



Legislation Text

File #: 18-0449, **Version:** 1

DATE: April 25, 2018

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Kristine Tallent, Assistant City Administrator/CFO

SUBJECT:

Tennessee Consolidated Retirement System ("TCRS") Employer Actuarially Determined Contribution Rate for Fiscal Year 2019, COF Contract No. 2018-0077

Purpose

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning the City' FY 2019 Employer Contribution Rate for full-time employees who are members of the TCRS Pension Plan.

Background

Full-time employees of the City of Franklin hired on or after January 1, 2017 are members of the TCRS Pension Plan. As is the practice of TCRS and in accordance with Generally Accepted Accounting Procedures, TCRS performs an annual actuarial study of each political subdivision plan. Results of this study are presented to each political subdivision in spring of each year. TCRS requires all political subdivisions to contribute the Employer Actuarially Determined Contribution Rate in order to maintain the fiscal solvency of the pension plan.

Financial Impact

The Employer Actuarially Determined Contribution Rate for the City's full time employees who participate in TCRS is 6.19% effective July 1, 2018. This rate is a slight reduction from the previous year of 6.50%. The City Administrator has signed a form prepared by TCRS acknowledging the City's intention to implement the new contribution rate effective July 1, 2018.

Recommendation

Staff recommends acknowledgment of the FY 2019 Employer Actuarially Determined Contribution Rate for TCRS.