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Polk County, #286
Authorization to change TCDRS plan provisions
Plan year 2008

The following order concerning the participation of Polk County in the Texas County & District Retirement System (TCDRS) for the 2008 plan year was adopted in open session on _____, 2007.

1. With respect to the plan provisions currently applicable to its members, Polk County makes the following changes:

Effective Jan. 1, 2008, the employer matching rate is increased to 250% of the employee's deposits. The increased employer matching percentage shall be used both retroactively and prospectively as the matching rate under Section 843.403 for all employee contributions not otherwise matched at a higher rate.
2. With respect to annuities paid to its retirees or their beneficiaries, Polk County adopts a flat-rate 3% COLA.
3. Polk County adopts an annually determined contribution rate plan with the following rate for the 2008 plan year: the total required employer contribution rate of 9.17%.
4. Except as modified by this order or by law, the plan provisions previously adopted by this Commissioners Court of Polk County relating to participation in TCDRS remain in effect and are continued.
5. In the event the 2008 total required rate as set out above exceeds 11%, and if a current waiver of that limit is not on file with the retirement system, the Commissioners Court of Polk County hereby waives the 11% limit on the rate of employer contributions and such waiver will remain effective with respect to future plan years until properly revoked by official action.

Certification

I certify that the foregoing order concerning the participation of Polk County in the Texas County & District Retirement System for the 2008 plan year truly and accurately reflects the official action taken during a properly posted and noticed meeting on _____, 2007, by the Commissioners Court of Polk County as such action is recorded in the official minutes.

County Judge of Polk County

Dated: _____

Polk County, #286
Rate information for proposed plan provision changes
Plan year 2008

	Current Plan	Proposed Plan I
Plan Provisions:		
Employee deposit rate	7%	7%
Matching rate	225%	250%
Past and future deposits / future deposits*		Past and Future Deposits
Prior service credit	160%	160%
Vesting	8 years	8 years
Rule of	75	75
Eligible at X years and any age	30 years	30 years
COLA**	N/A	Flat-rate 3
Credit for military service	Yes	Yes
Partial lump sum	No	No
Buyback***	N/A	No
Plan Rates:		
1. Normal cost rate	7.61%	8.39%
2. U'AAI rate	(0.60%)	0.78%
3. Total required rate for 2008****	7.01%	9.17%
4. Rate difference between proposed and current plan		2.16%
5. Elected rate		
Plan Assets & Liabilities:		
6. Present value of future benefits	\$ 25,544,896	\$ 27,455,753
7. Present value of future normal cost contributions	\$ 4,712,747	\$ 5,200,675
8. Actuarial accrued liabilities (Line 6 – Line 7)	\$ 20,832,149	\$ 22,255,078
9. Actuarial value of assets	\$ 21,623,223	\$ 21,623,223
10. Unfunded or (overfunded) actuarial accrued liability [U'AAI or (OAAI)] (Line 8 – Line 9)	(\$ 791,074)	\$ 631,855
11. Funded ratio (Line 9/Line 8)	104%	97%
12. Amortization period	30.0 years	15.0 years

* The matching rate can never be lowered for employee deposits that have already been made.

** The last COLA adopted was a flat-rate 2%; COLA effective 2007.

*** The last buyback was authorized in 2005.

**** Required rate for 2007: 7.65%.

These rate calculations are subject to a final actuarial review. We will notify you by June 1, 2007 if your rates have changed. Please contact TCDRS if you have any questions or for any additional information regarding changing benefit plan options.