

2026 Rates • Montgomery

July 16, 2025

Plan Provisions	Current	Option 1	Option 2
Employee Contribution Rate	7%	8%	8%
City Matching Ratio	2 to 1	2 to 1	2 to 1
Updated Service Credit (USC)	50% (Repeating)	50% (Repeating)	50% (Repeating)
Transfer USC *	Yes	Yes	Yes
COLA	50% (Repeating)	50% (Repeating)	50% (Repeating)
Retroactive COLA	Yes	Yes	No
Retirement Eligibility	20 years	20 years	20 years
Vesting	5 years	5 years	5 years
Supplemental Death Benefit	Actives + Retirees	Actives + Retirees	Actives + Retirees
Contribution Rates	2026	2026	2026
Normal Cost Rate	9.54%	11.04%	10.84%
Prior Service Rate	<u>0.69%</u>	<u>1.25%</u>	<u>1.13%</u>
Retirement Rate	10.23%	12.29%	11.97%
Supplemental Death Rate	<u>0.19%</u>	<u>0.19%</u>	<u>0.19%</u>
Total Contribution Rate	10.42%	12.48%	12.16%
Unfunded Actuarial Liability	\$223,303	\$427,982	\$383,612
Funded Ratio	94.6%	90.1%	91.0%
Benefit Increase Amortization Period	20 years	20 years	20 years
Stat Max	13.50%	N/A	N/A
Retirement Rate Exceeds Stat Max	No	Yes	Yes

* As of the December 31, 2024 valuation date, there were 11 employees with service in other TMRS cities eligible for transfer USC.