

Subsequent to year-end, TMRS made additional commitments to non-core fixed income managers totaling \$500 million. ■

Pension Trust Fund

Schedule of Investment Returns Last 10 Fiscal Years*	
Annual money-weighted rate of return, net of investment expense	
2014	5.85%

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
See accompanying Independent Auditors' Report.

Supplemental Death Benefits Fund

Schedule of Funding Progress (Amounts in Millions of Dollars)						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1) / (2)	Unfunded AAL (UAAL) (2) - (1)	Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
	(1)	(2)	(3)	(4)	(5)	(6)
12/31/2012	\$ 25.7	\$ 147.9	17.4%	\$ 122.2	\$3,233.4	3.8%
12/31/2013	23.9	130.0	18.4	106.1	3,363.3	3.2
12/31/2014	22.7	145.4	15.6	122.7	3,526.1	3.5

See accompanying Independent Auditors' Report.

Schedule of Employer Contributions (Amounts in Millions of Dollars)			
For Year Ended December 31	Annual Required Contribution	Amount Contributed	Percentage Contributed
2012	\$10.5	\$0.2	1.9%
2013	10.3	1.2	11.8
2014	11.0	2.0	18.2

See accompanying Independent Auditors' Report.

Notes to Trend Data – Supplemental Death Benefits Fund

The Schedule of Funding Progress summarizes the actuarial value of the System’s assets and actuarial accrued liability for the fiscal years ended December 31, 2014, 2013, and 2012. The amount contributed represents the contributions allocated for OPEB after the payment of active benefits. The data presented in the schedule were obtained from the System’s independent actuary’s annual valuation report for each year presented.

Additional information as of the latest actuarial valuation follows:

Valuation Date	12/31/2014
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	25 Years – Open Period
Asset Valuation Method	Fund Value
*Actuarial Assumptions:	
Investment Rate of Return	4.25%
Projected Salary Increases	Varies by age and service
Includes Inflation at	3.0%
Cost-of-Living Adjustments	None

* See Summary of Actuarial Assumptions in the Actuarial Section for more detailed information.

See accompanying Independent Auditors’ Report.

Changes in Fiduciary Net Position — by Fund • Year Ended December 31, 2014

	Benefit Accumulation Fund	Full Benefit Arrangement	Supplemental Disability Benefits Fund	Endowment Fund	Expense Fund	Total Pension Trust Fund	Supplemental Death Benefits Fund	Total
ADDITIONS:								
Employer contributions	\$ 719,190,017	\$ 714,293	\$ -	\$ -	\$ -	\$ 719,904,310	\$ 6,126,769	\$ 726,031,079
Plan member contributions	355,413,935	-	-	-	-	355,413,935	-	355,413,935
Net investment income	-	-	-	1,289,444,315	(4,100,136)	1,285,344,179	-	1,285,344,179
Other miscellaneous	-	-	-	29,491	-	29,491	-	29,491
Total additions	1,074,603,952	714,293	-	1,289,473,806	(4,100,136)	2,360,691,915	6,126,769	2,367,951,487
DEDUCTIONS:								
Service retirement benefits	861,244,717	714,293	-	-	-	861,959,010	-	861,959,010
Disability retirement benefits	16,791,938	-	81,761	-	-	16,873,699	-	16,873,699
Partial lump sum distributions	149,739,411	-	-	-	-	149,739,411	-	149,739,411
Supplemental death benefits	-	-	-	-	-	-	8,449,993	8,449,993
Refunds of contributions	58,723,123	-	-	-	-	58,723,123	-	58,723,123
Administrative expenses	-	-	-	-	13,419,567	13,419,567	-	13,419,567
Total deductions	1,086,499,189	714,293	81,761	-	13,419,567	1,100,714,810	8,449,993	1,109,164,803
FUND TRANSFERS:								
Operating budget transfer	-	-	-	(19,494,000)	19,494,000	-	-	-
Income allocation	1,269,449,718	-	29,620	(1,270,612,141)	-	(1,132,803)	1,132,803	-
Escheated funds	(1,850,387)	-	-	1,850,387	-	-	-	-
Net Fund Transfers	1,267,599,331	-	29,620	(1,288,255,754)	19,494,000	(1,132,803)	1,132,803	-
Total Change in Plan Net Position	1,255,704,094	-	(52,141)	1,218,052	1,974,297	1,258,844,302	(1,190,421)	1,257,653,881
Net Position, beginning of year	22,341,912,541	-	633,368	113,150,698	12,937,017	22,468,633,624	23,910,477	22,492,544,101
Net Position, end of year	\$ 23,597,616,635	\$ -	\$ 581,227	\$ 114,368,750	\$ 14,911,314	\$ 23,727,477,926	\$ 22,720,056	\$ 23,750,197,982

See accompanying Independent Auditors' Report.

Supplemental Schedules

Continued

Schedule of Administrative Expenses Year ended December 31, 2014	
Personnel services	
Staff salaries	\$ 6,470,383
Payroll taxes	429,733
Retirement contributions	1,074,552
Insurance	759,733
Total personnel services	8,734,401
Professional services	
Consulting	757,420
Actuarial	392,808
Banking	43,052
Legal	142,106
Medical	23,700
Audit	200,125
Total professional services	1,559,211
Communication	
Printing	11,592
Postage	96,411
Travel	254,715
Telephone	81,626
Member education and mailings	468,225
Total communication	912,569
Rentals/equipment maintenance	
Data processing	385,544
Office equipment	79,248
Offsite record storage	136,496
Total rentals/equipment maintenance	601,288
Miscellaneous	
Dues, subscriptions, and training	251,931
Utilities	183,461
Supplies	88,132
Building/grounds maintenance	157,635
Building security	116,386
Bonds and insurance	59,171
Board and Advisory Committee expenses	131,570
Depreciation	571,947
Other administrative expenses	51,865
Total miscellaneous	1,612,098
Total administrative expenses	\$ 13,419,567
See accompanying Independent Auditors' Report.	

Schedule of Professional Services Year ended December 31, 2014	
Consulting	
Business process review/identity management (city portal)	\$ 306,658
Disaster recovery	102,721
Governance/strategic planning	85,000
Legislative	82,500
Information systems support	82,475
Human resources management	57,562
Annuity mortality records and address research	14,176
Internal audit - external quality control review	12,500
Space planning/office expansion	8,125
Administrative hearings	5,703
Total Consulting	757,420
Actuarial	
Gabriel, Roeder, Smith & Company (GRS)	392,808
Banking	
JPMorgan Chase Bank	43,052
Legal	
Klausner, Kaufman, Jensen & Levinson	108,997
Jackson Walker LLP	15,737
Groom Law Group	14,532
Graves, Dougherty, Hearon & Moody	2,840
Total Legal	142,106
Medical	
Marvin Cressman, M.D.	7,600
John A. Genung, M.D.	7,900
William E. McCarron, M.D.	8,200
Total Medical	23,700
Audit	
KPMG LLP - annual financial audit	93,500
KPMG LLP - Service Organization Controls Report	50,000
Weaver and Tidwell, LLP - real estate audit	56,625
	200,125
Total Professional Services	\$ 1,559,211
Note: The members of the Board of Trustees serve without compensation; they are reimbursed for actual expenses incurred.	
See accompanying Independent Auditors' Report.	

Supplemental Schedules

Continued

Schedule of Investment Expenses	
Year ended December 31, 2014	
Internal operating expenses	
Staff salaries	\$ 1,425,309
Payroll taxes	89,522
Retirement contributions	239,478
Insurance	118,616
Electronic investment services	771,699
Travel	73,756
Dues, subscriptions, and training	19,454
Other administrative expenses	<u>2,945</u>
Total Internal operating expenses	2,740,779
Investment management and other external expenses	
Investment management	17,115,634
Custodial services	470,333
Consulting	715,409
Legal	<u>173,615</u>
	18,474,991
Total investment expenses	\$ 21,215,770
See accompanying Independent Auditors' Report.	

Investment



May 29, 2015

Board of Trustees
Texas Municipal Retirement System
c/o Mr. David Gavia
Executive Director
P.O. Box 149153
Austin, Texas 78714-9153



Dear Board Members,

The past year witnessed generally positive performance from the U.S. economy. In 2014, U.S. Real Gross Domestic Product grew in all but the first quarter as the economy expanded by 2.4%.¹ The economy added approximately 3,116,000 jobs to nonfarm payrolls, the strongest year of job gains since 1999, as the unemployment rate declined from 6.7% to 5.6%.² Inflation, as measured by the Consumer Price Index, was 0.8% during the year.³ The Federal Reserve kept target short-term interest rates steady at a range of 0.00% – 0.25% over the course of the fiscal year, and Treasury yields fell across maturities five years and longer.

The trailing year through December 31, 2014 exhibited a rising U.S. equity market, while international equities declined. In the United States, the Russell 3000 Index gained 12.6%. Broad international equity markets returned -3.9% (as measured by the MSCI ACW excluding U.S. Investable Market Index). Income-oriented and inflation-sensitive asset classes improved from the previous year. Fixed income securities returned 6.0% (Barclays U.S. Aggregate Bond Index). All of the domestic bond index sectors experienced modest to strong positive performance during the year.

The market value of the Texas Municipal Retirement System (TMRS) investments increased from \$22.414 billion to \$23.667 billion in the year ended December 31, 2014.⁴ The System's current actuarial assumed rate of return is 7.0%, which represents the System's long-term return goal. The System's overall investment return over the past year was 6.0% and the System's three-year annualized return was 8.6%. The five-year annualized return for the System was 7.4% and the System's ten-year annualized return was 6.5%.

The System's portfolio is under a process of diversification and has shifted from an income-oriented strategy to a total return approach similar to most pension funds. The portfolio is diversified across all segments of the U.S. and international equity markets (both developed and emerging).

¹ Based on data provided by the U.S. Department of Commerce, Bureau of Economic Analysis.

² Based on data provided by the U.S. Department of Labor, Bureau of Labor Statistics.

³ Ibid.

⁴ As reported by TMRS' custodian State Street Bank & Trust. Market value includes accruals and is adjusted for open trades.



The fixed income portfolio consists of core and non-core investments. The System also invests in real return assets (currently global inflation-linked bonds), absolute return strategies and real estate. We believe these investment allocations are consistent with both Investment Policy guidelines and unique legal statutes that govern TMRS.

Over the last year, TMRS has continued to move in a methodical manner to diversify the portfolio. Diversification within the equity portfolio progressed with the addition of actively managed U.S. mid cap and international strategies in the latter part of 2014. Diversification within the fixed income portfolio also progressed with the initial funding of the non-core allocation through investments in commercial and resident mortgage-backed securities as well as bank loans. The initial investment in absolute return strategies was also made, and the allocation to real estate continued to increase toward its target with the funding of one new manager. We believe that the recent actions taken and the future plans under consideration by the Board to diversify the System's investments will enhance future portfolio returns with a commensurate, yet moderate increase in risk.

The System's investment policies, goals, and objectives, as well as the performance of its assets and transaction costs are regularly monitored and evaluated by TMRS Staff, the Board, and RVK, Inc. These evaluations include analysis of the investment management firms and the custodial bank that serve the System.

The System's publicly traded assets managed through separate accounts are held in custody at State Street Bank, with the majority of equity investments held at Northern Trust and J.P. Morgan through commingled funds. Absolute return and private real estate fund assets are held by their respective general partners. Market values and returns referenced above are based upon statements prepared by State Street Bank. Their statements are, to the best of our knowledge, reliable and accurate. Investment performance is calculated using a time-weighted rate of return methodology (gross of fees) based upon market values and cash flows.

An uncertain market environment demands careful attention and thoughtful treatment of the assets entrusted to the Board's care by the System's employee participants. We expect the Board's continued high standard of care for these assets and commitment to diversification to allow the System to meet its long-term goals and objectives.

Sincerely,

*Rebecca Gratsinger, CFA
Chief Executive Officer*

Outline of Investment Policies

The TMRS Board of Trustees approves the Investment Policy Statement (IPS), which governs the investment of assets for TMRS and is established to provide a framework for the management of those assets. It sets forth the Board's investment objectives and tolerance for investment risk. The IPS outlines objectives, benchmarks, restrictions, and responsibilities so that members of the Board, TMRS staff, investment managers, consultants, and TMRS stakeholders clearly understand the policies, goals, and objectives, and risks connected with the TMRS investment program.

Investment Objectives

The overall objective of TMRS' investment program is to ensure that members, retirees, and beneficiaries are provided with the benefits they have been promised by their employers at a reasonable and predictable cost to the employers. Assets will be invested for total return with appropriate consideration for portfolio volatility (risk) and liquidity. Emphasis is on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS. Total return includes dividends, interest, and realized and unrealized capital appreciation.

General Investment Policies

A. Standard of Prudence Applicable. All participants in the investment process will act responsibly. The standard of prudence to be applied by the Board and investment staff is as follows:

1. In satisfying this standard, the Board and staff shall exercise the degree of judgment and care, under the circumstances that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, considering the probable income from the securities and probable safety of their capital and in consideration of the purposes, terms, distribution requirements, and other circumstances of the trust.
2. Investment and management decisions respecting individual assets will be evaluated not in isolation but in the context of the trust portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the trust.

B. Conflict of Interest Prohibited. Members of the Board of Trustees, investment staff, investment managers, and consultants involved in the investment of TMRS assets will refrain from personal business activity that could conflict with the proper execution and management of the TMRS investment program, or that could impair their ability to make impartial recommendations and decisions. These parties are required to reveal all relationships that could create or appear to create a conflict of interest in their unbiased involvement in the investment process.

Portfolio Management

The Board of Trustees recognizes that the most important determinant of long-term return and risk is the asset allocation decision. The Board's strategic target allocation is intended to reflect, and be consistent with, the return objective and risk tolerance expressed in the IPS. It is designed to provide the highest probability of meeting or exceeding the Board's objectives at a controlled level of risk and liquidity that is acceptable to the Board. In establishing its risk tolerance, the Board considers its ability to withstand short and intermediate-term volatility in investment performance and fluctuations in the financial condition of the fund.

The strategic target allocation and acceptable ranges as determined by the Board to facilitate the achievement of long-term investment objectives within acceptable risk parameters are as follows:

Asset Allocation Table • Strategic Targets

Asset Class	Minimum %	Target %	Maximum %
U.S. Equities	12.5%	17.5%	22.5%
International Equities	12.5%	17.5%	22.5%
Core Fixed Income	25.0%	30.0%	40.0%
Non-Core Fixed Income	5.0%	10.0%	15.0%
Real Estate	5.0%	10.0%	15.0%
Real Return	2.0%	5.0%	10.0%
Absolute Return	0.0%	5.0%	10.0%
Private Equity	0.0%	5.0%	10.0%
Cash Equivalents	0.0%	0.0%	10.0%

The Board will authorize implementation to this strategic target allocation in stages. During the transition towards the strategic target allocation, certain asset classes will exceed maximum limits and will serve as either the funding source for new strategies or portfolios, or as a proxy pending implementation of certain allocations.

To ensure that the risk tolerance remains appropriate, the strategic target allocation will be reviewed at least annually for reasonableness relative to significant economic and market changes or to changes in the Board's long-term goals and objectives. A formal asset allocation study will be conducted at least every three years to verify or amend the targets, and a formal pension financial (asset-liability) study will be conducted at least every five years.

The Board has chosen to adopt a re-balancing policy that is governed by allocation ranges rather than time periods. The ranges, specified in the table above, are a function of the volatility of each asset class and the proportion of the total fund allocated to the asset class. The goal of the rebalancing policy is to ensure that the integrity of the Strategic Target Allocation is preserved through a disciplined process that allows investment staff the flexibility to rebalance the portfolio between managers within an asset class and between asset classes, within the Board approved ranges, to adjust for market movements and consider current market conditions, or valuations, in portfolio allocations.

Performance measurement will be based on total rate of return and will be monitored over a sufficient time period to reflect the investment expertise of the manager(s) over one full market cycle, or five years, whichever is less. Performance results and evaluation relative to objectives will be reported to the Board on a quarterly basis. Specific performance objectives include, but may not be limited to, the following:

- a. Achieve a total rate of return over rolling 5-year periods meeting or exceeding the Actuarial Return Assumption
- b. Exceed an appropriate benchmark reflective of asset class participation over rolling 5-year periods (i.e. actual allocation index during the implementation period and policy index once fully implemented).

Outline of Investment Policies

Continued

The Board has selected the following Policy Benchmarks and Policy Index:

Asset Class	Policy Benchmark	Asset Class Goal	Policy Index
U.S. Equities	Russell 3000	Benchmark	17.5%
International Equities	MSCI ACW-ex U.S. IMI	Benchmark	17.5%
Core Fixed Income	Barclays U.S. Aggregate Bond Index	Benchmark	30.0%
Non-Core Fixed Income	50% Barclays U.S. Corporate High Yield Index; 25% J.P. Morgan GBI Emerging Markets Global Diversified (\$); 25% J.P. Morgan CEMBI Broad Diversified Index (\$)	Benchmark	10.0%
Real Estate	NCREIF - ODCE	Benchmark	10.0%
Real Return	Barclays World Government Inflation Linked Bond Index	CPI + 4%	5.0%
Absolute Return	HFRI Diversified Fund of Funds Composite Index	Cash (3-month Libor) + 5%	5.0%
Private Equity	S&P 500 + 5%	Benchmark	5.0%
Cash Equivalents	30 Day T-Bill	Benchmark	0.0%

Securities Lending

The objective of the securities lending program is to generate incremental income from overnight and certain term loans of securities held, utilizing a high-quality and reasonably conservative cash collateral re-investment program that safeguards the return of principal and maintains adequate daily liquidity to support trade settlement activity and portfolio restructuring activities.

The securities lending agent will be responsible for in-depth ongoing credit review of borrowers, independent of the agent's securities lending decision-makers. The lending agent cannot make loans to borrowers who do not appear on TMRS' approved borrower list. The market value of TMRS' securities loans outstanding to an approved borrower at the end of each business day should be no greater than 25% of the total market value of TMRS' securities on loan.

The securities lending agent will collect and maintain proper overcollateralization as follows:

- a. Domestic (United States domiciled and non-US domiciled issued in US dollars) securities: Initial Margin of 102%
- b. International (non-US domiciled) securities: Initial Margin of 105%

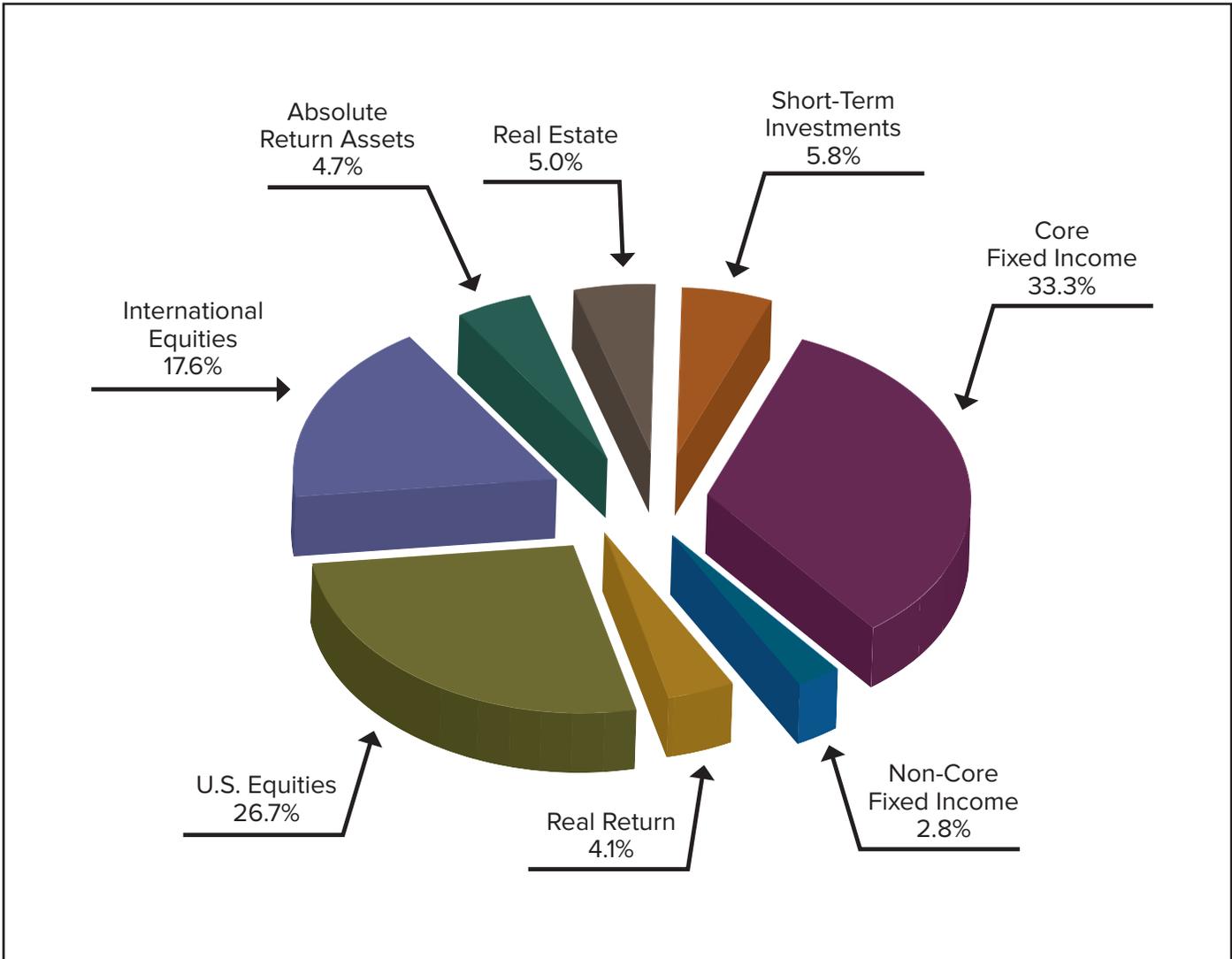
Collateral may be in the form of either Cash (US dollars) or U.S. government securities.

Summary of Investments

	As of December 31, 2014		As of December 31, 2013	
	Fair Value	Percent of Total Fair Value	Fair Value	Percent of Total Fair Value
Short-Term Investments				
Short-term investment funds	\$ 499,458,640	2.1 %	\$ 74,052,077	0.3 %
U.S. Treasury bills	188,594,336	0.8	223,195,524	1.0
U.S. government agency discount notes	-	-	835,958,610	3.5
Broker collateral	(862,437)	(0.0)	175,000	0.0
Repurchase agreements	690,100,343	2.9	769,600,000	3.2
Total short-term investments	1,377,290,882	5.8	1,902,981,211	8.0
Core Fixed Income				
U.S. Treasury bonds/notes	1,947,723,341	8.2	2,679,957,480	11.2
U.S. Treasury inflation-protected	393,988,705	1.6	36,642,340	0.2
U.S. government agency	183,367,722	0.8	289,407,137	1.2
Municipal	175,825,469	0.7	114,201,582	0.5
Corporate	3,136,457,766	13.2	2,755,069,782	11.6
Residential mortgage-backed	1,680,866,032	7.0	3,109,417,519	13.0
Commercial mortgage-backed	199,024,810	0.8	223,518,444	0.9
Other asset-backed	41,165,696	0.2	30,550,431	0.1
Foreign government	200,903,205	0.8	148,650,757	0.6
Total core fixed income	7,959,322,746	33.3	9,387,415,472	39.3
Non-Core Fixed Income				
Residential mortgage-backed	9,152,141	0.0	-	-
Commercial mortgage-backed	258,729,894	1.1	-	-
Non-core fixed income funds	399,998,764	1.7	-	-
Futures contracts	21,865	0.0	-	-
Total non-core fixed income	667,902,664	2.8	-	-
Real Return - Global Inflation-Linked Bonds				
U.S. Treasury inflation-protected	311,078,310	1.3	226,875,583	1.0
Foreign government inflation-linked	661,662,907	2.8	421,330,988	1.8
Foreign government	-	-	296,349,558	1.2
Corporate	-	-	2,471,693	0.0
Forward currency contracts	7,975,085	0.0	(1,103,447)	(0.0)
Total real return	980,716,302	4.1	945,924,375	4.0
Domestic Equities				
Equity securities	820,871,377	3.4	386,137,968	1.6
Commingled funds	5,576,531,204	23.3	5,472,573,442	22.9
Total domestic equities	6,397,402,581	26.7	5,858,711,410	24.5
International Equities				
Equity securities	373,269,463	1.6	-	0.0
Commingled funds	3,828,002,629	16.0	4,998,605,934	21.0
Total international equities	4,201,272,092	17.6	4,998,605,934	21.0
Absolute Return Assets				
Hedge Fund-of-Funds	1,113,810,523	4.7	-	-
Total absolute return assets	1,113,810,523	4.7	-	-
Real Estate				
Real estate securities	183,720,245	0.8	149,450,079	0.6
Real estate funds	1,014,662,868	4.2	625,274,935	2.6
Total real estate	1,198,383,113	5.0	774,725,014	3.2
TOTAL INVESTMENTS	\$ 23,896,100,903	100.0 %	\$ 23,868,363,416	100.0 %

Note: The above table reflects investment assets in categories consistent with the strategic target allocation, and therefore may differ from the presentation within the Notes to the Financial Statements.

2014 Asset Allocation



Largest Holdings (by Fair Value)

Fixed Income Securities • As of December 31, 2014

Par Value	Description	Fair Value
\$ 355,170,000	U.S. Treasury Note: 0.875%, due 12/17	\$ 354,338,902
281,500,000	GNMA II TBA 30 YR: 4.00%	301,818,670
302,320,000	U.S. Treasury Note: 2.0%, due 11/21	300,548,405
231,920,000	U.S. Treasury Note: 0.50%, due 11/16	231,340,200
213,000,000	FNMA TBA 30 YR: 3.5%	222,035,460
206,140,000	U.S. Treasury Note: 1.625%, due 11/19	204,835,134
189,021,100	U.S. Treasury Note: 2.25%, due 11/24	190,291,322
134,004,020	U.S. Treasury Inflation Index: .25%, due 07/24	129,052,571
129,032,402	U.S. Treasury Inflation Index: .125%, due 04/19	127,610,465
109,246,356	GNMA II Pool MA2303 G2; 3.5%, due 10/44	114,847,417
94,300,000	U.S. Treasury Note: 2.625%, due 5/24	97,144,088

Equities • As of December 31, 2014

Shares/Units	Description	Fair Value
175,390,075.08	NTGI - QM Collective Daily Russell 3000 Index Fund - Non Lending	\$ 4,994,056,998
26,468,738.56	NTGI - QM Collective Daily All Country World Ex US IMI Index Fund - Non Lending	3,361,873,891
19,998,890.81	SSGA Russell Fundamental US Index Fund	291,983,806
2,000,000.00	UBS US Equity Minimum Volatility Index Collective Fund	290,490,400
1,999,811.53	UBS World (Ex-US) Equity Minimum Volatility Index Collective Fund	244,139,191
19,982,855.99	SSGA Russell Fundamental Global Ex-US Index Fund	221,989,547
131,920.00	United Health Group Inc. Common Stock	13,335,793
116,011.00	Apple, Inc. Common Stock	12,805,294
123,085.00	CVS Health Corp Common Stock	11,854,316
246,800.00	Microsoft Corp Common Stock	11,463,860

Real Estate Securities • As of December 31, 2014

Shares/Units	Description	Fair Value
103,072.00	Simon Property Group Inc REIT	\$ 18,770,442
120,320.00	American Tower Corp REIT	11,893,632
136,400.00	Ventas Inc REIT	9,779,880
122,600.00	Camden Property Trust REIT	9,052,784
262,678.00	UDR Inc REIT	8,095,736
62,799.00	Boston Properties Inc. REIT	8,081,603
106,100.00	Mid America Apartment Comm REIT	7,923,548
135,100.00	Extra Space Storage Inc. REIT	7,922,264
179,200.00	Prologis Inc REIT	7,710,976
203,037.00	Weteregaeuser Co. REIT	7,286,998

Note: Space and cost restrictions make it impractical to print a detailed listing of the investment portfolio in this report; however, a portfolio listing is available and will be mailed upon request.

2014 Investment Results

	1 Year	3 Years	5 Years	10 Years
TMRS Total Fund Return	5.99%	8.57%	7.40%	6.45%
Total Fund Active Weighted Benchmark	5.65%	8.25%	7.20%	5.90%
TMRS Core Fixed Income Return	5.77%	2.86%	4.60%	5.04%
Fixed Income Benchmark	5.97%	2.66%	4.45%	4.54%
TMRS Non-Core Fixed Income Return ⁽¹⁾	-	-	-	-
Non-Core Fixed Income Benchmark ⁽¹⁾	-	-	-	-
TMRS Real Return ⁽²⁾	4.44%	3.56%	-	-
Barclay's World Government Inflation-Linked Index ⁽²⁾	4.08%	1.94%	-	-
TMRS Domestic Equity Return ⁽³⁾	12.61%	20.39%	15.56%	-
Russell 3000 Index ⁽³⁾	12.56%	20.51%	15.63%	-
TMRS International Equity Return ⁽⁴⁾	-3.11%	9.73%	4.41%	-
International Equity Active Weighted Index ⁽⁴⁾	-3.89%	9.22%	4.04%	-
TMRS Absolute Return ⁽⁵⁾	-	-	-	-
HFRI Fund of Funds Diversified Index ⁽⁵⁾	-	-	-	-
TMRS Real Estate Return ⁽⁶⁾	20.35%	12.81%	-	-
NCREIF-ODCE 1 Quarter Lag ⁽⁶⁾	12.40%	12.34%	-	-

(1) The inception date of this portfolio is 10/1/2014, and therefore returns are not provided. As of 12/31/2014, inception-to-date returns were 0.81% and -2.23% for TMRS' return and the benchmark, respectively.

(2) The inception date of this portfolio is 2/1/2011, and therefore five-year and ten-year returns are not provided. As of 12/31/2014, inception-to-date returns were 4.53% and 3.98% for TMRS' Real Return and the Barclays World Government Inflation-Linked Index, respectively. The policy benchmark for the Real Return asset class is the CPI + 4%; however, until further diversification within the asset class occurs, the portfolio benchmark for global inflation-linked bonds is used.

(3) The inception date of this portfolio is 1/4/2008, and therefore ten-year returns are not provided. As of 12/31/2014, inception-to-date returns were 8.14% and 8.18% for TMRS' Domestic Equity return and the Russell 3000 Index, respectively.

(4) The inception date of this portfolio is 1/4/2008, and therefore ten-year returns are not provided. As of 12/31/2014, inception-to-date returns were -0.73% and -1.06% for TMRS' International Equity return and the International Equity Active Weighted Index, respectively.

(5) The inception date of this portfolio is 8/1/2014, and therefore returns are not provided. As of 12/31/2014, inception-to-date returns were 0.86% and 1.81% for TMRS' return and the benchmark, respectively.

(6) The inception date of this portfolio is 11/1/2011, and therefore five-year and ten-year returns are not provided. As of 12/31/2014, inception-to-date returns were 12.09% and 12.88% for TMRS' Real Estate return and the NCREIF ODCE 1 Quarter Lag Index, respectively. Privately held real estate fund returns are one-quarter lagged. Publicly traded real estate fund performance is non-lagged.

Note: Rates of return presented are calculated using a time-weighted rate of return methodology based upon market values, and are presented gross of investment management fees.

Total Fund Active Weighted Benchmark – The Total Fund Active Weighted Benchmark is weighted by the average balance of all funds and is comprised of all policy benchmarks associated with each fund/composite.

Fixed Income Benchmark – The Fixed Income Benchmark is weighted by the average balance of fixed income funds and is comprised of 100% Barclays Capital U.S. Aggregate Bond Index beginning July 1, 2009, and 100% Barclays Capital Long Government/Credit Index prior to July 1, 2009.

Barclays Capital U.S. Aggregate Bond Index – This index covers the U.S. investment-grade fixed rate bond market, including government and corporate securities, agency mortgage pass-through securities, and asset-backed securities. To be included in the index, these securities must meet certain criteria. Major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

Barclays Capital U.S. Long Government/Credit Index – This index measures the investment return of all medium and larger public issues of U.S. Treasury, agency, investment-grade corporate, and investment-grade international dollar-denominated bonds with maturities longer than 10 years.

Non-Core Fixed Income Benchmark – This index is comprised of 50% Barclays Corporate High Yield Index, 25% JPM GBI-EM Global Diversified Index, and 25% JPM CEMBI Broad Diversified Index.

Barclay's World Government Inflation-Linked Index – This index includes only government issuers of inflation-linked bonds in the following major markets: Australia, Canada, France, Germany, Italy, Japan, Sweden, U.K., and the U.S.

CPI – The Consumer Price Index (CPI) is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food, and medical care. The CPI is calculated by taking price changes for each item in the predetermined basket of goods and averaging them; the goods are weighted according to their importance. Changes in CPI are used to assess price changes associated with the cost of living.

Russell 3000 Index – This index measures the performance of 3,000 publicly held U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. market.

International Equity Active Weighted Index – The International Equity Active Weighted Index is weighted by the average balance of international funds applied to each corresponding benchmark (MSCI EAFE and MSCI All Country World – ex U.S. Investable Market Index) return.

MSCI EAFE Index – This is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. & Canada.

MSCI All Country World – ex U.S. Investable Market Index – This is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the U.S.

HFRI Fund of Funds Diversified Index – The HFRI Monthly Indices (“HFRI”) are a series of benchmarks designed to reflect hedge fund industry performance by constructing equally weighted composites of constituent funds, as reported by the hedge fund managers listed within the HFR Database. The Diversified Fund of Funds Composite Index is composed of Fund of Funds that exhibit one or more of the following characteristics: invests in a variety of strategies among multiple managers; historical annual return and/or a standard deviation generally similar to the HFRI Fund of Fund Composite Index; demonstrates generally close performance and returns distribution correlation to the HFRI Fund of Fund Composite Index.

NCREIF-ODCE – The National Council of Real Estate Fiduciaries - Open End Diversified Core Equity (NCREIF-ODCE) is a capitalization-weighted index of investment returns reporting on both a historical and current basis the results of 28 open-end commingled funds pursuing a core investment strategy, some of which have performance histories dating back to the 1970s.

Presented below is the 5-Year Risk-Adjusted Return of the TMRS Total Return in comparison to that of the Total Fund Active Weighted Benchmark. The Sharpe Ratio is used, which measures excess return per unit of total risk. It is calculated by taking the excess return over the risk-free rate, divided by the standard deviation of the excess return; the higher the value, the better the historical risk-adjusted performance.

As of December 31, 2014	TMRS	Total Fund Active Weighted Benchmark
5-Year Risk-Adjusted Return	1.36	1.33

Schedule of Investment Expenses

For the Year ended December 31, 2014

Internal operating expenses	
Staff salaries	\$ 1,425,309
Payroll taxes	89,522
Retirement contributions	239,478
Insurance	118,616
Electronic investment services	771,699
Travel	73,756
Dues, subscriptions, and training	19,454
Other administrative expenses	<u>2,945</u>
Total internal operating expenses	2,740,779
Investment management and other external expenses	
Investment management	17,115,634
Custodial services	470,333
Consulting	715,409
Legal	<u>173,615</u>
	18,474,991
Total investment expenses	\$ 21,215,770

Schedule of Investment Expenses

Continued

Asset Class	External Investment Manager	Fees	Net Assets Under Management at December 31, 2014 *	Cost Rate (bps)**
Core Fixed Income	BlackRock Financial Management, Inc.	\$ 2,575,853	\$ 6,718,810,937	3.50
Core Fixed Income	Pacific Investment Management Company (PIMCO)	3,948,543	2,029,830,380	19.75
Non-Core Fixed Income	Ellington Management Group LLC	30,079	249,429,051	31.44
Non-Core Fixed Income	Guggenheim Partners Investment Management, LLC	200,831	149,955,987	53.24
Non-Core Fixed Income	Highland Capital Management, LP	100,028	249,742,458	26.85
Non-Core Fixed Income	Voya Investment Management Co. LLC	55,874	249,836,805	34.00
Real Return	Colchester Global Investors	1,596,715	994,900,830	16.02
Equity Index Funds - U.S.	Northern Trust Global Investments	1,029,600	4,994,056,998	2.00
Equity Index Funds - U.S.	UBS Global Asset Management Trust Company	155,988	290,490,400	5.86
Equity Index Funds - U.S.	State Street Global Advisors	131,208	291,983,806	4.77
Equity Index Funds - International	Northern Trust Global Investments	1,859,348	3,361,873,891	4.25
Equity Index Funds - International	UBS Global Asset Management Trust Company	148,096	244,139,192	6.08
Equity Index Funds - International	State Street Global Advisors	113,102	221,989,547	4.76
Domestic Equities	Champlain Investment Partners	130,633	198,843,545	64.47
Domestic Equities	Epoch Investment Partners, Inc.	1,117,115	234,676,566	51.98
Domestic Equities	Sasco Capital, Inc.	901,621	220,424,016	40.90
Domestic Equities	The Boston Company Asset Management, LLC	115,330	205,523,211	54.37
International Equities	Lazard Asset Management	210,225	189,282,398	30.66
International Equities	Wellington Asset Management Company, LLP	331,456	193,744,746	48.31
Real Estate Securities	Harrison Street Securities, LLC	985,099	185,143,231	57.94
Absolute Return	Blackstone Alternative Asset Management Associates LLC	1,378,890	1,112,431,633	29.94
Totals		\$ 17,115,634	\$ 22,587,109,628	7.69

Note: The above schedule excludes management and incentive fees of private real estate funds, which total \$11,723,434 in 2014. Fees for such funds are typically not paid directly, but are instead incurred and paid through the operations of the funds.

* Includes market value of securities, accrued interest, and net receivable/(payable) for open trades.

** Cost rate in basis points (bps) calculated using average monthly net assets under management.

Attuariari



Actuary's Certification Letter (Pension Trust Fund)



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May 22, 2015

Board of Trustees
Texas Municipal Retirement System ("TMRS" or the "System")
Austin, Texas

Dear Trustees:

In accordance with the Texas Municipal Retirement System ("TMRS") Act, the annual actuarial valuation of the assets and liabilities of the TMRS Pension Trust Fund was completed as of December 31, 2014.

Except for healthy annuitant mortality rates and the mortality assumption used to develop the Annuity Purchase Rates (APRs), the actuarial assumptions used for this valuation were initially developed from an actuarial investigation performed by Gabriel Roeder Smith & Company ("GRS") of the experience of TMRS over the four years beginning January 1, 2006 to December 31, 2009. They were adopted in 2011 and first used in the December 31, 2010 actuarial valuation in conjunction with the fund restructuring that resulted from the passage of Senate Bill 350 during the 82nd Regular Session of the Texas Legislature. Healthy post-retirement mortality rates and the APRs used to annuitize members' account balances at retirement were updated based on the Mortality Experience Investigation Study dated December 31, 2013 and were first used in the December 31, 2013 actuarial valuation. In addition, in conjunction with these changes, the Board adopted a change in the actuarial cost method from Projected Unit Credit (PUC) to Entry Age Normal (EAN) and a one-time change to the amortization policy. The change to EAN was made to decrease the rate volatility compared to PUC and to align the assumptions and methods used for funding purposes and financial reporting. The assumptions and methods used in this valuation are summarized in the Actuarial Section of the Comprehensive Annual Financial Report (AFR).

The results of the actuarial valuation are dependent on the actuarial assumptions used. Actual results can and almost certainly will differ, as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities, calculated contribution rates and funding periods.

It is our opinion that the recommended assumptions and methods are internally consistent and are reasonably based on past and anticipated future experience of the System and comply with the parameters for disclosure as set forth in Governmental Accounting Standards Board Statement No. 67. We prepared all of the supporting schedules in the Actuarial Section.

The financing objective for each TMRS plan is to provide retirement, death and disability benefits for a member city's employees financed by an employer contribution rate. This rate is determined annually and is expected to remain approximately level as a percentage of the employer's covered payroll. In TMRS, a city's actuarially determined contribution rate consists of two components: the employer normal

Board of Trustees
May 22, 2015
Page 2 of 2

cost contribution rate and the prior service contribution rate. Both rates are determined as a level percentage of payroll. The normal cost contribution rate finances the portion of an active member's projected retirement benefit allocated annually. The prior service contribution rate amortizes the unfunded actuarial accrued liability ("UAAL") over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating updated service credits and annuity increases.

The employer contribution rates for the municipalities participating in TMRS are certified annually by the Board of Trustees which is responsible for establishing and maintaining the funding policy. These rates are actuarially determined and are based upon the plan provisions in effect as of April 1, 2015 and the actuarial assumptions and methodology adopted by the Board. The Board's current policy is that the contribution rates determined by a given actuarial valuation become effective one (1) year after the valuation date. For example, the rates determined by the December 31, 2014 actuarial valuation will be applicable for the calendar year beginning January 1, 2016 and ending December 31, 2016.

To test how well the financing objective for each plan is being achieved, annual actuarial valuations are made. These actuarial valuations recognize differences in the past year between the actuarial assumptions and the actual experience, and any benefit changes for each plan. A separate actuarial valuation for each participating municipality was made based upon the plan of benefits in effect as of April 1, 2015.

The TMRS staff supplied all of the data for retired, active and inactive members as of December 31, 2014. We did not audit this data, but we did apply a number of tests to the data and we concluded that it was reasonable and consistent with the prior year's data. The TMRS staff also supplied all of the asset data and financial information as of December 31, 2014. The amounts of the assets in the actuarial valuations agree with the amounts as reported by TMRS.

All of our work conforms with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of the TMRS Act and, where applicable, the Internal Revenue Code and the Statements of the Governmental Accounting Standards Board.

The undersigned are independent actuaries and consultants. Both are Members of the American Academy of Actuaries, both meet all of the Qualification Standards of the American Academy of Actuaries, and both are experienced in performing valuations for large public retirement systems.

Respectfully submitted,



Mark R. Randall, MAAA, FCA, EA
Chief Executive Officer



Joseph P. Newton, MAAA, FSA, EA
Senior Consultant

Summary of Actuarial Assumptions (Pension Trust Fund)

Except for healthy annuitant mortality rates and the mortality assumption used to develop the Annuity Purchase Rates (APRs), these actuarial assumptions were developed from an actuarial investigation of the experience of TMRS over the four-year period from January 1, 2006 to December 31, 2009. They were adopted by the Board of Trustees in May 2011 and first used in the December 31, 2010 actuarial valuation in conjunction with the fund restructuring that resulted from the passage of Senate Bill 350. Healthy post-retirement mortality rates and the APRs used to annuitize members' account balances at retirement were updated based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. These assumptions were first used in the December 31, 2013 actuarial valuation. In conjunction with these changes, the System adopted the Entry Age Normal (EAN) actuarial cost method and a one-time change to the amortization policy. An actuarial investigation of the experience of TMRS for the five-year period ending December 31, 2014 will be conducted during 2015; any changes to the assumptions will be reflected in the December 31, 2015 valuation.

I. Economic Assumptions

A. General Inflation — General inflation is assumed to be 3.00% per year.

B. Discount/Crediting Rates

1. System-wide Investment Return Assumption: 7.00% per year, compounded annually, composed of an assumed 3.00% inflation rate and a 4.00% net real rate of return. This rate represents the assumed return, net of all investment and administrative expenses. This is the discount rate used to value the liabilities of the individual employers.
2. Assumed discount/crediting rate for Supplemental Disability Benefits Fund and individual employee accounts: an annual rate of 5.00% for (1) accumulating prior service credit and updated service credit after the valuation date, (2) accumulating the employee current service balances, (3) determining the amount of the monthly benefit at future dates of retirement or disability, and (4) calculating the actuarial liability of the System-wide Supplemental Disability Benefits Fund.

C. Overall Payroll Growth — 3.00% per year, which is used to calculate the contribution rates for the retirement plan of each participating city as a level percentage of payroll. This represents the expected increase in total payroll. This increase rate is solely due to the effect of wage inflation on salaries, with no allowance for future membership growth.

D. Individual Salary Increases — Salary increases are assumed to occur once a year, on January 1.

Age	Rate (%)
20	5.25
25	5.25
30	5.25
35	5.00
40	4.50
45	4.50
50	4.00
55	4.00
60	3.75
65 & over	3.50

These age-related rates are assumed for plan participants with more than 10 years of service.

Summary of Actuarial Assumptions (Pension Trust Fund)

Continued

For participants with 10 years of service or less, salaries are assumed to increase by the following graduated scale:

Years of Service	Rate(%)
0 - 1	12.00
1 - 2	9.00
2 - 3	7.00
3 - 4	7.00
4 - 5	6.00
5 - 6	6.00
6 - 7	5.50
7 - 8	5.50
8 - 9	5.50
9 - 10	5.50

- E. Annuity Increases** — The Consumer Price Index (CPI) is assumed to be 3.0% per year prospectively. Annuity Increases (also referred to as cost-of-living adjustments, or COLAs), when applicable, are 30%, 50%, or 70% of CPI-U, according to the provisions adopted by each city.

II. Demographic Assumptions

A. Termination Rates

- For the first 10 years of service, the base table rates vary by gender, entry age, and length of service. For each city, the base table is then multiplied by a factor from 75% to 125% based on the experience of the individual city in comparison to the group as a whole. A further multiplier is applied depending on an employee's classification: 1) Fire – 64%, 2) Police – 92%, or 3) Other – 105%. A sample of the base rates follows:

Males Age	Years of Service									
	0	1	2	3	4	5	6	7	8	9
20	0.3298	0.2707	0.2229	0.1876	0.1620	0.1426	0.1249	0.1094	0.0979	0.0867
25	0.3123	0.2485	0.2020	0.1701	0.1479	0.1308	0.1152	0.1013	0.0906	0.0810
30	0.2930	0.2235	0.1775	0.1490	0.1305	0.1163	0.1033	0.0914	0.0818	0.0744
35	0.2778	0.2089	0.1632	0.1356	0.1186	0.1059	0.0946	0.0842	0.0757	0.0696
40	0.2641	0.1987	0.1538	0.1264	0.1099	0.0980	0.0880	0.0789	0.0713	0.0661
45	0.2506	0.1900	0.1470	0.1199	0.1035	0.0922	0.0832	0.0752	0.0685	0.0635
50	0.2364	0.1811	0.1410	0.1149	0.0987	0.0880	0.0799	0.0730	0.0669	0.0616
55	0.2215	0.1718	0.1356	0.1110	0.0950	0.0854	0.0781	0.0720	0.0662	0.0601
60	0.2057	0.1623	0.1307	0.1082	0.0926	0.0844	0.0777	0.0723	0.0666	0.0591
65	0.1899	0.1530	0.1262	0.1058	0.0905	0.0839	0.0778	0.0731	0.0674	0.0584
70	0.1725	0.1427	0.1211	0.1031	0.0881	0.0832	0.0778	0.0739	0.0681	0.0575

Summary of Actuarial Assumptions (Pension Trust Fund)

Continued

Females Age	Years of Service									
	0	1	2	3	4	5	6	7	8	9
20	0.3289	0.2849	0.2465	0.2162	0.1941	0.1780	0.1621	0.1446	0.1274	0.1114
25	0.3079	0.2623	0.2252	0.1972	0.1774	0.1633	0.1496	0.1346	0.1191	0.1037
30	0.2837	0.2343	0.1976	0.1718	0.1549	0.1434	0.1330	0.1214	0.1084	0.0938
35	0.2664	0.2138	0.1761	0.1512	0.1360	0.1264	0.1185	0.1094	0.0984	0.0851
40	0.2532	0.1977	0.1585	0.1335	0.1192	0.1110	0.1048	0.0978	0.0887	0.0770
45	0.2427	0.1856	0.1449	0.1194	0.1051	0.0973	0.0921	0.0865	0.0792	0.0696
50	0.2337	0.1765	0.1352	0.1088	0.0936	0.0854	0.0802	0.0755	0.0698	0.0629
55	0.2250	0.1699	0.1294	0.1020	0.0849	0.0753	0.0692	0.0647	0.0606	0.0569
60	0.2166	0.1659	0.1277	0.0992	0.0793	0.0671	0.0590	0.0541	0.0515	0.0516
65	0.2082	0.1629	0.1275	0.0979	0.0749	0.0596	0.0493	0.0437	0.0426	0.0467
70	0.1990	0.1593	0.1270	0.0962	0.0697	0.0512	0.0384	0.0322	0.0327	0.0412

2. After 10 years of service, base termination rates vary by gender and by the number of years remaining until first retirement eligibility. For each city, the base table is then multiplied by a factor from 75% to 125% based on the experience of the individual city in comparison to the group as a whole (same factor as above). A further multiplier is applied depending on an employee's classification: 1) Fire – 54%, 2) Police – 80%, or 3) Other – 109%. A sample of the base rates follows:

Years From Retirement	Males	Females
1	0.0171	0.0219
2	0.0244	0.0307
3	0.0300	0.0374
4	0.0348	0.0431
5	0.0390	0.0480
6	0.0429	0.0525
7	0.0464	0.0566
8	0.0497	0.0604
9	0.0528	0.0640
10	0.0557	0.0674
11	0.0585	0.0706
12	0.0612	0.0737
13	0.0637	0.0766
14	0.0662	0.0794
15	0.0686	0.0822

Termination rates end at first eligibility for retirement.

B. Forfeiture Rates (withdrawal of member deposits from TMRS) for vested members vary by age and employer match, and they are expressed as a percentage of the termination rates shown in (A). The withdrawal rates for cities with a 2-to-1 match are shown below. 2% is added to the rates for 1½-to-1 cities, and 4% is added for 1-to-1 cities.

Age	Percent of Terminating Employees Choosing to Take a Refund
25	52.0%
30	47.9%
35	43.8%
40	39.7%
45	35.6%
50	31.5%
55	27.4%

Forfeiture rates end at first eligibility for retirement.

C. Service Retirees and Beneficiary Mortality Rates

For calculating the actuarial liability and the retirement contribution rates, the Gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by Scale BB to account for future mortality improvements.

Attained Age in 2013	Annual Rate	
	Males	Females
40	0.001437	0.000870
45	0.001880	0.001374
50	0.002528	0.001944
55	0.004398	0.002697
60	0.008228	0.004473
65	0.014477	0.009154
70	0.023964	0.016405
75	0.038627	0.027194
80	0.063179	0.043098
85	0.103059	0.073161

Summary of Actuarial Assumptions (Pension Trust Fund)

Continued

D. Disabled Annuitant Mortality Rates

For calculating the actuarial liability and the retirement contribution rates, the gender-distinct RP2000 Disabled Retiree Mortality Table with both male and female rates multiplied by 80%.

Age	Males	Females
40	0.018057	0.005960
45	0.018057	0.005960
50	0.023180	0.009228
55	0.028354	0.013235
60	0.033634	0.017471
65	0.040139	0.022421
70	0.050066	0.030108
75	0.065654	0.041784
80	0.087498	0.057850

Mortality Improvement: To account for future mortality improvement, the rates were chosen so that the assumed mortality rates are smaller than the rates observed in the most recent experience study. The ratio of the actual number of deaths occurring during this period to the expected number based on the selected assumptions was 98% for disabled male annuitants, 171% for disabled female annuitants, and 108% on a combined basis.

- E. Annuity Purchase Rates** — For determining the amount of the monthly benefit at the time of retirement for both healthy and disabled annuitants, the annuity purchase rates (APRs) for 2014 were based on the UP-1984 Table with an age setback of two years for retirees and eight years for beneficiaries. Beginning in 2027 the APRs will be based on a unisex blend of the RP-2000 Combined Healthy Mortality Tables with Blue Collar Adjustment for males and females with both male and female rates multiplied by 107.5% and projected on a fully generational basis with Scale BB. For members, a unisex blend of 70% of the males table and 30% of the female table is used, while 30% of the male table and 70% of the female table is used for beneficiaries. From 2015 through 2026, the fully generational APRs will be phased in.

Summary of Actuarial Assumptions (Pension Trust Fund)

Continued

F. Pre-Retirement Mortality Rates — Gender-distinct RP2000 Combined Healthy Mortality Table projected to the year 2003 by Scale AA, with a five-year setback for both males and females.

Age	Males	Females
20	0.000254	0.000162
25	0.000326	0.000182
30	0.000365	0.000198
35	0.000437	0.000256
40	0.000761	0.000459
45	0.001053	0.000675
50	0.001450	0.001071
55	0.002025	0.001592
60	0.003421	0.002652
65	0.006428	0.004980

Mortality Improvement: While future mortality improvement is not assumed, the rates were chosen so that the assumed mortality rates are larger than the rates observed in the most recent experience study to build in margin for adverse experience.

G. Disability Rates

Age	Males	Females
20	0.000042	0.000014
25	0.000049	0.000021
30	0.000095	0.000043
35	0.000265	0.000131
40	0.000673	0.000359
45	0.001295	0.000754
50	0.002082	0.001333
55	0.003061	0.002178
60	0.003842	0.002990
65	0.003842	0.002990

Summary of Actuarial Assumptions (Pension Trust Fund)

Continued

H. Service Retirement Rates (applied to both active and inactive members)

The base table rates vary by gender, entry age group, and age. For retirees under the age of 62, the rates for active members are then multiplied by 2 factors based on 1) employee contribution rate and employer match and 2) if the city has a recurring COLA.

Age	Males			Females		
	Entry Age Groups			Entry Age Groups		
	Ages 32 and under	Ages 33-47	Ages 48 and over	Ages 32 and under	Ages 33-47	Ages 48 and over
40-44	0.06	-	-	0.06	-	-
45-49	0.06	-	-	0.06	-	-
50-52	0.08	-	-	0.08	-	-
53	0.08	0.10	-	0.08	0.10	-
54	0.08	0.10	-	0.11	0.10	-
55-59	0.14	0.10	-	0.11	0.10	-
60	0.20	0.15	0.10	0.14	0.15	0.10
61	0.25	0.30	0.20	0.28	0.26	0.20
62	0.32	0.25	0.12	0.28	0.17	0.12
63	0.32	0.23	0.12	0.28	0.17	0.12
64	0.32	0.35	0.20	0.28	0.22	0.20
65	0.32	0.32	0.20	0.28	0.27	0.20
66-69	0.22	0.22	0.17	0.22	0.22	0.17
70-74	0.20	0.22	0.25	0.22	0.22	0.25
75 and over	1.00	1.00	1.00	1.00	1.00	1.00

Note: For cities without a 20-year/any age retirement provision, the active employee rates for entry ages 32 and under are loaded by 20% for ages below 60.

Plan design factors applied to base retirement rates are as follows:

Employer Match	Employee Contribution Rate		
	5%	6%	7%
1 - 1	0.75	0.80	0.84
1.5 - 1	0.81	0.86	0.92
2 - 1	0.86	0.93	1.00

Recurring COLA: 1.00
 No Recurring COLA: 0.90

III. Methods and Assumptions

- A. Valuation of Assets** — The actuarial value of assets is based on the market value of assets with ten-year smoothing applied. This is accomplished by recognizing each year 10% of the difference between the market value of assets and the expected actuarial value of assets, based upon the assumed valuation rate of return. The actuarial value of assets is further adjusted by 33% of any difference between the initial value and a 15% corridor around the market value of assets, if necessary. If the corridor is applicable for a given year, the next year's expected actuarial value of assets will be determined from the post-corridor adjusted asset value.
- B. Actuarial Cost Method** — The actuarial cost method being used is known as the Entry Age Normal actuarial cost method. The Entry Age Normal actuarial cost method develops the annual cost of the plan in two parts: that attributable to benefits accruing in the current year, known as the normal cost, and that due to service earned prior to the current year, known as the amortization of the unfunded actuarial accrued liability. The normal cost and the actuarial accrued liability are calculated individually for each member. The normal cost rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The normal cost is calculated using an entry age based on benefit service with the current city. If a member has additional time-only vesting service through service with other TMRS cities or other public agencies, they retain this for determination of benefit eligibility and decrement rates. The salary-weighted average of these rates is the total normal cost rate. The unfunded actuarial accrued liability reflects the difference between the portion of projected benefits attributable to service credited prior to the valuation date and assets already accumulated. The unfunded actuarial accrued liability is paid off in accordance with a specified amortization procedure outlined in C below.
- C. Amortization Policy** — For underfunded cities with 20 or more employees, the amortization as of the valuation date is a level percentage of payroll over a closed period using the process of "laddering." Bases that existed prior to this valuation continue to be amortized on their original schedule. New experience losses are amortized over individual periods of either 25 or 30 years. New gains (including lump sum payments) are offset against and amortized over the same period as the current largest outstanding loss base for the specific city, which in turn decreases contribution rate volatility.

Once a city reaches an overfunded status, all prior non-ad hoc bases are erased and the surplus for overfunded cities is amortized over a 25-year open period.

Ad hoc benefit enhancements are amortized over individual 15-year periods using a level dollar policy.

For the December 31, 2013 actuarial valuation, there was a one-time change in the amortization policy for underfunded cities implemented in conjunction with the changes to the assumptions and cost method to minimize rate volatility associated with these changes. An initial Annual Required Contribution (ARC) was developed using the methodology described above. For cities with a decrease in the rate compared to the rate calculated prior to changes, the amortization period for all non-ad hoc bases was shortened enough to keep the rates stable (if possible). Cities with an increase of more than 0.50% were allowed to extend the amortization periods for non-ad hoc bases up to 30 years to keep the full contribution rate from increasing. For cities with an

Summary of Actuarial Assumptions (Pension Trust Fund)

Continued

increase of 0.50% or less, the amortization periods for all non-ad hoc bases could be extended to 25 years to keep the rate from increasing. The amortization period calculated in the prior steps was then rounded up to the nearest integer to calculate the final full contribution rate.

- D. Small City Methodology** — For cities with fewer than 20 employees, more conservative methods and assumptions are used. First, lower termination rates are used for smaller cities, with maximum multipliers of 75% for employers with less than 6 members, 85% for employers with 6 to 10 members, and 100% for employers with 11 to 15 members.

There is also a load on the life expectancy for employers with less than 15 active members. The life expectancy will be loaded by decreasing the mortality rates by 1% for every active member less than 15. For example, an employer with 5 active members will have the baseline mortality tables multiplied by 90% (10 active members times 1%).

For underfunded plans, the maximum amortization period for amortizing gains and losses is decreased from current levels by 1 year for each active member less than the 20-member threshold. For example, an employer with 8 active members and a current maximum amortization period of 25 will use $(25 - (20 - 8)) = 13$ year amortization period for the gain or loss in that year's valuation. Under this policy, the lowest amortization period will be $(25 - (20 - 1)) = 6$ years. Once the plan is overfunded, the amortization period will revert back to the standard 25 years.

IV. Other Assumptions

1. Valuation payroll (used for determining the amortization contribution rate): A three-year exponential average of the actual salaries paid during the prior fiscal years, moved forward with one year's payroll growth rate and adjusted for changes in population.
2. Individual salaries used to project benefits: Actual salaries from the past three fiscal years are used to determine the Updated Service Credit (USC) final average salary as of the valuation date. For future salaries, this three-year average is projected forward with two years of salary scale to create the salary for the year following the valuation. This is similar to a three-year exponential moving average. This value is then projected with normal salary scales.
3. Timing of benefit payments: Benefit payments are assumed to be made in the middle of the month. Although TMRS benefits are paid at the end of the month, eligibility for that payment is determined at the beginning of the month. A middle of month payment approximates the impact of the combination of eligibility determination and actual payment timing.
4. Percent married: 75% of male and 70% of female employees are assumed to be married.
5. Age difference: Male members are assumed to be three years older than their spouses, and female members are assumed to be three years younger than their spouses.
6. Percent electing annuity on death (when eligible): All of the spouses of vested, married participants are assumed to elect an immediate life annuity.
7. Partial Lump Sum utilization: It is assumed that each member at retirement will withdraw 40% of his/her eligible account balance.
8. Inactive population: All non-vested members of a city are assumed to take an immediate refund if they are not contributing members in another city. Vested members not contributing in another city

are assumed to take a deferred retirement benefit, except for those who have terminated in the past 12 months for whom one year of forfeiture probability is assumed. The forfeiture rates for inactive members of a city who are contributing members in another city are equal to the probability of termination multiplied by the forfeiture rates shown in II(A) and II(B), respectively. These rates are applied each year until retirement eligibility. Once a member is retirement eligible, he or she is assumed to commence benefits based on the service retirement rates shown in II(H).

- 9.** There will be no recoveries once disabled.
- 10.** No surviving spouse will remarry and there will be no children's benefit.
- 11.** Decrement timing: Decrements of all types are assumed to occur mid-year.
- 12.** Eligibility testing: Eligibility for benefits is determined based upon the age at nearest birthday and service at nearest whole year on the date the decrement is assumed to occur.
- 13.** Decrement relativity: Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.
- 14.** Incidence of contributions: Contributions are assumed to be received continuously throughout the year based on the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.
- 15.** Benefit service: All members are assumed to accrue one year of eligibility service each year.
- 16.** The decrement rates for service related decrements are based on total TMRS eligibility service.

Definitions (Pension Trust Fund)

1. **Actuarial gain (loss)** — A measure of the difference between actual experience and that expected based upon the actuarial assumptions, during the period between two actuarial valuation dates, as determined in accordance with the actuarial cost method used.
2. **Actuarial accrued liability** — The actuarial present value of benefits attributable to all periods prior to the valuation date.
3. **Actuarial present value** — The value of an amount or series of amounts payable or receivable at various times, determined as of a given date (the valuation date) by the application of the actuarial assumptions.
4. **Actuarial value of assets** — The value of cash, investments, and other property belonging to a pension plan, as used by the actuary for the purpose of an actuarial valuation.
5. **Amortization period** — The period over which the existing unfunded or overfunded actuarial accrued liability is projected to be paid off, as a level percentage of payroll.
6. **Actuarially Determined Employer Contribution (ADEC)** — The employer's periodic required contributions to the defined benefit pension plan, calculated in accordance with current TMRS funding policy.
7. **Average age of contributing members** — The average attained age as of the valuation date.
8. **Average length of service of contributing members** — The average length of total credited service in TMRS as of the valuation date.
9. **Current service benefits** — Benefits attributable to the member's accumulated deposits and an amount provided by the municipality at retirement to match the accumulated deposits at the matching ratio in effect when the deposits were made.
10. **Entry Age Normal actuarial cost method** — The Entry Age Normal actuarial cost method develops the annual cost of the plan in two parts: that attributable to benefits accruing in the current year, known as the normal cost, and that due to service earned prior to the current year, known as the amortization of the unfunded actuarial accrued liability. The normal cost and the actuarial accrued liability are calculated individually for each member. The normal cost rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of these rates is the total normal cost rate. The actuarial accrued liability is based on the portion of benefits attributable to service credited prior to the valuation date. Actuarial gains (losses), as they occur, reduce (or increase) the unfunded actuarial accrued liability.
11. **Funded ratio** — The actuarial value of assets expressed as a percentage of the actuarial accrued liability.
12. **Funding policy** — The program for the amounts and timing of contributions to be made by plan members and employers to provide the benefits specified by a pension plan.
13. **Normal cost contribution rate** — The actuarial present value of benefits allocated to a valuation year by the actuarial cost method, expressed as a percentage of the covered payroll. It is equal to the sum of the actuarial present value of benefits allocated to the year following the valuation date divided by the compensation expected to be received during the next year for the closed group of members as of the valuation date.

- 14. Overfunded actuarial accrued liability** — The excess of the actuarial value of assets over the actuarial accrued liability.
- 15. Phase-in rate** — The minimum required contribution rate to TMRS, which reflects the portion of the full rate being phased in due to the changes in actuarial assumptions and methods.
- 16. Prior service benefits** — Benefits other than current service benefits. These include all benefits arising from prior service credits, special prior service credits, antecedent service credits, updated service credits, and increases in monthly benefit payments to annuitants — also referred to as Annuity Increases (AI) or cost-of-living adjustments (COLAs).
- 17. Prior service contribution rate** — The level percentage of payroll required to amortize the unfunded or overfunded actuarial liability over a specified amortization period. If the rate is negative, it is offset against the normal cost contribution rate, with the limitation that the sum of the two rates cannot be negative.
- 18. Projected Unit Credit actuarial cost method** — A method under which the benefits of each individual included in the valuation are allocated by a consistent formula to valuation years based on years of service. Benefits are allocated equally to each year of service over the individual's career from hire to retirement. Normal costs are based on the portion of the benefit allocated to the year following the valuation year. Accrued liabilities are based on benefits allocated to the time preceding the date of the actuarial valuation. Under this method, actuarial gains (or losses), as they occur, reduce (or increase) the unfunded actuarial liability.
- 19. Retirement contribution rate** — The sum of the normal cost contribution rate and the prior service contribution rate.
- 20. Unfunded actuarial accrued liability** — The excess of the actuarial accrued liability over the actuarial value of assets.

Participating Employers & Active Members (Pension Trust Fund)

Contributing Members					
Valuation Date	Number of Active Cities	Number	Annual Payroll	Average Annual Pay	Percent Increase In Average
12/31/2005	806	93,780	\$ 3,721,948,875	\$ 40,035	2.4 %
12/31/2006	816	95,583	3,949,180,835	41,710	4.2
12/31/2007	823	98,440	4,221,290,731	43,513	4.3
12/31/2008	829	100,459	4,529,989,369	45,551	4.7
12/31/2009	833	102,419	4,769,041,587	47,014	3.2
12/31/2010	837	101,240	4,797,903,131	47,117	0.2
12/31/2011	842	101,151	4,853,135,055	47,958	1.8
12/31/2012	844	101,827	4,961,671,305	48,889	1.9
12/31/2013	844	102,870	5,142,446,602	50,244	2.8
12/31/2014	853	104,019	5,374,536,634	51,956	3.4

As of December 31, 2014, there were five cities with no contributing members and no city contributions due. In addition, one privatized hospital had no contributing members, but paid a dollar contribution amount to TMRS that is calculated annually by the actuary. Based on the plan of benefits in effect on April 1, 2015, there was also a merger of two participating entities. Thus there were 860 total city plans, with 853 of them active.

The average annual pay was calculated by dividing the annual payroll by the average of the number of contributing members at the beginning and the end of the year.

Retiree and Beneficiary Data (Pension Trust Fund)

Year Ended	Added to Rolls		Removed from Rolls		End of Year		% Increase in Annual Benefit	Average Annual Benefit
	Number of Accounts	Annual Benefit	Number of Accounts	Annual Benefit	Number of Accounts	Annual Benefit		
12/31/2005	3,245	\$ 43,217,805	548	\$ 5,624,311	29,970	\$ 431,414,692	12.0 %	\$ 14,395
12/31/2006	2,834	42,869,323	629	6,559,422	32,175	477,661,259	10.7	14,846
12/31/2007	2,933	44,549,919	598	6,241,842	34,510	523,995,541	9.7	15,184
12/31/2008	2,962	59,560,238	609	6,232,194	36,863	577,323,585	10.2	15,656
12/31/2009	2,750	43,466,305	633	7,356,347	38,980	613,433,543	6.3	15,737
12/31/2010	3,193	61,116,748	714	8,750,654	41,459	665,799,637	8.5	16,059
12/31/2011	3,390	58,001,287	782	4,399,586	44,067	719,401,338	8.1	16,325
12/31/2012	3,545	72,731,553	710	8,898,201	46,902	783,234,690	8.9	16,699
12/31/2013	3,890	72,535,316	823	11,113,993	49,969	844,656,013	7.8	16,904
12/31/2014	4,319	92,940,036	833	11,533,222	53,455	926,062,827	9.6	17,324

The number of retirement accounts is greater than the number of people who retired, as some retirees worked for more than one city in TMRS and retired with a separate benefit from each city. As of December 31, 2014, there were 5,573 more retirement accounts than people who retired. In addition, this schedule excludes 694 retirees with a “cash-out” in lieu of a monthly benefit. These individuals are still entitled to supplemental death benefits.

The annual benefit is 12 times the amount payable in January following the valuation date, including any annuity increase, if applicable.

Summary of Actuarial Liabilities & Funding Progress (Pension Trust Fund)

(Amounts in Millions of Dollars)

Annual Report Year	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1) / (2)	Unfunded AAL (UAAL) (2) - (1)	Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)	City Contributions	Average City Rate (7) / (5)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2005	\$ 12,486.1	\$ 15,095.2	82.7 %	\$ 2,609.1	\$ 3,721.9	70.1 %	\$ 446.3	12.0 %
2006	13,312.7	16,219.7	82.1	2,907.0	3,949.2	73.6	470.7	11.9
2007*	14,203.3	19,278.8	73.7	5,075.5	4,221.3	120.2	512.9	12.2
2008	15,149.7	20,360.8	74.4	5,211.1	4,530.0	115.0	567.2	12.5
2009	16,305.7	21,525.1	75.8	5,219.4	4,769.0	109.4	641.7	13.5
2010**	16,986.0	20,481.5	82.9	3,495.5	4,797.9	72.9	679.3	14.2
2011	18,347.0	21,563.3	85.1	3,216.4	4,853.3	66.3	703.8	14.5
2012	19,784.8	22,683.8	87.2	2,899.0	4,961.7	58.4	664.4	13.4
2013***	21,293.6	25,320.7	84.1	4,027.1	5,142.4	78.3	680.8	13.2
2014	22,861.0	26,647.5	85.8	3,786.5	5,374.5	70.5	719.2	13.4

* With the December 31, 2007 valuation, the actuarial cost method changed from the Unit Credit actuarial cost method to the Projected Unit Credit actuarial cost method to pre-fund for annually repeating updated service credits and annuity increases.

** Actuarial assumptions were modified with the December 31, 2010 valuation, along with a change in the funding structure of TMRS that resulted from the passage of Senate Bill 350 (combined separate employee, employer and annuity funds into one benefit accumulation fund). This more efficient funding structure reduced year-to-year volatility in city contribution rates, resulted in lower contribution rates for most cities and improved actuarial funding ratios for most cities. The most significant assumption changes from the prior valuation involved altering the structure of the retirement assumption to reflect a city's plan provisions and generally decreasing the turnover and forfeiture assumptions.

*** The healthy annuitant mortality assumption and Annuity Purchase Rates were modified with the December 31, 2013 valuation, along with a change in the actuarial cost method from Projected Unit Credit to Entry Age Normal.

Each city participating in TMRS is financially responsible for its own plan. Therefore, the aggregate numbers shown on the above chart reflect only the aggregate condition of TMRS and do not indicate the status of any one plan.

Columns (1) and (2) on the chart also include the assets and liabilities of the Supplemental Disability Benefits Fund, and for 2008 through 2009 also include the assets and liabilities of the former Current Service Annuity Reserve Fund.

Funded Portion of Actuarial Liabilities by Type (Pension Trust Fund)

(Amounts in Millions of Dollars)							
Valuation Date	Actuarial Liabilities for			Net Assets Available for Benefits	Portion of Actuarial Liabilities Covered by Net Assets		
	(1)	(2)	(3)		(1)	(2)	(3)
	Current Member Contributions	Retirees and Beneficiaries	Current Members (Employer-Financed Portion)				
12/31/2005	\$ 3,453.9	\$ 5,121.3	\$ 6,520.0	\$ 12,486.1	100.0 %	100.0 %	60.0 %
12/31/2006	3,625.0	5,675.3	6,919.4	13,312.7	100.0	100.0	58.0
12/31/2007	3,784.2	7,201.5	8,293.1	14,203.3	100.0	100.0	38.8
12/31/2008	3,968.0	7,550.3	8,842.5	15,149.7	100.0	100.0	41.1
12/31/2009	4,203.9	7,941.6	9,379.6	16,305.7	100.0	100.0	44.4
12/31/2010	4,403.9	7,598.6	8,479.0	16,986.0	100.0	100.0	58.8
12/31/2011	4,589.5	8,188.0	8,785.9	18,347.0	100.0	100.0	63.4
12/31/2012	4,775.2	8,832.0	9,076.6	19,784.8	100.0	100.0	68.1
12/31/2013	4,956.7	9,861.5	10,502.5	21,293.6	100.0	100.0	61.7
12/31/2014	5,088.2	10,768.5	10,790.8	22,861.0	100.0	100.0	64.9

The financing objective for each TMRS plan is to finance long-term benefit promises through contributions that remain approximately level from year to year as a percentage of the city's payroll. If the contributions to each plan are level in concept and soundly executed, each plan will pay all promised benefits when due — the ultimate test of financial soundness. Testing for level contribution rates is the long-term test.

Presented above is one short-term means of checking a system's progress under its funding program. The present assets are compared with: (1) current member contributions on deposit; (2) the liabilities for future benefits to present retired lives; and (3) the employer-financed portion of the liabilities for service already rendered by current members. In a system that has been following the discipline of level percentage of payroll financing, the liabilities for current member contributions on deposit (liability 1) and the liabilities for future benefits to present retired lives (liability 2) will be fully covered by present assets (except in rare circumstances). In addition, the employer-financed portion of liabilities for service already rendered by current members (liability 3) will be at least partially covered by the remainder of present assets. Generally, if a system has been using level cost financing, and if there are no changes in the plans of benefits, actuarial assumptions, or methods, the funded portion of liability 3 will increase over time, although it is uncommon for it to be fully funded.

Each city participating in TMRS is financially responsible for its own plan. Therefore, the aggregate numbers shown above reflect only the aggregate condition of TMRS and do not indicate the status of any one plan.

Actuary's Certification Letter (Supplemental Death Benefits Fund)



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May 22, 2015

Board of Trustees
Texas Municipal Retirement System ("TMRS" or the "System")
Austin, Texas

Dear Trustees:

Gabriel Roeder Smith & Company ("GRS") has performed an actuarial valuation as of December 31, 2014 for the Supplemental Death Benefits Fund which is administered by the Texas Municipal Retirement System ("TMRS") for the purposes of complying with Governmental Accounting Standards Board ("GASB") Statement No. 43. Except for healthy annuitant mortality rates, the actuarial assumptions used for this valuation were initially developed from an actuarial investigation of the experience of TMRS over the four calendar years 2006-2009 performed by GRS. They were adopted in 2011 by the Board of Trustees and first used in the December 31, 2010 actuarial valuation. Healthy post-retirement mortality rates were updated based on the Mortality Experience Investigation study covering 2009 through 2011 and dated December 31, 2013 and first used in the December 31, 2013 actuarial valuation. In addition, in conjunction with these changes, the Board adopted a change in the actuarial cost method from Projected Unit Credit to Entry Age Normal. The assumptions and methods used in this valuation are summarized in the Actuarial Section of the Comprehensive Annual Financial Report (AFR).

It is our opinion that the recommended assumptions and methods are internally consistent and are reasonably based upon the past and anticipated long-term future experience of the System. Assumptions and methods were modified as needed for accounting purposes to conform to the requirements for disclosure as set forth in GASB Statement No. 43. We prepared all of the supporting schedules in the Actuarial Section, the Required Supplementary Information in the Financial Section including the Schedule of Funding Progress, the Schedule of Employer Contributions and the Notes to Trend Data, as well as the applicable notes to these schedules in the Financial Section of the AFR.

The results of the actuarial valuation are dependent upon the actuarial assumptions used. Actual results can and almost certainly will differ, as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities and calculated contribution rates.

The TMRS Supplemental Death Benefits Fund is an optional cost-sharing multiple-employer defined benefit group life insurance plan. It provides death benefits to both active and retired members. Each participating municipality can elect to cover just active members, or active and retired members. A supplemental death contribution rate is determined annually for each participating municipality as a percentage of that city's covered payroll. The contribution rate finances the expected benefit payments each year on a pay-as-you-go basis. However, this method does not meet the parameters under GASB

Board of Trustees
May 22, 2015
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Statements No. 43 and 45. Therefore, for purposes of meeting the GASB financial reporting requirements, retiree benefits are evaluated using the Entry Age Normal actuarial cost method for determining the Other Post-Employment Benefits ("OPEB") cost. Note, however, that the same actuarial assumptions are used for both funding and financial reporting purposes. To the extent that experience differs from what is expected, the pooled assets of the Supplemental Death Benefits Fund act as a reserve. Since the benefit from this Fund is a flat dollar amount, not subject to inflationary factors, and since the asset reserve is adequate to cover adverse experience, we believe that the pay-as-you-go funding approach is reasonable and appropriate.

The employer contribution rates for the municipalities participating in the TMRS Supplemental Death Benefits Fund are certified annually by the Board of Trustees which is responsible for establishing and maintaining the funding policy. These rates are determined actuarially, based on the plan provisions in effect as of April 1, 2015 and the actuarial assumptions and methodology adopted by the Board. The Board's current policy is that the contribution rates determined by a given actuarial valuation become effective one (1) year after the valuation date. For example, the rates determined by the December 31, 2014 actuarial valuation will be applicable for the calendar year beginning January 1, 2016 and ending December 31, 2016.

The TMRS staff supplied all of the member data and annuitant data for active and retired members as of December 31, 2014. We did not audit this data, but we did apply a number of tests to the data and we concluded that it was reasonable and consistent with the prior year's data. The TMRS staff also supplied all of the asset data and financial information as of December 31, 2014. The amounts of the assets in the actuarial valuations agree with the amounts as reported by TMRS.

All of our work conforms with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of the TMRS Act and, where applicable, the Internal Revenue Code and the Statements of the Governmental Accounting Standards Board.

The undersigned are independent actuaries and consultants. Both are Members of the American Academy of Actuaries, both meet all of the Qualification Standards of the American Academy of Actuaries, and both are experienced in performing valuations for large public retirement systems.

Respectfully submitted,



Mark R. Randall, MAAA, FCA, EA
Chief Executive Officer



Joseph P. Newton, MAAA, FSA, EA
Senior Consultant

Summary of Actuarial Assumptions (Supplemental Death Benefits Fund)

Except for the healthy annuitant mortality rates, these actuarial assumptions were developed from an actuarial investigation of the experience of TMRS over the four-year period from January 1, 2006 to December 31, 2009. They were adopted by the Board of Trustees in May 2011 and first used in the December 31, 2010 actuarial valuation. Healthy post-retirement mortality rates were updated based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. These assumptions were first used in the December 31, 2013 actuarial valuation. In conjunction with this change, the System adopted the Entry Age Normal (EAN) actuarial cost method. An actuarial investigation of the experience of TMRS for the five-year period ending December 31, 2014 will be conducted during 2015; any changes to the assumptions will be reflected in the December 31, 2015 valuation.

I. Economic Assumptions

- A. General Inflation** — General inflation is assumed to be 3.00% per year.
- B. Discount/Crediting Rates** — 4.25% per year, compounded annually, and derived as a blend of 5.00% for the portion of the benefits financed by advance funding contributions and a short-term interest rate for the portion of the benefits financed by current contributions.
- C. Overall Payroll Growth** — 3.00% per year, which is used to calculate the contribution rates for the retirement plan of each participating city as a level percentage of payroll. This represents the expected increase in total payroll. This increase rate is solely due to the effect of wage inflation on salaries, with no allowance for future membership growth.
- D. Individual Salary Increases** — Salary increases are assumed to occur once a year, on January 1. The age-related rates (below left) are assumed for plan participants with more than 10 years of service. For participants with 10 years of service or less, salaries are assumed to increase by the graduated scale (below right):

Age	Rate (%)	Years of Service	Rate (%)
20	5.25	0 - 1	12.00
25	5.25	1 - 2	9.00
30	5.25	2 - 3	7.00
35	5.00	3 - 4	7.00
40	4.50	4 - 5	6.00
45	4.50	5 - 6	6.00
50	4.00	6 - 7	5.50
55	4.00	7 - 8	5.50
60	3.75	8 - 9	5.50
65 & over	3.50	9 - 10	5.50

II. Demographic Assumptions

A. Termination Rates

- For the first 10 years of service, the base table rates vary by gender, entry age, and length of service. For each city, the base table is then multiplied by a factor from 75% to 125% based on the experience of the individual city in comparison to the group as a whole. A further multiplier is applied depending on an employee's classification: 1) Fire: 64%, 2) Police: 92%, or 3) Other: 105%. A sample of the base rates follows:

Males		Years of Service								
Age	0	1	2	3	4	5	6	7	8	9
20	0.3298	0.2707	0.2229	0.1876	0.1620	0.1426	0.1249	0.1094	0.0979	0.0867
25	0.3123	0.2485	0.2020	0.1701	0.1479	0.1308	0.1152	0.1013	0.0906	0.0810
30	0.2930	0.2235	0.1775	0.1490	0.1305	0.1163	0.1033	0.0914	0.0818	0.0744
35	0.2778	0.2089	0.1632	0.1356	0.1186	0.1059	0.0946	0.0842	0.0757	0.0696
40	0.2641	0.1987	0.1538	0.1264	0.1099	0.0980	0.0880	0.0789	0.0713	0.0661
45	0.2506	0.1900	0.1470	0.1199	0.1035	0.0922	0.0832	0.0752	0.0685	0.0635
50	0.2364	0.1811	0.1410	0.1149	0.0987	0.0880	0.0799	0.0730	0.0669	0.0616
55	0.2215	0.1718	0.1356	0.1110	0.0950	0.0854	0.0781	0.0720	0.0662	0.0601
60	0.2057	0.1623	0.1307	0.1082	0.0926	0.0844	0.0777	0.0723	0.0666	0.0591
65	0.1899	0.1530	0.1262	0.1058	0.0905	0.0839	0.0778	0.0731	0.0674	0.0584
70	0.1725	0.1427	0.1211	0.1031	0.0881	0.0832	0.0778	0.0739	0.0681	0.0575

Females		Years of Service								
Age	0	1	2	3	4	5	6	7	8	9
20	0.3289	0.2849	0.2465	0.2162	0.1941	0.1780	0.1621	0.1446	0.1274	0.1114
25	0.3079	0.2623	0.2252	0.1972	0.1774	0.1633	0.1496	0.1346	0.1191	0.1037
30	0.2837	0.2343	0.1976	0.1718	0.1549	0.1434	0.1330	0.1214	0.1084	0.0938
35	0.2664	0.2138	0.1761	0.1512	0.1360	0.1264	0.1185	0.1094	0.0984	0.0851
40	0.2532	0.1977	0.1585	0.1335	0.1192	0.1110	0.1048	0.0978	0.0887	0.0770
45	0.2427	0.1856	0.1449	0.1194	0.1051	0.0973	0.0921	0.0865	0.0792	0.0696
50	0.2337	0.1765	0.1352	0.1088	0.0936	0.0854	0.0802	0.0755	0.0698	0.0629
55	0.2250	0.1699	0.1294	0.1020	0.0849	0.0753	0.0692	0.0647	0.0606	0.0569
60	0.2166	0.1659	0.1277	0.0992	0.0793	0.0671	0.0590	0.0541	0.0515	0.0516
65	0.2082	0.1629	0.1275	0.0979	0.0749	0.0596	0.0493	0.0437	0.0426	0.0467
70	0.1990	0.1593	0.1270	0.0962	0.0697	0.0512	0.0384	0.0322	0.0327	0.0412

Summary of Actuarial Assumptions (Supplemental Death Benefits Fund)

Continued

2. After 10 years of service, base termination rates vary by gender and by the number of years remaining until first retirement eligibility. For each city, the base table is then multiplied by a factor from 75% to 125% based on the experience of the individual city in comparison to the group as a whole (same factor as above). A further multiplier is applied depending on an employee's classification: 1) Fire: 54%, 2) Police: 80%, or 3) Other: 109%. A sample of the base rates follows:

Years From Retirement	Males	Females
1	0.0171	0.0219
2	0.0244	0.0307
3	0.0300	0.0374
4	0.0348	0.0431
5	0.0390	0.0480
6	0.0429	0.0525
7	0.0464	0.0566
8	0.0497	0.0604
9	0.0528	0.0640
10	0.0557	0.0674
11	0.0585	0.0706
12	0.0612	0.0737
13	0.0637	0.0766
14	0.0662	0.0794
15	0.0686	0.0822

Termination rates end at first eligibility for retirement.

- B. Forfeiture Rates** (withdrawal of member deposits from TMRS) for vested members vary by age and employer match, and they are expressed as a percentage of the termination rates shown in (A). The withdrawal rates for cities with a 2-to-1 match are shown below. 2% is added to the rates for 1½-to-1 cities, and 4% is added for 1-to-1 cities.

Age	Percent of Terminating Employees Choosing to Take a Refund
25	52.0%
30	47.9%
35	43.8%
40	39.7%
45	35.6%
50	31.5%
55	27.4%

Forfeiture rates end at first eligibility for retirement.

C. Service Retirees and Beneficiary Mortality Rates

For calculating the actuarial liability and the supplemental death contribution rates, the Gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by Scale BB to account for future mortality improvements.

Attained Age in 2013	Annual Rate	
	Males	Females
40	0.001437	0.000870
45	0.001880	0.001374
50	0.002528	0.001944
55	0.004398	0.002697
60	0.008228	0.004473
65	0.014477	0.009154
70	0.023964	0.016405
75	0.038627	0.027194
80	0.063179	0.043098
85	0.103059	0.073161

D. Disabled Annuitant Mortality Rates

For calculating the actuarial liability and the supplemental death contribution rates, the gender-distinct RP2000 Disabled Retiree Mortality Table are used with both male and female rates multiplied by 80%.

Age	Males	Females
40	0.018057	0.005960
45	0.018057	0.005960
50	0.023180	0.009228
55	0.028354	0.013235
60	0.033634	0.017471
65	0.040139	0.022421
70	0.050066	0.030108
75	0.065654	0.041784
80	0.087498	0.057850

Mortality Improvement: To account for future mortality improvement, the rates were chosen so that the assumed mortality rates are smaller than the rates observed in the most recent experience study. The ratio of the actual number of deaths occurring during this period to the expected number based on the selected assumptions was 98% for disabled male annuitants, 171% for disabled female annuitants, and 108% on a combined basis.

Summary of Actuarial Assumptions (Supplemental Death Benefits Fund)

Continued

E. Pre-Retirement Mortality Rates — Gender-distinct RP2000 Combined Healthy Mortality Table projected to the year 2003 by Scale AA, with a 5-year setback for both males and females.

Age	Males	Females
20	0.000254	0.000162
25	0.000326	0.000182
30	0.000365	0.000198
35	0.000437	0.000256
40	0.000761	0.000459
45	0.001053	0.000675
50	0.001450	0.001071
55	0.002025	0.001592
60	0.003421	0.002652
65	0.006428	0.004980

Mortality Improvement: While future mortality improvement is not assumed, the rates were chosen so that the assumed mortality rates are larger than the rates observed in the most recent experience study to build in margin for adverse experience.

F. Disability Rates

Age	Males	Females
20	0.000042	0.000014
25	0.000049	0.000021
30	0.000095	0.000043
35	0.000265	0.000131
40	0.000673	0.000359
45	0.001295	0.000754
50	0.002082	0.001333
55	0.003061	0.002178
60	0.003842	0.002990
65	0.003842	0.002990

Summary of Actuarial Assumptions (Supplemental Death Benefits Fund)

Continued

G. Service Retirement Rates (applied to both Active and Inactive Members)

The base table rates vary by gender, entry age group, and age. For retirees under the age of 62, the rates for active members are then multiplied by 2 factors based on 1) employee contribution rate and employer match and 2) if the city has a recurring COLA.

Age	Males			Females		
	Entry Age Groups			Entry Age Groups		
	Ages 32 and under	Ages 33-47	Ages 48 and over	Ages 32 and under	Ages 33-47	Ages 48 and over
40-44	0.06	-	-	0.06	-	-
45-49	0.06	-	-	0.06	-	-
50-52	0.08	-	-	0.08	-	-
53	0.08	0.10	-	0.08	0.10	-
54	0.08	0.10	-	0.11	0.10	-
55-59	0.14	0.10	-	0.11	0.10	-
60	0.20	0.15	0.10	0.14	0.15	0.10
61	0.25	0.30	0.20	0.28	0.26	0.20
62	0.32	0.25	0.12	0.28	0.17	0.12
63	0.32	0.23	0.12	0.28	0.17	0.12
64	0.32	0.35	0.20	0.28	0.22	0.20
65	0.32	0.32	0.20	0.28	0.27	0.20
66-69	0.22	0.22	0.17	0.22	0.22	0.17
70-74	0.20	0.22	0.25	0.22	0.22	0.25
75 and over	1.00	1.00	1.00	1.00	1.00	1.00

Note: For cities without a 20-year/any age retirement provision, the active employee rates for entry ages 32 and under are loaded by 20% for ages below 60.

Plan design factors applied to base retirement rates are as follows:

Employer Match	Employee Contribution Rate		
	5%	6%	7%
1 - 1	0.75	0.80	0.84
1.5 - 1	0.81	0.86	0.92
2 - 1	0.86	0.93	1.00

Recurring COLA: 1.00
 No Recurring COLA: 0.90

III. Methods and Assumptions

- A. Valuation of Assets** – For purposes of actuarial valuation, assets of the Supplemental Death Benefits Fund are valued at “fund value” (or fund balance), as these assets are pooled with those of the Pension Trust Fund under the provisions of the TMRS Act.
- B. Actuarial Cost Method** – For the Supplemental Death Benefit Fund for GASB purposes, the actuarial cost method used is the Entry Age Normal actuarial cost method. The Entry Age Normal actuarial cost method develops the annual cost of the plan in two parts: that attributable to benefits accruing in the current year, known as the normal cost, and that due to service earned prior to the current year, known as the amortization of the unfunded actuarial accrued liability. The normal cost and the actuarial accrued liability are calculated individually for each member. The normal cost rate for an employee is the contribution rate which, if applied to a member’s compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The normal cost is calculated using an entry age based on benefit service with the current city. If a member has additional time-only vesting service through service with other TMRS cities or other public agencies, they retain this for determination of benefit eligibility and decrement rates. The unfunded actuarial accrued liability reflects the difference between the portion of projected benefits attributable to service credited prior to the valuation date and assets already accumulated.

The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees’ entire careers. As such, contributions are utilized to fund active member deaths on a pay-as-you-go basis; any excess contributions and investment income over payments then become net assets available for OPEB.

IV. Other Assumptions

- 1. Inactive Population:** All non-vested members of a city are assumed to take an immediate refund if they are not contributing members in another city. Vested members not contributing in another city are assumed to take a deferred retirement benefit, except for those who have terminated in the past 12 months for whom one year of forfeiture probability is assumed. The forfeiture rates for inactive members of a city who are contributing members in another city are equal to the probability of termination multiplied by the forfeiture rates shown in II(A) and II(B), respectively. These rates are applied each year until retirement eligibility. Once a member is retirement eligible, he or she is assumed to commence benefits based on the service retirement rates shown in II(G).
- 2.** There will be no recoveries once disabled.
- 3.** Decrement timing: Decrements of all types are assumed to occur mid-year.
- 4.** Eligibility testing: Eligibility for benefits is determined based upon the age at the nearest birthday and service at the nearest whole year on the date the decrement is assumed to occur.

5. **Decrement relativity:** Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.
6. **Incidence of contributions:** Contributions are assumed to be received continuously throughout the year.
7. **Benefit service:** All members are assumed to accrue one year of eligibility service each year.
8. **The decrement rates for service related decrements are based on total TMRS eligibility service.**

Definitions (Supplemental Death Benefits Fund)

1. **Actuarial gain (loss)** — A measure of the difference between actual experience and that expected based upon the actuarial assumptions, during the period between two actuarial valuation dates, as determined in accordance with the actuarial cost method used.
2. **Actuarial accrued liability** — The actuarial present value of benefits attributable to all periods prior to the valuation date.
3. **Actuarial present value** — The value of an amount or series of amounts payable or receivable at various times, determined as of a given date (the valuation date) by the application of the actuarial assumptions.
4. **Actuarial value of assets** — The value of cash, investments, and other property belonging to the plan, as used by the actuary for the purpose of an actuarial valuation. For this OPEB plan, assets are valued at “fund value” (or fund balance) as these assets are pooled with those of the TMRS Pension Trust Fund, under the provisions of the TMRS Act.
5. **Annual required contributions (ARC)** — The employer’s periodic required contributions to the OPEB plan, calculated in accordance with GASB parameters under Statement 43.
6. **Entry Age Normal actuarial cost method** — The Entry Age Normal actuarial cost method develops the annual cost of the plan in two parts: that attributable to benefits accruing in the current year, known as the normal cost, and that due to service earned prior to the current year, known as the amortization of the unfunded actuarial accrued liability. The normal cost and the actuarial accrued liability are calculated individually for each member. The normal cost rate for an employee is the contribution rate which, if applied to a member’s compensation throughout their period of anticipated covered service, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of these rates is the total normal cost rate. The actuarial accrued liability is based on the portion of benefits attributable to service credited prior to the valuation date. Actuarial gains (losses), as they occur, reduce (or increase) the unfunded actuarial accrued liability.
7. **Funded ratio** — The actuarial value of assets expressed as a percentage of the actuarial accrued liability.

Definitions (Supplemental Death Benefits Fund)

Continued

- 8. Funding policy** — The program for the amounts and timing of contributions to be made by plan members and employers to provide the benefits specified by an OPEB plan.
- 9. Other post-employment benefits (OPEB)** — Post-employment benefits other than pension benefits. Specifically, for TMRS, the \$7,500 Supplemental Death Benefit payable to the retirees of municipalities that have elected to offer this benefit.
- 10. Projected Unit Credit actuarial cost method** — A method under which the benefits of each individual included in the valuation are allocated by a consistent formula to valuation years based on years of service. Benefits are allocated equally to each year of service over the individual's career from hire to retirement. Normal costs are based on the portion of the benefit allocated to the year following the valuation year. Accrued liabilities are based on benefits allocated to the time preceding the date of the actuarial valuation. Under this method, actuarial gains (or losses), as they occur, reduce (or increase) the unfunded actuarial liability.
- 11. Supplemental death contribution rate** — The actuarial present value of Supplemental Death Benefits expected to be paid during the coming year, expressed as a percentage of the covered payroll. The benefits include those payable to both active and retired participants after retirement, under the provisions adopted by each municipality.
- 12. Unfunded actuarial accrued liability** — The excess of the actuarial accrued liability over the actuarial value of assets.

Summary of Actuarial Liabilities & Funding Progress (Supplemental Death Benefits Fund)

(Amounts in Millions of Dollars)						
Annual Report Year	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1) / (2)	Unfunded AAL (UAAL) (2) - (1)	Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
	(1)	(2)	(3)	(4)	(5)	(6)
2009	\$ 27.2	\$ 139.1	19.6 %	\$ 111.9	\$ 3,148.4	3.5 %
2010	27.1	147.7	18.3	120.6	3,103.5	3.9
2011	27.7	139.2	19.9	111.5	3,129.2	3.6
2012	25.7	147.9	17.4	122.2	3,233.4	3.8
2013	23.9	130.0	18.4	106.1	3,363.3	3.2
2014	22.7	145.4	15.6	122.7	3,526.1	3.5

Each city participating in TMRS may elect, by ordinance, to offer supplemental death benefits for their active employees, including or not including retirees. The aggregate numbers shown above reflect the aggregate condition of TMRS OPEB benefits.

Statistical



Statistical Section Overview

Information in this section is presented consistent with the provisions of GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*. The objective of the Statistical Section is to provide statement users with additional historical perspective, context, and detail to assist in using the information in the Financial Statements, Notes to Financial Statements, and Required Supplementary Information to understand and assess a government's economic condition.

The Schedule of Changes in Fiduciary Net Position is presented for the ten-year period ending December 31, 2014. Trend information presented in this schedule is extracted from the Statements of Changes in Fiduciary Net Position located in the Financial Section of this report.

The Schedule of Average Benefit Payments over the last ten years provides information on the average monthly benefit and number of retired members categorized in five-year increments of credited service.

The Schedule of Retired Members by Type of Benefit presents data about the major plan options selected by current retired members. Numbers of retired members are organized by ranges of benefit levels and by major plan features or options.

For multiple-employer plans, a Schedule of Principal Participating Employers for the current period and nine years prior is required. This schedule shows each employer's number of covered employees and each employer's percentage of total covered employees for the top ten participating employers.

The Plan Provisions For Participating Municipalities presents a summary of provisions in effect as of December 31, 2014 for each participating municipality.

Schedule of Changes in Fiduciary Net Position

Pension Trust Fund • Schedule of Changes in Fiduciary Net Position • Last Ten Fiscal Years For the Year Ended December 31

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Additions to net position by source										
Employer contributions	\$ 446,302,458	\$ 470,710,457	\$ 512,946,909	\$ 567,236,252	\$ 641,747,222	\$ 679,270,766	\$ 703,778,739	\$ 664,852,429	\$ 681,469,222	\$ 719,904,310
Member contributions	241,695,424	257,268,310	275,982,103	297,953,970	313,475,829	315,643,308	318,986,168	327,363,043	339,906,924	355,413,935
Net investment income (loss)	1,218,108,721	130,492,337	1,079,627,010	(261,043,208)	1,483,308,952	1,496,328,020	434,765,653	1,863,280,541	1,974,888,477	1,285,344,179
Other	14,781	-	-	-	-	32,109	24,289	13,962	17,961	29,491
Total additions to net position	1,906,121,384	858,471,104	1,868,556,022	604,147,014	2,438,532,003	2,491,274,203	1,457,554,849	2,855,509,975	2,996,282,584	2,360,691,915
Deductions from plan net position by type										
Benefit payments	391,279,705	435,307,270	482,329,053	530,045,818	580,156,863	619,236,211	675,504,722	729,636,554	794,458,670	861,959,010
Disability retirements	13,477,860	14,177,858	14,449,226	14,806,934	15,394,675	15,469,400	15,923,372	16,049,912	16,469,149	16,873,699
Distributive benefits	13,388,067	11,146,810	-	-	-	-	-	-	-	-
Partial lump sum distributions	96,927,134	94,203,122	99,394,156	103,177,637	90,140,135	108,761,489	118,889,171	119,250,573	135,568,703	149,739,411
Total benefit payments	515,072,766	554,835,060	596,172,435	648,030,389	685,691,673	743,467,100	810,317,265	864,937,039	946,496,522	1,028,572,120
Refunds	47,886,445	48,497,888	50,722,429	48,205,272	43,917,853	48,385,106	55,050,211	56,756,327	56,856,706	58,174,242
Withdrawal/Ineligibility	674,821	493,236	1,899,514	881,547	1,389,635	656,521	616,077	1,086,396	870,968	548,881
Death	48,561,266	48,991,124	52,621,943	49,086,819	45,307,488	49,041,627	55,666,288	57,842,723	57,727,674	58,723,123
Total refunds	9,677,961	11,176,096	11,504,442	11,672,174	10,509,869	10,634,956	11,439,672	12,114,375	12,821,721	13,419,567
Administrative expenses	972,686	1,062,425	1,168,506	1,229,567	1,304,784	1,312,293	1,331,570	1,310,740	1,202,065	1,132,803
Income allocation to Supplemental Death Benefits Fund	-	-	67,161	27,675	4,317	-	-	-	-	-
Other	574,284,679	616,064,705	661,534,487	710,046,624	742,818,131	804,455,976	878,754,795	936,204,877	1,018,247,982	1,101,847,613
Total deductions from net position	\$ 1,331,836,705	\$ 242,406,399	\$ 1,207,021,535	\$ (105,899,610)	\$ 1,695,713,872	\$ 1,686,818,227	\$ 578,800,054	\$ 1,919,305,098	\$ 1,978,034,602	\$ 1,258,844,302
Net increase/(decrease) in net position										

Schedule of Changes in Fiduciary Net Position

Continued

Supplemental Death Benefits Fund Schedule of Changes in Fiduciary Net Position - Last Ten Fiscal Years For the Year Ended December 31

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Additions to net position by source										
Employer contributions	\$6,248,373	\$6,741,818	\$7,397,969	\$8,143,084	\$7,066,638	\$6,465,510	\$6,978,502	\$5,248,375	\$5,673,095	\$6,126,769
Income allocation from Pension Trust Fund	972,686	1,062,425	1,168,506	1,229,567	1,304,784	1,312,293	1,331,570	1,310,740	1,202,065	1,132,803
Total additions to net position	7,221,059	7,804,243	8,566,475	9,372,651	8,371,422	7,777,803	8,310,072	6,559,115	6,875,160	7,259,572
Deductions from net position by type										
Supplemental death benefits - active	3,008,086	2,895,317	3,842,128	4,676,623	4,103,254	4,230,688	4,063,675	5,001,559	4,462,634	4,164,899
Supplemental death benefits - retiree	2,847,500	2,871,616	3,002,500	3,268,402	3,223,750	3,652,500	3,562,500	3,618,125	4,187,500	4,285,094
Total deductions from net position	5,855,586	5,766,933	6,844,628	7,945,025	7,327,004	7,883,188	7,626,175	8,619,684	8,650,134	8,449,993
Net increase/(decrease) in net position	\$1,365,473	\$2,037,310	\$1,721,847	\$1,427,626	\$1,044,418	\$(105,385)	\$683,897	\$(2,060,569)	\$(1,774,974)	\$(1,190,421)

Schedule of Average Benefit Payments

Retirement Effective Dates • Jan. 1, 2005 — Dec. 31, 2014

For Year Ended December 31:	Years Credited Service						
	0-<5	5-<10	10-<15	15-<20	20-<25	25-<30	30 +
2005							
Average Monthly Benefit	\$153.90	\$312.70	\$664.48	\$1,004.01	\$1,260.53	\$1,975.37	\$2,904.19
Number of Active Retirees	43	190	234	267	660	503	448
2006							
Average Monthly Benefit	\$169.28	\$333.08	\$727.00	\$1,049.54	\$1,289.78	\$1,879.44	\$2,861.16
Number of Active Retirees	66	243	259	299	687	497	398
2007							
Average Monthly Benefit	\$159.32	\$310.85	\$704.23	\$978.74	\$1,376.86	\$1,992.61	\$2,976.80
Number of Active Retirees	56	257	288	310	654	488	412
2008							
Average Monthly Benefit	\$165.91	\$320.16	\$777.41	\$1,078.26	\$1,303.02	\$2,089.79	\$3,246.20
Number of Active Retirees	73	250	325	283	639	484	445
2009							
Average Monthly Benefit	\$155.89	\$365.77	\$699.60	\$1,117.62	\$1,399.44	\$2,101.03	\$3,256.80
Number of Active Retirees	68	244	301	303	574	438	382
2010							
Average Monthly Benefit	\$179.95	\$374.28	\$775.66	\$1,086.18	\$1,414.72	\$2,086.73	\$3,402.20
Number of Active Retirees	87	296	365	321	614	483	527
2011							
Average Monthly Benefit	\$192.08	\$364.59	\$773.29	\$1,144.72	\$1,438.07	\$2,191.75	\$3,634.16
Number of Active Retirees	85	337	337	335	658	519	540
2012							
Average Monthly Benefit	\$209.76	\$370.74	\$837.42	\$1,253.33	\$1,525.77	\$2,267.20	\$3,598.25
Number of Active Retirees	102	353	406	319	641	488	634
2013							
Average Monthly Benefit	\$218.94	\$402.34	\$837.41	\$1,226.22	\$1,535.92	\$2,246.41	\$3,463.35
Number of Active Retirees*	88	426	455	370	675	577	656
2014							
Average Monthly Benefit	\$223.90	\$429.36	\$860.37	\$1,340.43	\$1,597.50	\$2,386.99	\$3,940.89
Number of Active Retirees*	111	427	471	385	770	619	812

* Excludes 80 retirees in 2014 electing a “cash out” in lieu of a monthly benefit.

Note: The above schedule does not include information about the average final average salary. Such information is not relevant to TMRS as the annuity payment is not based on the individual’s final salary.

Schedule of Retired Members by Type of Benefit

Amount of Monthly Benefit	Annuity Recipients		Type of Benefit		Life Only		Survivor Lifetime Options				Guaranteed Term Options			
	Retirees	Beneficiary	Service	Disability	Retiree	Alternate	100%	75%	50%	2/3	5 yrs	10 yrs	15 yrs	
\$ 0 - 100	680	119	710	89	160	132	351	15	57	13	24	15	32	
\$ 101- 500	7,422	1,742	8,516	648	2,280	672	3,181	270	976	181	485	359	760	
\$ 501-1,000	8,681	1,679	9,851	509	2,348	301	3,511	450	1,420	305	734	439	852	
\$ 1,001-1,500	7,308	1,098	8,188	218	1,894	128	2,857	464	1,271	268	564	290	670	
\$ 1,501- 2,000	5,059	601	5,586	74	1,267	46	1,805	360	882	243	388	243	426	
\$ 2,001- 2,500	3,619	370	3,954	35	928	21	1,205	265	658	198	299	138	277	
\$ 2,501- 3,000	2,571	236	2,800	7	649	7	807	200	522	131	221	93	177	
\$ 3,001- 3,500	1,884	150	2,031	3	488	9	523	170	383	96	173	69	123	
\$ 3,501- 4,000	1,273	79	1,347	5	337	1	315	126	246	68	123	58	78	
\$ 4,001 & Over	3,182	129	3,309	2	849	3	691	415	695	128	239	108	183	
Subtotals	41,679	6,203	46,292	1,590	11,200	1,320	15,246	2,735	7,110	1,631	3,250	1,812	3,578	
Totals	47,882		47,882											47,882

Note: Excluded from this schedule are 694 retirees who retired with a “cash out” in lieu of a monthly annuity, and who remain eligible for the retiree supplemental death benefit.

Retiree Life Only — A retirement annuity payable monthly as long as the retiree lives. Upon the retiree’s death, all payments will cease even though the retiree may have received only one monthly payment.*

Retiree Life – 100% Survivor Benefit — A retirement annuity payable throughout the life of the retiree. Upon the death of the retiree, the same amount is payable throughout the life of the designated beneficiary. If the beneficiary dies before the retiree, the monthly payments the retiree will receive after that will be increased to the amount that would have been payable throughout the retiree’s lifetime only (Retiree Life Only).*

Retiree Life – 75% Survivor Benefit — A retirement annuity payable throughout the life of the retiree. Upon the death of the retiree, $\frac{3}{4}$ the amount is payable throughout the life of the designated beneficiary. If the beneficiary dies before the retiree, the monthly payments the retiree will receive after that will be increased to the amount that would have been payable throughout the retiree’s lifetime only (Retiree Life Only).*

Retiree Life – 50% Survivor Benefit — A retirement annuity payable throughout the life of the retiree. Upon the death of the retiree, $\frac{1}{2}$ the amount is payable throughout the life of the designated beneficiary. If the beneficiary dies before the retiree, the monthly payments the retiree will receive after that will be increased to the amount that would have been payable throughout the retiree’s lifetime only (Retiree Life Only).*

Retiree Life – 2/3 Survivor Benefit (no longer available) — A retirement annuity payable throughout the life of the retiree. Upon the death of the retiree, $\frac{2}{3}$ the amount is payable throughout the life of the designated beneficiary. If the beneficiary dies before the retiree, the monthly payments the retiree will receive after that will be increased to the amount that would have been payable throughout the retiree’s lifetime only (Retiree Life Only).*

Retiree Life – 5 Years Guaranteed — A retirement annuity payable throughout the life of the retiree. If the retiree dies before the expiration of a 5-year period after the date of retirement, the designated beneficiary, or if one does not exist, the retiree’s estate, will receive the same amount for the balance of the 5-year period, and then all payments cease.*

Retiree Life – 10 Years Guaranteed — A retirement annuity payable throughout the life of the retiree. If the retiree dies before the expiration of a 10-year period after the date of retirement, the designated beneficiary, or if one does not exist, the retiree’s estate, will receive the same amount for the balance of the 10-year period, and then all payments cease.*

Retiree Life – 15 Years Guaranteed — A retirement annuity payable throughout the life of the retiree. If the retiree dies before the expiration of a 15-year period after the date of retirement, the designated beneficiary, or if one does not exist, the retiree’s estate, will receive the same amount for the balance of the 15-year period, and then all payments cease.*

* If all eligible recipients die before receiving benefits at least equal to the member deposits and interest in the retiree’s account at the time of retirement, the remaining balance will be paid to the retiree’s estate or beneficiary. If the retiree elected to receive a partial lump sum distribution, the amount of that distribution will reduce the member deposits and interest used for this calculation.

Schedule of Principal Participating Employers

Pension Trust Fund Current Year and Nine Years Ago

Participating Municipality	2014			2005		
	Rank	Current Employee Accounts	Percentage of Total	Rank	Current Employee Accounts	Percentage of Total
San Antonio	1	6,266	6.0 %	1	6,286	7.9 %
Arlington	2	2,462	2.4	3	2,289	2.9
Corpus Christi	3	2,245	2.2	2	2,591	3.3
Plano	4	2,200	2.1	5	1,970	2.5
Laredo	5	2,003	1.9	6	1,854	2.3
Garland	6	1,949	1.9	4	1,987	2.5
Amarillo	7	1,764	1.7	9	1,559	2.0
Lubbock	8	1,683	1.6	8	1,578	2.0
San Antonio Water System	9	1,648	1.6	7	1,595	2.0
Waco	10	1,513	1.5	11	1,453	1.8
All other		80,286	77.1		56,240	70.8
Total		104,019	100.0 %		79,402	100.0 %

Supplemental Death Benefits Fund Current Year and Nine Years Ago

Participating Municipality	2014					2005				
	Rank	Current Employee Accounts	Annuitant Accounts	Total Accounts	Percentage of Total	Rank	Current Employee Accounts	Annuitant Accounts	Total Accounts	Percentage of Total
Arlington	1	2,462	1,207	3,669	3.9 %	1	2,248	719	2,967	3.9 %
Garland	2	1,949	935	2,884	3.1	2	1,962	595	2,557	3.3
Laredo	3	2,003	664	2,667	2.9	3	1,845	381	2,226	2.9
Irving	4	1,383	660	2,043	2.2	4	1,460	311	1,771	2.3
Grand Prairie	5	1,166	483	1,649	1.8	7	1,089	233	1,322	1.7
Abilene	6	1,002	586	1,588	1.7	6	966	395	1,361	1.8
Brownsville	7	1,142	378	1,520	1.6	8	1,022	215	1,237	1.6
Pasadena	8	960	557	1,517	1.6	5	991	405	1,396	1.8
Denton	9	1,156	360	1,516	1.6	10	940	219	1,159	1.5
Killeen	10	1,017	342	1,359	1.5	12	696	166	862	1.1
All other		54,733	18,397	73,130	78.1		49,355	10,565	59,920	78.1
Total		68,973	24,569	93,542	100.0 %		62,574	14,204	76,778	100.0 %

Plan Provisions For Participating Municipalities

Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Abernathy	5%	1-1	100 T	1995R	30	1995R		
Abilene	7%	2-1	100 T	2004R	50	2012	1-90	
Addison	7%	2-1	100 T	1994R	70	2015	12-88	11-09-88
Alamo	5%	1.5-1	100 T	2007R	70	2007R		12-17-02
Alamo Heights	6%	2-1	100 T	2006R	70	2006R	1-99	
Alba	5%	1-1						
Albany	5%	1.5-1	100 T	2014R			9-98	
Aledo	7%	2-1						
Alice	5%	2-1	100 T	1999R	70	1999R		
Allen	7%	2-1	100 T	1997R	70	1997R	1-88	5-11-04
Alpine	5%	2-1	100	1988	70	1988		
Alto	7%	2-1	100 T	1998R	70	1998R		
Alton	7%	2-1	100 T	2000R	70	2000R		8-15-00
Alvarado	6%	2-1						
Alvin	7%	2-1	100 T	2008R	70	2008R	10-87	10-01-92
Alvord	5%	2-1	100	2008				
Amarillo	7%	2-1	100	2013R	70	2010	1-86	9-19-06
Amherst	5%	1-1	100	2001R	70	2001R		
Anahuac	5%	2-1	100 T	2002R	70	2002R	10-06	
Andrews	7%	2-1	100 T	1997R	70	1997R	10-02	
Angleton	6%	2-1	100 T	2002R	70	2002R	1-04	8-17-93
Anna	7%	2-1	100 T	2007R	70	2007R		
Annetta	7%	1-1						
Anson	5%	1-1						
Anthony	5%	1-1						
Aransas Pass	6%	2-1	100 T	2002R	70	2002R	10-89	
Archer City	5%	1.5-1						
Argyle	7%	2-1	100 T	2003R	70	2003R	12-02	6-28-05
Arlington	7%	2-1	100 T	1998R	50	2011R	1-89	3-13-01
Arp	5%	1-1	100	1994R				
Aspermont	5%	1-1	100	1989				
Athens	7%	2-1	100 T	2005R	70	2005R	6-84	12-26-89
Atlanta	5%	1-1	100 T	1994R	70	1999R		
Aubrey	7%	1.5-1	100	1990				
Avinger	7%	1-1						
Azle	6%	2-1	100 T	2001R	70	2001R		
Baird	5%	1-1						
Balch Springs	7%	2-1	100 T	2003R	70	2003R	4-99	
Balcones Heights	7%	2-1	100 T	2006R	70	2006R	11-93	2-14-94
Ballinger	5%	1-1	100 T	1993R	70	1993R		3-05-07

Plan Provisions For Participating Municipalities

Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 25 yrs/any age	7-02	X	X	7.50%	Abernathy	00004
5 yrs	5 yrs/age 60, 20 yrs/any age	1-95	X	X	REMOVED	Abilene	00006
5 yrs	5 yrs/age 60, 20 yrs/any age	5-92	X	X	15.50%	Addison	00007
5 yrs	5 yrs/age 60, 20 yrs/any age	1-03	X	X	9.50%	Alamo	00010
5 yrs	5 yrs/age 60, 20 yrs/any age	1-99	X	X	REMOVED	Alamo Heights	00012
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Alba	00014
10 yrs	10 yrs/age 60, 25 yrs/any age	9-98	X	X	9.50%	Albany	00016
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Aledo	00017
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98			11.50%	Alice	00018
5 yrs	5 yrs/age 60, 20 yrs/any age	3-96	X	X	REMOVED	Allen	00019
5 yrs	5 yrs/age 60, 20 yrs/any age	4-99	X	X	11.50%	Alpine	00020
5 yrs	5 yrs/age 60, 25 yrs/any age	1-09	X	X	13.50%	Alto	00022
5 yrs	5 yrs/age 60, 25 yrs/any age	4-99	X	X	13.50%	Alton	00023
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Alvarado	00024
5 yrs	5 yrs/age 60, 20 yrs/any age	5-92	X	X	REMOVED	Alvin	00026
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Alvord	00028
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92			REMOVED	Amarillo	00030
5 yrs	5 yrs/age 60, 20 yrs/any age	9-00			REMOVED	Amherst	00032
5 yrs	5 yrs/age 60, 25 yrs/any age	10-06	X	X	REMOVED	Anahuac	00034
10 yrs	10 yrs/age 60, 25 yrs/any age				REMOVED	Andrews	00036
10 yrs	10 yrs/age 60, 20 yrs/any age		X	X	12.50%	Angleton	00038
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Anna	00040
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Annetta	00041
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Anson	00044
5 yrs	5 yrs/age 60, 20 yrs/any age	12-05	X	X	REMOVED	Anthony	00045
10 yrs	10 yrs/age 60, 20 yrs/any age	10-91	X	X	REMOVED	Aransas Pass	00048
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Archer City	00050
5 yrs	5 yrs/age 60, 20 yrs/any age	12-02			REMOVED	Argyle	00051
5 yrs	5 yrs/age 60, 20 yrs/any age	1-93	X	X	REMOVED	Arlington	00052
5 yrs	5 yrs/age 60, 25 yrs/any age	1-92	X	X	7.50%	Arp	00054
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Aspermont	00060
5 yrs	5 yrs/age 60, 20 yrs/any age	1-00	X	X	REMOVED	Athens	00062
5 yrs	5 yrs/age 60, 20 yrs/any age	5-09	X	X	7.50%	Atlanta	00064
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Aubrey	00066
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Avinger	00074
5 yrs	5 yrs/age 60, 20 yrs/any age	5-96	X	X	12.50%	Azle	00075
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Baird	00077
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98	X	X	REMOVED	Balch Springs	00078
5 yrs	5 yrs/age 60, 20 yrs/any age	10-95	X	X	REMOVED	Balcones Heights	00079
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	7.50%	Ballinger	00080

Plan Provisions For Participating Municipalities

Continued

Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Balmoreha	5%	1-1						
Bandera	7%	2-1	100 T	2000R	70	2000R		
Bangs	7%	2-1	100 T	1998R	70	1998R		
Bartlett	7%	1.5-1	100 T	2014R	70	2014R		
Bartonville	7%	2-1	100 T	2012	70	2012		12-20-05
Bastrop	6%	2-1	100 T	2004R	70	2004R		
Bay City	5%	2-1	100 T	1992R	70	1992R	1-84	
Bayou Vista	5%	1.5-1						
Baytown	7%	2-1	100 T	1993R	70	1993R	11-84	1-28-88
Beaumont	7%	2-1	100 T	2012R	70	2012R	1-89	9-12-95
Bedford	5%	2-1						
Bee Cave	7%	2-1	100 T	2001R				
Beeville	5%	2-1	30	1991				
Bellaire	7%	2-1	100 T	2001R	70	2001R		
Bellmead	6%	2-1	100 T	1998R	70	1998R		
Bells	5%	1-1	100	1993				
Bellville	5%	2-1	100 T	1996R	70	1996R	1-90	9-19-94
Belton	5%	2-1	100 T	2004R	30	2004R	9-91	
Benbrook	7%	2-1	100 T	2000R	70	2000R		
Berryville	7%	1-1						
Bertram	5%	1-1					10-01	
Big Lake	7%	2-1	100 T	2014R	70	2014R		
Big Sandy	5%	1-1						
Big Spring	7%	2-1	100 T	1999R	70	1999R	1-90	7-10-01
Bishop	5%	1-1	100 T	2010R	70	2010R		
Blanco	5%	1-1						
Blooming Grove	5%	2-1	100 T	2002R				
Blossom	5%	2-1	100 T	1996R				
Blue Mound	5%	2-1						
Blue Ridge	7%	1-1						
Boerne	7%	2-1	100 T	2006R	70	2006R	12-02	11-26-02
Bogata	5%	1-1						
Bonham	6%	1.5-1	100 T	2008R	50	1976		5-06-96
Booker	5%	1.5-1	100	1992R	70	1992R		
Borger	7%	2-1	100 T	1998R	70	2005R	5-99	1-04-88
Bovina	5%	1-1	50	1990				
Bowie	5%	2-1	100	1992R	70	1992R	10-00	
Boyd	7%	1.5-1						
Brady	6%	2-1	100 T	2012R	70	2012R		
Brazoria	5%	2-1	100 T	1997R	70	1997R		

Plan Provisions For Participating Municipalities

Continued

Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Balmorhea	00082
5 yrs	5 yrs/age 60, 25 yrs/any age	1-98	X	X	REMOVED	Bandera	00083
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Bangs	00084
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	11.50%	Bartlett	00090
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Bartonville	00091
5 yrs	5 yrs/age 60, 25 yrs/any age	10-01	X	X	12.50%	Bastrop	00092
5 yrs	5 yrs/age 60, 25 yrs/any age	12-05	X	X	11.50%	Bay City	00094
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Bayou Vista	00093
5 yrs	5 yrs/age 60, 20 yrs/any age	1-96	X	X	REMOVED	Baytown	00096
5 yrs	5 yrs/age 60, 20 yrs/any age	11-96			REMOVED	Beaumont	00098
5 yrs	5 yrs/age 60, 20 yrs/any age				REMOVED	Bedford	00100
5 yrs	5 yrs/age 60, 25 yrs/any age	10-99	X	X	13.50%	Bee Cave	00101
5 yrs	5 yrs/age 60, 25 yrs/any age	3-12			11.50%	Beeville	00102
5 yrs	5 yrs/age 60, 20 yrs/any age	3-00	X	X	REMOVED	Bellaire	00106
5 yrs	5 yrs/age 60, 25 yrs/any age	12-11	X	X	12.50%	Bellmead	00109
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Bells	00110
5 yrs	5 yrs/age 60, 20 yrs/any age	7-92	X	X	REMOVED	Bellville	00112
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98	X	X	11.50%	Belton	00114
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	REMOVED	Benbrook	00118
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Berryville	00121
5 yrs	5 yrs/age 60, 20 yrs/any age	10-01			7.50%	Bertram	00123
10 yrs	10 yrs/age 60, 20 yrs/any age	9-97	X	X	REMOVED	Big Lake	00124
5 yrs	5 yrs/age 60, 20 yrs/any age	2-09	X	X	7.50%	Big Sandy	00126
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Big Spring	00128
5 yrs	5 yrs/age 60, 20 yrs/any age	8-07	X	X	11.50%	Bishop	00132
5 yrs	5 yrs/age 60, 20 yrs/any age	10-05	X	X	7.50%	Blanco	00134
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	11.50%	Blooming Grove	00140
5 yrs	5 yrs/age 60, 25 yrs/any age	11-00	X	X	11.50%	Blossom	00142
5 yrs	5 yrs/age 60, 20 yrs/any age	12-10	X	X	REMOVED	Blue Mound	00143
5 yrs	5 yrs/age 60, 20 yrs/any age	5-02	X	X	REMOVED	Blue Ridge	00144
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Boerne	00148
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	7.50%	Bogata	00150
5 yrs	5 yrs/age 60, 25 yrs/any age	6-96			10.50%	Bonham	00152
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Booker	00154
10 yrs	10 yrs/age 60, 20 yrs/any age	1-98	X	X	REMOVED	Borger	00156
5 yrs	5 yrs/age 60, 25 yrs/any age	12-09	X	X	7.50%	Bovina	00158
5 yrs	5 yrs/age 60, 20 yrs/any age	5-02	X	X	11.50%	Bowie	00160
5 yrs	5 yrs/age 60, 25 yrs/any age				11.50%	Boyd	00162
5 yrs	5 yrs/age 60, 25 yrs/any age	7-01	X	X	12.50%	Brady	00166
5 yrs	5 yrs/age 60, 25 yrs/any age	5-03	X	X	11.50%	Brazoria	00170

Plan Provisions For Participating Municipalities

Continued

Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Breckenridge	5%	1.5-1	100 T	1993R	70	1993R		
Bremond	7%	2-1	100	2014				
Brenham	5%	2-1	100 T	2015	70	2015		
Bridge City	7%	2-1	100 T	2004R	70	2004R		12-04-90
Bridgeport	7%	2-1	100 T	2007R	70	2007R	11-03	
Bronte	6%	1-1	50 T	2012R				
Brookshire	5%	2-1	100	1992R	30	2013R	10-87	
Brownfield	5%	2-1	100 T	1992R	50	1992R	1-82	12-01-05
Brownsville	7%	2-1	100 T	1996R	70	1996R	10-89	
Brownsville PUB	7%	1.5-1	100 T	1996R	70	1996R	1-87	
Brownwood	7%	2-1	100 T	1994R	70	1994R		2-27-01
Brownwood Health Dept.	7%	2-1	70 T	1994R				
Brownwood Public Library	5%	2-1						
Bruceville-Eddy	7%	1.5-1	100 T	2000R				
Bryan	7%	2-1	100 T	2002R	50	2013R	12-89	8-23-05
Bryson	5%	1.5-1						
Buda	7%	2-1	100 T	2007R	70	2007R		
Buffalo	5%	2-1						2-14-00
Bullard	5%	2-1	100	2009R				8-11-05
Bulverde	6%	2-1	100 T	2005R				
Bunker Hill Village	7%	2-1	100 T	1998R	70	2009		
Burkburnett	7%	2-1	100 T	2003R	70	2008	9-89	8-21-89
Burleson	7%	2-1	100 T	1996R	70	1996R	1-90	
Burnet	7%	2-1	100 T	1997R	70	1997R	6-90	
Cactus	6%	1.5-1						
Caddo Mills	5%	1.5-1						
Caldwell	5%	2-1	100 T	2000R	50	2000R	2-04	
Calvert	5%	1-1						
Cameron	5%	1.5-1	100 T	2013R	70	2013R	5-93	
Canadian	7%	2-1	100 T	2001R	70	2001R		
Canton	7%	2-1	100 T	2011R	30	2011R	10-92	
Canyon	7%	2-1	100 T	1992R	70	1992R	9-87	8-23-99
Carmine	5%	1-1	100 T	1993R	70	1993R		
Carrizo Springs	5%	1.5-1	100 T	1992R	70	1992R		
Carrollton	7%	2-1	75	2009R	50	2010R		
Carthage	7%	2-1	100 T	1992R	70	1993R	2-01	5-08-06
Castle Hills	7%	1.5-1	100 T	2001R	70	2001R	1-91	
Castroville	5%	2-1	100	1994R	70	1994R		
Cedar Hill	7%	2-1	100 T	2000R	50	2013R	1-91	10-13-92
Cedar Park	7%	2-1	100 T	2002R				

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Breckenridge	00172
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Bremond	00174
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98			11.50%	Brenham	00176
10 yrs	10 yrs/age 60, 20 yrs/any age	3-95	X	X	REMOVED	Bridge City	00177
5 yrs	5 yrs/age 60, 20 yrs/any age	11-03	X	X	13.50%	Bridgeport	00178
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Bronte	00180
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Brookshire	00182
10 yrs	10 yrs/age 60, 20 yrs/any age	1-06			REMOVED	Brownfield	00184
5 yrs	5 yrs/age 60, 20 yrs/any age	2-99	X	X	REMOVED	Brownsville	10188
5 yrs	5 yrs/age 60, 20 yrs/any age	6-96	X	X	REMOVED	Brownsville PUB	20188
5 yrs	5 yrs/age 60, 20 yrs/any age	4-98			REMOVED	Brownwood	10190
5 yrs	5 yrs/age 60, 20 yrs/any age	4-09			REMOVED	Brownwood Health Dept.	30190
5 yrs	5 yrs/age 60, 20 yrs/any age				11.50%	Brownwood Public Library	20190
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Bruceville-Eddy	00195
5 yrs	5 yrs/age 60, 20 yrs/any age	8-95			REMOVED	Bryan	00192
5 yrs	5 yrs/age 60, 25 yrs/any age				9.50%	Bryson	00193
5 yrs	5 yrs/age 60, 20 yrs/any age	4-03	X	X	13.50%	Buda	00194
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Buffalo	00196
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Bullard	00198
5 yrs	5 yrs/age 60, 20 yrs/any age	12-06	X	X	REMOVED	Bulverde	00203
5 yrs	5 yrs/age 60, 25 yrs/any age	10-94	X	X	REMOVED	Bunker Hill Village	00199
10 yrs	10 yrs/age 60, 20 yrs/any age	1-03	X	X	REMOVED	Burkburnett	00200
5 yrs	5 yrs/age 60, 20 yrs/any age	1-94	X	X	REMOVED	Burleson	00202
10 yrs	10 yrs/age 60, 20 yrs/any age	6-00	X	X	13.50%	Burnet	00204
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	10.50%	Cactus	00207
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Caddo Mills	00208
10 yrs	10 yrs/age 60, 20 yrs/any age		X	X	11.50%	Caldwell	00210
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Calvert	00212
5 yrs	5 yrs/age 60, 20 yrs/any age	1-95	X	X	REMOVED	Cameron	00214
10 yrs	10 yrs/age 60, 20 yrs/any age	10-96	X	X	REMOVED	Canadian	00220
5 yrs	5 yrs/age 60, 20 yrs/any age	8-97	X	X	REMOVED	Canton	00222
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	REMOVED	Canyon	00224
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Carmine	00227
10 yrs	10 yrs/age 60, 25 yrs/any age		X	X	9.50%	Carrizo Springs	00228
5 yrs	5 yrs/age 60, 20 yrs/any age	12-91			REMOVED	Carrollton	00230
5 yrs	5 yrs/age 60, 20 yrs/any age	4-98	X	X	REMOVED	Carthage	00232
5 yrs	5 yrs/age 60, 20 yrs/any age	2-98	X	X	REMOVED	Castle Hills	00231
5 yrs	5 yrs/age 60, 20 yrs/any age	4-97	X	X	11.50%	Castroville	00234
5 yrs	5 yrs/age 60, 20 yrs/any age	4-96	X	X	REMOVED	Cedar Hill	00238
5 yrs	5 yrs/age 60, 20 yrs/any age	6-94	X	X	13.50%	Cedar Park	00239

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Celeste	5%	1-1						
Celina	7%	2-1						
Center	7%	2-1	100 T	2008R	70	2008R		
Centerville	7%	2-1	50 T	2015				
Chandler	5%	1-1						
Charlotte	3%	2-1	100 T	2003R	70	2003R		
Chester	6%	2-1	100	1988	70	1988		
Chico	5%	1-1						
Childress	7%	2-1	100 T	2005R	70	2005R	10-96	
Chireno	7%	2-1	100	2000R	70	2000R	7-89	
Christine	5%	1-1						
Cibolo	7%	2-1	100 T	2005R	70	2005R		
Cisco	5%	1.5-1	100 T	1999R	50	2000R	8-97	3-13-03
Clarendon	5%	1-1						
Clarksville	5%	2-1	100	1992R	70	1992R		4-18-00
Clarksville City	7%	2-1	100	2015				
Clear Lake Shores	6%	2-1	100 T	2008R	70	2008R		
Cleburne	7%	2-1	100 T	1992R	50	2012R	1-83	5-27-14
Cleveland	5%	2-1	100 T	2008R	70	2008R		
Clifton	5%	1-1	100 T	1992R				
Clute	7%	2-1	100 T	1992R	70	1992R	11-02	7-22-04
Clyde	7%	2-1	100 T	2002R	70	2002R		
Coahoma	5%	2-1	100 T	1992R			6-91	
Cockrell Hill	7%	2-1	100 T	1996R	70	1996R	6-97	12-18-01
Coleman	7%	2-1	100 T	2003R	50	2003R		
College Station	7%	2-1	75 T	2013R	50	2013R	1-89	6-08-06
Colleyville	7%	2-1	100 T	2003R	70	2011	1-86	
Collinsville	6%	1-1						
Colmesneil	5%	2-1	50	2013				
Colorado City	6%	2-1	100 T	2002R	70	2002R	9-93	
Columbus	6%	2-1	100 T	2008R	70	2008R		
Comanche	5%	1-1	100 T	1992R	70	1992R		
Commerce	5%	2-1	100 T	1993R	70	1993R		
Conroe	7%	2-1	100 T	1992R	70	1992R		6-02-88
Converse	7%	2-1	100 T	1996R	70	1996R	5-94	
Cooper	6%	1-1	100	2008R				
Coppell	7%	2-1	100 T	1995R	70	1995R	5-93	12-14-04
Copper Canyon	7%	2-1						
Copperas Cove	6%	2-1	100 T	2002R	70	2002R	11-93	10-05-93
Corinth	7%	2-1	100 T	2007R	70	2007R		3-02-06

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Celeste	00240
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	13.50%	Celina	00242
5 yrs	5 yrs/age 60, 20 yrs/any age	5-06	X	X	REMOVED	Center	00244
5 yrs	5 yrs/age 60, 25 yrs/any age				REMOVED	Centerville	00246
5 yrs	5 yrs/age 60, 20 yrs/any age	10-08	X	X	REMOVED	Chandler	00247
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Charlotte	00248
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Chester	00249
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Chico	00245
5 yrs	5 yrs/age 60, 20 yrs/any age	10-96	X	X	REMOVED	Childress	00250
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Chireno	00253
5 yrs	5 yrs/age 60, 25 yrs/any age				REMOVED	Christine	00254
5 yrs	5 yrs/age 60, 20 yrs/any age	6-98	X	X	13.50%	Cibolo	00255
5 yrs	5 yrs/age 60, 20 yrs/any age		X		9.50%	Cisco	00256
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	7.50%	Clarendon	00258
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Clarksville	00259
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Clarksville City	00260
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	12.50%	Clear Lake Shores	00263
5 yrs	5 yrs/age 60, 20 yrs/any age	9-05	X	X	REMOVED	Cleburne	00264
5 yrs	5 yrs/age 60, 20 yrs/any age	8-96	X	X	11.50%	Cleveland	00266
5 yrs	5 yrs/age 60, 25 yrs/any age	5-96	X	X	7.50%	Clifton	00268
5 yrs	5 yrs/age 60, 20 yrs/any age	10-91	X	X	13.50%	Clute	00271
5 yrs	5 yrs/age 60, 20 yrs/any age	2-12	X	X	13.50%	Clyde	00272
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	11.50%	Coahoma	00274
5 yrs	5 yrs/age 60, 20 yrs/any age	3-98	X	X	13.50%	Cockrell Hill	00276
5 yrs	5 yrs/age 60, 25 yrs/any age	1-98			REMOVED	Coleman	00278
5 yrs	5 yrs/age 60, 20 yrs/any age	6-95			REMOVED	College Station	00280
5 yrs	5 yrs/age 60, 20 yrs/any age	10-97	X	X	13.50%	Colleyville	00281
10 yrs	10 yrs/age 60, 25 yrs/any age		X	X	8.50%	Collinsville	00282
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Colmesneil	00283
5 yrs	5 yrs/age 60, 25 yrs/any age	10-91	X	X	12.50%	Colorado City	00284
5 yrs	5 yrs/age 60, 25 yrs/any age	7-98	X	X	REMOVED	Columbus	00286
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Comanche	00288
5 yrs	5 yrs/age 60, 20 yrs/any age	1-94	X	X	11.50%	Commerce	00290
5 yrs	5 yrs/age 60, 20 yrs/any age	1-02			REMOVED	Conroe	00294
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98	X	X	REMOVED	Converse	00295
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	8.50%	Cooper	00298
5 yrs	5 yrs/age 60, 20 yrs/any age	5-93	X	X	REMOVED	Coppell	00299
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Copper Canyon	00297
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	REMOVED	Copperas Cove	00300
5 yrs	5 yrs/age 60, 20 yrs/any age	5-96	X	X	REMOVED	Corinth	00301

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Corpus Christi	6%	2-1	100	2015	70	2015	1-85	
Corrigan	5%	1-1						
Corsicana	7%	2-1	50 T	2011R	50	2011R	10-89	
Cotulla	5%	2-1	80 T	2014R				
Crandall	7%	2-1	100 T	2001R	70	2008R		
Crane	7%	2-1	100 T	1992R	40	1992R		7-15-87
Crawford	5%	1-1						
Crockett	5%	2-1	100 T	2001R	70	2001R	10-89	
Crosbyton	6%	1.5-1	100	1992R	40	1982		
Cross Plains	5%	1.5-1	100	1992R	70	1992R		
Cross Roads	7%	2-1						
Crowley	6%	2-1	100 T	2002R	70	2002R	1-96	1-20-94
Crystal Beach [®]	5%	2-1						
Crystal City	7%	2-1						
Cuero	5%	2-1	100 T	2010R	70	2010R	1-99	
Cumby	5%	1-1						
Daingerfield	5%	1.5-1	100 T	2000R	70	2000R		
Daisetta	5%	1-1						
Dalhart	5%	2-1	100	1992R	70	1985		
Dalworthington Gardens	7%	2-1	100 T	2007R	70	2007R	11-05	
Danbury	5%	2-1						
Darrouzett	7%	1-1						
Dayton	7%	2-1	100 T	2011	70	2011		
De Leon	5%	1-1						
Decatur	7%	2-1	100 T	2006R	70	2006R	3-01	
Deer Park	7%	2-1	100 T	2003R	50	2003R	2-82	
Dekalb	6%	1-1	100	2001R				
Del Rio	5%	1-1					10-05	
Dell City	5%	2-1	100 T	1999R				
Denison	7%	2-1	100 T	1994R	30	2012R		9-19-88
Denton	7%	2-1	100 T	2000R	70	2000R	1-94	9-04-01
Denver City	5%	2-1	100	1999R	70	1999R	11-86	11-03-86
Deport	5%	1-1						
DeSoto	7%	2-1	100 T	2015R	30	2015R	1-90	
Devine	5%	1-1	100 T	2007R	70	2007R		
Diboll	7%	2-1	100 T	1995R	70	1995R	1-90	
Dickens	7%	1-1						
Dickinson	7%	2-1	100 T	2004R			10-89	
Dilley	5%	2-1	100 T	2014R				
Dimmitt	6%	2-1	100 T	1998R	30	1998R		

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 20 yrs/any age	11-95			REMOVED	Corpus Christi	00302
5 yrs	5 yrs/age 60, 25 yrs/any age	11-14	X	X	7.50%	Corrigan	00304
5 yrs	5 yrs/age 60, 20 yrs/any age	1-96	X	X	REMOVED	Corsicana	00306
5 yrs	5 yrs/age 60, 25 yrs/any age	8-04	X	X	11.50%	Cotulla	00308
5 yrs	5 yrs/age 60, 20 yrs/any age	6-07	X	X	13.50%	Crandall	00310
5 yrs	5 yrs/age 60, 20 yrs/any age	12-95	X	X	15.50%	Crane	00312
5 yrs	5 yrs/age 60, 25 yrs/any age				7.50%	Crawford	00314
5 yrs	5 yrs/age 60, 20 yrs/any age	8-97	X	X	11.50%	Crockett	00316
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	10.50%	Crosbyton	00318
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Cross Plains	00320
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Cross Roads	00321
5 yrs	5 yrs/age 60, 20 yrs/any age	1-94	X	X	12.50%	Crowley	00323
5 yrs	5 yrs/age 60, 28 yrs/any age ^③		X	X	11.50%	Crystal Beach ^③	00325
10 yrs	10 yrs/age 60, 25 yrs/any age	7-00			13.50%	Crystal City	00324
5 yrs	5 yrs/age 60, 20 yrs/any age	7-96	X	X	11.50%	Cuero	00326
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Cumby	00328
5 yrs	5 yrs/age 60, 20 yrs/any age	9-97			9.50%	Daingerfield	00332
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Daisetta	00334
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Dalhart	00336
5 yrs	5 yrs/age 60, 20 yrs/any age	1-07	X	X	REMOVED	Dalworthington Gardens	00339
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Danbury	00340
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Darrouzett	00341
5 yrs	5 yrs/age 60, 20 yrs/any age	1-99	X	X	13.50%	Dayton	00344
5 yrs	5 yrs/age 60, 25 yrs/any age	5-98	X	X	7.50%	De Leon	00352
5 yrs	5 yrs/age 60, 20 yrs/any age	11-99	X	X	REMOVED	Decatur	00346
5 yrs	5 yrs/age 60, 20 yrs/any age	8-97	X	X	REMOVED	Deer Park	00348
5 yrs	5 yrs/age 60, 25 yrs/any age	10-91	X	X	8.50%	Dekalb	00350
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Del Rio	00354
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Dell City	00353
5 yrs	5 yrs/age 60, 20 yrs/any age	10-93			REMOVED	Denison	00356
5 yrs	5 yrs/age 60, 20 yrs/any age	1-94	X	X	REMOVED	Denton	00358
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Denver City	00360
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Deport	00362
5 yrs	5 yrs/age 60, 20 yrs/any age	12-91	X	X	REMOVED	DeSoto	10366
5 yrs	5 yrs/age 60, 20 yrs/any age	1-04	X	X	REMOVED	Devine	00370
5 yrs	5 yrs/age 60, 20 yrs/any age	1-99	X	X	13.50%	Diboll	00371
5 yrs	5 yrs/age 60, 20 yrs/any age	12-07	X	X	REMOVED	Dickens	00372
10 yrs	10 yrs/age 60, 20 yrs/any age	4-97	X	X	13.50%	Dickinson	00373
5 yrs	5 yrs/age 60, 20 yrs/any age	2-95	X	X	11.50%	Dilley	00374
5 yrs	5 yrs/age 60, 20 yrs/any age	6-00			12.50%	Dimmitt	00376

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Donna	5%	1.5-1	100 T	2015R	70	2015R		
Double Oak	5%	2-1					2-10	
Driscoll	5%	1-1						
Dripping Springs	5%	1-1						
Dublin	7%	2-1	100 T	2012R	70	2012R		
Dumas	5%	1.5-1	100 T	1997R	70	1997R	6-97	10-07-91
Duncanville	7%	2-1	100	2009	70	2009	9-90	9-04-01
Eagle Lake	6%	2-1	100 T	1999R	70	1999R		
Eagle Pass	5%	2-1	100 T	1998R	70	1998R	3-97	2-04-97
Early	5%	1.5-1	100 T	2007R				
Earth	5%	1-1	100	2007				
East Mountain	7%	2-1	100 T	2007R	70	2007R		
East Tawakoni	7%	2-1						
Eastland	5%	2-1	100 T	2004R	70	2004R		
Ector	5%	1-1						
Eden	5%	1-1	100	1992R	70	1992R		6-12-84
Edgewood	5%	1-1						
Edinburg	7%	2-1	100 T	2003R	70	2003R	1-85	
Edna	5%	2-1	100 T	2008R	70	2008R	10-89	11-05-92
El Campo	6%	1.5-1	100 T	2014R	70	2014R	10-90	11-07-77
Eldorado	6%	1.5-1	100 T	2009R	70	2009R	12-02	
Electra	5%	1-1						5-11-99
Elgin	6%	2-1	100 T	2001R	70	2001R	11-89	10-01-83
Elkhart	5%	1-1	100 T	2003R	70	2003R		
Elmendorf	5%	1-1						
Emory	5%	2-1						
Ennis	7%	2-1	100 T	1998R	70	2001R		
Eules	7%	2-1	100 T	1992R	70	1992R	9-82	1-12-93
Eustace	7%	2-1	100	2013				
Everman	5%	2-1	100 T	2000R	70	2000R		1-01-91
Fair Oaks Ranch	7%	2-1	100 T	2002R	70	2008R		
Fairfield	5%	2-1	100 T	1992R			10-88	
Fairview	7%	2-1	100 T	2011R				
Falfurrias	5%	1-1						
Falfurrias Utility Board	5%	1-1						
Falls City	6%	1-1	100 T	2001R	70	2001R		
Farmers Branch	7%	2-1	100 T	1996R	70	1996R	10-01	7-07-80
Farmersville	5%	2-1	100 T	2005R	70	2005R		7-14-92
Farwell	6%	2-1	100 T	2003R	70	2003R		
Fate	7%	2-1	100 T	2010R				

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Donna	00382
5 yrs	5 yrs/age 60, 20 yrs/any age	2-10	X	X	REMOVED	Double Oak	00379
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Driscoll	00385
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Dripping Springs	00383
5 yrs	5 yrs/age 60, 20 yrs/any age	9-03	X	X	REMOVED	Dublin	00384
5 yrs	5 yrs/age 60, 20 yrs/any age	10-08	X	X	9.50%	Dumas	00386
5 yrs	5 yrs/age 60, 20 yrs/any age	11-95			REMOVED	Duncanville	00388
10 yrs	10 yrs/age 60, 25 yrs/any age	6-99	X	X	12.50%	Eagle Lake	00394
5 yrs	5 yrs/age 60, 20 yrs/any age	9-98	X	X	11.50%	Eagle Pass	00396
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	9.50%	Early	00397
5 yrs	5 yrs/age 60, 20 yrs/any age	1-07	X	X	REMOVED	Earth	00399
5 yrs	5 yrs/age 60, 20 yrs/any age	11-02	X	X	REMOVED	East Mountain	00401
10 yrs	10 yrs/age 60, 25 yrs/any age		X	X	REMOVED	East Tawakoni	00395
5 yrs	5 yrs/age 60, 20 yrs/any age	2-96	X	X	11.50%	Eastland	00398
5 yrs	5 yrs/age 60, 25 yrs/any age	11-08	X	X	REMOVED	Ector	00402
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	7.50%	Eden	00406
5 yrs	5 yrs/age 60, 20 yrs/any age	11-03	X	X	REMOVED	Edgewood	00408
10 yrs	10 yrs/age 60, 20 yrs/any age	1-94	X	X	REMOVED	Edinburg	00410
10 yrs	10 yrs/age 60, 20 yrs/any age	1-99	X	X	REMOVED	Edna	00412
5 yrs	5 yrs/age 60, 20 yrs/any age	4-94	X	X	REMOVED	El Campo	00414
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	10.50%	Eldorado	00416
5 yrs	5 yrs/age 60, 20 yrs/any age	8-95	X	X	7.50%	Electra	00418
5 yrs	5 yrs/age 60, 20 yrs/any age	5-94	X	X	12.50%	Elgin	00420
5 yrs	5 yrs/age 60, 25 yrs/any age				REMOVED	Elkhart	00422
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Elmendorf	00427
5 yrs	5 yrs/age 60, 20 yrs/any age	3-97	X	X	11.50%	Emory	00432
5 yrs	5 yrs/age 60, 20 yrs/any age	1-93	X	X	REMOVED	Ennis	00436
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92			REMOVED	Eules	00439
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	13.50%	Eustace	00440
10 yrs	10 yrs/age 60, 20 yrs/any age	8-07	X	X	11.50%	Everman	00441
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	13.50%	Fair Oaks Ranch	00443
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Fairfield	00442
5 yrs	5 yrs/age 60, 20 yrs/any age	9-03	X	X	REMOVED	Fairview	00445
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Falfurrias	20444
5 yrs	5 yrs/age 60, 25 yrs/any age	9-95	X	X	REMOVED	Falfurrias Utility Board	10444
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Falls City	00446
5 yrs	5 yrs/age 60, 25 yrs/any age		X		REMOVED	Farmers Branch	00448
5 yrs	5 yrs/age 60, 20 yrs/any age	11-97	X	X	REMOVED	Farmersville	00450
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Farwell	00451
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Fate	00452

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Fayetteville	5%	1-1						
Ferris	5%	1.5-1	100 T	2000R	70	2000R		
Flatonia	7%	2-1	100	2003R	70	2003R		
Florence	5%	2-1						
Floresville	5%	2-1	100	2007R	70	2007R	10-02	3-22-07
Flower Mound	7%	2-1	100 T	2008R	70	2007	1-95	11-06-00
Floydada	5%	1.5-1	100 T	1992R	70	1992R	10-99	
Forest Hill	7%	2-1	100 T	2007R	70	2007R	1-92	10-03-06
Forney	7%	2-1	100 T	2007R	70	2007R		
Fort Stockton	5%	2-1	100 T	2009R	70	2009R	1-90	
Franklin	5%	2-1						
Frankston	5%	1-1						
Fredericksburg	5%	2-1	50 T	2014R	50	2014R	5-90	
Freeport	7%	2-1	100 T	2003R	70	2003R	7-90	11-17-80
Freer	5%	1-1	100 T	2005R	70	2005R		
Friendswood	7%	2-1	100 T	1999R	50	2012R	2-85	1-21-85
Friona	5%	2-1	100 T	2005R	70	2005R		
Frisco	7%	2-1	100 T	2000R	70	2000R	6-02	12-06-11
Fritch	7%	2-1	100 T	2005R	10	1981	2-86	
Frost	5%	1-1	100	1997R				
Fulshear	5%	2-1	100 T	2014				
Fulton	6%	2-1						
Gainesville	5%	1.5-1	100	1992R	70	1992R	10-97	8-16-94
Galena Park	7%	2-1	100 T	1994R	70	1994R	4-93	1-18-94
Ganado	7%	2-1	100 T	2000R	70	2000R		
Garden Ridge	5%	2-1	100 T	2009R			3-02	
Garland	7%	2-1	100 T	1999R	70	2008	1-90	1-16-90
Garrison	6%	2-1	100 T	1992R	70	1992R		
Gary	5%	1-1	100 T	1999R	70	1999R		
Gatesville	7%	2-1	100 T	1997R	70	1997R		4-13-04
George West	5%	2-1						
Georgetown	7%	2-1	100	2010R	30	2010R	1-12	7-27-76
Giddings	7%	2-1	100 T	2008R	70	2008R	12-94	8-20-07
Gilmer	6%	2-1	100 T	2002R	70	2002R		
Gladewater	5%	1-1	100	1992R	70	1992R		
Glen Rose	7%	2-1	100 T	2002R	70	2002R		
Glenn Heights	6%	1-1	100 T	2011R	70	2011R	1-97	
Godley	6%	1-1						
Goldsmith	5%	1-1						
Goldthwaite	7%	2-1	100	2000R	70	2000R		

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 25 yrs/any age				REMOVED	Fayetteville	00454
5 yrs	5 yrs/age 60, 20 yrs/any age	8-01	X	X	9.50%	Ferris	00456
5 yrs	5 yrs/age 60, 20 yrs/any age	5-01	X	X	REMOVED	Flatonia	00458
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Florence	00460
5 yrs	5 yrs/age 60, 20 yrs/any age	5-07			11.50%	Floresville	20462
5 yrs	5 yrs/age 60, 20 yrs/any age	1-95	X	X	13.50%	Flower Mound	00463
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Floydada	00464
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	13.50%	Forest Hill	00468
5 yrs	5 yrs/age 60, 20 yrs/any age	1-97	X	X	13.50%	Forney	00470
5 yrs	5 yrs/age 60, 20 yrs/any age	7-96	X	X	11.50%	Fort Stockton	00472
5 yrs	5 yrs/age 60, 25 yrs/any age				11.50%	Franklin	00476
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Frankston	00478
5 yrs	5 yrs/age 60, 20 yrs/any age	6-95	X	X	11.50%	Fredericksburg	00480
5 yrs	5 yrs/age 60, 20 yrs/any age	9-97	X	X	13.50%	Freeport	00482
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Freer	00481
5 yrs	5 yrs/age 60, 20 yrs/any age	11-91	X	X	REMOVED	Friendswood	00483
5 yrs	5 yrs/age 60, 20 yrs/any age	6-03	X	X	REMOVED	Friona	00484
5 yrs	5 yrs/age 60, 20 yrs/any age	1-97	X	X	REMOVED	Frisco	00486
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	13.50%	Fritch	00487
10 yrs	10 yrs/age 60, 25 yrs/any age				7.50%	Frost	00488
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Fulshear	00491
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Fulton	00493
5 yrs	5 yrs/age 60, 20 yrs/any age	10-97	X	X	REMOVED	Gainesville	00492
5 yrs	5 yrs/age 60, 20 yrs/any age	10-93	X	X	REMOVED	Galena Park	00494
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Ganado	00498
5 yrs	5 yrs/age 60, 20 yrs/any age	7-97	X	X	11.50%	Garden Ridge	00499
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	REMOVED	Garland	00500
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Garrison	00502
5 yrs	5 yrs/age 60, 25 yrs/any age				7.50%	Gary	00503
5 yrs	5 yrs/age 60, 20 yrs/any age	9-91	X	X	REMOVED	Gatesville	00504
5 yrs	5 yrs/age 60, 20 yrs/any age	5-06	X	X	REMOVED	George West	00505
5 yrs	5 yrs/age 60, 20 yrs/any age	9-12	X	X	13.50%	Georgetown	00506
5 yrs	5 yrs/age 60, 20 yrs/any age	10-97	X	X	REMOVED	Giddings	00510
5 yrs	5 yrs/age 60, 20 yrs/any age	10-98	X	X	REMOVED	Gilmer	00512
5 yrs	5 yrs/age 60, 20 yrs/any age	11-97	X	X	7.50%	Gladewater	00514
5 yrs	5 yrs/age 60, 20 yrs/any age	8-99	X	X	REMOVED	Glen Rose	00516
5 yrs	5 yrs/age 60, 25 yrs/any age	1-95	X	X	12.50%	Glenn Heights	00517
5 yrs	5 yrs/age 60, 25 yrs/any age	12-12	X	X	8.50%	Godley	00518
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Goldsmith	00519
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Goldthwaite	00520

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Goliad	5%	2-1	100 T	2002	50	2002		
Gonzales	5%	2-1	100	1999R	70	1999R	4-96	
Graford	5%	1-1						
Graham	5%	2-1	100 T	1993R	70	1993R	2-97	2-21-02
Graham Regional Medical Center	5%	2-1	75	2014	70	1989		
Granbury	7%	2-1	100 T	1997R	70	1997R	1-90	10-02-07
Grand Prairie	7%	2-1	100 T	1993R	70	1993R	1-89	11-21-89
Grand Saline	7%	1-1	100 T	2001R	70	2001R	1-90	
Grandview	7%	1.5-1	100 T	1998R	70	1988		
Granger	5%	1-1						
Granite Shoals	5%	2-1						
Grapeland	5%	1-1	100 T	2001R	70	2001R		
Grapevine	7%	2-1	100 T	1998R	70	1998R	10-88	10-19-99
Greenville	7%	2-1	100 T	1995R	70	2009	1-88	2-10-04
Gregory	5%	1.5-1	100 T	1992R	70	1998R		
Grey Forest Utilities	7%	2-1	100 T	2001R	70	2001R	1-90	
Groesbeck	5%	1-1						
Groom	5%	1-1	100	1992R				
Groves	6%	2-1	100 T	2005R	70	1989	10-86	9-08-86
Groveton	5%	1-1						
Gruver	6%	2-1	100 T	1998R				
Gun Barrel City	5%	2-1	100 T	1998R				
Gunter	5%	2-1					10-04	
Hale Center	5%	1-1						
Hallettsville	5%	2-1	100 T	2008R	70	2008R	12-03	9-11-00
Hallsville	5%	1-1						
Haltom City	7%	2-1	100 T	1993R	70	2007R	2-83	1-08-01
Hamilton	7%	2-1	100 T	2011R	70	2011R		
Hamlin	6%	2-1	100	1992R	70	1992R	1-84	
Happy	7%	1.5-1	100 T	1999R	70	1999R		
Harker Heights	7%	2-1	100 T	2003R	70	2003R		10-11-05
Harlingen	7%	2-1	100 T	2006	70	2006	10-89	9-05-01
Harlingen Waterworks System	7%	1-1	100 T	2005	70	2005	4-97	8-12-02
Hart	5%	1-1						
Haskell	7%	1-1					9-89	
Haslet	7%	2-1	100 T	2002R				
Hawkins	7%	2-1	100	2015R	70	1988		2-17-14
Hays	7%	2-1	100 T	2004R				
Hearne	7%	2-1	100 T	2011R	70	2011R	10-85	10-01-85
Heath	7%	2-1	100 T	2005R				

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 20 yrs/any age	9-01	X	X	REMOVED	Goliad	00522
5 yrs	5 yrs/age 60, 20 yrs/any age	4-96	X	X	REMOVED	Gonzales	00524
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Graford	00532
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Graham	10534
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	11.50%	Graham Regional Medical Center	20534
5 yrs	5 yrs/age 60, 20 yrs/any age	6-96	X	X	REMOVED	Granbury	00536
5 yrs	5 yrs/age 60, 25 yrs/any age	1-92	X	X	REMOVED	Grand Prairie	00540
5 yrs	5 yrs/age 60, 20 yrs/any age	6-05	X	X	9.50%	Grand Saline	00542
5 yrs	5 yrs/age 60, 20 yrs/any age				11.50%	Grandview	00544
5 yrs	5 yrs/age 60, 20 yrs/any age	10-10			7.50%	Granger	00546
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Granite Shoals	00547
5 yrs	5 yrs/age 60, 25 yrs/any age				7.50%	Grapeland	00548
5 yrs	5 yrs/age 60, 20 yrs/any age	3-92			REMOVED	Grapevine	00550
5 yrs	5 yrs/age 60, 20 yrs/any age	9-93	X	X	REMOVED	Greenville	00552
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Gregory	00551
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Grey Forest Utilities	00553
5 yrs	5 yrs/age 60, 20 yrs any age		X	X	REMOVED	Groesbeck	00556
5 yrs	5 yrs/age 60, 25 yrs/any age				7.50%	Groom	00558
10 yrs	10 yrs/age 60, 20 yrs/any age	1-01			REMOVED	Groves	00559
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Groveton	00560
5 yrs	5 yrs/age 60, 25 yrs/any age				12.50%	Gruver	00562
5 yrs	5 yrs/age 60, 25 yrs/any age	9-94	X	X	11.50%	Gun Barrel City	00563
5 yrs	5 yrs/age 60, 20 yrs/any age	1-08	X	X	REMOVED	Gunter	00564
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Hale Center	00568
5 yrs	5 yrs/age 60, 25 yrs/any age	10-00	X	X	REMOVED	Hallettsville	00570
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Hallsville	00572
5 yrs	5 yrs/age 60, 20 yrs/any age	4-94	X	X	REMOVED	Haltom City	00574
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Hamilton	00576
5 yrs	5 yrs/age 60, 25 yrs/any age	1-05	X	X	REMOVED	Hamlin	00578
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Happy	00580
5 yrs	5 yrs/age 60, 20 yrs/any age	10-97	X	X	REMOVED	Harker Heights	00581
5 yrs	5 yrs/age 60, 20 yrs/any age	1-93	X	X	15.50%	Harlingen	10582
5 yrs	5 yrs/age 60, 20 yrs/any age	4-97	X	X	9.50%	Harlingen Waterworks System	20582
5 yrs	5 yrs/age 60, 20 yrs/any age				REMOVED	Hart	00583
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Haskell	00586
5 yrs	5 yrs/age 60, 25 yrs/any age	5-99	X	X	15.50%	Haslet	00587
5 yrs	5 yrs/age 60, 20 yrs/any age	10-00	X	X	13.50%	Hawkins	00588
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Hays	00585
5 yrs	5 yrs/age 60, 20 yrs/any age	10-95	X	X	REMOVED	Hearne	00590
5 yrs	5 yrs/age 60, 20 yrs/any age	3-98	X	X	13.50%	Heath	00591

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Hedley	5%	2-1						
Hedwig Village	5%	2-1						
Helotes	6%	2-1	100T	2013	70	2013	3-01	
Hemphill	5%	1.5-1	100 T	2012R	70	1992	5-95	
Hempstead	5%	2-1	100 T	1998R	70	1998R	11-89	
Henderson	7%	2-1	100 T	2008R	70	2008R	9-98	10-20-81
Henrietta	7%	2-1	100 T	2007R	70	2007R	12-03	11-10-03
Hereford	5%	2-1	100 T	1996R	70	1996R		
Hewitt	7%	2-1	100 T	1998R	70	1998R	12-91	2-18-02
Hickory Creek	7%	2-1	100 T	2013R	70	2013R		8-21-07
Hico	5%	2-1	100	2002R				
Hidalgo	7%	2-1	100 T	2006R	70	2006R		
Higgins	5%	1-1	100	1999R	70	1999R		
Highland Park	7%	2-1	100	2008	50	2008	11-89	
Highland Village	7%	2-1	100 T	1994R	70	1994R		
Hill Country Village	5%	2-1	100 T	2005				
Hillsboro	5%	2-1	100 T	1992R	70	1992R		
Hilshire Village	5%	1-1						
Hitchcock	5%	2-1	50 T	2014				
Holland	6%	1.5-1	100 T	1999R				
Holliday	5%	1.5-1	100	2007				
Hollywood Park	6%	1.5-1	100 T	2003R	70	2003R	5-89	
Hondo	5%	2-1	100 T	1996R	70	1996R		
Honey Grove	5%	1.5-1	100 T	1993R	70	1993R		
Hooks	5%	1-1	100	1992R				
Howe	5%	2-1	100	1992R			3-12	
Hubbard	5%	1-1						
Hudson	5%	2-1						
Hudson Oaks	7%	2-1	100 T	2012R	70	2012R		
Hughes Springs	7%	2-1	100	1998R	70	1998R		
Humble	6%	2-1	100 T	2000R	70	2000R	2-85	
Hunters Creek Village	7%	2-1	100 T	2008R				
Huntington	7%	2-1	100 T	1999R	70	1999R	7-99	
Huntsville	7%	2-1	50 T	2014R	50	2014R	10-89	1-01-99
Hurst	7%	2-1	100	2009R	30	2015	4-87	3-24-87
Hutchins	7%	1.5-1	100 T	2001R	70	2001R		
Hutto	7%	2-1	100 T	2008R	70	2008R		
Huxley	5%	1.5-1	50	2014	30	2014		
Idalou	5%	2-1						
Ingleside	5%	2-1	100 T	2008R	70	2008R		

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
10 yrs	10 yrs/age 60, 25 yrs/any age		X	X	11.50%	Hedley	00592
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Hedwig Village	00595
5 yrs	5 yrs/age 60, 20 yrs/any age	3-01	X	X	12.50%	Helotes	00593
5 yrs	5 yrs/age 60, 25 yrs/any age	7-98	X	X	9.50%	Hemphill	00594
10 yrs	10 yrs/age 60, 20 yrs/any age	1-92	X	X	REMOVED	Hempstead	00596
5 yrs	5 yrs/age 60, 25 yrs/any age	9-98	X	X	REMOVED	Henderson	00598
5 yrs	5 yrs/age 60, 20 yrs/any age	9-94	X	X	REMOVED	Henrietta	00600
5 yrs	5 yrs/age 60, 25 yrs/any age	1-96	X	X	11.50%	Hereford	00602
5 yrs	5 yrs/age 60, 20 yrs/any age	12-91	X	X	REMOVED	Hewitt	00605
5 yrs	5 yrs/age 60, 20 yrs/any age	8-07	X	X	13.50%	Hickory Creek	00609
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	11.50%	Hico	00606
5 yrs	5 yrs/age 60, 20 yrs/any age	9-14			13.50%	Hidalgo	00607
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Higgins	00608
5 yrs	5 yrs/age 60, 20 yrs/any age	6-95			REMOVED	Highland Park	00610
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	13.50%	Highland Village	00611
5 yrs	5 yrs/age 60, 25 yrs/any age	2-00	X	X	11.50%	Hill Country Village	00613
5 yrs	5 yrs/age 60, 20 yrs/any age	6-96			REMOVED	Hillsboro	00612
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Hilshire Village	00619
5 yrs	5 yrs/age 60, 25 yrs/any age	7-98	X	X	11.50%	Hitchcock	00614
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	10.50%	Holland	00615
5 yrs	5 yrs/age 60, 20 yrs/any age				9.50%	Holliday	00616
5 yrs	5 yrs/age 60, 20 yrs/any age	7-95	X	X	10.50%	Hollywood Park	00617
5 yrs	5 yrs/age 60, 20 yrs/any age	8-97	X	X	11.50%	Hondo	00618
5 yrs	5 yrs/age 60, 20 yrs/any age	2-01	X	X	9.50%	Honey Grove	00620
5 yrs	5 yrs/age 60, 25 yrs/any age	12-99	X	X	7.50%	Hooks	00622
5 yrs	5 yrs/age 60, 25 yrs/any age	11-04	X	X	11.50%	Howe	00626
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Hubbard	00627
5 yrs	5 yrs/age 60, 25 yrs/any age	4-01	X	X	REMOVED	Hudson	00628
5 yrs	5 yrs/age 60, 20 yrs/any age	2-98	X	X	13.50%	Hudson Oaks	00629
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Hughes Springs	00630
5 yrs	5 yrs/age 60, 20 yrs/any age	3-96	X	X	REMOVED	Humble	00632
5 yrs	5 yrs/age 60, 25 yrs/any age	3-98	X	X	13.50%	Hunters Creek Village	00633
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Huntington	00634
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98	X	X	REMOVED	Huntsville	00636
5 yrs	5 yrs/age 60, 20 yrs/any age	2-92			REMOVED	Hurst	00637
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Hutchins	00638
5 yrs	5 yrs/age 60, 20 yrs/any age	8-01	X	X	REMOVED	Hutto	00640
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Huxley	00641
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Idalou	00642
5 yrs	5 yrs/age 60, 20 yrs/any age	3-00	X	X	11.50%	Ingleside	00643

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Ingram	5%	1.5-1	100 T	1998R				
Iowa Colony	5%	2-1						
Iowa Park	6%	2-1	100 T	2010R	70	2010R	12-10	
Iraan	7%	2-1	100 T	2009	70	2009		7-21-04
Irving	7%	2-1	100 T	1992R	30	2015R	1-87	6-29-06
Italy	5%	1-1						
Itasca	7%	2-1	100 T	2002R	70	2002R	1-92	
Jacinto City	5%	1.5-1	100 T	1992R	70	1992R		9-24-81
Jacksboro	7%	2-1	100 T	2007R	70	2007R	6-98	8-14-90
Jacksonville	6%	2-1	100 T	2008R	50	2011R	4-91	
Jasper	7%	2-1	100	2013	70	2013	1-82	10-17-83
Jefferson	5%	1-1	100 T	2001R				
Jersey Village	7%	2-1	100 T	2000R	70	2000R	10-95	
Jewett	7%	1-1	100 T	1994R	70	1994R		
Joaquin	5%	1-1						
Johnson City	6%	1.5-1	100 T	2012R	70	2012R		8-08-05
Jones Creek	5%	1.5-1						
Jonestown	5%	2-1						
Josephine	6%	1.5-1	100 T	2007R				
Joshua	7%	2-1						
Jourdanton	5%	1.5-1	100	1992R	70	1992R		8-18-14
Junction	7%	2-1	100 T	1997R	70	1997R		
Justin	5%	1-1	100	1998R				
Karnes City	5%	1-1	100 T	1999R	70	1999R		
Katy	7%	2-1	100 T	1992R	70	1992R	11-85	
Kaufman	7%	2-1	100 T	2008R	70	2008R	10-01	
Keene	7%	2-1	100 T	2001R	70	2001R		
Keller	7%	2-1	100 T	2002R	50	2012R	1-97	12-20-05
Kemah	7%	2-1					8-99	
Kemp	5%	1-1	100 T	2001R				
Kenedy	5%	1-1	100 T	1994R	70	1994R		
Kennedale	7%	2-1	100 T	2006R	70	2006R	9-01	8-09-01
Kermit	7%	2-1	100 T	2004R	70	2004R		9-18-08
Kerrville	7%	2-1	100 T	2012R	50	2010	6-90	
Kerrville PUB	7%	2-1	100 T	1994R	70	2007R		
Kilgore	7%	2-1	100 T	2001R	70	2001R		4-10-07
Killeen	7%	2-1	100 T	2015	70	2015	1-01	2-28-89
Kingsville	7%	1.5-1	100 T	2000R	70	2000R	3-85	
Kirby	7%	2-1	100 T	2008R	70	2008R	3-99	
Kirbyville	5%	1-1	100	1992R	70	1992R		

Plan Provisions For Participating Municipalities

Continued

Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 20 yrs/any age	11-96			9.50%	Ingram	00646
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Iowa Colony	00647
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Iowa Park	00644
5 yrs	5 yrs/age 60, 20 yrs/any age	8-97	X	X	REMOVED	Iraan	00645
5 yrs	5 yrs/age 60, 20 yrs/any age	1-93	X	X	REMOVED	Irving	00648
5 yrs	5 yrs/age 60, 20 yrs/any age	12-06	X	X	REMOVED	Italy	00650
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	13.50%	Itasca	00652
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	9.50%	Jacinto City	00654
5 yrs	5 yrs/age 60, 20 yrs/any age	11-95	X	X	13.50%	Jacksboro	00656
5 yrs	5 yrs/age 60, 20 yrs/any age	5-96	X	X	REMOVED	Jacksonville	00658
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	15.50%	Jasper	00660
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Jefferson	00664
5 yrs	5 yrs/age 60, 25 yrs/any age	5-95	X	X	REMOVED	Jersey Village	00665
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Jewett	00666
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Joaquin	00668
5 yrs	5 yrs/age 60, 25 yrs/any age	3-02	X	X	10.50%	Johnson City	00670
5 yrs	5 yrs/age 60, 25 yrs/any age	2-13	X	X	REMOVED	Jones Creek	00673
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Jonestown	00675
5 yrs	5 yrs/age 60, 20 yrs/any age	8-11	X	X	REMOVED	Josephine	00677
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	13.50%	Joshua	00671
5 yrs	5 yrs/age 60, 20 yrs/any age	9-14	X	X	9.50%	Jourdanton	00672
10 yrs	10 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Junction	00674
5 yrs	5 yrs/age 60, 20 yrs/any age	5-08			7.50%	Justin	00676
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Karnes City	00678
5 yrs	5 yrs/age 60, 20 yrs/any age	5-96	X	X	REMOVED	Katy	00680
5 yrs	5 yrs/age 60, 20 yrs/any age	6-97	X	X	REMOVED	Kaufman	00682
5 yrs	5 yrs/age 60, 25 yrs/any age	1-93	X	X	REMOVED	Keene	00683
5 yrs	5 yrs/age 60, 20 yrs/any age	1-94	X	X	REMOVED	Keller	00681
5 yrs	5 yrs/age 60, 20 yrs/any age	8-99	X	X	REMOVED	Kemah	00685
5 yrs	5 yrs/age 60, 25 yrs/any age	1-96			7.50%	Kemp	00684
5 yrs	5 yrs/age 60, 25 yrs/any age	10-95	X	X	7.50%	Kenedy	00686
5 yrs	5 yrs/age 60, 20 yrs/any age	9-01	X	X	13.50%	Kennedale	00688
5 yrs	5 yrs/age 60, 25 yrs/any age	3-01	X	X	REMOVED	Kermit	00692
5 yrs	5 yrs/age 60, 20 yrs/any age	3-92	X	X	15.50%	Kerrville	10694
5 yrs	5 yrs/age 60, 25 yrs/any age	11-93	X	X	REMOVED	Kerrville PUB	20694
5 yrs	5 yrs/age 60, 20 yrs/any age	1-97	X	X	REMOVED	Kilgore	10696
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98	X	X	13.50%	Killeen	00698
5 yrs	5 yrs/age 60, 20 yrs/any age	4-00			REMOVED	Kingsville	00700
5 yrs	5 yrs/age 60, 20 yrs/any age	10-08	X	X	13.50%	Kirby	00701
5 yrs	5 yrs/age 60, 20 yrs/any age	11-91	X	X	7.50%	Kirbyville	00702

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Knox City	5%	1.5-1	100	1991	70	1991		
Kountze	5%	1-1						
Kress	7%	1-1	100	1995R				
Krugerville	7%	2-1						
Krum	5%	2-1	100	1997				
Kyle	7%	2-1	100 T	1999R	70	2000R		
La Coste	5%	1-1						
La Feria	7%	1-1	100 T	2004R	70	2004R	10-03	8-28-03
La Grange	7%	2-1	100 T	2012R	50	2014R	10-89	
La Grulla	5%	2-1	100 T	2007R	70	2007R		
La Joya	5%	1-1						
La Marque	5%	2-1	100 T	1993R	70	1993R	1-97	4-24-06
La Porte	7%	2-1	100 T	2004R	70	2004R	1-83	12-22-97
La Vernia	5%	1-1						
Lacy-Lakeview	7%	2-1	100 T	2004R	70	2004R	10-89	
Ladonia	7%	2-1						
Lago Vista	6%	2-1	100 T	2003R			11-95	10-01-90
Laguna Vista	5%	1.5-1						
Lake Dallas	7%	2-1	100 T	2001R	70	2001R		
Lake Jackson	6%	2-1	100 T	2007R	70	2007R	10-93	
Lake Worth	6%	2-1	100 T	2000R	70	2000R	10-98	10-10-00
Lakeport	5%	1.5-1						
Lakeside	6%	2-1	100	2014R				
Lakeside City	5%	1-1						
Lakeway	7%	2-1	100 T	2007R	70	2007R		
Lamesa	7%	1.5-1	100 T	2010R	70	2009	1-90	
Lampasas	7%	2-1	100 T	1992R	70	1992R	11-00	9-08-14
Lancaster	7%	2-1	100 T	1998R	50	2012R	10-89	
Laredo	7%	2-1	100	2007R	70	2007R	10-89	1-20-97
Lavon	5%	2-1						
Lefors	5%	1-1						
League City	7%	2-1	100 T	2001R	70	2001R	5-93	2-08-90
Leander	7%	2-1	100	2013R	50	2014R	11-87	10-04-02
Leon Valley	6%	2-1	100 T	2003R	70	2003R	10-88	9-20-88
Leonard	5%	1-1					1-03	
Levelland	6%	2-1	100 T	2000R	70	2000R		12-09-13
Lewisville	7%	2-1	75 T	2013R	70	2013R	11-89	5-05-97
Lexington	6%	1.5-1	100 T	2000R	70	2000R	9-01	
Liberty	7%	2-1	100 T	2015				
Liberty Hill	7%	1-1						

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Knox City	00704
5 yrs	5 yrs/age 60, 20 yrs/any age	6-12	X	X	REMOVED	Kountze	00708
10 yrs	10 yrs/age 60, 25 yrs/any age				REMOVED	Kress	00709
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Krugerville	00699
5 yrs	5 yrs/age 60, 20 yrs/any age	2-06	X	X	11.50%	Krum	00707
10 yrs	10 yrs/age 60, 20 yrs/any age	3-00	X	X	13.50%	Kyle	00710
5 yrs	5 yrs/age 60, 25 yrs/any age				7.50%	La Coste	00725
5 yrs	5 yrs/age 60, 20 yrs/any age	10-03	X	X	REMOVED	La Feria	00714
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	La Grange	00716
5 yrs	5 yrs/age 60, 25 yrs/any age	10-03	X	X	11.50%	La Grulla	00723
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	La Joya	00732
5 yrs	5 yrs/age 60, 20 yrs/any age	12-99	X	X	11.50%	La Marque	00721
10 yrs	10 yrs/age 60, 20 yrs/any age	1-97	X	X	REMOVED	La Porte	00728
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	La Vernia	00731
5 yrs	5 yrs/age 60, 20 yrs/any age	12-97	X	X	13.50%	Lacy-Lakeview	00711
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Ladonia	00712
5 yrs	5 yrs/age 60, 20 yrs/any age	3-97	X	X	12.50%	Lago Vista	00713
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Laguna Vista	00705
5 yrs	5 yrs/age 60, 20 yrs/any age	1-01	X	X	13.50%	Lake Dallas	00717
5 yrs	5 yrs/age 60, 20 yrs/any age	2-98	X	X	REMOVED	Lake Jackson	00718
5 yrs	5 yrs/age 60, 20 yrs/any age	10-98	X	X	12.50%	Lake Worth	00719
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Lakeport	00727
5 yrs	5 yrs/age 60, 25 yrs/any age	11-99	X	X	12.50%	Lakeside	00715
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Lakeside City	00729
5 yrs	5 yrs/age 60, 20 yrs/any age	9-03	X	X	13.50%	Lakeway	00720
5 yrs	5 yrs/age 60, 25 yrs/any age	6-94			13.50%	Lamesa	00722
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	REMOVED	Lampasas	00724
5 yrs	5 yrs/age 60, 20 yrs/any age	1-97	X	X	REMOVED	Lancaster	00726
5 yrs	5 yrs/age 60, 20 yrs/any age	7-93	X	X	REMOVED	Laredo	00730
5 yrs	5 yrs/age 60, 20 yrs/any age	10-12	X	X	REMOVED	Lavon	00733
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Lefors	00735
5 yrs	5 yrs/age 60, 20 yrs/any age	7-99	X	X	15.50%	League City	00736
5 yrs	5 yrs/age 60, 20 yrs/any age	10-02	X	X	13.50%	Leander	00737
10 yrs	10 yrs/age 60, 20 yrs/any age	10-91	X	X	REMOVED	Leon Valley	00739
5 yrs	5 yrs/age 60, 25 yrs/any age	1-03	X	X	7.50%	Leonard	00738
5 yrs	5 yrs/age 60, 20 yrs/any age	1-14	X	X	REMOVED	Levelland	00740
5 yrs	5 yrs/age 60, 20 yrs/any age	2-92			REMOVED	Lewisville	00742
5 yrs	5 yrs/age 60, 25 yrs/any age	8-09			REMOVED	Lexington	00744
5 yrs	5 yrs/age 60, 20 yrs/any age				REMOVED	Liberty	00746
5 yrs	5 yrs/age 60, 20 yrs/any age	3-09	X	X	REMOVED	Liberty Hill	00745

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Lindale	6%	2-1	100 T	2008R	70	2008R		
Linden	5%	1-1						
Lipan	5%	1-1						
Little Elm	7%	2-1	100 T	2001R	70	2001R	11-03	11-20-07
Littlefield	5%	2-1	100 T	1994R	70	1994R	6-98	
Live Oak	7%	2-1	100 T	2007R	70	2007R	1-95	
Liverpool	5%	1-1						
Livingston	7%	2-1	100 T	1992R	70	1992R	8-92	
Llano	7%	1.5-1	100 T	2012R	70	1999		
Lockhart	6%	2-1	100 T	1999R	70	1999R	11-90	1-06-98
Lockney	5%	1-1	100 T	2001R	50	1981		
Lone Star	5%	1-1	100 T	2001R	70	2001R		9-08-81
Longview	7%	2-1	100 T	2000R	70	2012	1-88	2-11-93
Lorraine	5%	1.5-1						
Lorena	6%	1.5-1	100 T	2006R	70	2006R		
Lorenzo	5%	1.5-1	100 T	1995R	70	1995R		
Los Fresnos	5%	1.5-1	10	1996R				
Lott	5%	1-1						
Lovelady	5%	2-1						
Lubbock	7%	2-1	100 T	1998R	70	2001R	1-90	
Lucas	7%	2-1	100	2006R	70	2015R		
Lufkin	7%	2-1	100 T	1998R	50	2012R	12-89	10-01-00
Luling	5%	2-1	100 T	1992R	70	1992R		
Lumberton	7%	2-1	100 T	2001R	70	2001R		
Lyford	5%	1-1						
Lytle	5%	2-1	100	1992R	70	1992R		
Madisonville	5%	2-1	100	1992R	70	1992R		
Magnolia	6%	1-1						
Malakoff	7%	2-1	100 T	1993				
Manor	5%	2-1						7-19-06
Mansfield	7%	2-1	100 T	1992R	70	1992R	1-89	
Manvel	7%	2-1						
Marble Falls	7%	2-1	100 T	1996			7-03	5-23-90
Marfa	5%	2-1	100	1990	70	1990		
Marion	5%	2-1	100 T	2008R				
Marlin	5%	2-1	100 T	2000R	70	2000R		
Marshall	7%	2-1	100 T	1998R	50	2013R	1-90	6-09-88
Mart	5%	1.5-1	100	1992R	70	1992R		
Martindale	5%	2-1						
Mason	5%	1.5-1	100	2010R	70	2010R		2-13-89

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 20 yrs/any age	5-07			REMOVED	Lindale	00748
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Linden	00750
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Lipan	00755
5 yrs	5 yrs/age 60, 20 yrs/any age	11-03	X	X	13.50%	Little Elm	00751
5 yrs	5 yrs/age 60, 20 yrs/any age	6-98	X	X	11.50%	Littlefield	00752
5 yrs	5 yrs/age 60, 20 yrs/any age	1-95	X	X	REMOVED	Live Oak	00753
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Liverpool	00757
10 yrs	10 yrs/age 60, 25 yrs/any age	3-98	X	X	REMOVED	Livingston	00754
5 yrs	5 yrs/age 60, 20 yrs/any age	1-99	X	X	11.50%	Llano	00756
5 yrs	5 yrs/age 60, 20 yrs/any age	1-94	X	X	REMOVED	Lockhart	00758
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Lockney	00760
5 yrs	5 yrs/age 60, 25 yrs/any age	3-01	X	X	7.50%	Lone Star	00765
5 yrs	5 yrs/age 60, 20 yrs/any age	2-93	X	X	15.50%	Longview	00766
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Loraine	00768
5 yrs	5 yrs/age 60, 20 yrs/any age	4-04	X	X	10.50%	Lorena	00769
5 yrs	5 yrs/age 60, 25 yrs/any age	8-03			9.50%	Lorenzo	00770
5 yrs	5 yrs/age 60, 20 yrs/any age	2-08	X	X	9.50%	Los Fresnos	00771
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Lott	00773
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Lovelady	00774
5 yrs	5 yrs/age 60, 20 yrs/any age	10-95			REMOVED	Lubbock	00778
5 yrs	5 yrs/age 60, 20 yrs/any age	1-07	X	X	13.50%	Lucas	00779
5 yrs	5 yrs/age 60, 20 yrs/any age	6-97	X	X	REMOVED	Lufkin	00782
10 yrs	10 yrs/age 60, 25 yrs/any age	9-95	X	X	11.50%	Luling	00784
5 yrs	5 yrs/age 60, 20 yrs/any age	9-95	X	X	REMOVED	Lumberton	00785
5 yrs	5 yrs/age 60, 20 yrs/any age				REMOVED	Lyford	00786
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	11.50%	Lytle	00787
5 yrs	5 yrs/age 60, 20 yrs/any age	1-93	X	X	11.50%	Madisonville	00790
5 yrs	5 yrs/age 60, 25 yrs/any age	4-98	X	X	8.50%	Magnolia	00791
5 yrs	5 yrs/age 60, 25 yrs/any age	3-07	X	X	13.50%	Malakoff	00792
5 yrs	5 yrs/age 60, 25 yrs/any age	6-14	X	X	REMOVED	Manor	00796
5 yrs	5 yrs/age 60, 20 yrs/any age	3-92	X	X	REMOVED	Mansfield	00798
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	13.50%	Manvel	00799
5 yrs	5 yrs/age 60, 20 yrs/any age	5-96	X	X	13.50%	Marble Falls	00800
5 yrs	5 yrs/age 60, 25 yrs/any age	3-05	X	X	11.50%	Marfa	00802
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Marion	00804
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	11.50%	Marlin	00806
5 yrs	5 yrs/age 60, 20 yrs/any age	1-94	X	X	REMOVED	Marshall	00810
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	9.50%	Mart	00812
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Martindale	00813
5 yrs	5 yrs/age 60, 25 yrs/any age	5-97	X	X	9.50%	Mason	00814

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Matador	5%	1-1						
Mathis	7%	2-1	100	1991	70	1991	11-03	
Maud	5%	1-1						
Maypearl	5%	1-1						
McAllen	7%	2-1	100 T	2013				12-27-07
McCamey	7%	1-1	100	1997R	70	2009		
McGregor	6%	2-1	100 T	1996R	70	1996R		
McKinney	7%	2-1	100 T	1996R	70	2003R		
McLean	5%	1-1						
Meadowlakes	7%	1-1						
McLendon-Chisholm	5%	1-1						
Meadows Place	7%	2-1	100	2015	70	2015		
Melissa	7%	2-1						
Memorial Villages P.D.	7%	2-1	100 T	2009	70	2009		
Memphis	5%	1.5-1	100	1998R	70	1998R		
Menard	5%	1-1	100	2009R	70	2009R		
Mercedes	7%	2-1	100 T	2009R	70	2009R	4-97	7-06-99
Meridian	5%	2-1						
Merkel	6%	2-1	100 T	2004R	70	2004R	4-02	
Mertzson	5%	2-1						
Mesquite	7%	2-1	100 T	2015	50	2015	1-84	9-16-91
Mexia	7%	2-1	100 T	1992R	70	1992R	2-84	
Midland	7%	2-1	100 T	1992R	50	1992R	11-83	
Midlothian	7%	2-1	100 T	2003R	70	2003R	10-88	9-13-88
Milano	5%	1-1						
Miles	5%	1-1	100	1990				
Milford	7%	1-1	100 T	2002R				
Mineola	5%	2-1	100 T	2000R	70	1988	2-99	
Mineral Wells	5%	2-1	100	1992R	70	1992R	12-90	10-18-88
Mission	6%	2-1	100 T	2007R	70	2010		
Missouri City	7%	2-1	100 T	2015	70	2015	3-93	8-06-01
Monahans	5%	2-1	100 T	1992R	70	1992R	11-94	
Mont Belvieu	7%	2-1	100 T	2015R	70	2015R		5-29-79
Montgomery	7%	2-1						
Moody	5%	1-1						
Morgan's Point	7%	2-1	50 T	2013R	30	2013R		
Morgan's Point Resort	7%	2-1	100 T	2006R	70	2003R	1-90	
Morton	5%	2-1	100 T	1999R	70	1999R		
Moulton	6%	1-1	100 T	2013R	70	2013R	12-97	
Mount Enterprise	5%	1-1						

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Matador	00816
5 yrs	5 yrs/age 60, 20 yrs/any age	9-99	X	X	13.50%	Mathis	00818
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Maud	00820
5 yrs	5 yrs/age 60, 25 yrs/any age	6-12	X	X	7.50%	Maypearl	00822
10 yrs	10 yrs/age 60, 20 yrs/any age	7-99			13.50%	McAllen	00824
10 yrs	10 yrs/age 60, 25 yrs/any age		X	X	9.50%	McCamey	00826
5 yrs	5 yrs/age 60, 20 yrs/any age	7-96	X	X	12.50%	McGregor	00828
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	REMOVED	McKinney	00830
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	McLean	00832
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Meadowlakes	00831
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	McLendon-Chisholm	00833
5 yrs	5 yrs/age 60, 20 yrs/any age	10-97	X	X	13.50%	Meadows Place	00835
5 yrs	5 yrs/age 60, 20 yrs/any age	3-03	X	X	REMOVED	Melissa	00837
5 yrs	5 yrs/age 60, 25 yrs/any age	6-96	X	X	REMOVED	Memorial Villages P.D.	01501
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Memphis	00840
5 yrs	5 yrs/age 60, 25 yrs/any age				REMOVED	Menard	00842
5 yrs	5 yrs/age 60, 20 yrs/any age	1-00	X	X	REMOVED	Mercedes	00844
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	11.50%	Meridian	00846
5 yrs	5 yrs/age 60, 25 yrs/any age	6-01	X	X	REMOVED	Merkel	00848
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Mertzon	00852
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92			REMOVED	Mesquite	00854
5 yrs	5 yrs/age 60, 20 yrs/any age	9-91	X	X	13.50%	Mexia	00856
5 yrs	5 yrs/age 60, 20 yrs/any age	4-94	X	X	REMOVED	Midland	00860
5 yrs	5 yrs/age 60, 20 yrs/any age	10-91	X	X	REMOVED	Midlothian	00862
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Milano	00863
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Miles	00864
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Milford	00865
5 yrs	5 yrs/age 60, 20 yrs/any age	10-91	X	X	11.50%	Mineola	00868
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	11.50%	Mineral Wells	00870
5 yrs	5 yrs/age 60, 20 yrs/any age	9-98	X	X	12.50%	Mission	00874
5 yrs	5 yrs/age 60, 20 yrs/any age	6-93	X	X	15.50%	Missouri City	00875
10 yrs	10 yrs/age 60, 25 yrs/any age	11-95	X	X	REMOVED	Monahans	00876
5 yrs	5 yrs/age 60, 25 yrs/any age	11-95	X	X	REMOVED	Mont Belvieu	00887
5 yrs	5 yrs/age 60, 20 yrs/any age				13.50%	Montgomery	00877
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Moody	00878
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98	X		REMOVED	Morgan's Point	00883
5 yrs	5 yrs/age 60, 20 yrs/any age	1-03	X	X	13.50%	Morgan's Point Resort	00882
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Morton	00884
5 yrs	5 yrs/age 60, 20 yrs/any age	11-97	X	X	REMOVED	Moulton	00886
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Mount Enterprise	00890

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Mt. Pleasant	7%	2-1	100 T	2005R	70	2005R		
Mt. Vernon	7%	2-1	100	1992R	70	1992R		1-13-98
Muenster	5%	2-1	100	1981	20	1981		
Mulshoe	7%	2-1	100 T	1992R	70	1992R	2-96	10-18-83
Munday	5%	1-1						
Murphy	7%	2-1	100 T	2002R	70	2002R		
Nacogdoches	7%	2-1	100 T	2000R	30	2012R	11-89	3-09-99
Nacogdoches Mem. Hospital ^③	5%	1-1						
Naples	5%	1.5-1						
Nash	7%	2-1	100	2013	70	2013		
Nassau Bay	7%	2-1	50	2012R	70	2012R	9-02	7-08-02
Natalia	5%	1-1						
Navasota	5%	2-1	100	1992R	70	1992R		5-08-89
Nederland	7%	2-1	100	2000R	30	1984	3-82	12-13-83
Needville	7%	1-1	100 T	1996R	70	1989		
Newark	5%	1-1						
New Boston	5%	1-1	100 T	1993R	70	1993R		
New Braunfels	7%	2-1	100 T	2005R	70	2005R	1-90	1-11-93
New Braunfels Utilities	7%	1.5-1	100 T	2002R	70	2002R	4-04	
New Deal	5%	1-1						
New Fairview	7%	1-1						
New London	5%	1-1	100 T	1997R	70	1997R		
New Summerfield	5%	1-1	100	1992R				5-22-07
New Waverly	5%	1.5-1	100	2004R				
Newton	7%	2-1	100 T	2001R	70	2001R		12-10-91
Nixon	5%	1-1						
Nocona	5%	2-1	100	2008R	70	2008R		
Nolanville	5%	1-1						
Normangee	5%	2-1						
North Richland Hills	7%	2-1	100 T	1992R	70	1992R	1-90	12-12-88
Northlake	7%	2-1	100 T	2011R				
Oak Point	7%	2-1	100	2010				
Oak Ridge North	7%	2-1	100	2007R	70	2009R		
Odem	6%	2-1						
Odessa	7%	2-1	100 T	2011R	50	2011R	10-89	2-28-12
O'Donnell	5%	1-1						
Oglesby	5%	1-1					12-03	
Old River-Winfree	5%	1-1						
Olmos Park	5%	2-1	100 T	2005	70	1998		
Olney	7%	2-1						

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 20 yrs/any age	1-96	X	X	REMOVED	Mt. Pleasant	00892
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	13.50%	Mt. Vernon	00894
5 yrs	5 yrs/age 60, 25 yrs/any age				11.50%	Muenster	00896
5 yrs	5 yrs/age 60, 20 yrs/any age	2-96	X	X	REMOVED	Muleshoe	00898
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Munday	00901
5 yrs	5 yrs/age 60, 20 yrs/any age	1-05	X	X	13.50%	Murphy	00903
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98	X	X	REMOVED	Nacogdoches	10904
5 yrs	5 yrs/age 60, 28 yrs/any age				7.50%	Nacogdoches Mem. Hospital ³	20904
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Naples	00906
5 yrs	5 yrs/age 60, 25 yrs/any age	6-96	X	X	13.50%	Nash	00907
5 yrs	5 yrs/age 60, 20 yrs/any age	1-07	X	X	REMOVED	Nassau Bay	00905
5 yrs	5 yrs/age 60, 20 yrs/any age	10-09	X	X	REMOVED	Natalia	00909
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Navasota	00908
10 yrs	10 yrs/age 60, 20 yrs/any age	1-00			REMOVED	Nederland	00910
5 yrs	5 yrs/age 60, 20 yrs/any age	2-98	X	X	9.50%	Needville	00912
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Newark	00913
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	New Boston	00914
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	REMOVED	New Braunfels	10916
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	New Braunfels Utilities	20916
5 yrs	5 yrs/age 60, 25 yrs/any age				7.50%	New Deal	00915
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	New Fairview	00923
5 yrs	5 yrs/age 60, 20 yrs/any age				7.50%	New London	00918
5 yrs	5 yrs/age 60, 25 yrs/any age				7.50%	New Summerfield	00919
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	New Waverly	00917
5 yrs	5 yrs/age 60, 20 yrs/any age	8-10	X	X	REMOVED	Newton	00920
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Nixon	00922
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	11.50%	Nocona	00924
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Nolanville	00925
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Normangee	00928
5 yrs	5 yrs/age 60, 20 yrs/any age	2-92			REMOVED	North Richland Hills	00931
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Northlake	00930
5 yrs	5 yrs/age 60, 20 yrs/any age	5-03	X	X	REMOVED	Oak Point	00936
5 yrs	5 yrs/age 60, 25 yrs/any age	7-99	X	X	REMOVED	Oak Ridge North	00937
10 yrs	10 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Odem	00942
5 yrs	5 yrs/age 60, 20 yrs/any age	12-93	X	X	REMOVED	Odessa	00944
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	O'Donnell	00935
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Oglesby	00945
5 yrs	5 yrs/age 60, 25 yrs/any age				7.50%	Old River-Winfree	00949
5 yrs	5 yrs/age 60, 25 yrs/any age				11.50%	Olmos Park	00950
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Olney	00951

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Omaha	5%	1-1						
Onalaska	5%	1.5-1						
Orange	7%	2-1	100 T	1997R	70	1997R	1-88	
Orange Grove	5%	1.5-1	100	1992R	50	1992R		8-18-10
Ore City	5%	1-1						
Overton	5%	2-1	100 T	1993	70	1993		
Ovilla	7%	2-1	100 T	2012R				11-12-07
Oyster Creek	7%	2-1	100 T	2009R				
Paducah	5%	1.5-1	100	1998R				
Palacios	7%	2-1	100 T	2012R	70	2012R		
Palestine	6%	2-1	100 T	2005R	70	2005R	12-03	6-27-78
Palmer	5%	2-1	100 T	2002R	70	2002R		
Palmhurst	5%	1-1						
Palmview	5%	1-1						
Pampa	7%	2-1	100 T	2012R	70	2012R	10-88	12-08-87
Panhandle	5%	2-1	100 T	2015R	70	2015R		8-26-93
Panorama Village	6%	2-1	100	1990				
Pantego	7%	2-1	100 T	1998R	50	2014R	1-93	
Paris	6%	2-1	100 T	2008	70	2008	9-88	10-09-95
Parker	6%	2-1	100 T	1998R				
Pasadena	7%	2-1	100 T	1993R	40	1993R	1-82	9-29-09
Pearland	7%	2-1	100 T	1998R	70	1998R	10-89	2-11-91
Pearsall	5%	1-1	100 T	2011R	70	2011R		
Pecos City	5%	2-1	100 T	1992R	30	1992R	11-90	8-08-96
Perryton	7%	2-1	100 T	1992R	70	1992R	10-84	10-01-02
Pflugerville	7%	2-1	100 T	2002R	70	2002R	9-89	
Pharr	7%	2-1	100 T	2008	70	2008	4-84	11-19-02
Pilot Point	5%	2-1	100 T	2005R	70	2005R	2-00	
Pinehurst	7%	2-1	100 T	2004R	70	2004R	4-03	3-08-90
Pineland	5%	1.5-1	100	1992R	70	1992R	8-94	8-20-91
Piney Point Village	5%	2-1	100	1999				
Pittsburg	7%	2-1	100 T	1999R	70	1999R		9-08-88
Plains	7%	1.5-1	100 T	1996R				
Plainview	7%	2-1	100 T	1997R	70	1997R	9-95	12-13-77
Plano	7%	2-1	100 T	1994R	70	1994R	1-92	12-27-93
Pleasanton	7%	2-1	100 T	2013R	70	2013R	5-91	9-21-87
Point	7%	1-1	100 T	2014R	50	2014R		
Ponder	5%	2-1						
Port Aransas	6%	2-1	100 T	2014R	70	2014R	2-00	
Port Arthur	5%	2-1	100 T	1999R	70	1999R	10-85	9-27-79

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Omaha	00953
5 yrs	5 yrs/age 60, 25 yrs/any age	4-04	X	X	9.50%	Onalaska	00954
10 yrs	10 yrs/age 60, 20 yrs/any age	3-96			REMOVED	Orange	00958
5 yrs	5 yrs/age 60, 25 yrs/any age	9-10	X	X	9.50%	Orange Grove	00960
5 yrs	5 yrs/age 60, 25 yrs/any age	10-01	X	X	7.50%	Ore City	00959
5 yrs	5 yrs/age 60, 25 yrs/any age	3-96	X	X	11.50%	Overton	00962
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	13.50%	Ovilla	00961
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	13.50%	Oyster Creek	00963
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	9.50%	Paducah	00964
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98	X	X	REMOVED	Palacios	00966
5 yrs	5 yrs/age 60, 20 yrs/any age	11-01	X	X	REMOVED	Palestine	00968
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Palmer	00970
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Palmhurst	00969
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Palmview	00971
5 yrs	5 yrs/age 60, 20 yrs/any age	2-96	X	X	REMOVED	Pampa	00972
5 yrs	5 yrs/age 60, 20 yrs/any age				REMOVED	Panhandle	00974
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98	X	X	12.50%	Panorama Village	00973
5 yrs	5 yrs/age 60, 20 yrs/any age	7-94	X	X	REMOVED	Pantego	00975
5 yrs	5 yrs/age 60, 20 yrs/any age	11-95	X	X	REMOVED	Paris	00976
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	13.50%	Parker	00977
5 yrs	5 yrs/age 60, 20 yrs/any age	4-94	X	X	REMOVED	Pasadena	00978
5 yrs	5 yrs/age 60, 20 yrs/any age	3-95	X	X	13.50%	Pearland	00983
5 yrs	5 yrs/age 60, 25 yrs/any age	2-04	X	X	7.50%	Pearsall	00984
5 yrs	5 yrs/age 60, 20 yrs/any age	4-95	X	X	11.50%	Pecos City	00988
10 yrs	10 yrs/age 60, 20 yrs/any age	2-97	X	X	REMOVED	Perryton	00994
5 yrs	5 yrs/age 60, 20 yrs/any age	1-95	X	X	13.50%	Pflugerville	01000
5 yrs	5 yrs/age 60, 20 yrs/any age	12-99	X	X	REMOVED	Pharr	01002
5 yrs	5 yrs/age 60, 20 yrs/any age	4-96	X	X	11.50%	Pilot Point	01004
5 yrs	5 yrs/age 60, 20 yrs/any age	12-92	X	X	REMOVED	Pinehurst	01005
5 yrs	5 yrs/age 60, 20 yrs/any age	5-05	X	X	REMOVED	Pineland	01003
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Piney Point Village	01001
5 yrs	5 yrs/age 60, 25 yrs/any age	2-94	X	X	REMOVED	Pittsburg	01006
5 yrs	5 yrs/age 60, 25 yrs/any age	11-00	X	X	REMOVED	Plains	01007
5 yrs	5 yrs/age 60, 25 yrs/any age	1-92			REMOVED	Plainview	01008
5 yrs	5 yrs/age 60, 20 yrs/any age	1-94			REMOVED	Plano	01010
5 yrs	5 yrs/age 60, 25 yrs/any age	12-96	X	X	REMOVED	Pleasanton	01012
5 yrs	5 yrs/age 60, 20 yrs/any age	11-10			9.50%	Point	01013
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Ponder	01017
5 yrs	5 yrs/age 60, 20 yrs/any age	2-00	X	X	12.50%	Port Aransas	01014
10 yrs	10 yrs/age 60, 20 yrs/any age	1-92	X	X	REMOVED	Port Arthur	11016

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Port Isabel	5%	1.5-1	100	1992R	70	1992R		
Port Lavaca	5%	1.5-1	100 T	2003R	70	2003R		
Port Neches	7%	2-1	100 T	2001R	30	2015	12-87	11-19-87
Portland	6%	2-1	100 T	2006R	70	2006R	5-91	
Post	5%	2-1	50 T	2004R				
Poteet	5%	1.5-1	100	2007R				
Poth	7%	1-1	100	2004				
Pottsboro	7%	2-1						
Premont	5%	1-1						
Presidio	5%	1-1						
Primera	5%	1-1						
Princeton	7%	2-1	100 T	1992R	70	1992R	1-90	
Prosper	7%	2-1	100 T	2009R	70	2009R		
Quanah	5%	1.5-1	100 T	1995R	70	1995R		
Queen City	5%	1-1	100 T	2000R				5-11-06
Quinlan	6%	2-1	100 T	2015R	70	2015R		
Quintana	5%	1-1						
Quitaque	5%	1-1						
Quitman	5%	2-1	100	1992R	70	1992R		
Ralls	5%	1.5-1	100 T	1997R	70	1997R		
Rancho Viejo	7%	1.5-1	100	1999R				11-13-01
Ranger	6%	2-1	100 T	2005R	70	2005R		
Rankin	5%	1-1	100 T	1993			1-90	
Ransom Canyon	6%	1.5-1	100 T	2014R			8-09	
Raymondville	7%	2-1	90 T	1988	70	1988	1-86	
Red Oak	6%	2-1	100 T	2009	70	2009		
Redwater	7%	1-1						
Refugio	5%	1-1	100	1991				
Reklaw	7%	1.5-1	100 T	2001R	70	2001R		
Reno (Lamar County)	5%	2-1	100	1994R				
Reno (Parker County)	5%	1.5-1						
Rhome	7%	2-1						
Rice	5%	1-1						
Richardson	7%	2-1	50	2011R	50	2011R	1-87	9-28-87
Richland Hills	7%	2-1	100 T	1992R	70	1992R	1-90	12-10-91
Richland Springs	5%	2-1	20	1997				
Richmond	7%	2-1	100 T	1992R	70	1992R	1-90	4-18-05
Richwood	5%	2-1	100 T	1998R	70	1998R	4-90	
Riesel	5%	1-1						
Rio Grande City	6%	1.5-1	100 T	2007R	70	2007R		9-07-06

Plan Provisions For Participating Municipalities

Continued

Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Port Isabel	01018
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Port Lavaca	01020
10 yrs	10 yrs/age 60, 20 yrs/any age	3-97			REMOVED	Port Neches	01022
10 yrs	10 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Portland	01019
10 yrs	10 yrs/age 60, 20 yrs/any age	1-97	X	X	REMOVED	Post	01024
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Poteet	01026
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Poth	01028
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	13.50%	Pottsboro	01030
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Premont	01032
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Presidio	01029
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Primera	01033
5 yrs	5 yrs/age 60, 20 yrs/any age	2-02	X	X	13.50%	Princeton	01034
5 yrs	5 yrs/age 60, 20 yrs/any age				13.50%	Prosper	01036
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Quanah	01042
5 yrs	5 yrs/age 60, 25 yrs/any age	11-01	X	X	7.50%	Queen City	01045
5 yrs	5 yrs/age 60, 25 yrs/any age	8-97	X	X	12.50%	Quinlan	01044
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Quintana	01047
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Quitaque	01046
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Quitman	01048
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Ralls	01050
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Rancho Viejo	01051
5 yrs	5 yrs/age 60, 20 yrs/any age				12.50%	Ranger	01052
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	7.50%	Rankin	01054
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Ransom Canyon	01055
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	15.50%	Raymondville	01058
5 yrs	5 yrs/age 60, 20 yrs/any age	10-08	X	X	12.50%	Red Oak	01061
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Redwater	01062
5 yrs	5 yrs/age 60, 25 yrs/any age				7.50%	Refugio	01064
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Reklaw	01065
5 yrs	5 yrs/age 60, 20 yrs/any age	2-01	X	X	11.50%	Reno (Lamar County)	01066
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Reno (Parker County)	01069
5 yrs	5 yrs/age 60, 20 yrs/any age	10-02	X	X	13.50%	Rhome	01067
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	7.50%	Rice	01068
5 yrs	5 yrs/age 60, 25 yrs/any age	10-91			REMOVED	Richardson	01070
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	REMOVED	Richland Hills	01073
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Richland Springs	01074
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	REMOVED	Richmond	01076
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Richwood	01077
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Riesel	01072
5 yrs	5 yrs/age 60, 20 yrs/any age	1-07	X	X	REMOVED	Rio Grande City	01075

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Rio Vista	7%	1-1						
Rising Star	5%	1-1						
River Oaks	7%	2-1	100 T	1992R	70	1992R	8-88	
Roanoke	7%	2-1	100 T	1993R	70	1993R		
Robert Lee	5%	1-1						
Robinson	7%	2-1	100 T	2009R	30	2009R		
Robstown	5%	1.5-1	100	2004R	70	2004R		
Robstown Utility System	5%	2-1	100 T	2004R	70	2004R	11-03	3-07-91
Roby	7%	2-1	100	1994	70	1994		
Rockdale	5%	2-1	100	2004R	70	2004R		
Rockport	7%	2-1	100 T	1993R	70	1993R	6-92	
Rocksprings	7%	1-1						
Rockwall	7%	2-1	100 T	2001R	70	2001R	7-93	8-02-83
Rogers	7%	1-1	100 T	2010R				
Rollingwood	6%	2-1	100 T	2002R				
Roma	5%	2-1	100 T	2009R	70	2009R		
Roscoe	5%	1-1						
Rosebud	5%	1-1						
Rosenberg	6%	2-1	100 T	2003R	70	2003R	2-91	5-18-99
Rotan	5%	1-1						
Round Rock	7%	2-1	100 T	1999R	70	1999R	1-90	6-08-06
Rowlett	7%	2-1	100 T	1999R	50	2012R	1-90	
Roy H. Laird Mem. Hospital	5%	2-1	100	2009	70	2009		
Royse City	7%	2-1	100 T	2009R	30	2012R		
Rule	7%	1.5-1						
Runaway Bay	5%	1.5-1						
Runge	7%	1-1	100 T	2003R	70	2003R		
Rusk	6%	1.5-1	100 T	2004R	70	2004R	2-12	12-19-02
Sabinal	3%	2-1	100 T	1996R			4-95	
Sachse	7%	2-1	100 T	1998R	70	1998R		
Saginaw	6%	2-1	100 T	2008R	70	2008R		
Saint Jo	6%	1.5-1	100	1992R	70	1998R		
Salado	5%	2-1	100 T	2005R			7-02	
San Angelo	7%	2-1	100 T	1995R	50	2010R	1-82	11-13-79
San Antonio	6%	2-1	100 T	2000R	70	2015	10-96	1-01-00
San Antonio Water System	3%	1-1	100	1992R	70	1992R	9-89	
San Augustine	7%	2-1	100 T	1995R	70	1995R	9-99	3-14-00
San Benito	5%	2-1	100 T	2001			6-98	
San Felipe	5%	1-1						
San Juan	6%	1.5-1					4-01	

Plan Provisions For Participating Municipalities

Continued

Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Rio Vista	01079
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Rising Star	01080
5 yrs	5 yrs/age 60, 20 yrs/any age	11-95	X	X	REMOVED	River Oaks	01082
5 yrs	5 yrs/age 60, 20 yrs/any age	11-97			REMOVED	Roanoke	01084
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Robert Lee	01088
5 yrs	5 yrs/age 60, 25 yrs/any age	12-97	X	X	13.50%	Robinson	01089
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98	X	X	9.50%	Robstown	21090
5 yrs	5 yrs/age 60, 20 yrs/any age	11-97	X	X	REMOVED	Robstown Utility System	11090
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Roby	01092
5 yrs	5 yrs/age 60, 20 yrs/any age	7-01	X	X	11.50%	Rockdale	01096
10 yrs	10 yrs/age 60, 20 yrs/any age	3-97	X	X	REMOVED	Rockport	01098
5 yrs	5 yrs/age 60, 25 yrs/any age				REMOVED	Rocksprings	01100
5 yrs	5 yrs/age 60, 20 yrs/any age	11-95	X	X	REMOVED	Rockwall	01102
5 yrs	5 yrs/age 60, 25 yrs/any age	8-09			REMOVED	Rogers	01104
5 yrs	5 yrs/age 60, 25 yrs/any age	1-07	X	X	12.50%	Rollingwood	01105
5 yrs	5 yrs/age 60, 20 yrs/any age	5-02	X	X	11.50%	Roma	01106
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Roscoe	01109
5 yrs	5 yrs/age 60, 20 yrs/any age	10-05	X	X	REMOVED	Rosebud	01112
5 yrs	5 yrs/age 60, 20 yrs/any age	10-96	X	X	REMOVED	Rosenberg	01114
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Rotan	01116
5 yrs	5 yrs/age 60, 20 yrs/any age	2-96	X	X	REMOVED	Round Rock	01118
5 yrs	5 yrs/age 60, 20 yrs/any age	5-94			REMOVED	Rowlett	01119
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	11.50%	Roy H. Laird Mem. Hospital	20696
5 yrs	5 yrs/age 60, 20 yrs/any age	8-92	X	X	13.50%	Royse City	01120
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Rule	01122
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	9.50%	Runaway Bay	01123
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Runge	01124
5 yrs	5 yrs/age 60, 20 yrs/any age	2-12	X	X	10.50%	Rusk	01126
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Sabinal	01128
5 yrs	5 yrs/age 60, 20 yrs/any age	9-95	X	X	13.50%	Sachse	01129
5 yrs	5 yrs/age 60, 20 yrs/any age	11-97	X	X	REMOVED	Saginaw	01131
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	10.50%	Saint Jo	01130
5 yrs	5 yrs/age 60, 20 yrs/any age	6-11	X	X	REMOVED	Salado	01133
5 yrs	5 yrs/age 60, 20 yrs/any age	10-94			REMOVED	San Angelo	01132
5 yrs	5 yrs/age 60, 20 yrs/any age	10-96			REMOVED	San Antonio	21136
5 yrs	5 yrs/age 60, 20 yrs/any age	4-97			5.50%	San Antonio Water System	11136
10 yrs	10 yrs/age 60, 25 yrs/any age	9-99	X	X	13.50%	San Augustine	01138
5 yrs	5 yrs/age 60, 20 yrs/any age	6-98	X	X	11.50%	San Benito	01140
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	San Felipe	01144
5 yrs	5 yrs/age 60, 25 yrs/any age	12-00	X	X	10.50%	San Juan	01148

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
San Marcos	7%	2-1	100 T	1999R	70	1999R	4-84	7-09-01
San Saba	6%	1.5-1	100 T	2011R	70	2011R		7-11-78
Sanger	6%	2-1	100	2007R			12-95	8-20-07
Sansom Park	7%	1.5-1	100 T	2008R	70	2008R		
Santa Anna	5%	1.5-1	100 T	1992R	70	1992R		
Santa Fe	7%	1.5-1	100 T	2005R	70	2005R		
Savoy	6%	1.5-1						
Schertz	7%	2-1	100 T	2008R	70	2008R	9-94	8-16-94
Schulenburg	7%	2-1	100 T	2001R	70	2001R		3-09-89
Seabrook	7%	2-1	100 T	2005R	30	2014R	1-88	3-05-13
Seadrift	5%	1-1						
Seagoville	7%	2-1	100 T	2007R	70	1988		
Seagraves	5%	2-1	100	1992R	70	1992R		
Sealy	7%	2-1	100 T	2007R	70	2007R	1-90	
Seguin	7%	2-1	100 T	2015R	70	2015	2-96	
Selma	7%	2-1	100 T	1993R	70	1996R	7-95	
Seminole	7%	2-1	100 T	2000R	70	2000R	7-96	3-23-92
Seven Points	7%	2-1	100 T	1998R	70	1998R		
Seymour	6%	1-1	100 T	1995R	70	1995R	9-89	
Shady Shores	5%	1-1						
Shallowater	5%	1.5-1	100 T	1999R				
Shamrock	5%	1-1	100 T	1992R	70	1992R		
Shavano Park	7%	2-1	100 T	2006R	70	2006R		
Shenandoah	7%	2-1	100 T	2009R	70	2009R		11-28-07
Shepherd	7%	1.5-1	100	1998				
Sherman	7%	2-1	100 T	2007R	30	2007R	1-91	10-01-00
Shiner	5%	1-1	100 T	2005R	70	2005R		
Shoreacres	5%	1.5-1	100 T	1993R	70	1993R		3-26-01
Silsbee	7%	2-1	100	1996R	70	1996R	10-89	11-08-83
Silverton	6%	1.5-1	75	2012R	50	2012R		
Sinton	7%	2-1	100	2012R	70	2012R	5-88	
Skellytown	7%	1-1	100	2012R				
Slaton	6%	2-1	100 T	1992R	70	1996		
Smithville	5%	1.5-1	100 T	2001R	70	2001R	12-95	4-11-94
Smyer	7%	2-1						
Snyder	7%	2-1	100 T	1992R	70	1992R		
Somerset	5%	1.5-1	100 T	2011	70	2011		
Somerville	5%	1.5-1	100 T	2000R	70	2000R		
Sonora	5%	2-1	100 T	2009R	70	2009R		11-18-08
Sour Lake	5%	1-1					5-11	

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 20 yrs/any age	2-96	X	X	REMOVED	San Marcos	01150
5 yrs	5 yrs/age 60, 20 yrs/any age	11-08	X	X	10.50%	San Saba	01152
5 yrs	5 yrs/age 60, 20 yrs/any age	3-99	X	X	12.50%	Sanger	01146
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	11.50%	Sansom Park	01153
5 yrs	5 yrs/age 60, 25 yrs/any age	1-92	X	X	9.50%	Santa Anna	01154
10 yrs	10 yrs/age 60, 20 yrs/any age	2-97			REMOVED	Santa Fe	01155
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	10.50%	Savoy	01158
5 yrs	5 yrs/age 60, 20 yrs/any age	2-93	X	X	REMOVED	Schertz	01159
5 yrs	5 yrs/age 60, 20 yrs/any age	1-01	X	X	REMOVED	Schulenburg	01160
5 yrs	5 yrs/age 60, 20 yrs/any age	12-94	X	X	REMOVED	Seabrook	01161
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Seadrift	01162
5 yrs	5 yrs/age 60, 20 yrs/any age	11-95	X	X	13.50%	Seagoville	01164
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Seagraves	01166
5 yrs	5 yrs/age 60, 20 yrs/any age	1-05	X	X	REMOVED	Sealy	01167
5 yrs	5 yrs/age 60, 20 yrs/any age	6-95	X	X	REMOVED	Seguin	01168
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98	X	X	REMOVED	Selma	01169
5 yrs	5 yrs/age 60, 25 yrs/any age	9-96	X	X	REMOVED	Seminole	01170
10 yrs	10 yrs/age 60, 20 yrs/any age	5-00	X	X	13.50%	Seven Points	01171
5 yrs	5 yrs/age 60, 20 yrs/any age	4-98	X	X	8.50%	Seymour	01172
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Shady Shores	01165
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Shallowater	01177
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Shamrock	01174
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	13.50%	Shavano Park	01173
5 yrs	5 yrs/age 60, 20 yrs/any age	1-08	X	X	REMOVED	Shenandoah	01175
5 yrs	5 yrs/age 60, 25 yrs/any age	7-00	X	X	11.50%	Shepherd	01181
5 yrs	5 yrs/age 60, 20 yrs/any age	10-00	X	X	REMOVED	Sherman	01176
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Shiner	01178
5 yrs	5 yrs/age 60, 20 yrs/any age	11-93	X	X	9.50%	Shoreacres	01179
5 yrs	5 yrs/age 60, 20 yrs/any age	5-98			REMOVED	Silsbee	01180
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Silverton	01182
5 yrs	5 yrs/age 60, 25 yrs/any age	11-91	X	X	REMOVED	Sinton	01184
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Skellytown	01185
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	12.50%	Slaton	01186
5 yrs	5 yrs/age 60, 20 yrs/any age	1-94	X	X	9.50%	Smithville	01188
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	13.50%	Smyer	01189
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	REMOVED	Snyder	01190
5 yrs	5 yrs/age 60, 25 yrs/any age	10-01	X	X	9.50%	Somerset	01191
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Somerville	01192
5 yrs	5 yrs/age 60, 20 yrs/any age	4-00	X	X	REMOVED	Sonora	01194
5 yrs	5 yrs/age 60, 25 yrs/any age	9-12	X	X	7.50%	Sour Lake	01196

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
South Houston	5%	2-1	100 T	2007R	70	2007R	12-91	
South Padre Island	7%	2-1	100 T	2002R	70	2002R	1-90	7-01-78
Southlake	7%	2-1	100	2010R	50	2010R	1-95	6-20-00
Southside Place	7%	2-1	100 T	2011R	70	1988	1-03	
Spearman	7%	2-1	100 T	1992R	70	1992R		12-16-86
Spring Valley	7%	2-1	100 T	2009	70	2009		
Springtown	7%	2-1	100 T	2007R	70	2007R		
Spur	5%	1-1	100 T	2013R	70	2015		
Stafford	7%	2-1	100 T	2005R	70	2005R		
Stamford	5%	1.5-1	100 T	1994R	70	1994R	2-89	
Stanton	5%	1.5-1	100	1992R	70	1992R	5-89	
Star Harbor	5%	2-1	100	1992R	70	1992R	9-82	
Stephenville	6%	2-1	100 T	2000R	70	2000R	10-89	12-04-01
Sterling City	5%	1-1						
Stinnett	5%	1.5-1	100	1995	60	1995		3-18-02
Stockdale	5%	1-1						
Stratford	5%	1.5-1	100 T	2006R	70	2006R	1-00	
Sudan	5%	1-1	100 T	2015	70	2015		
Sugar Land	7%	2-1	100 T	2002R	70	2002R		
Sulphur Springs	6%	2-1	100 T	2015	50	2007		
Sundown	7%	2-1	100 T	2010R	50	1996		
Sunnyvale	6%	2-1	100 T	2004R	70	2004R	5-04	
Sunray	7%	2-1	100 T	2000R	70	2000R	2-99	
Sunrise Beach Village	5%	1-1						
Sunset Valley	7%	2-1	100 T	2004R	70	2004R	7-01	
Surfside Beach	5%	1-1						
Sweeny	7%	2-1	100 T	2008R	70	2008R		
Sweetwater	7%	2-1	100 T	2000R	70	2000R		9-10-91
T.M.R.S.	7%	2-1	100 T	1992R	70	2000R	1-82	12-06-13
Taft	7%	2-1	100 T	2013R	30	2013R	11-94	6-12-12
Tahoka	5%	2-1	100	2015	50	1976	12-03	
Tatum	5%	1-1						
Taylor	7%	1.5-1	100 T	2007R	70	2007R	2-92	
Teague	7%	2-1	100 T	2007R	70	2007R		
Temple	7%	2-1	100 T	1992R	70	1992R	1-90	
Tenaha	5%	1-1						
Terrell	7%	2-1	100 T	1996R	70	1996R	1-96	
Terrell Hills	6%	2-1	100 T	1999R	70	1999R	3-02	
Texarkana	7%	2-1	100 T	1992R	70	1992R	10-88	
Texarkana Police Dept.	7%	2-1	100 T	1998R	70	1998R	10-88	

Plan Provisions For Participating Municipalities

Continued

Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	South Houston	01198
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	13.50%	South Padre Island	01199
5 yrs	5 yrs/age 60, 20 yrs/any age	1-95	X	X	13.50%	Southlake	01197
5 yrs	5 yrs/age 60, 20 yrs/any age	1-03	X	X	REMOVED	Southside Place	01202
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	13.50%	Spearman	01204
5 yrs	5 yrs/age 60, 25 yrs/any age	4-97	X	X	REMOVED	Spring Valley	01205
5 yrs	5 yrs/age 60, 20 yrs/any age	10-04	X	X	13.50%	Springtown	01203
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Spur	01206
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Stafford	01207
5 yrs	5 yrs/age 60, 25 yrs/any age	9-96	X	X	9.50%	Stamford	01208
5 yrs	5 yrs/age 60, 25 yrs/any age	10-99	X	X	9.50%	Stanton	01210
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Star Harbor	01211
5 yrs	5 yrs/age 60, 20 yrs/any age	10-91	X	X	REMOVED	Stephenville	01212
5 yrs	5 yrs/age 60, 25 yrs/any age				7.50%	Sterling City	01213
5 yrs	5 yrs/age 60, 25 yrs/any age	9-98	X	X	9.50%	Stinnett	01214
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Stockdale	01216
5 yrs	5 yrs/age 60, 20 yrs/any age	1-00	X	X	REMOVED	Stratford	01218
5 yrs	5 yrs/age 60, 20 yrs/any age	10-99			7.50%	Sudan	01224
5 yrs	5 yrs/age 60, 20 yrs/any age	7-98	X	X	REMOVED	Sugar Land	01225
5 yrs	5 yrs/age 60, 20 yrs/any age	11-95	X	X	REMOVED	Sulphur Springs	01226
5 yrs	5 yrs/age 60, 20 yrs/any age	4-00	X	X	REMOVED	Sundown	01228
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Sunnyvale	01229
5 yrs	5 yrs/age 60, 20 yrs/any age	2-99	X	X	REMOVED	Sunray	01230
5 yrs	5 yrs/age 60, 25 yrs/any age	4-11	X	X	7.50%	Sunrise Beach Village	01227
5 yrs	5 yrs/age 60, 25 yrs/any age	6-06	X	X	13.50%	Sunset Valley	01231
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Surfside Beach	01233
5 yrs	5 yrs/age 60, 25 yrs/any age	10-11	X	X	REMOVED	Sweeny	01232
5 yrs	5 yrs/age 60, 25 yrs/any age	1-96	X	X	REMOVED	Sweetwater	01234
5 yrs	5 yrs/age 60, 20 yrs/any age	1-97	X	X	REMOVED	T.M.R.S.	01264
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	13.50%	Taft	01236
5 yrs	5 yrs/age 60, 25 yrs/any age	3-04	X	X	11.50%	Tahoka	01238
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Tatum	01241
5 yrs	5 yrs/age 60, 20 yrs/any age	10-91	X	X	REMOVED	Taylor	01246
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	13.50%	Teague	01248
5 yrs	5 yrs/age 60, 20 yrs/any age	1-94	X	X	REMOVED	Temple	01252
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Tenaha	01254
5 yrs	5 yrs/age 60, 20 yrs/any age	1-96	X	X	REMOVED	Terrell	01256
5 yrs	5 yrs/age 60, 20 yrs/any age	8-97	X	X	REMOVED	Terrell Hills	01258
5 yrs	5 yrs/age 60, 20 yrs/any age	6-95			REMOVED	Texarkana	21260
5 yrs	5 yrs/age 60, 20 yrs/any age	6-95			REMOVED	Texarkana Police Dept.	11260

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Texarkana Water Utilities	7%	2-1	100 T	1992R	70	1992R	10-88	
Texas City	7%	2-1	100 T	2003R	70	2003R	6-90	1-01-03
Texas Municipal League	6%	2-1	100 T	2005R	70	2005R	11-91	
Texas Municipal League IEBP	6%	2-1	100	2015				
Texas Municipal League IRP	7%	2-1	100	1993R	70	2003R	3-92	10-19-02
Texhoma	5%	1-1						
The Colony	7%	2-1	100 T	2011R	30	2011R	10-93	
Thompsons	5%	1-1						
Thorndale	5%	1.5-1	100 T	2013R	70	2013R		
Thrall	5%	1-1						
Three Rivers	5%	1-1	100	1992R	70	1992R		
Throckmorton	5%	1.5-1	100	2004R	70	2004R		12-08-87
Tiki Island	6%	1-1						
Timpson	5%	1-1	100	1996R				
Tioga	5%	1-1						
Tolar	7%	2-1						
Tom Bean	5%	1-1						
Tomball	7%	2-1	100 T	1995R	70	1995R	11-89	6-20-88
Trent	7%	1.5-1						
Trenton	5%	1.5-1	100 T	1998R				4-07-94
Trinidad	5%	1-1						
Trinity	5%	2-1	100	2014R	70	2014R		
Trophy Club	7%	2-1	100 T	2001R	30	2015R		
Troup	5%	1.5-1	100 T	2011R	70	2011R		
Troy	6%	2-1	100	2015R				
Tulia	6%	2-1	100 T	1997R	70	1997R		5-05-87
Turkey	5%	1-1						
Tye	7%	1.5-1						
Tyler	7%	2-1	100 T	2005R	70	2005R	2-94	5-24-00
Universal City	7%	2-1	100 T	2014R	70	2014R	3-94	
University Park	7%	2-1	100	2013	70	2013		
Uvalde	5%	1.5-1	100 T	2012R	70	2012R	6-90	
Valley View	5%	1-1						
Van	6%	2-1	100 T	2015R	70	1990	3-11	
Van Alstyne	6%	2-1	100 T	2000R	70	2000R		
Van Horn	5%	1.5-1	100	1994R	70	1994R		12-10-96
Vega	7%	2-1	100 T	2008R	70	2008R		
Venus	7%	2-1	100	2007R	70	2010R		
Vernon	7%	2-1	100 T	2002R	70	2002R	5-91	
Victoria	6%	2-1	100 T	1993R	70	1993R	11-84	8-16-82

Plan Provisions For Participating Municipalities

Continued

Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 20 yrs/any age	6-95			REMOVED	Texarkana Water Utilities	31260
5 yrs	5 yrs/age 60, 20 yrs/any age				REMOVED	Texas City	01262
10 yrs	10 yrs/age 60, 20 yrs/any age	11-91	X	X	REMOVED	Texas Municipal League	11263
10 yrs	10 yrs/age 60, 25 yrs/any age	1-99	X	X	12.50%	Texas Municipal League IEBP	31263
10 yrs	10 yrs/age 60, 25 yrs/any age	3-92	X	X	REMOVED	Texas Municipal League IRP	21263
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Texhoma	01265
5 yrs	5 yrs/age 60, 20 yrs/any age	1-96	X	X	REMOVED	The Colony	01267
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Thompsons	01269
5 yrs	5 yrs/age 60, 20 yrs/any age	9-99	X	X	9.50%	Thorndale	01268
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Thrall	01272
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Three Rivers	01274
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	9.50%	Throckmorton	01276
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Tiki Island	01277
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Timpson	01278
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	7.50%	Tioga	01280
5 yrs	5 yrs/age 60, 25 yrs/any age	9-12	X	X	REMOVED	Tolar	01283
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	7.50%	Tom Bean	01286
5 yrs	5 yrs/age 60, 20 yrs/any age	9-94	X	X	REMOVED	Tomball	01284
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Trent	01290
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	9.50%	Trenton	01292
5 yrs	5 yrs/age 60, 25 yrs/any age	10-96	X	X	7.50%	Trinidad	01293
5 yrs	5 yrs/age 60, 25 yrs/any age	4-06	X	X	11.50%	Trinity	01294
5 yrs	5 yrs/age 60, 20 yrs/any age	3-01	X	X	REMOVED	Trophy Club	01295
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Troup	01296
5 yrs	5 yrs/age 60, 25 yrs/any age	3-98	X	X	12.50%	Troy	01297
5 yrs	5 yrs/age 60, 20 yrs/any age	12-96	X	X	REMOVED	Tulia	01298
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Turkey	01299
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Tye	01301
5 yrs	5 yrs/age 60, 20 yrs/any age	1-94	X	X	REMOVED	Tyler	01304
5 yrs	5 yrs/age 60, 20 yrs/any age	4-97	X	X	REMOVED	Universal City	01305
10 yrs	10 yrs/age 60, 20 yrs/any age	12-91			REMOVED	University Park	01306
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98	X	X	9.50%	Uvalde	01308
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Valley View	01313
5 yrs	5 yrs/age 60, 20 yrs/any age	3-11	X	X	12.50%	Van	01314
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	12.50%	Van Alstyne	01316
5 yrs	5 yrs/age 60, 20 yrs/any age	1-97	X	X	9.50%	Van Horn	01318
5 yrs	5 yrs/age 60, 20 yrs/any age	1-03	X	X	REMOVED	Vega	01320
5 yrs	5 yrs/age 60, 25 yrs/any age				13.50%	Venus	01324
5 yrs	5 yrs/age 60, 25 yrs/any age	12-96	X	X	REMOVED	Vernon	01326
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	REMOVED	Victoria	01328

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Vidor	7%	2-1	100 T	2006R	70	2006R	1-92	10-11-07
Volente	6%	1.5-1						
Village Fire Dept.	7%	1.5-1	100 T	2009	70	2009		
Waco	7%	2-1	100 T	2005R	50	2014	9-89	4-01-03
Waelder	5%	1-1	100	1992R	30	1988		
Wake Village	7%	2-1	100	1995R	70	1995R		2-14-11
Waller	5%	1.5-1	100 T	2010R				
Wallis	6%	1-1	100	2001R				
Walnut Springs	5%	1-1						
Waskom	5%	1-1	100 T	2005R	70	2005R		
Watauga	7%	2-1	100 T	1999R	70	1999R	11-89	
Waxahachie	7%	2-1	100 T	1997R	70	1997R	1-90	12-16-85
Weatherford	7%	2-1	100 T	2000R	50	2014R	10-88	3-28-89
Webster	7%	2-1	100 T	1998R	70	1998R	2-95	1-02-07
Weimar	7%	2-1	100	2008R	50	2008R		
Wellington	5%	2-1	100 T	2015R	70	2007	10-89	
Wells	5%	1-1	100	1992R	70	1992R		
Weslaco	7%	2-1	50 T	2015	30	2015		8-18-05
West	5%	1.5-1	100	2003R	50	1981		
West Columbia	5%	2-1	100 T	2003R	50	1976		7-12-10
West Lake Hills	7%	2-1	100 T	2000R	70	2000R		5-13-92
West Orange	7%	2-1	100	2003R	70	2003R	11-89	
West Tawakoni	5%	2-1	100 T	2007R				9-13-05
West Univ. Place	7%	2-1	100 T	2004R	70	2010	1-91	11-26-90
Westlake	7%	2-1	100 T	2006R				
Westover Hills	5%	1-1	90	1991	30	1991		
Westworth Village	7%	2-1	100 T	2010R	70	2010R		
Wharton	5%	1.5-1	100 T	2010R	70	2010R	1-97	
Wheeler	5%	2-1	100	1999R	70	1999R		
White Deer	5%	1-1	100	1992R	70	1992R		
White Oak	7%	2-1	100 T	1992R	70	1992R	12-00	
White Settlement	5%	2-1	100 T	1992R	70	1992R	6-90	12-21-99
Whiteface	5%	1.5-1	100 T	1996R	70	1996R	10-01	
Whitehouse	5%	1.5-1	100	1996R	70	2003R		
Whitesboro	5%	1.5-1	100 T	1998R	70	1998R		
Whitewright	5%	1.5-1	100 T	1992R				
Whitney	5%	1-1	100 T	2002R	70	2002R		
Wichita Falls	5% ^②	2-1	50 T	1997R	70	1997R		
Willis	7%	2-1	100 T	2011R	70	2011		
Willow Park	7%	2-1						12-09-14

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
10 yrs	10 yrs/age 60, 20 yrs/any age	7-97	X	X	REMOVED	Vidor	01329
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Volente	01331
5 yrs	5 yrs/age 60, 20 yrs/any age	6-96	X	X	REMOVED	Village Fire Dept.	01500
5 yrs	5 yrs/age 60, 20 yrs/any age	11-91			REMOVED	Waco	01330
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Waelder	01332
5 yrs	5 yrs/age 60, 25 yrs/any age	1-92	X	X	13.50%	Wake Village	01334
5 yrs	5 yrs/age 60, 25 yrs/any age	6-02	X	X	9.50%	Waller	01336
10 yrs	10 yrs/age 60, 20 yrs/any age		X	X	8.50%	Wallis	01337
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Walnut Springs	01338
10 yrs	10 yrs/age 60, 20 yrs/any age	5-00	X	X	7.50%	Waskom	01340
5 yrs	5 yrs/age 60, 20 yrs/any age	3-92	X	X	13.50%	Watauga	01341
5 yrs	5 yrs/age 60, 20 yrs/any age	11-91	X	X	REMOVED	Waxahachie	01342
5 yrs	5 yrs/age 60, 20 yrs/any age	11-92	X	X	REMOVED	Weatherford	01344
5 yrs	5 yrs/age 60, 20 yrs/any age	2-95	X	X	REMOVED	Webster	01345
5 yrs	5 yrs/age 60, 25 yrs/any age	5-98	X	X	REMOVED	Weimar	01346
10 yrs	10 yrs/age 60, 25 yrs/any age	12-98	X	X	REMOVED	Wellington	01350
5 yrs	5 yrs/age 60, 25 yrs/any age				7.50%	Wells	01352
5 yrs	5 yrs/age 60, 20 yrs/any age	10-95	X	X	REMOVED	Weslaco	01354
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	9.50%	West	01356
5 yrs	5 yrs/age 60, 20 yrs/any age	5-13			11.50%	West Columbia	01358
5 yrs	5 yrs/age 60, 20 yrs/any age	11-96	X	X	REMOVED	West Lake Hills	01359
10 yrs	10 yrs/age 60, 20 yrs/any age	10-95			REMOVED	West Orange	01361
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	West Tawakoni	01365
5 yrs	5 yrs/age 60, 20 yrs/any age	1-96	X	X	REMOVED	West Univ. Place	01364
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Westlake	01363
5 yrs	5 yrs/age 60, 25 yrs/any age	10-93	X	X	7.50%	Westover Hills	01362
5 yrs	5 yrs/age 60, 25 yrs/any age	8-00	X	X	13.50%	Westworth Village	01366
10 yrs	10 yrs/age 60, 20 yrs/any age	11-97	X	X	9.50%	Wharton	01368
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Wheeler	01370
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	White Deer	01372
5 yrs	5 yrs/age 60, 20 yrs/any age	5-00	X	X	REMOVED	White Oak	01377
5 yrs	5 yrs/age 60, 20 yrs/any age	11-91	X	X	11.50%	White Settlement	01378
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Whiteface	01374
5 yrs	5 yrs/age 60, 20 yrs/any age	3-95	X	X	9.50%	Whitehouse	01375
5 yrs	5 yrs/age 60, 20 yrs/any age	8-98	X	X	9.50%	Whitesboro	01376
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	9.50%	Whitewright	01380
5 yrs	5 yrs/age 60, 20 yrs/any age	4-02	X	X	7.50%	Whitney	01382
10 yrs	10 yrs/age 60, 25 yrs/any age	10-96			REMOVED	Wichita Falls	01384
5 yrs	5 yrs/age 60, 20 yrs/any age	8-97	X	X	13.50%	Willis	01386
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Willow Park	01387

Plan Provisions For Participating Municipalities

Continued

Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Wills Point	5%	2-1	100 T	2009R	70	2009R		
Wilmer	5%	2-1	100	1991	70	1991		
Wimberley	5%	1-1						
Windcrest	6%	1.5-1	100 T	2004R	70	2004R		
Winfield	5%	1-1						
Wink	7%	2-1	100	1991	70	1991		
Winnsboro	5%	2-1	100 T	2015R	70	2015R	1-89	3-11-08
Winona	7%	2-1	100	2006R	70	2007R		
Winters	5%	2-1	100 T	2001R	70	2001R		
Wolfforth	5%	2-1	100 T	2015R	70	2015R	1-00	
Woodcreek	5%	1-1						
Woodsboro	5%	1-1	100	1992R	70	1992R		
Woodville	7%	2-1	100 T	2000R	70	2000R		
Woodway	7%	2-1	100 T	1992R	70	1992R	1-91	
Wortham	6%	2-1	100 T	2004R				
Wylie	7%	2-1	100 T	1995R	70	1995R	2-89	12-12-00
Yoakum	6%	2-1	100	1992R	70	1992R	5-82	
Yorktown	5%	1-1	100	1988	70	1988		
Zavalla	7%	1-1	100 T	2001R			9-05	

① For years prior to 1982, the rate is the actual percentage in annuities. For 1982 and later, the rate is the percentage of the change in the CPI-U since retirement date, granted to each annuitant as an increase of the original annuity.

② Police Department — 7%.

③ All plans include Vested Employee Survivor benefits and Occupational Disability benefits except for these two inactive cities.

④ Also includes 25 yrs/age 50 retirement eligibility.

T — Includes Transfer Credits.

R — Annually Repeating. Ordinance automatically renews effective January 1 of each successive year.

Plan Provisions For Participating Municipalities

Continued

Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
10 yrs	10 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Wills Point	01388
5 yrs	5 yrs/age 60, 20 yrs/any age	10-97	X	X	11.50%	Wilmer	01390
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Wimberley	01392
5 yrs	5 yrs/age 60, 20 yrs/any age	6-00	X	X	10.50%	Windcrest	01393
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Winfield	01395
5 yrs	5 yrs/age 60, 20 yrs/any age	11-99	X	X	REMOVED	Wink	01396
5 yrs	5 yrs/age 60, 25 yrs/any age	1-96	X	X	11.50%	Winnsboro	01398
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	13.50%	Winona	01399
5 yrs	5 yrs/age 60, 20 yrs/any age	10-00	X	X	11.50%	Winters	01400
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	11.50%	Wolforth	01403
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Woodcreek	01409
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Woodsboro	01404
5 yrs	5 yrs/age 60, 25 yrs/any age	5-99	X	X	REMOVED	Woodville	01406
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Woodway	01407
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	12.50%	Wortham	01408
5 yrs	5 yrs/age 60, 20 yrs/any age	9-91	X	X	REMOVED	Wylie	01410
5 yrs	5 yrs/age 60, 25 yrs/any age	3-98	X	X	REMOVED	Yoakum	01412
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	7.50%	Yorktown	01414
5 yrs	5 yrs/age 60, 20 yrs/any age	9-09			9.50%	Zavalla	01415



