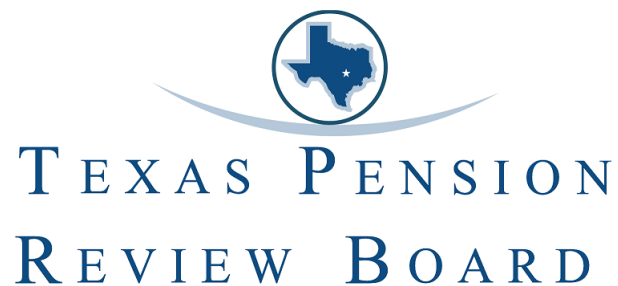


Funding Policy Report

NOVEMBER 2020



Summary of Funding Policy Trends

As of November 12, 2020

Texas Government Code Section 802.2011 requires all public retirement systems to “**adopt a written funding policy that details the governing body’s plan for achieving a funded ratio that is equal to or greater than 100 percent.**” The first funding policies were due from systems by February 1, 2020.

- **Funding policies received from 96 of 100 plans**
- **4 plans still have not sent funding policies:**

Colorado River Municipal Water District DB Retirement Plan ¹
Midland Firemen's Relief & Retirement Fund ¹
Northeast Medical Center Hospital Retirement Plan
University Park Firemen’s Relief & Retirement Fund ¹

Summary of Funding Policies from Plans with Non-ADC Contribution Structures

Under a fixed-rate funding structure, the contribution rate is a set percentage of payroll specified in statute or ordinance or local bargaining agreements rather than the actuarially determined contribution (ADC). In this summary, **Non-ADC** plans include fixed-rate and other funding structures that do not receive the ADC. The PRB has received funding policies from 55 Non-ADC plans.

Joint Funding Policy Development with Sponsor

1 Non-ADC system developed the funding policy jointly with its sponsor, which was adopted by City Council and signed by the Mayor. At least 3 other systems worked with the sponsor to include risk-sharing elements supported by both parties.

Risk-Sharing

12 of 55 Non-ADC plans used risk-sharing elements within their funding policy, such as:

- Proportionate employer/employee contribution increases when benchmark not met
- Consideration/recommendation of benefit and additional contribution changes if proportionate increases insufficient
- Cost-of-living increases tied to investment returns

Contribution/Benefit Parameters

15 of 55 Non-ADC plans utilized parameters on contributions and/or benefit changes, such as:

- Considering contribution decreases/benefit enhancements only if funded ratio or amortization period maintains certain threshold after the action taken
- Reinstating previous benefit reductions prior to decreasing contribution rate
- Tying COLA to CPI

¹ Plan has been in contact with the PRB and has indicated that they are working towards completing this requirement.

ADC Benchmarking

Fifty of 55 funding policies from Non-ADC plans utilized ADC benchmarking, as presented in the table below. **Four of 55** Non-ADC plans use alternative approaches from utilizing an ADC benchmark, which are detailed in the following section.

Number of Plans	Benchmark Amortization Period	Total
CLOSED		
1	15-year	22
1	20-year	
1	25-year	
19	30-year	
LAYERED-CLOSED		
1	20-year	8
1	25-year	
5	30-year	
1	40-year	
CLOSED W/ ULTIMATE LAYERED-CLOSED BENCHMARK		
2	25-year to 15-year layered	10
2	25-year to 20-year layered	
1	30-year to 15-year layered	
2	30-year to 20-year layered	
2	35-year to 20-year layered	
1	35-year to 30-year layered	
OPEN/ROLLING		
1	10-year	10
7	30-year	
2	40-year	
Total Fixed Rate/Other Plans		50

ADC Benchmark Comparison: Conditions that Trigger Actions and Actions Resulting from Trigger

The following table summarizes the various actions resulting from ADC benchmark comparisons for the 55 Non-ADC plans that utilized benchmarking. Numbers represent the number of plans with the particular provision in their funding policy.

ADC Benchmarking		
If the ADC benchmark rate differs from the plan's contribution rate, the board will:		
3	With the City, develop plan of action to bring combined contribution to benchmark	
2	Recommend additional sponsor contribution	
12	Notify the sponsor and/or member association and:	
	5	Consider or recommend contribution changes
	7	Request a meeting to develop a 20-yr plan to establish fixed contributions to achieve 100% funding over a 30-yr closed period
1	Take all appropriate measures to maintain a fiscally responsible fund	
If the ADC benchmark differs from the plan's funding period, the board will:		
1	Work with sponsor to address contribution rate and/or plan modifications	
10	Notify the sponsor and/or member association and work with the sponsor to consider modifications to benefits and/or contribution levels	
3	Adhere to FSRP requirements in their governing statute, resulting in contribution increase	
If the ADC benchmark differs from the plan's <u>funding period or contribution rate</u> , the board will:		
18	Notify the sponsor and/or member association and:	
	17	May consider whether contribution rate increases and/or benefit formula reductions should be pursued
	1	Engage in planning as needed to ensure progress toward goals
50	Total utilizing ADC benchmarking	
Alternative Benchmark		
3	The Board will request a contribution rate change in appropriations request if the funding period is greater than the benchmark	
1	The Board will request a contribution change if the UAAL is not projected to decline	
No Benchmark		
1	None	
55	Total Non-ADC plans	

Summary of Funding Policies from ADC and Modified ADC Plans

In this summary, **Modified ADC Plans** includes thirteen plans that contribute on an actuarially determined basis but may not receive the full ADC each year.

Risk-Sharing

12 of 41 ADC/Modified ADC plans used risk-sharing elements within their funding policy, such as:

- Proportionate employer/employee contribution increases
- A "target contribution rate," along with an associated min/max corridor, is established via a risk sharing valuation study (RSVS)

Contribution/Benefit Parameters

28 of 41 ADC/Modified ADC plans utilized parameters on contributions and/or benefit changes, such as:

- Considering contribution decreases/benefit enhancements only if funded ratio or amortization period maintains certain threshold after the action taken

Amortization Policy

The following table summarizes these plans' amortization policies.

Number of Plans	Amortization Period	Total
1	Fully Funded	41
17	Closed at/under 30 years	
19	Layered-Closed at/under 30 years	
4	Rolling at/under 30 years	

Funding Policy Summary Tables

Summary of Funding Policies Received by Pension Review Board
Non-ADC Plans

Texas Pension Review Board
Funding Policy Report

System Name	Contribution Type	Benchmark and Actions Resulting			Additional Components			
		ADC Benchmark Am Pd	Condition(s) that Trigger Actions	Actions Resulting from Trigger	Risk Sharing	Contribution Change Parameters	Benefit Change Parameters	Additional Amortization Policy Provisions
Closed Benchmarks at/under 30 yrs								
Weslaco Firemen's Relief & Retirement Fund	Fixed	15-yr closed	2 AVs showing funding period > ADC benchmark am pd	Board will: - Notify the City and member employee groups - Work with the City and the active members to consider changes to benefit and contribution levels	None	Contribution changes as per TLIFFRA statute ¹	Benefit changes as per TLIFFRA statute ²	None
San Antonio Fire & Police Pension Fund	Fixed	25-yr closed	Effective am pd not sufficient to reach a 100% FR by 12/31/2044	Board will: - Work with the City to address contribution rate and/or plan modifications	None	Board may not recommend any changes that result in: - a FR < 90%; or - an effective am pd > 15 yrs	Board may not recommend any changes that result in: - a FR < 90%; or - an effective am pd > 15 yrs	30-yr amort of surpluses
The Woodlands Firefighters' Retirement System	Fixed	20-yr closed	3 AVs showing fixed contrib rates < ADC benchmark by more than 2%	Board will: - Work with system's actuary to develop proposals for changes to the system that results in 100% funding over 15-yr closed pd - Notify Township governing body and member assn - Request work together with Township and member assn to develop plan that will establish fixed contrib	None	Contribution changes as per TLIFFRA statute ¹	Benefit changes as per TLIFFRA statute ²	Payroll Growth Assumption for Benchmark: - Lesser of 3% and avg payroll growth of fire dept over the since Jan, 2016, or once 10 Avs have been performed, over the last 10
Amarillo Firemen's Relief & Retirement Fund	Fixed	30-yr closed	- Am pd is not reasonably in line with ADC benchmark am pd, such as within 5 yrs; or - Total contribution rate is not reasonably in line with ADC benchmark rate, such as within 2% of payroll	Positive Divergence: - Board may consider benefit increase, such as ad hoc COLA, that results in am pd somewhat less than ADC benchmark am pd Negative Divergence: - Board will notify the City and member employee group/assn - Board may consider contrib rate increase, benefit formula reduction or combination	None	Contribution changes as per TLIFFRA statute ¹	Benefit changes as per TLIFFRA statute ²	None
Atlanta Firemen's Relief & Retirement Fund	Fixed	30-yr closed	- Am pd is not reasonably in line with ADC benchmark am pd, such as within 5 yrs; or - Total contribution rate is not reasonably in line with ADC benchmark rate, such as within 2% of payroll	Positive Divergence: - Board may consider benefit increase, such as ad hoc COLA, that results in am pd somewhat less than ADC benchmark am pd Negative Divergence: - Board will notify the City and member employee group/assn - Board may consider contrib rate increase, benefit formula reduction or combination	None	Contribution changes as per TLIFFRA statute ¹	Benefit changes as per TLIFFRA statute ²	None
Beaumont Firemen's Relief & Retirement Fund	Fixed	30-yr closed	- Am pd is not reasonably in line with ADC benchmark am pd, such as within 5 yrs; or - Total contribution rate is not reasonably in line with ADC benchmark rate, such as within 2% of payroll	Positive Divergence: - Board may consider benefit increase, such as ad hoc COLA that results in am pd somewhat less than ADC benchmark am pd Negative Divergence: - Board will notify the City and member employee group/assn - Board may consider contrib rate increase, benefit formula reduction or combination	None	Contribution changes as per TLIFFRA statute ¹	Benefit changes as per TLIFFRA statute ²	None
Brownwood Firemen's Relief & Retirement Fund	Fixed	30-yr closed	- Am pd is not reasonably in line with ADC benchmark am pd, such as within 5 yrs; or - Total contribution rate is not reasonably in line with ADC benchmark rate, such as within 2% of payroll	Positive Divergence: - Board may consider benefit increase, such as ad hoc COLA, that results in am pd somewhat less than ADC benchmark am pd Negative Divergence: - Board will notify the City and member employee group/assn - Board may consider contrib rate increase, benefit formula reduction or combination	None	Contribution changes as per TLIFFRA statute ¹	Benefit changes as per TLIFFRA statute ²	None

Summary of Funding Policies Received by Pension Review Board
Non-ADC Plans

Texas Pension Review Board
Funding Policy Report

System Name	Contribution Type	Benchmark and Actions Resulting			Additional Components			
		ADC Benchmark Am Pd	Condition(s) that Trigger Actions	Actions Resulting from Trigger	Risk Sharing	Contribution Change Parameters	Benefit Change Parameters	Additional Amortization Policy Provisions
Cleburne Firemen's Relief & Retirement Fund	Fixed	30-yr closed	- Am pd is not reasonably in line with ADC benchmark am pd, such as within 5 yrs; or - Total contribution rate is not reasonably in line with ADC benchmark rate, such as within 2% of payroll	Positive Divergence: - Board may consider benefit increase, such as ad hoc COLA, that results in am pd somewhat less than ADC benchmark am pd Negative Divergence: - Board will notify the City and member employee group/assn - Board may consider contrib rate increase, benefit formula reduction or combination	None	Contribution changes as per TLFFRA statute ¹	Benefit changes as per TLFFRA statute ²	None
Corpus Christi Fire Fighters' Retirement System	Fixed	30-yr closed	- Am pd is not reasonably in line with ADC benchmark am pd, such as within 5 yrs; or - Total contribution rate is not reasonably in line with ADC benchmark rate, such as within 2% of payroll	Positive Divergence: - Board may consider benefit increase, such as ad hoc COLA, that results in am pd somewhat less than ADC benchmark am pd Negative Divergence: - Board will notify the City and member employee group/assn - Board may consider contrib rate increase, benefit formula reduction or combination	None	Contribution changes as per TLFFRA statute ¹	Benefit changes as per TLFFRA statute ²	None
Corsicana Firemen's Relief & Retirement Fund	Fixed	30-yr closed	- Am pd is not reasonably in line with ADC benchmark am pd, such as within 5 yrs; or - Total contribution rate is not reasonably in line with ADC benchmark rate, such as within 2% of payroll	Positive Divergence: - Board may consider benefit increase, such as ad hoc COLA, that results in am pd somewhat less than ADC benchmark am pd Negative Divergence: - Board will notify the City and member employee group/assn - Board may consider contrib rate increase, benefit formula reduction or combination	None	Contribution changes as per TLFFRA statute ¹	Benefit changes as per TLFFRA statute ²	None
Galveston Firefighter's Relief & Retirement Fund	Fixed	30-yr closed	- Am pd is not reasonably in line with ADC benchmark am pd, such as within 5 yrs; or - Total contribution rate is not reasonably in line with ADC benchmark rate, such as within 2% of payroll	Positive Divergence: - Board may consider benefit increase, such as ad hoc COLA, that results in am pd somewhat less than ADC benchmark am pd Negative Divergence: - Board will notify the City and member employee group/assn - Board may consider contrib rate increase, benefit formula reduction or combination	None	Contribution changes as per TLFFRA statute ¹	Benefit changes as per TLFFRA statute ²	None
Killeen Firemen's Relief & Retirement Fund	Fixed	30-yr closed	- Am pd is not reasonably in line with ADC benchmark am pd, such as within 5 yrs; or - Total contribution rate is not reasonably in line with ADC benchmark rate, such as within 2% of payroll	Positive Divergence: - Board may consider benefit increase, such as ad hoc COLA, that results in am pd somewhat less than ADC benchmark am pd Negative Divergence: - Board will notify the City and member employee group/assn - Board may consider contrib rate increase, benefit formula reduction or combination	None	Contribution changes as per TLFFRA statute ¹	Benefit changes as per TLFFRA statute ²	None
Laredo Firefighters Retirement System	Fixed	30-yr closed	- Am pd is not reasonably in line with ADC benchmark am pd, such as within 5 yrs; or - Total contribution rate is not reasonably in line with ADC benchmark rate, such as within 2% of payroll	Positive Divergence: - Board may consider benefit increase, such as ad hoc COLA, that results in am pd somewhat less than ADC benchmark am pd Negative Divergence: - Board will notify the City and member employee group/assn - Board may consider contrib rate increase, benefit formula reduction or combination	None	Contribution changes as per TLFFRA statute ¹	Benefit changes as per TLFFRA statute ²	None

Summary of Funding Policies Received by Pension Review Board
Non-ADC Plans

Texas Pension Review Board
Funding Policy Report

System Name	Contribution Type	Benchmark and Actions Resulting			Additional Components			
		ADC Benchmark Am Pd	Condition(s) that Trigger Actions	Actions Resulting from Trigger	Risk Sharing	Contribution Change Parameters	Benefit Change Parameters	Additional Amortization Policy Provisions
Lufkin Firemen's Relief & Retirement Fund	Fixed	30-yr closed	- Am pd is not reasonably in line with ADC benchmark am pd, such as within 5 yrs; or - Total contribution rate is not reasonably in line with ADC benchmark rate, such as within 2% of payroll	Positive Divergence: - Board may consider benefit increase, such as ad hoc COLA, that results in am pd somewhat less than ADC benchmark am pd Negative Divergence: - Board will notify the City and member employee group/assn - Board may consider contrib rate increase, benefit formula reduction or combination	None	Contribution changes as per TLFFRA statute ¹	Benefit changes as per TLFFRA statute ²	None
McAllen Firemen's Relief & Retirement Fund	Fixed	30-yr closed	- Am pd is not reasonably in line with ADC benchmark am pd, such as within 5 yrs; or - Total contribution rate is not reasonably in line with ADC benchmark rate, such as within 2% of payroll	Positive Divergence: - Board may consider benefit increase, such as ad hoc COLA, that results in am pd somewhat less than ADC benchmark am pd Negative Divergence: - Board will notify the City and member employee group/assn - Board may consider contrib rate increase, benefit formula reduction or combination	None	Contribution changes as per TLFFRA statute ¹	Benefit changes as per TLFFRA statute ²	None
Texarkana Firemen's Relief & Retirement Fund	Fixed	30-yr closed	- Am pd is not reasonably in line with ADC benchmark am pd, such as within 5 yrs; or - Total contribution rate is not reasonably in line with ADC benchmark rate, such as within 2% of payroll	Positive Divergence: - Board may consider benefit increase, such as ad hoc COLA, that results in am pd somewhat less than ADC benchmark am pd Negative Divergence: - Board will notify the City and member employee group/assn - Board may consider contrib rate increase, benefit formula reduction or combination	None	Contribution changes as per TLFFRA statute ¹	Benefit changes as per TLFFRA statute ²	None
Texas City Firemen's Relief & Retirement Fund	Fixed	30-yr closed	- Am pd is not reasonably in line with ADC benchmark am pd, such as within 5 yrs; or - Total contribution rate is not reasonably in line with ADC benchmark rate, such as within 2% of payroll	Positive Divergence: - Board may consider benefit increase, such as ad hoc COLA, that results in am pd somewhat less than ADC benchmark am pd Negative Divergence: - Board will notify the City and member employee group/assn - Board may consider contrib rate increase, benefit formula reduction or combination	None	Contribution changes as per TLFFRA statute ¹	Benefit changes as per TLFFRA statute ²	None
Travis County ESD #6 Firefighters' Relief and Retirement Fund	Fixed	30-yr closed	- Am pd is not reasonably in line with ADC benchmark am pd, such as within 5 yrs; or - Total contribution rate is not reasonably in line with ADC benchmark rate, such as within 2% of payroll	Positive Divergence: - Board may consider benefit increase, such as ad hoc COLA, that results in am pd somewhat less than ADC benchmark am pd Negative Divergence: - Board will notify the City and member employee group/assn - Board may consider contrib rate increase, benefit formula reduction or combination	None	Contribution changes as per TLFFRA statute ¹	Benefit changes as per TLFFRA statute ²	None
Tyler Firefighters' Relief & Retirement Fund	Fixed	30-yr closed	- Am pd is not reasonably in line with ADC benchmark am pd, such as within 5 yrs; or - Total contribution rate is not reasonably in line with ADC benchmark rate, such as within 2% of payroll	Positive Divergence: - Board may consider benefit increase, such as ad hoc COLA, that results in am pd somewhat less than ADC benchmark am pd Negative Divergence: - Board will notify the City and member employee group/assn - Board may consider contrib rate increase, benefit formula reduction or combination	None	Contribution changes as per TLFFRA statute ¹	Benefit changes as per TLFFRA statute ²	None

Summary of Funding Policies Received by Pension Review Board
Non-ADC Plans

Texas Pension Review Board
Funding Policy Report

System Name	Contribution Type	Benchmark and Actions Resulting			Additional Components			
		ADC Benchmark Am Pd	Condition(s) that Trigger Actions	Actions Resulting from Trigger	Risk Sharing	Contribution Change Parameters	Benefit Change Parameters	Additional Amortization Policy Provisions
Galveston Employees' Retirement Fund	Fixed	30-yr closed	- Am pd is not reasonably in line with ADC benchmark am pd, such as within 5 yrs; or - Total contribution rate is not reasonably in line with ADC benchmark rate, such as within 1% of payroll	Positive Divergence: - Board may consider benefit increases, such as inc in dollar cap on benefits or ad hoc COLA, or lowering investment return assumptions, that results in am pd somewhat less than ADC benchmark am pd Negative Divergence: - Board will notify the City and member employee group/assn - Board may consider contrib rate increase, benefit formula reduction or combination	None	None	None	None
Lubbock Fire Pension Fund	TMRS Linked	30-yr closed	None	Board will: - Take all appropriate measures to maintain a fiscally responsible fund such as make changes to benefits and eligibility requirements, inc/dec in member's contribution rate, changes to investment portfolio sector allocations, or changes to the assumed rate of return	None	Contribution changes as per TLFRA statute ¹	Benefit changes as per TLFRA statute ²	None
Austin Police Retirement System	Fixed	30-yr closed, beginning 12/31/2020 System is currently in discussions and planning with the City to improve the financial stability of the system.	- 2 AVs showing effective funding period > ADC benchmark by 3+ yrs; or - 2 AVs showing ADC benchmark > fixed contribution rates by 2% or more	Board will: - Notify the City - Engage in planning as needed with the City to ensure continued progress toward policy goals	Board intends to maintain cost-sharing arrangement with City where: - City contributes ≥ 60% of increases - Members contribute ≤ 40% - If the increase is insufficient to pay full ADC, the Board will consider/recommend corrective action including possible benefit changes and/or additional contribution increases	Per APRS statute: - Any member contribution rate change must be approved by majority vote of contributory members - City council must approve City contribution changes	Per APRS statute, before any enhancements: - Must be approved by Fund's actuary and otherwise permitted under the System's statute and policies	None
Funding Policies with Layered Closed Benchmarks at/under 30 yrs								
Irving Supplemental Benefit Plan	Fixed	20-yr layered closed	2 AVs showing actual contribution over/under ADC benchmark by more than 0.5%	Board will: - Notify the City - Consider and may recommend combined rate change ADC Contribution - It is the intent of the Board that the ADC determined by a given AV will be contributed in the calendar yr beginning 1 yr after the AV date	Contributions: - Increases capped for members/City at 0.5% of pay in one yr, or 1% total - If max contribution increase has been applied and contribution still insufficient, Board shall recommend corrective action, including benefit or contribution changes	Employer rate decreases only considered if: - FR ≥ 105% - Total contribution rate is not < normal cost	Enhancements may only occur when: - FR ≥ 110% after incorporating enhancement - ADC rate ≤ actual contribution rate	Negative Amortization: - Board's goal is to eliminate negative amortization as quickly as possible and ultimately maintain a contribution rate above the threshold that results in negative amortization
City of El Paso Employees Retirement Trust	Fixed	25-yr layered closed	ADC benchmark > City contribution rate in any yr	Board will: - Recommend additional City contribution	None	None	Enhancements may only occur when: - FR ≥ 80% after the increase - Decrease in FR due to enhancement not > 1% - Max COLA not > CPI since last COLA	None

Summary of Funding Policies Received by Pension Review Board
Non-ADC Plans

Texas Pension Review Board
Funding Policy Report

System Name	Contribution Type	Benchmark and Actions Resulting			Additional Components			
		ADC Benchmark Am Pd	Condition(s) that Trigger Actions	Actions Resulting from Trigger	Risk Sharing	Contribution Change Parameters	Benefit Change Parameters	Additional Amortization Policy Provisions
San Benito Firemen Relief & Retirement Fund	Fixed	30-yr layered closed	2 AVs showing actual contributions > 2% over/under ADC benchmark	Board will: - Notify City - Recommend a contribution rate change	Jointly Developed with City: - Funding policy presented, approved and adopted by the City of San Benito City Commission. Signed by Mayor Contributions: - Increases split 60% sponsor/40% employee, max 2% each (or 4% total) - If max contribution increase has been applied and contribution still insufficient, Board shall recommend corrective action, including benefit or contribution changes Benefits: - COLAs tied to investment returns. Crediting rate the lesser of CPI or 100% of 5-yr smoothed return minus 5%, min 0%, max 4%	Employer contribution reductions considered if: - FR \geq 105% - Benefit reductions for current active members implemented within the last 10 yrs reinstated; - Regular COLAs built into funding assumptions; - Total contribution rate not < normal cost	Enhancements considered if: - Annual COLAs built into funding assumptions; - FR > 120% after incorporating benefit enhancement; - ADC \leq actual contrib rate Benefit changes as per TLFRA statute ²	Negative Amortization: - Board's goal is to eliminate negative amortization as quickly as possible and ultimately maintain a contribution rate above the threshold that results in negative amortization
Denison Firemen's Relief & Retirement Fund	Fixed	30-yr layered closed	2 AVs showing actual contributions < ADC benchmark by more than 2%	Board and City will: - Develop a plan of action including contribution increases or benefit changes to bring the contribution rate to \geq ADC benchmark	Contributions: - Increases either split evenly between City and members or different agreed-upon amounts - May be phased in over time	Contribution changes per TLFRA statute ¹	Benefit changes as per TLFRA statute ²	Negative Amortization: - Board will periodically review whether contributions are sufficient to pay normal cost plus interest on UAAL
Sweetwater Firemen's Relief & Retirement Fund	Fixed	30-yr layered closed	2 AVs showing fixed contrib rates < ADC benchmark by more than 2%	Board and City will: - Develop a plan of action including contribution increases or benefit changes so that combined contribution rate will be \geq ADC benchmark	Contributions: - Increases either split evenly between City and members or different agreed-upon amounts - May be phased in over time	Contribution changes per TLFRA statute ¹	Benefit changes as per TLFRA statute ²	Negative Amortization: - Board will periodically review whether contributions are sufficient to pay normal cost plus interest on UAAL
Longview Firemen's Relief & Retirement Fund	Fixed	30-yr layered closed	4 AVs showing actual contrib > 2% over/under ADC benchmark	Board will: - Notify the City - Recommend City and member contributions to increase by no more than 1% of pay in one yr or 2% total - Employees will have option to increase contribution or make benefit changes	Contributions: - Increases split 50%/50% City and members	Reductions should only be considered if: - FR \geq 105% and total contribution rate not < normal cost Contribution changes per TLFRA statute ¹	Board supports enhancements only when: - FR \geq 105% after incorporating enhancement - ADC rate \leq actual contrib rate Benefit changes as per TLFRA statute ²	Negative Amortization: - Board's goal is to eliminate negative amortization as quickly as possible and ultimately maintain a contribution rate above the threshold that results in negative amortization
Port Arthur Firemen's Relief & Retirement Fund	TMRS Linked	30-yr layered closed	2 AVs showing fixed contrib rates < ADC benchmark by more than 2%	Board and City will: - Develop a plan of action including contribution increases or benefit changes so that combined contribution rate will be \geq ADC benchmark	Contributions: - Increases either split evenly between City and members or different agreed-upon amounts - May be phased in over time	Contribution changes per TLFRA statute ¹	Benefit changes as per TLFRA statute ²	Negative Amortization: - Board will periodically review whether contributions are sufficient to pay normal cost plus interest on UAAL
Closed Benchmarks at/under 30 yrs to Ultimate Layered Closed Benchmark at/under 30 yrs								
Waxahachie Firemen's Relief & Retirement Fund	TMRS Linked	25-yr closed to ultimate 15 yr layered closed	2 AVs showing funding period > ADC benchmark am pd	Board will: - Notify City and member group/assn of difference - Work with City and active members to consider benefit/contribution modifications to return funding pd to ADC benchmark	None	Contribution changes as per TLFRA statute ¹	Benefit changes as per TLFRA statute ²	None

Summary of Funding Policies Received by Pension Review Board
Non-ADC Plans

Texas Pension Review Board
Funding Policy Report

System Name	Contribution Type	Benchmark and Actions Resulting			Additional Components			
		ADC Benchmark Am Pd	Condition(s) that Trigger Actions	Actions Resulting from Trigger	Risk Sharing	Contribution Change Parameters	Benefit Change Parameters	Additional Amortization Policy Provisions
Austin Employees Retirement System	Fixed	- 25-yr closed beginning 12/31/2020 - All other changes in UAAL amortized over 15-yr closed pd	- 2 AVs showing actual funding period > ADC benchmark; or - 1 AV showing funding period > maximum PRB <i>Funding Guidelines</i> period	Board will: - Notify the City and members - Work with City to consider contribution/benefit modifications to return funding period to ADC benchmark period	None	Reductions may only occur if: - COLAs built into assumptions; and - FR will remain \geq 105%. Increases may occur after: - Majority vote from regular full-time members	Enhancements may only occur after: - COLA included in assumptions; - FR \geq 120% after incorp; - Employer ADC = statutory rate; and - Board has reviewed sensitivity and stress testing analysis COLAs only considered when: - Financially supported on a regular, periodic basis; - FR \geq 80% after incorporating COLA; - Am pd \leq 20 yrs after incorp COLA; - Actual employer contrib rate \geq ADC rate; and - Board has reviewed sensitivity and stress testing analysis	Under the Amended Supplemental Funding Plan, any future benefit enhancements or COLAs will require recommendation from the City Manager and approval by the City Council
Dallas Police & Fire Pension System - Combined Plan	Fixed	25-yr closed to ultimate 20 yr layered closed	2 AVs showing actual contribution varies from the ADC benchmark by > 2%	Negative Divergence: - With 2/3rds vote, Board will recommend an increase in City rate Positive Divergence: - With 2/3rds vote, Board may recommend a reduction in City rate if the reduction does not extend funding pd	Contributions/Benefits: - Per statute, in 2024 an analysis will be conducted to assess the adequacy of the funding of the plan and, if necessary, changes may be made at that time	City contributions may be decreased if: - 2/3rds Board vote and City in agreement - Does not increase the am pd	Granting COLA/Reduction of retirement age/ Reduction am pd of DROP annuities: - Per statutory criteria All other enhancements may only occur: - If funding pd would not exceed 25 yrs after adoption	None
Temple Firefighters' Relief & Retirement Fund	Fixed	25-yr closed to ultimate 20 yr layered closed	2 AVs showing funding period > ADC benchmark am pd	Board will: - Notify City and member group/assn of difference - Work with City and active members to consider benefit/contribution modifications to return funding pd to ADC benchmark	None	Contribution changes as per TLFFRA statute ¹	Benefit changes as per TLFFRA statute ²	None
Greenville Firemen's Relief & Retirement Fund	Fixed	30-yr closed to ultimate 15 yr layered closed	2 AVs showing funding period > ADC benchmark am pd	Board will: - Notify City and member group/assn of difference - Work with City and active members to consider benefit/contribution modifications to return funding pd to ADC benchmark	None	Contribution changes as per TLFFRA statute ¹	Benefit changes as per TLFFRA statute ²	None
Conroe Fire Fighters' Retirement Fund	Fixed	30-yr closed to ultimate 20 yr layered closed	2 AVs showing funding period > ADC benchmark am pd	Board will: - Notify City and member group/assn of difference - Work with City and active members to consider benefit/contribution modifications to return funding pd to ADC benchmark	None	Contribution changes as per TLFFRA statute ¹	Benefit changes as per TLFFRA statute ²	None
Paris Firemen's Relief & Retirement Fund	Fixed	30-yr closed to ultimate 20 yr layered closed	2 AVs showing funding period > ADC benchmark am pd	Board will: - Notify City and member group/assn of difference - Work with City and active members to consider benefit/contribution modifications to return funding pd to ADC benchmark	None	Contribution changes as per TLFFRA statute ¹	Benefit changes as per TLFFRA statute ²	None
Closed Benchmarks over 30 yrs to Ultimate Layered Closed Benchmark at/under 30 yrs								
Plainview Firemen's Relief & Retirement Fund	Fixed	35-yr closed to ultimate 20 yr layered closed	2 AVs showing funding period > ADC benchmark am pd	Board will: - Notify the City and member group/assn of difference - Work with City and active members to consider benefit/contribution modifications to return funding pd to ADC benchmark	None	Contribution changes as per TLFFRA statute ¹	Benefit changes as per TLFFRA statute ²	None
Marshall Firemen's Relief & Retirement Fund	Fixed	35-yr closed to ultimate 20 yr layered closed	2 AVs showing funding period > ADC benchmark am pd	Board will: - Notify the City and member/group assn of difference - Work with City and active members to consider benefit/contribution modifications to return funding pd to ADC benchmark	None	Contribution changes as per TLFFRA statute ¹	Benefit changes as per TLFFRA statute ²	None

Summary of Funding Policies Received by Pension Review Board
Non-ADC Plans

Texas Pension Review Board
Funding Policy Report

System Name	Contribution Type	Benchmark and Actions Resulting			Additional Components			
		ADC Benchmark Am Pd	Condition(s) that Trigger Actions	Actions Resulting from Trigger	Risk Sharing	Contribution Change Parameters	Benefit Change Parameters	Additional Amortization Policy Provisions
Harlingen Firemen's Relief & Retirement Fund	Fixed	35-yr closed to ultimate 30 yr layered closed	2 AVs showing funding period > ADC benchmark am pd	Board will: - Notify the City and member group/assn of difference - Work with City and active members to consider benefit/contribution modifications to return funding pd to ADC benchmark	None	Contribution changes as per TLFRA statute ¹	Benefit changes as per TLFRA statute ²	None
Layered Closed Benchmarks over 30 yrs								
Irving Firemen's Relief and Retirement Fund	Fixed	40-yr layered closed	2 AVs showing actual contribution over/under ADC benchmark by more than 0.5%	Board will: - Notify the City - Consider and may recommend combined rate change ADC Contribution - It is the intent of the Board that the ADC determined by a given AV will be contributed in the calendar yr beginning 1 yr after the AV date	Contributions: - Increases capped at 0.5% of pay in one yr or 1% total - Increases split 60%/40% between City and employees - If max contribution increase has been applied and contribution still insufficient, Board shall recommend corrective action, including benefit or contribution changes	Reductions in employer rate should only be considered if: - FR ≥ 105% - Benefit reductions for current active members implemented within the last 10 yrs have been reinstated - Total contribution rate is not < normal cost	Board supports enhancements only when: - FR ≥ 110% after incorporating enhancement - ADC rate ≤ actual contribution rate	Negative Amortization: - Board's goal is to eliminate negative amortization as quickly as possible and ultimately maintain a contribution rate above the threshold that results in negative amortization
Alternative Benchmark								
Employees Retirement System of Texas - including ERS, LECOS & JRS II	Fixed	Once 31 yr amortization pd achieved, the system will reset ADC benchmark to match the avg yrs/svc at retirement for the plan as of the AV date when the 31-yr pd was achieved. ³	Funding period > ADC benchmark am pd	Board will: - Direct staff to request funding from the legislature to achieve a 31-year funding period - After 31-yr period achieved, staff will request funding from the legislature to achieve the ADC benchmark	None	Min 6% contribution for members and a range of 6-10% of aggregate compensation for State contributions as per Texas Constitution	Board recommends that enhancements should occur only if: - Before and after enhancement, funding period is ≤ 25 yrs - Enhancement does not increase normal cost - FR ≥ 90% before and after enhancement ERS statute requires the am period to be < 31 yrs for the legislature to consider a benefit enhancement	None
Teacher Retirement System of Texas	Fixed	Declining UAAL	If after the phase-in of scheduled contribution rate increases, AV projects UAAL will not begin to decline by the 5th yr following AV	Board will: - Request a contribution change in legislative appropriations request	Contributions: - All contributions (sponsor, member, district) will increase per statutorily set schedule (5-year phase-in)	A minimum of 6% contribution for members and a range of 6-10% of aggregate compensation for State contributions as per Texas Constitution	TRS statute requires the am period to be under 31 years in order for the legislature to consider a benefit enhancement.	None
Rolling Benchmarks								
El Paso Firemen's & Policemen's Staff Plan and Trust	Fixed	10-yr rolling	2 AVs showing am pd > ADC benchmark am pd	Sponsor and Board shall adhere to FSRP policy set forth in the plan document: - Will increase employer and member contribution rates	Contributions: - Contribution changes (inc/dec) are proportional for employee and sponsor	Contributions may decrease if: - 2 AVs showing an am pd of 0 yrs (overfunded) - Sum of contribution decrease cannot exceed what is necessary to amortize UAAL over 0 yrs	Benefit increases may only occur if: - Board votes on and approves the change - Increase approved by an actuary - Approved by majority of members - Increase does not raise the am pd	None
Abilene Firemen's Relief & Retirement Fund	Fixed	30-yr rolling	2 (or 3 if annual) AVs showing fixed contrib rates < ADC benchmark by more than 2%	Board will: - Notify City, members and member assn - Request meeting with City/members to develop a 20-yr (at the latest) plan that will establish fixed contrib rates that will result in 100% funding over a 30-yr closed period - Provide updates on progress after each AV	None	Contribution changes as per TLFRA statute ¹	Benefit changes as per TLFRA statute ²	Payroll Growth Assumption for Benchmark: - Lesser of 3% and avg payroll growth of fire dept over the last 10 yrs
Big Spring Firemen's Relief & Retirement Fund	Fixed	30-yr rolling	2 (or 3 if annual) AVs showing fixed contrib rates < ADC benchmark by more than 2%	Board will: - Notify City, members and member assn - Request meeting with City/members to develop a 20-yr (at the latest) plan that will establish fixed contrib rates that will result in 100% funding over a 30-yr closed period - Provide updates on progress after each AV	None	Contribution changes as per TLFRA statute ¹	Benefit changes as per TLFRA statute ²	Payroll Growth Assumption for Benchmark: - Lesser of 4.5% and avg payroll growth of fire dept over the last 10 yrs
Odessa Firemen's Relief & Retirement Fund	Fixed	30-yr rolling	2 (or 3 if annual) AVs showing fixed contrib rates < ADC benchmark by more than 2%	Board will: - Notify City and member assn - Request meeting with City/members to develop a 20-yr plan (at the latest) that will establish fixed contrib rates that will result in 100% funding over a 30-yr closed period - Provide updates on progress after each AV	None	Contribution changes as per TLFRA statute ¹	Benefit changes as per TLFRA statute ²	Payroll Growth Assumption for Benchmark: - Lesser of 3% and avg payroll growth of fire dept over the last 10 yrs

Summary of Funding Policies Received by Pension Review Board
Non-ADC Plans

Texas Pension Review Board
Funding Policy Report

System Name	Contribution Type	Benchmark and Actions Resulting			Additional Components			
		ADC Benchmark Am Pd	Condition(s) that Trigger Actions	Actions Resulting from Trigger	Risk Sharing	Contribution Change Parameters	Benefit Change Parameters	Additional Amortization Policy Provisions
Orange Firemen's Relief & Retirement Fund	Fixed	30-yr rolling	2 (or 3 if annual) AVs showing fixed contrib rates < ADC benchmark by more than 2%	Board will: - Notify City and member assn - Request meeting with City/members to develop a 20-yr plan (at the latest) that will establish fixed contrib rates that will result in 100% funding over a 30-yr closed period - Provide updates on progress after each AV	None	Contribution changes as per TLFFRA statute ¹	Benefit changes as per TLFFRA statute ²	Payroll Growth Assumption for Benchmark: - Lesser of 3% and avg payroll growth of fire dept
San Angelo Firemen's Relief & Retirement Fund	Fixed	30-yr rolling	2 (or 3 if annual) AVs showing fixed contrib rates < ADC benchmark by more than 2%	Board will: - Notify City and member assn - Request meeting with City/members to develop a 20-yr plan (at the latest) that will establish fixed contrib rates that will result in 100% funding over a 30-yr closed period - Provide updates on progress after each AV	None	Contribution changes as per TLFFRA statute ¹	Benefit changes as per TLFFRA statute ²	Payroll Growth Assumption for Benchmark: - Lesser of 3% and avg payroll growth of fire dept over the last 10 yrs
Wichita Falls Firemen's Relief & Retirement Fund	TMRS Linked	30-yr rolling	2 AVs showing fixed contrib rates < ADC benchmark by more than 2%	Board will: - Notify City and member assn - Request meeting with City/members to develop a 20-yr plan (at the latest) that will establish fixed contrib rates that will result in 100% funding over 30-yr closed pd - Provide updates on progress after each AV	None	Contribution changes as per TLFFRA statute ¹	Benefit changes as per TLFFRA statute ²	Payroll Growth Assumption for Benchmark: - Lesser of 3% and avg payroll growth of fire dept
Austin Fire Fighters Relief & Retirement Fund	Fixed	30-yr rolling	3 AVs showing fixed contrib rates < ADC benchmark by more than 2%	Board will: - Notify City and member assn - Request meeting with City/members to develop a 20-yr plan (at the latest) that will establish fixed contrib rates that will result in 100% funding over 30-yr closed pd - Provide updates on progress after each AV	None	None	Enhancements: - Policy references that enhancements must meet the requirements of the fund's Benefit Improvement Policy COLAs: - Policy references COLA Adjustment Policy, which contains parameters to determine when COLAs may be provided	None
El Paso Firemen's & Policemen's Pension Fund	Fixed	40-yr rolling	2 AVs showing funding period > 40 yrs	Board and City shall adhere to FSRP policy set forth in El Paso F&PPF Statute: - City may increase contribution rate	Contributions: - Contribution changes (inc/dec) are proportional for employee and employer - If City rate inc/dec, member rate must change proportionately	City/member contribution decreases may be considered if: - 2 AVs showing funding pd < 25 yrs - Decrease cannot exceed what is necessary to amortize UAAL over a 25-yr period City/member increases: - Sum of contribution increase cannot exceed what is necessary to amortize UAAL over 40 yrs	Enhancement may only occur if: - Am pd is not increased	None
No Benchmark								
Texas Emergency Services Retirement System	Fixed	None	None	None	None	Contributions: - Members do not contribute - If am pd > 30 yrs, state contributions required and limited to 1/3 of all contributions made by the governing bodies of participating departments - Participating departments may contribute more if local and state contributions are inadequate to bring am pd below 30 yrs	Enhancements: - Prohibited if am period > 30 yrs Reductions: - Future benefit accruals if local and state contributions are inadequate to bring am pd below 30 yrs	None

¹ Per TLFFRA statute, City may change its rate by formal action by governing body, provided it does not reduce City contribution rate below minimum required TLFFRA rate. Members may change rate by majority member vote as recommended by the Board, after actuary approval.

² Per TLFFRA statute, any benefit changes must be approved by Fund's actuary and a majority of members.

³ 31 years is the "Actuarially Sound Contribution" (ASC) rate per Section 811.006 of the Texas Government Code. As an example, 22.1 years was the average years of service at retirement for a service retiree in the ERS plan as of 8/31/17.

Summary of Funding Policies Received by Pension Review Board
Modified ADC Plans

Texas Pension Review Board
Funding Policy Report

System Name	Components				
	Amortization Policy	Risk Sharing	Contribution Change Parameters	Benefit Change Parameters	Additional Provisions
Closed Amortization Periods at/under 30 yrs					
JPS Pension Plan - Tarrant County Hospital District (THA)	Preferred range of 10-25 yrs, never to exceed 30-yr am pd	Contribution changes may be: - Phased in over a period not to exceed 5 yrs	None	Benefit increases should not occur if: - Resulting am pd exceeds 25 yrs	Negative Amortization: - Contributions should always be sufficient to pay normal cost plus interest on UAAL. Negative amortization is not permitted.
Retirement Plan for Anson General Hospital (THA)	Preferred range of 10-25 yrs, never to exceed 30-yr am pd	Contribution changes may be: - Phased in over a period not to exceed 5 yrs	None	Benefit increases should not occur if: - Resulting am pd exceeds 25 yrs	Negative Amortization: - Contributions should always be sufficient to pay normal cost plus interest on UAAL. Negative amortization is not permitted.
Retirement Plan for Citizens Medical Center (THA)	Preferred range of 10-25 yrs, never to exceed 30-yr am pd	Contribution changes may be: - Phased in over a period not to exceed 5 yrs	None	Benefit increases should not occur if: - Resulting am pd exceeds 25 yrs	Negative Amortization: - Contributions should always be sufficient to pay normal cost plus interest on UAAL. Negative amortization is not permitted.
Retirement Plan for Guadalupe Regional Medical Center (THA)	Preferred range of 10-25 yrs, never to exceed 30-yr am pd	Contribution changes may be: - Phased in over a period not to exceed 5 yrs	None	Benefit increases should not occur if: - Resulting am pd exceeds 25 yrs	Negative Amortization: - Contributions should always be sufficient to pay normal cost plus interest on UAAL. Negative amortization is not permitted.
Retirement Plan for Sweeny Community Hospital (THA)	Preferred range of 10-25 yrs, never to exceed 30-yr am pd	Contribution changes may be: - Phased in over a period not to exceed 5 yrs	None	Benefit increases should not occur if: - Resulting am pd exceeds 25 yrs	Negative Amortization: - Contributions should always be sufficient to pay normal cost plus interest on UAAL. Negative amortization is not permitted.
Capital MTA Retirement Plan for Bargaining Unit Employees	Greater of: - 19-yr closed am pd as of 1/1/2020 with 3% annual increases or \$4M minus non-investment admin expenses incurred during the year	None	None	Plan is frozen and no benefit enhancements are being considered.	- Plan frozen as of 8/18/2020
Fort Worth Employees Retirement Fund	- 30-yr closed beginning 12/31/2018 - Goal of eliminating UAAL and attaining 100% funding by 12/31/2048	Contributions: - Increases split 60%/40% by City/members, capped at 2% of pay and 4% aggregate annually - If ADC benchmark < combined contribs 2 consecutive yrs, City Council may reduce contribs to the ADC (but not less), split 60%/40%	City rate reduction considered only if: - FR \geq 120% - Member contribution reduced by same proportionate percentage - All members elig. for periodic COLA - Regular COLAs built into assumptions - Total contribution not < normal cost City rate changed/member rates increased after: - Actuary performs analysis of fiscal impact of proposed change - Majority of elig. members vote in favor; and - Approved by Board (if City called vote) or City Council (if Board called vote)	COLAs may be granted to certain groups if: - Am pd < 28 yrs Benefit enhancements considered only if: - Annual COLAs incorporated into funding assumptions for all members - FR > 120% after enhancement - ADC benchmark < City contribution	Negative Amortization: - Board's goal is to eliminate negative amortization as quickly as possible and ultimately maintain a contribution rate that expected to result in the reduction of the UAAL each year
Layered Closed Amortization Periods at/under 30 yrs					
Houston Firefighter's Retirement & Relief Fund	30-yr layered closed as of 7/1/2017	Contributions: A "target contribution rate," along with an associated min/max corridor, is established via a risk sharing valuation study (RSVS).	Contributions: - Contributions set by initial risk sharing valuation study unless rate falls outside of corridor.	Benefits: - Statutory corridor mechanism which allows for benefit changes if the plan's funded ratio and contribution rates reach certain thresholds.	- Per statute, if plan's FR falls below 65% any time after 6/30/2021, plan must establish separate cash balance plan for new hires
Houston Municipal Employees Pension System	30-yr layered closed as of 7/1/2017	Contributions: A "target contribution rate," along with an associated min/max corridor, is established via a risk sharing valuation study (RSVS).	Contributions: - Contributions set by initial risk sharing valuation study unless rate falls outside of corridor.	Benefits: - Statutory corridor mechanism which allows for benefit changes if the plan's funded ratio and contribution rates reach certain thresholds.	- Per statute, if plan's FR falls below 60% any time after 6/30/2027, plan must establish separate cash balance plan for new hires

Summary of Funding Policies Received by Pension Review Board
Modified ADC Plans

Texas Pension Review Board
Funding Policy Report

System Name	Components				
	Amortization Policy	Risk Sharing	Contribution Change Parameters	Benefit Change Parameters	Additional Provisions
Houston Police Officers' Pension System	30-yr layered closed as of 7/1/2017	Contributions: A "target contribution rate," along with an associated min/max corridor, is established via a risk sharing valuation study (RSVS).	Contributions: - Contributions set by initial risk sharing valuation study unless rate falls outside of corridor.	Benefits: - Statutory corridor mechanism which allows for benefit changes if the plan's funded ratio and contribution rates reach certain thresholds.	- Per statute, if plan's FR falls below 65% any time after 6/30/2021, plan must establish separate cash balance plan for new hires
Galveston Employee's Retirement Plan for Police	30-yr layered closed beginning 1/1/2019	Contributions: - Per Galveston Ret Plan for Police statute, beginning 1/1/2025, any increases will be split equally between members and City	Reductions may only occur if: - Am pd would not exceed 25 yrs	Enhancements may only occur if: - Am pd would not exceed 25 yrs	Negative Amortization: - Board's goal is to eliminate negative amortization as quickly as possible and ultimately maintain a contribution rate above the threshold that results in negative amortization
Rolling Amortization Periods					
Northwest Texas Healthcare System Retirement Plan	5-yr rolling	The UAAL measured in each annual actuarial valuation will be re-amortized over a 5-year period.	Contribution Changes Contributions may be reduced to provide a reasonable margin for adverse experience. A Partial ADC is permitted when the year-over-year ADC increase is greater than 25% and the funded ratio is over 105% after reduction. The shortfall will be amortized over a 10 year closed period.	None	None
Dallas Employees' Retirement Fund	- 30-yr rolling for valuations prior to retirement of POBs - After retirement of POBs, determined by DERF board in place at the time	None	Contribution adjustments: - Automatically occur for both members and City under Chapter 40A - City contributions capped at 36% of payroll	Board supports enhancements only when: - FR >= 100% after enhancements	None

Summary of Funding Policies Received by Pension Review Board
ADC Plans

Texas Pension Review Board
Funding Policy Report

System Name	Components			
	Amortization Policy	Contribution Change Parameters	Benefit Change Parameters	Additional Provisions
Fully Funded				
Arlington Employees Deferred Income Plan	- Plan is over 100% funded and continues to pay ADC - Uses layers to amortize the cost of benefits over the expected remaining service of active employees	None	None	None
Closed Amortization Periods at/under 30 yrs				
Guadalupe-Blanco River Authority	10-yr closed period beginning 1/1/2019	Plan participants do not make contributions Supplemental contributions recommended when funds are available and deemed appropriate	Benefit enhancements evaluated on a case-by-case basis taking into consideration: - actuarial soundness, - its relationship to targeted funding ratio, - stress testing of performance in down market conditions	- Targets 110% funding of TPL - Frozen plan as of 12/31/2018 Adverse experience: - Could work with actuary to test effects of extending the closed am pd to mitigate contribution volatility
Lower Neches Valley Authority Employee Benefits Plan	10-yr closed	Plan trustees will notify LNVA and consider reductions only when: - 2 AVs showing actual contribution more than 2% over/under ADC - FR \geq 105% and total contribution rate is not < normal cost. In such case, may consider reduction in employer contribution	None	None
Brazos River Authority Retirement Plan	- 20-yr closed period beginning 3/1/2012 - As of 3/1/2019, there are 13 years remaining	Partial contribution reductions (i.e. deferral from the ADC) are permitted when: - Year-over-year ADC contribution increase exceeds 25%. Shortfall amortized over 5-yr pd and added to the ADC beginning with next AV	None	- Plan closed to new members and frozen as of 9/30/2007
Dallas/Fort Worth Airport Board Retirement Plan	- 30-yr closed effective 1/1/2004 - Will be fully funded by 12/31/2034	None	None	None
Corpus Christi Regional Transportation Authority	15-yr closed effective 1/1/2019	None	COLA only considered if: - FR \geq 85% after COLA	None
Lower Colorado River Authority Retirement Plan	- 20-yr closed beginning 2020	None	None	- Closed plan to new hires effective 5/1/2012 Adverse experience: - Could work with actuary to test effects of extending the closed am pd to mitigate contribution volatility
Houston MTA Non-Union Pension Plan	- 30-yr closed effective 2013 - As of 2019, 24-yr period remaining	None	Enhancements only considered if: - Contributions meet or exceed the ADC	- Closed to new hires effective 9/30/2007
Houston MTA Workers Union Pension Plan	- 30-yr closed effective 2013 - As of 2019, 24-yr period remaining	None	Enhancements only considered if: - Contributions meet or exceed the ADC	- Closed to new hires effective 10/1/2012
Dallas County Hospital District Retirement Income Plan	- 25-yr closed period beginning 1/1/2019 - Intent that the FR will be 100% on/before 1/1/2044	None	None	None

Summary of Funding Policies Received by Pension Review Board
ADC Plans

Texas Pension Review Board
Funding Policy Report

System Name	Components			
	Amortization Policy	Contribution Change Parameters	Benefit Change Parameters	Additional Provisions
Denton Firemen's Relief & Retirement Fund	<ul style="list-style-type: none"> - 25-yr closed - City will maintain current contribution level of 18.5%. - Each yr, City's contribution level based on actuarial study which calculates rated needed to amortize UAAL over 25 yr closed pd 	City contributions: <ul style="list-style-type: none"> - Not lowered based on actuarial experience unless am pd ≤ 20 yrs - Not < City's contribution to TMRS 	Benefit enhancements: <ul style="list-style-type: none"> - May not be made during the term of the agreement 	Funding Policy adopted through Meet and Confer Agreement with City: <ul style="list-style-type: none"> - 4 yr agreement as of 9/2019 Contributions: <ul style="list-style-type: none"> - Actuarial gains will be used to pay down UAAL rather than reducing contribution rate during the first 5 yrs
Layered Closed Amortization Periods at/Under 30 yrs				
Refugio County Memorial Hospital	<ul style="list-style-type: none"> - 7-yr layered closed 	None	None	<ul style="list-style-type: none"> - Plan frozen as of 12/31/2011
Dallas/Fort Worth Airport Board DPS Retirement Plan	<ul style="list-style-type: none"> - 15-yr layered closed effective 1/1/2020 - Each subsequent AV a new closed 15-yr amortization base will be established for any unanticipated changes in the UAAL from prior yr 	None	None	None
Plano Retirement Security Plan	<ul style="list-style-type: none"> - 15-yr layered closed effective 12/31/2019 - New amortization bases established and separately maintained for each AV on/after 12/31/2021 and amortized over closed 15-yr pd 	Contributions: <ul style="list-style-type: none"> - If net amortization cost is negative, then City's contribution will not be less than normal cost - expected earnings on surplus assets (determined as % payroll) to preserve assets to offset adverse experience that may occur in a 	None	None
Harris County Hospital District Pension Plan	<ul style="list-style-type: none"> - 20-yr layered closed 	None	None	<ul style="list-style-type: none"> - Closed plan to new hires effective 1/1/2007
Dallas Police & Fire Pension System-Supplemental	<ul style="list-style-type: none"> - 20-yr closed as of 1/1/2020 - 10-yr amortization bases beginning 1/1/2021 	Contribution reductions may only occur if: <ul style="list-style-type: none"> - Reduction does not increase am pd 	Granting COLA/Reduction of retirement age/Reduction am pd of DROP annuities: <ul style="list-style-type: none"> - Per statute criteria Enhancements may only occur: <ul style="list-style-type: none"> - If funding pd would not exceed 25 yrs after adoption 	Contributions/Benefits: <ul style="list-style-type: none"> - Per statute, in 2024 an analysis will be conducted to assess the adequacy of the funding of the plan and, if necessary, changes may be made at that time
Retirement Plan for Employees of Brownsville Navigation District	<ul style="list-style-type: none"> - 20-yr layered closed - 15-yr amortization base for UAAL as of 1/1/2020 - 20-yr am pd base for actuarial gains/losses and assumption method 	Employee contribution increases may be considered if: <ul style="list-style-type: none"> - ADC becomes unsustainable 	Benefit reductions may occur if: <ul style="list-style-type: none"> - ADC becomes unsustainable 	If the ADC becomes unsustainable, District may consider adjusting the funding policy by potentially extending the amortization periods
Nacogdoches County Hospital District Retirement Plan	<ul style="list-style-type: none"> - 20-yr layered closed - All other changes in UAAL amortized over 20-yr closed pd - Level dollar amortization method will not result in an am pd of > 25 yrs 	None	Benefit enhancements and COLAs: <ul style="list-style-type: none"> - Are not anticipated to occur - Would only be granted if there would not be a substantial increase to the timeframe to full funding - Would result in a resetting of the am pd to 20 yrs 	<ul style="list-style-type: none"> - Plan frozen as of 9/4/2017

Summary of Funding Policies Received by Pension Review Board
ADC Plans

Texas Pension Review Board
Funding Policy Report

System Name	Components			
	Amortization Policy	Contribution Change Parameters	Benefit Change Parameters	Additional Provisions
Texas County & District Retirement System	- 20-yr layered closed - Benefit enhancements amortized over 15-yr closed pd - All other changes in UAAL amortized over 20-yr closed pd	None	None	Investment Surpluses: - May be set aside to help offset future negative economic cycles and are not considered part of the plan's assets
Galveston Wharves Pension Plan	- 21-yr layered closed effective 1/1/2020 until ultimate 10-yr pd - Am pd base of lesser of avg expected remaining lifetime and 10 yrs for benefit inc for existing retirees	None	COLAs only considered when: - Plan is at least 80% funded	- Closed plan to new hires effective 1/1/2010
Texas Municipal Retirement System	- 25-yr layered closed beginning in 2015 - Amortization base for actuarial gains and losses ranging from 1 to 25 yrs - All new losses occurring after 1/1/2020 and benefit increases effective on/after 1/1/2021 amortized over max 20-yr pd	Contributions based on plan options selected within statutory guidelines	Benefits based on plan options selected within statutory guidelines	None
San Antonio Metropolitan Transit Retirement Plan	- 30-yr closed period beginning 10/1/2012 - As of 10/1/2019, there are 23 yrs remaining - New amortization bases established and separately maintained for each AV on/after 10/1/2027 and amortized over	None	None	- Plan closed to new members as of 7/1/2013
CPS Energy Pension Plan	- 30-yr layered closed effective 2017 - Will be fully funded by 2046	Contributions: - Any change requires approval of Employee Benefits Oversight Committee	Enhancements: - Factored into ADC calculation - Must be approved by Employee Benefits Oversight Committee	None
Fort Worth Employees' Retirement Fund Staff Plan	- 30-yr layered closed effective 12/31/2018 - Additional 30-yr closed period layers with level-dollar amortization payments for actuarial gains/losses for future years	If FR < 80 and am pd > 28 for 2 calendar years, Board may consider: - Increase in contribution rate (requires participant election with majority agreement) If FR is > 120% and am pd < 5 yr for 2 calendar years, Board may consider (provided that the FR does not fall below 100% and am pd does not exceed 25 yrs after changes): - reduction in contrib rate, after annual COLA incorporated in funding assumptions - adoption of temporary contribution holiday	If FR < 80 and am pd > 28 for 2 calendar years, Board may consider: - Adoption of benefit reductions, after annual COLA is incorporated in funding assumptions If FR is > 120% and am pd < 5 yr for 2 calendar years, Board may consider (provided that the FR does not fall below 100% and am pd does not exceed 25 yrs after changes): - adoption of benefit enhancements, after annual COLA incorporated in funding assumptions - adoption of 13th check	If FR < 80 and am pd > 28 for 2 calendar years, Board may consider: - Non-recurring lump sum cash infusion to attain 80% or higher funded status If FR is \geq 120% and am pd \leq 5 yr for 2 calendar years, Board may consider (provided that the FR does not fall below 100% and am pd does not exceed 25 yrs after changes): - Examination & possible action of de-risking plan
Port of Houston Authority Retirement Plan	- 30-yr layered closed - Amortization bases ranging from 5 to 30 yrs	None	None	- Plan closed to new hires effective 8/1/2012

Summary of Funding Policies Received by Pension Review Board
ADC Plans

Texas Pension Review Board
Funding Policy Report

System Name	Components			
	Amortization Policy	Contribution Change Parameters	Benefit Change Parameters	Additional Provisions
DART Employee's Defined Benefit Retirement Plan	<ul style="list-style-type: none"> - 30-yr layered closed pd, level dollar - Actuarial gains/losses amortized over 15-yr base - Assumption/method changes amortized over 30 yrs - Benefit changes amortized over 30 yrs 	None	None	<ul style="list-style-type: none"> - Plan closed to new entrants - Funding Policy is reviewed at least once every 5 years (in connection with actuarial experience study)
Rolling Amortization Periods				
Capital MTA Retirement Plan for Administrative Employees	- 20-yr rolling	Contribution changes may be recommended when: <ul style="list-style-type: none"> - 2 AVS showing actual contribution > 2% over/under ADC 	None	None
University Health System Pension Plan	- 24-yr closed (1/1/2020) to ultimate 20-yr open (1/1/2024)	None	None	None