
Meeting Date

November 29, 2022

New Business Item #3

Subject

TCDRS Changes

Recommendation

Staff recommends the Board of Directors adopt the changes to the BWA retirement plan as proposed and presented.

Background

Along with more than 800 other employers, BWA participates in the Texas County and District Retirement System (TCDRS). This retirement system is the cornerstone of BWA's compensation package. In an increasingly competitive market for employees, benefit levels need to be consistent with other similar employers in the. A review of TCDRS benefit levels leads staff to recommend changes to the following plan options:

1. Institute cost of living adjustments (COLA) for retirees at 70% of CPI.
2. Institute a \$5,000 Group Term Life Benefit for retirees.
3. Reduce retirement at any age service level from 30 years to 20 years

Item 1 (COLA for retirees) proposed is a continuation of the benefit approved by the Board in 2021 but must be approved annually. Items 2 and 3 are benefits which are consistent with those offered by similar employers in the area, including the City of Benbrook.

Instituting these changes will have the effect of increasing the retirement plan rate from 11.59% to 12.17%.

A current and proposed plan comparison is provided on the following page.

Financial Impact

The 2023 budget as presented includes funding for this benefit. The estimated cost for 2023 is \$385,605.



PLAN CUSTOMIZER FOR PLAN YEAR 2023

Benbrook Water Authority

CURRENT AND PROPOSED PLAN COMPARISON

	Current Plan	Cadillac
Basic Plan Options		
Employee Deposit Rate	7.00%	7.00%
Employer Matching	200%	200%
Application of Matching	Future Only	Future Only
Prior Service Credit	0%	0%
Retirement Eligibility		
Age 60 (Vesting)	5 yrs of service	5 yrs of service
Rule Of	80 yrs total age + service	80 yrs total age + service
At Any Age	30 yrs of service	20 yrs of service
Optional Benefits		
Partial Lump-Sum Payment at Retirement	Yes	Yes
Group Term Life	ACTIVE-ONLY	ACTIVE-PLUS-RETIRES
COLA	N/A	70% CPI
Retirement Plan Funding		
Normal Cost Rate	8.50%	8.59%
UAAL/(OAAL) Rate	3.09%	3.58%
Required Rate	11.59%	12.17%
Elected Rate	0.00%	0.00%
Additional Employer Contribution	\$0.00	\$0.00
Total Contribution Rate		
Retirement Plan Rate	11.59%	12.17%
Group Term Life Rate	0.16%	0.21%
Total Contribution Rate	11.75%	12.38%
Valuation Results		
Actuarial Accrued Liability	\$9,267,265	\$9,388,477
Actuarial Value of Assets	\$8,317,566	\$8,317,566
Unfunded/(Overfunded) Actuarial Liability	\$949,699	\$1,070,911
Funded Ratio	89.8%	88.6%