



June 2, 2016

City #00593

City Official  
City of Helotes  
P.O. Box 507  
Helotes, TX 78023-0507

**Subject: 2017 Municipal Contribution Rate**

Dear City Official:

Presented below are your city’s contribution requirements to the Texas Municipal Retirement System (TMRS) for Plan Year 2017 (Calendar Year 2017, PY2017) as determined by the December 31, 2015 actuarial valuation. The actuarially determined contribution rates for retirement benefits and Supplemental Death Benefits (SDB), if any, are based on your city’s plan provisions in effect as of April 1, 2016 and the actuarial assumptions and methods adopted by the TMRS Board. Effective January 1, 2017, your city’s monthly contribution rates will be:

	<u>Phase-in Rate</u>	<u>Full Rate</u>
Normal Cost	5.35%	5.35%
Prior Service	<u>1.24%</u>	<u>1.50%</u>
Total Retirement Rate	6.59%	6.85%
Supplemental Death Benefit	<u>0.12%</u>	<u>0.12%</u>
Total Combined Contribution	6.71%	6.97%

The Total Retirement Rate shown in the Full Rate column above represents the Actuarially Determined Employer Contribution (ADEC) for PY2017 based on current TMRS funding policy. **The Total Combined Contribution Rate shown in the Phase-in Rate column above represents the minimum required contribution rate to TMRS for PY2017.** The difference represents the portion of your Full Rate that is eligible to be phased in. **Your city must contribute at least the Phase-in Rate, though TMRS highly recommends that each city contribute as much toward the Full Rate as possible.** Please note that if your city chooses to contribute at a rate below the 2017 Full Rate, the contribution shortfall will be reflected in your city’s Unfunded Actuarial Accrued Liability (UAAL) and contribution rate in subsequent years. Cities may also choose to contribute at a rate level above the Full Rate. In lieu of phasing in to the Full Rate, a one-time UAAL re-amortization option is available to certain cities that experienced a net contribution rate increase greater than 0.5% due to the 2015 actuarial changes. See the “Phase-in Rates” section for more information on the phase-in/re-amortization options.

The actuarial liabilities and contribution rates determined as part of the December 31, 2015 actuarial valuation reflect a change in actuarial assumptions based on the results of the 2015 experience study for the period ending December 31, 2014. Please see the “Actuarial Changes” section for more detailed information. Full information on your contribution rate, including an explanation of changes, is contained in the attached report.

**IMPORTANT NOTE: The pension disclosure and financial statement information necessary to assist your city with the financial reporting requirements of the Governmental Accounting Standards Board (GASB) will be provided in a separate document available later this summer.**



If you have questions about your rate or if you wish to evaluate potential changes in your TMRS plan, contact TMRS at 800-924-8677.

Sincerely,

A handwritten signature in cursive script that reads 'Eric W. Davis'.

Eric W. Davis  
Deputy Executive Director