



RETIREMENT

I. PURPOSE

To help eligible employees supplement their retirement income.

II. SCOPE

All employees who are regularly scheduled to work more than 1,000 hours per calendar year.

III. POLICY

A. Texas Municipal Retirement System.

The City is a member of the Texas Municipal Retirement System (TMRS). Membership in the retirement system is mandatory at date of employment for all employees who regularly work more than 1,000 hours per calendar year. The employee's contribution to the system is a percent of his/her gross salary as established by Council in the budget process.

The City matches the employees contribution on a percentage determined by the City Council. Employees who leave City employment prior to retirement will, upon request, be refunded their portion of the retirement account plus interest earned on their portion. Vesting occurs at five years of service.

B. Deferred Compensation

Regular City employees are eligible to participate in the deferred compensation retirement plan(s) that will be offered by the City. This 457b plan is a deferred compensation plan that allows employees to save and invest for retirement.

C. Health Coverage

City employees who satisfy the definition of retiree are eligible to continue health care coverage for themselves and any eligible dependents that are covered on the



City's health plan at the time of retirement. Retiree is defined as having 20 years of vested service in the Texas Municipal Retirement System or a minimum of 5 years of vested service and is age 60 or greater at the time of retirement. The retired employee will be required to make payment of the full premium amount.

Please see the Human Resources Department for more information.