**SECTION: BENEFITS**

**POLICY:** Retirement Systems **EFFECTIVE DATE:** insert date adopted

**STATEMENT OF PURPOSE:**

As part of a total compensation package, the City offers retirement benefits to eligible employees through the Texas Municipal Retirement System (TMRS). The primary goal of a retirement system is to ensure individuals have sufficient income to cover their living expenses upon retirement. The City also offers voluntary deferred compensation plans to eligible employees to help supplement their retirement income.

**DEFINITIONS:**

1. TMRS is a statewide retirement system that provides retirement, disability, and survivor benefits for employees of participating Texas cities.
2. Regular Full-Time Employee: An employee hired to work a full schedule on a continuing basis.
3. Regular Part-Time Employee: An employee hired to work less than full-time but on a regular schedule.
4. 1000-Hour Rule: The statutory requirement that employees who work or are expected to work at least 1,000 hours in a calendar year must participate in TMRS.
5. Proportionate Retirement Program: A program that allows eligible employees with service credit in multiple participating retirement systems to combine that service to meet retirement eligibility.
6. Deferred Compensation Plans: Voluntary retirement savings plans offered by City-approved vendors that allow employees to supplement their retirement income.

**APPLICABILITY:** This policy applies to all employees who qualify to be covered under the TMRS eligibility criteria.

**PROCEDURES:**

1. Change in Employment Status
   1. Employees transitioning from full-time to part-time status whose hours are not expected to exceed 1,000 per year will be deemed ineligible for TMRS participation. TMRS will be notified, and participation will end accordingly.
2. Vesting and Contributions
   1. Vesting and contribution requirements under TMRS are established by City ordinance and are mandatory for eligible employees. Details on current plan options and retirement estimates are available at [www.tmrs.org](https://www.tmrs.org).
3. Proportionate Retirement Program
   1. Employees with service credit in other participating retirement systems may be eligible to combine service credit for retirement eligibility under the Proportionate Retirement Program.
   2. Participating systems include:
      1. Texas Municipal Retirement System (TMRS)
      2. Teacher Retirement System of Texas (TRS)
      3. Employees Retirement System of Texas (ERS)
      4. Judicial Retirement System
      5. Texas County and District Retirement System (TCDRS)
      6. City of Austin Employees Retirement System
   3. Employees should notify TMRS of any prior service with these systems, regardless of whether a refund has been issued.
4. Voluntary Deferred Compensation Plans
   1. Regular full-time employees may enroll in optional deferred compensation plans through City-approved vendors.
   2. Employees may start, stop, or adjust contributions to these plans at any time.