



Human Resources

Texas Municipal Retirement System (TMRS)

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Texas Municipal Retirement System (TMRS)



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TMRS is a statewide public employee retirement system. Established in 1948, TMRS provides retirement, disability and death benefits to employees of more than 900 participating cities in Texas.

TMRS is a mandatory retirement system. Employees are enrolled at the beginning of their employment and contribute the same percent of pay from their paychecks depending on their city's plan. The City of Burleson has a contribution rate of 7%.

TMRS Plan Designs

Each city elects from a menu of options to design the city's plan

- Employee contribution rate options include 5%, 6%, 7% or 8%*
- City matching ratio options: 1:1, 1.5:1 or 2:1
- Vesting options: 5 or 10 years
- Retirement eligibility options 20 or 25 years

Cities can also adopt additional benefit provisions such as

- Restricted Prior Service Credit
- Military Service Credit
- Cost of Living Adjustments
- Updated Service Credit
- Supplemental Death Benefit

**new contribution rate option*

TMRS Retiree Benefit

When eligible to retire, employee's lifetime monthly benefit is calculated using the following:

- Contributions
- City Match
- Earned Updated Service Credit
- Age & Life Expectancy
- Retirement Option Selection (Retiree Only, Retiree + Survivor, etc.)

Burleson's Current TMRS Plan



7% Employee Deposit Rate (Mandatory)

2:1 City Match

Vested after 5 years of service

Updated Service Credit (USC) Rate 100%

Updated Service Credit (USC) Transfer

Retro Cost of Living Allowance (COLA) for Retirees at 70% of CPI

Military Service Credit

Restricted Prior Service Credit

Supplemental Death benefit for employees and retirees

**An attractive element of our
overall benefit package**

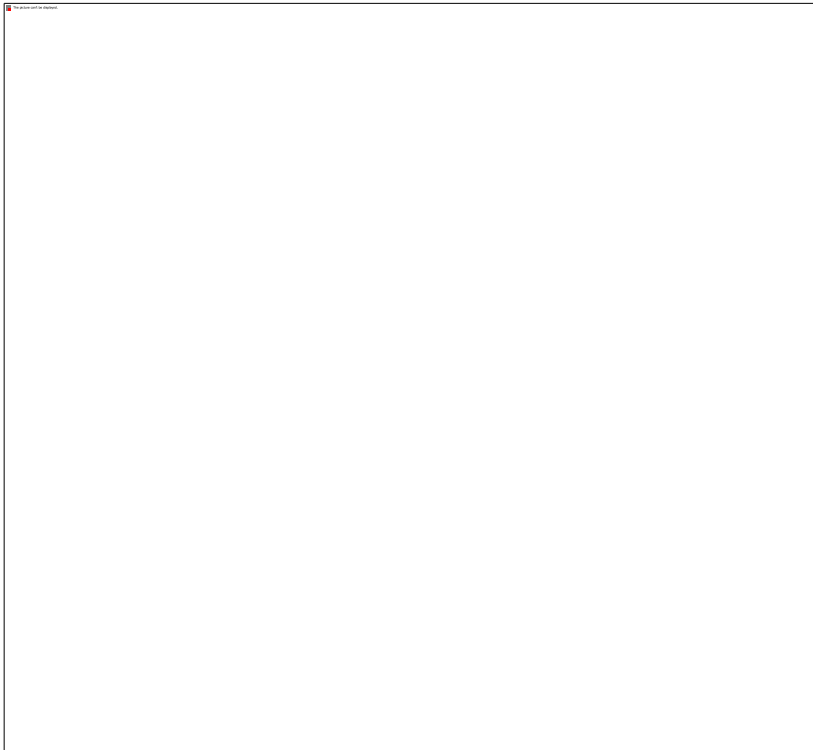
The City of Burleson has elected
the maximum options for our
plan design to attract and retain
employees.

TMRS - 8% Option

HB 3161, passed in the 89th Legislative Session, providing participating cities with a **new 8%** employee contribution rate in addition to TMRS' current 5%, 6% and 7% options. The 8% employee contribution rate became effective on September 1, 2025, but does not impact any retiree's current benefit.

Cities who want to offer the new rate will need to adopt an ordinance.

What we know of other cities



Comparable Cities: Arlington, Cedar Hill, Cleburne, Coppell, Euless, Ft. Worth, Grand Prairie, Hurst, Keller, Mansfield, Midlothian, North Richland Hills, The Colony and Waxahachie

Note: Fort Worth is not a TMRS city

CONTRIBUTION RATES

~#930 ENTITIES WITH TMRS

#284 CITIES AT 5%

#104 AT 6%

#486 AT 7%

#56 AT 8%

CITIES AT 8% HAVE AN AVG.
POPULATION OF #12,897

The City of Cleburne is the only city from our comparable cities that is currently at an 8% contribution rate.

Comparable Cities*

City	Employee Contribution Rate	City Matching Rate	Vesting Requirement	Retirement Eligibility	Updated Service Credit	USC Transfer	COLA	COLA Type	Military Service Credit	Restricted Prior Service Credit	SDB Employees/Retirees	Population**
Arlington	7%	2:1	5 Years	20 Years	100%	Yes	50%	Retroactive	Yes	Yes	Yes	341,784
Burleson	7%	2:1	5 Years	20 Years	100%	Yes	70%	Retroactive	Yes	Yes	Yes	56,253
Cedar Hill	7%	2:1	5 Years	20 Years	100%	Yes	50%	Non-Retroactive	Yes	Yes	Yes	49,618
Cleburne	8%	2:1	5 Years	20 Years	50%	No	50%	Retroactive	Yes	Yes	Yes	38,131
Coppell	7%	2:1	5 Years	20 Years	100%	Yes	70%	Retroactive	Yes	Yes	Yes	41,785
Eules	7%	2:1	5 Years	20 Years	100%	Yes	70%	Retroactive	Yes	Yes	No	60,010
Grand Prairie	7%	2:1	5 Years	20 Years	100%	Yes	70%	Retroactive	Yes	Yes	Yes	207,331
Hurst	7%	2:1	5 Years	20 Years	100%	No	No	N/A	Yes	Yes	No	39,500
Keller	7%	2:1	5 Years	20 Years	100%	Yes	50%	Retroactive	Yes	Yes	Yes	46,643
Mansfield	7%	2:1	5 Years	20 Years	100%	Yes	70%	Retroactive	Yes	Yes	Yes	80,803
Midlothian	7%	2:1	5 Years	20 Years	100%	Yes	70%	Retroactive	Yes	Yes	Yes	44,104
North Richland Hills	7%	2:1	5 Years	20 Years	100%	Yes	70%	Retroactive	Yes	Yes	No	71,436
The Colony	7%	2:1	5 Years	20 Years	100%	Yes	30%	Retroactive	Yes	Yes	Yes	45,897
Waxahachie	7%	2:1	5 Years	20 Years	100%	Yes	70%	Retroactive	Yes	Yes	Yes	48,617

**Data as of April 2026*

***US Census Population Estimates, July 2024*

Note: Fort Worth is not a TMRS city

2026 Rates - Burleson

Plan Provisions	Current	Option 1	Option 2	Option 3
Employee Contribution Rate	7%	8%	8%	8%
City Matching Ratio	2 to 1	2 to 1	2 to 1	2 to 1
Updated Service Credit (USC)	100% (Repeating)	100% (Repeating)	100% (Repeating)	75% (Repeating)
Transfer USC *	Yes	Yes	No	Yes
COLA	70% (Repeating)	70% (Repeating)	70% (Repeating)	70% (Repeating)
Retroactive COLA	Yes	Yes	Yes	Yes
Retirement Eligibility	20 years	20 years	20 years	20 years
Vesting	5 years	5 years	5 years	5 years
Supplemental Death Benefit	Actives + Retirees	Actives + Retirees	Actives + Retirees	Actives + Retirees
Contribution Rates	2026	2026	2026	2026
Normal Cost Rate	12.04%	13.98%	12.45%	12.68%
Prior Service Rate	<u>5.85%</u>	<u>7.85%</u>	<u>7.24%</u>	<u>6.38%</u>
Retirement Rate	17.89%	21.83%	19.69%	19.06%
Supplemental Death Rate	<u>0.18%</u>	<u>0.18%</u>	<u>0.18%</u>	<u>0.18%</u>
Total Contribution Rate	18.07%	22.01%	19.87%	19.24%
Unfunded Actuarial Liability	\$28,483,656	\$38,734,616	\$35,633,436	\$31,200,892
Funded Ratio	83.2%	78.4%	79.8%	81.9%
Benefit Increase Amortization Period	20 years	20 years	20 years	20 years

Additional City Cost

\$1.7M

\$800,013

\$531,932

General Fund Impact

\$1.23M

\$600,451

\$398,009

* As of the December 31, 2024 valuation date, there were 96 employees with service in other TMRS cities eligible for transfer USC.

Updated Service Credit (USC) & USC Transfer



Updated Service Credit (USC) is a TMRS financial credit that can increase an employee's benefit at retirement based on changes in their salary or the city's retirement plan. To receive USC, the city must provide it. The USC percentage is adopted by the city, either 50%, 75%, or 100%.

A city may also include any time worked for another TMRS city in the USC calculation (USC transfer).

USC is added to the employee's TMRS cash balance when they retire and is included in retirement estimates.

Employee Impact – 8% Options*

Option 1	Count	Avg \$ Change	Avg % Change
Increase	428	\$1,468	14%
Decrease	0		
Less Than +/- 1% Change	0		
Option 2	Count	Avg \$ Change	Avg % Change
Increase	395	\$1,320	13%
Decrease	25	(\$700)	-9%
Less Than +/- 1% Change	8	\$52	0.4%
Option 3	Count	Avg \$ Change	Avg % Change
Increase	426	\$881	9%
Decrease	1	(\$162)	-1%
Less Than +/- 1% Change	1	\$76	0.3%

**Assumptions include employee retirement at age 60 and a 3% salary increase annually.*

FY27 and Beyond Strategies

Maintain competitiveness in market

(Note: when asking other cities if they will be moving to an 8% option for next fiscal year the majority are taking a “wait/see” approach or have already decided they will not be adopting)

Meet with employees to gain feedback on options, including Benefits Committee and Police/Fire Association members

Consider impact on existing employees

Consider overall financial impact to recurring city budget

FY27 Staff Recommendation

- Review funding for the 8% option while also considering funding for any merit, step, and/or equitable pay program(s).
- Strive to maintain the city's competitive position with TMRS benefits by monitoring comparable cities.

Questions/Comments
