

RETIREMENT PLAN ASSESSMENT

FOR PLAN YEAR 2013

Fort Bend County – 178

**Fort Bend County, #178**  
**Retirement plan assessment**  
**for plan year 2013**

It's that time of year again — time to look at your TCDRS retirement plan and decide whether or not your benefits are adequate and affordable. This plan assessment will give you an overview of the benefits you currently provide. It also includes estimates on how much it will cost to provide these benefits in 2013.

If you are interested in changing your plan provisions for 2013, please contact your TCDRS Employer Services Representative. We will send you cost and benefit information on any changes you are considering. If you are satisfied with your current plan, please complete and return your authorization by Dec. 17, 2012.

If you have questions, contact your TCDRS Employer Services Representative at 800-651-3848.

**NEXT STEPS**

1. If you are not considering any plan changes ...  
*complete and return your authorization by Dec. 17, 2012.*
2. If you are only adopting a COLA or elected rate ...  
*complete and return your authorization by Dec. 17, 2012.*
3. If you are considering changing or adding other plan provisions ...  
*contact TCDRS at 800-651-3848. We will be happy to send you the rates and authorization for the plan changes you are considering.*

**KEY DATES**

**Oct. 01, 2012**

Deadline to contact TCDRS in writing if you are considering authorizing a buyback.

**Dec. 17, 2012**

Send in your authorization to TCDRS confirming your 2013 plan provisions.

## YOUR BENEFITS

### Basic Benefit Provisions:

*Employee deposit rate — 7%*

*Matching rate — 200%*

*Prior service credit — 165%*

### Retirement Eligibility:

*Age 60 with 8 years of service*

*Any age with 30 years of service*

*Rule of 75 (age plus years of service equals 75)*

### Cost-of-Living Adjustments (COLAs) for retirees:

*Your last adopted COLA was a 50% CPI-based COLA in 2009.*

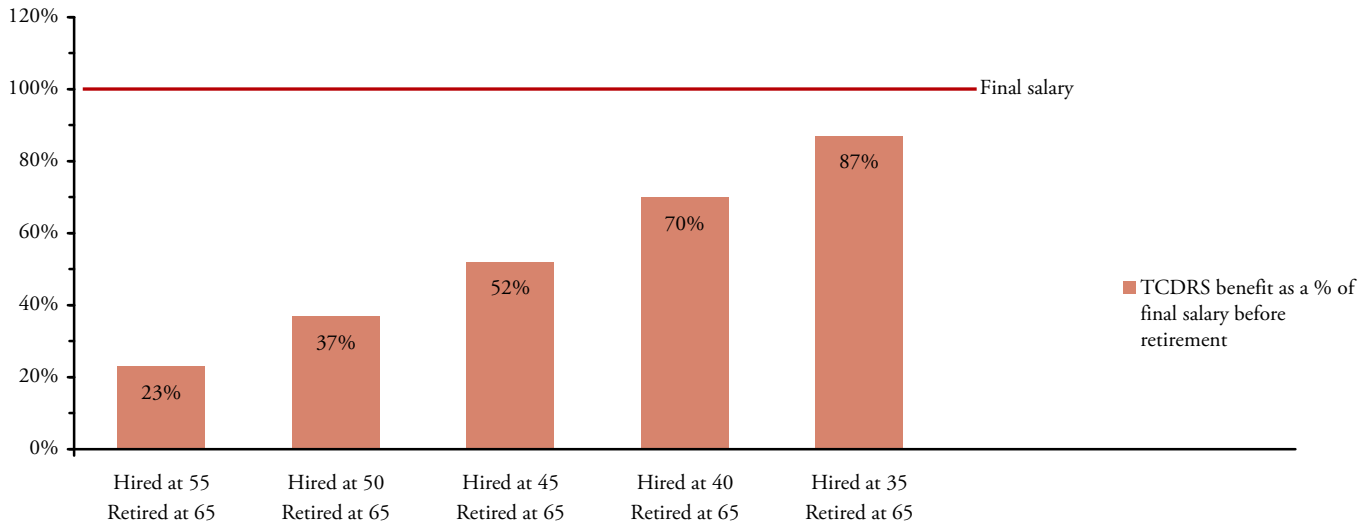
### Optional Benefit Provisions:

- *Buyback* – You last passed a buyback authorization in 2000.

## WHAT YOU ARE PROVIDING

Under your plan, each employee makes deposits into his or her personal TCDRS account by paying in a percentage of each paycheck. Employee accounts earn 7% interest each year, which is compounded annually based on the account balance at the beginning of the year. If one of your employees chooses to receive a retirement benefit, TCDRS adds the employee's personal account balance to matching and other credits you provide as an employer. We then convert that sum into a monthly benefit payment, payable for life.

The following chart shows the estimated TCDRS benefit as a percentage of final salary prior to retirement for a new hire:



### Assumptions

- Employees are new hires and will work for you until retirement.
- Your current plan provisions will remain in effect through employee's retirement.
- Current laws governing TCDRS will continue as they are.
- Graded salary scales give bigger raises early in careers, with smaller raises later in careers (see Summary Valuation Report at [www.tcdrs.org](http://www.tcdrs.org)).
- Based on Life Only benefit.

## YOUR COSTS

Your employer contribution rate represents the percentage of payroll your organization needs to contribute to fund future benefits for your current employees, former employees and retirees.

To calculate your total required rate, add the rate for any COLA you plan to adopt to the provided calculated contribution rate.

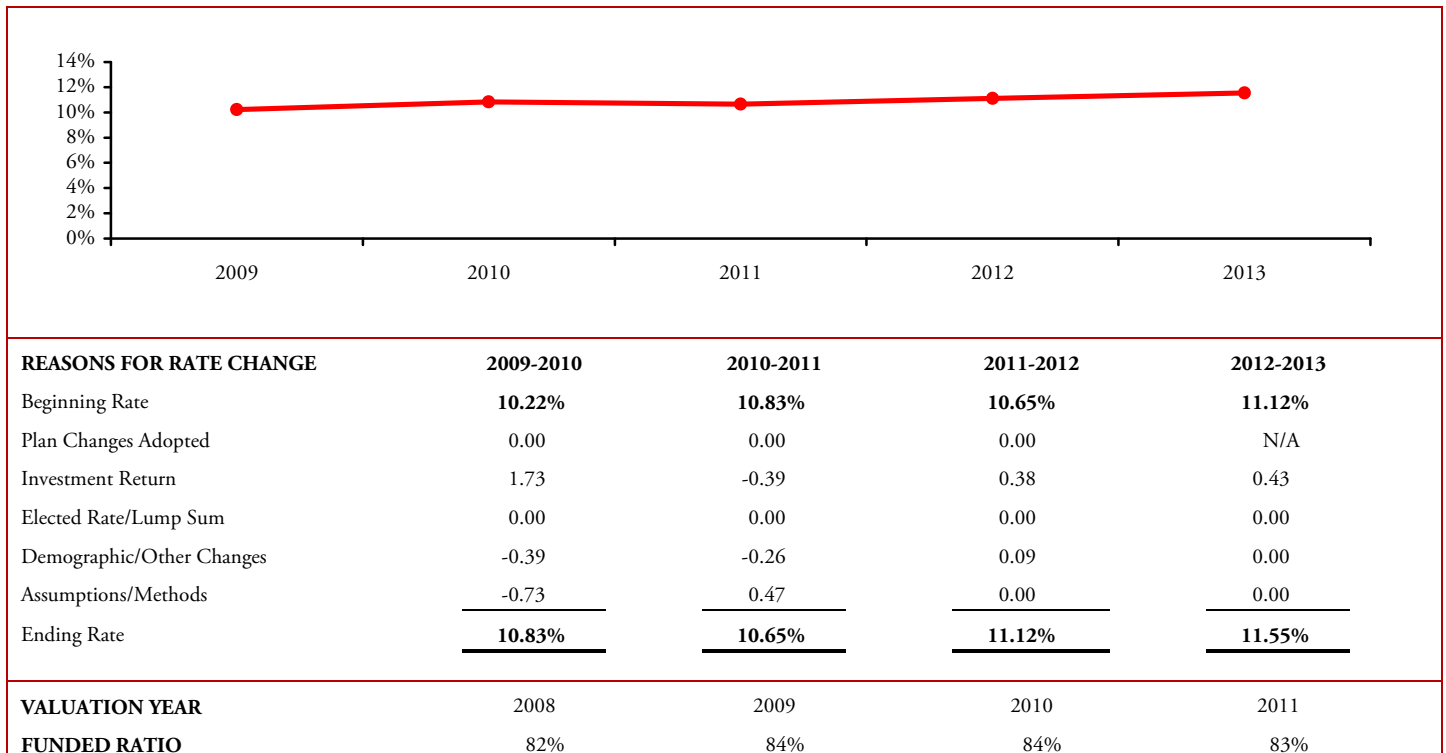
Your normal cost rate		7.44%
Your UAAL rate	+	4.11%
Calculated contribution rate		<u>11.55%</u>
COLA rate (if adopting)	+	<u>          </u>
Total required rate		<u>          </u>

To determine the cost of your plan in dollars, move the decimal for your "Total required rate" two places to the left, then multiply it by your estimated payroll for next year.

COLAs must be authorized each year. They are not "automatic." If you wish to authorize a COLA for the next plan year, you can estimate the cost based on the schedule of rates below:

CPI-based increases	10%	0.02	
	20%	0.04	
	30%	0.08	
	40%	0.16	
	50%	0.29	
	60%	0.43	
	70%	0.58	
	80%	0.72	
	90%	0.86	
	100%	1.00	
	% of payroll		
Flat-rate increases	1%	0.09	
	2%	0.17	
	3%	0.26	
	% of payroll		

Below is a record of your required employer contribution rate history over the last five years.



A complete Summary Valuation Report for the Dec. 31, 2011 valuation is available on the web.