



June 11, 2024

Abel Campos  
Finance Director  
City of Rollingwood  
403 Nixon Dr.  
Rollingwood, TX 78746

Dear Mr. Campos:

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

### **Removal of the Statutory Maximum Contribution Rate Limit**

The TMRS Act provides a limit to the maximum rate that a city can be required to contribute for the retirement portion of its plan (the cost of Supplemental Death Benefits is excluded from this limit) based on the combination of the employee deposit rate and the matching ratio. This maximum contribution rate limit, also known as the statutory maximum, or “Stat Max,” is not a limit of the cost of a plan, but rather is simply a limit on the maximum a city could be required to contribute for the plan. If the TMRS minimum required retirement contribution rate exceeds this limit, unless the city takes additional action as permitted under the TMRS Act, it will not be meeting the minimum contribution requirements for its TMRS plan.

Your city’s 2025 minimum retirement contribution rate has exceeded the maximum contribution rate limit (13.50% for your city). Enclosed is a model ordinance to remove this maximum contribution rate limit. The ordinance can become effective as early as the first day of the month following its adoption.

By adopting this ordinance, your city is agreeing to fully fund the costs of the pension benefits included in the city’s plan.

This ordinance will allow your city to impose its own “limit” on the contribution rate by using its discretion in determining which potential plan improvements to adopt, or not to adopt, based on the calculated contribution rate. The TMRS actuary will perform a valuation of the city’s plan of benefits each year and forward this rate to your city.

With the removal of the maximum contribution rate limit, your city’s full contribution rate for 2025 will be **14.17%**

Please make sure the ordinance is adopted and signed before the effective date. When the ordinance is adopted, please send a copy to City Services at [cityservices@tmrs.com](mailto:cityservices@tmrs.com).

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Colin Davidson".

Colin Davidson  
Director of City and Member Services