

Alternative Collin County TCDRS Plan Provision Outline

- Policy: Collin County adopts a fixed elected rate, calculated as a percentage of eligible payroll costs.
- If Collin County's **required** rate exceeds the elected rate:
 - The county will reduce benefits until the required rate is less than or equal to the elected rate, unless benefits are already at the minimum level. Benefits may be reduced by decreasing either (a) the employer match or (b) the employee deposit rate. This decision must be made annually (as necessary) by the commissioners court.
 - If current benefits are already at the minimum levels (4% employee deposit rate, 100% employer match), the county will utilize the 20-year smoothing period to reduce costs.
- If Collin County's **elected** rate exceeds the TCDRS required rate:
 - The county will increase the benefit levels as much as possible commensurate with the elected rate up to the designated maximum. The benefit levels may be increased by either (a) the employer match or (b) the employee deposit rate. This decision must be made annually (as necessary) by the commissioners court.
 - If current benefits are already at the maximum designated level (7% employee deposit rate, 200% employer match), the county will set aside the surplus contribution as a "rainy day fund" to offset future costs. The surplus contribution may be (a) remitted to and retained by TCDRS on behalf of the county, or (b) retained by the county and reserved for future costs. This decision must be made annually (as necessary) by the commissioners court.

Definitions

- Required rate – A calculation of retirement costs (expressed as a specific percentage of eligible payroll costs; e.g., 6.88%) necessary to fund retirement benefits at a particular level. TCDRS calculates the required rate each year, and communicates the rate to the county.
- Elected rate – A calculation of retirement costs (expressed as a specific percentage of eligible payroll costs; e.g., 6.88%) adopted by the commissioners court. The court adopts the elected rate, and communicates the rate to TCDRS.