



August 13, 2025

Ruby L. Beaven
City Secretary
City of Montgomery
101 Old Plantersville Rd
Montgomery, TX 77316-4416

Dear Ms. Beaven:

We are pleased to enclose a model ordinance for your city to adopt:

**8% Employee Contribution Rate
Removal of the Statutory Maximum Contribution Rate Limit
Effective October 1, 2025
&
50% Updated Service Credit with Transfers
50% non-retroactive Cost of Living Adjustment Increase to Annuitants
Both Annually Repeating
Both Effective January 1, 2026**

When the ordinance becomes effective, the city must begin deducting the new contribution rate from each employee's gross monthly compensation.

By statute, when a city currently offers Updated Service Credits (USC) on an annually repeating basis, the city must readopt this annually repeating provision. This readoption is necessary because there is a new USC cost associated with the new provisions. Therefore, the enclosed ordinance includes the city's readoption of this benefit.

Additionally, by adopting this ordinance, your city agrees to fully fund the cost of the pension benefits included in the city's plan.

As reflected in the Plan Change Study you previously received, the city's contribution rate will be **12.16%** for the remainder of 2025. Beginning January 1, 2026, the city's contribution rate will remain at **12.16%**.

Please make sure the ordinance is adopted and signed **on or after September 1, 2025**, otherwise TMRS will not be able to accept it. When the ordinance is adopted, please send a copy to City Services at cityservices@tmrs.com.

If you have any questions about the model ordinance or anything else, please call me at 512-225-3742.

Sincerely,

Colin Davidson
Director of City and Member Services