

AN ORDINANCE REGARDING THE CITY OF UNIVERSITY PARK'S TEXAS MUNICIPAL RETIREMENT SYSTEM BENEFITS AUTHORIZING: (1) FIVE-YEAR VESTING FOR EMPLOYEES, (2) UPDATED SERVICE CREDITS AND TRANSFER UPDATED SERVICE CREDITS, AND (3) AN ANNUITY INCREASE, ALSO REFERRED TO AS A COST OF LIVING ADJUSTMENT (COLA), FOR RETIREES AND THEIR BENEFICIARIES.

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

Whereas, each person who is or becomes an employee of the City on or after the effective date of the City's participation in the System in a position that normally requires services of 1,000 hours or more per year ("Employee") shall be a member of the System ("Member") as a condition of their employment; and

Whereas, by Ordinance approved prior to December 31, 2001, and filed with TMRS, the City elected to not provide five-year vesting under the TMRS Act, but TMRS Act §854.205 allows the City to revoke its prior election to not provide five-year vesting; and

Whereas, the City Council finds that it is in the public interest to: (1) provide five-year vesting for the City's Employees who are Members of the System; (2) in accordance with TMRS Act §§853.401 through 853.403 and §853.601, authorize Updated Service Credits and transfer Updated Service Credits; and (3) in accordance with TMRS Act §854.203, authorize an annuity increase, also referred to as a cost of living adjustment ("COLA"), for retirees and their beneficiaries, now:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF UNIVERSITY PARK, TEXAS:

Section 1. Five-Year Vesting.

(a) The City Council elects to revoke the prior election to not provide five-year vesting under TMRS Act §854.205 for its Employees who are Members of the System. After the effective date of this Section, a City Employee who is a Member may terminate employment with the City and remain eligible to retire and receive a service retirement annuity from the System at any time after the Employee attains an applicable age under the TMRS Act if the Employee has at least five years of credited service with one or more cities that provide five-year vesting under TMRS Act §854.205.

(b) This Section shall become effective on the first day of the month of January, 2025.

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

(a) On the terms and conditions set out in TMRS Act §§ 853.401 through 853.403, the City authorizes each Member of the System who on the first day of January of the calendar year immediately preceding the January 1 on which the Updated Service Credit will take effect (i) has current service credit or prior service credit in the System by reason of service to the City, (ii) has at least 36 months of credited service with the System, and (iii) is a TMRS-contributing Employee of the City, to receive "Updated Service Credit," as that term is defined and calculated in accordance with TMRS Act §853.402.

(b) The City authorizes and provides that each Employee of the City who (i) is eligible for Updated Service Credits under Subsection (a) above, and (ii) who has unforfeited prior service credit and/or current service credit with another System-participating municipality or municipalities by reason of previous employment, shall be credited with Updated Service Credits pursuant to, calculated in

accordance with, and subject to adjustment as set forth in TMRS Act §853.601 (also known as "Transfer USC").

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

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

(e) The Updated Service Credit authorized by this Section shall be effective on January 1 immediately following the year in which this Ordinance is approved, subject to receipt by the System prior to such January 1 and approval by the Board of Trustees ("Board") of the System.

Section 3. Increase in Retirement Annuities, or COLA.

(a) On the terms and conditions set out in TMRS Act §854.203, the City authorizes and provides for payment of the increase described by this Section to the annuities paid to retired City Employees and beneficiaries of deceased City retirees. An annuity increased under this Section replaces any annuity or increased annuity previously granted to the same person.

(b) The amount of the annuity increase under this Section is computed as the sum of the prior service and current service annuities on the effective date of retirement of the person on whose service the annuities are based, multiplied by **70%** of the percentage change in Consumer Price Index for All Urban Consumers, from December of the year immediately preceding the effective date of the person's retirement to the December that is 13 months before the effective date of the increase under this Section.

(c) An increase in an annuity that was reduced because of an option selection is reducible in the same proportion and in the same manner that the original annuity was reduced.

(d) If a computation under this Section does not result in an increase in the amount of an annuity, the amount of the annuity will not be changed under this Section.

(e) The amount by which an increase under this Section exceeds all previously granted increases to an annuitant is an obligation of the City and of its account in the benefit accumulation fund of the System.

(f) The increase in annuities authorized by this Section shall be effective on January 1 immediately following the year in which this Ordinance is approved, subject to receipt by the System prior to such January 1 and approval by the System's Board.

Passed and approved _____, 20_____.

ATTEST:

APPROVED:

City Secretary

Mayor