

RESOLUTION REGARDING HB 958

**WHEREAS**, The Texas County and District Retirement System (TCDRS) was created by the Texas Legislature in 1967 and HB 958 filed by Rep. Rob Orr (R-Burleson) reduces the interest crediting rate on all TCDRS funds from 7% to 5%; and,

**WHEREAS**, TCDRS works with more than 624 county and district employers to provide retirement, disability and survivor benefits to more than 225,000 Texas public employees and retirees; and,

**WHEREAS**, TCDRS receives no funding from the State of Texas and each plan is funded independently by the county or district and its employees; and,

**WHEREAS**, Each county and district participating in TCDRS maintains its own customized plan of benefits, which gives employers the flexibility and local control to select and pay for benefits based on their needs and budget with the ability to achieve cost and benefit reductions by reducing its employer match; and,

**WHEREAS**, Employers review their plans annually and have the option to raise or lower benefits to control costs and allow employees to save for their own retirement over the length of their careers; and,

**WHEREAS**, TCDRS benefits are based on an employee's total savings balance, which includes interest and employer matching contributions and this structure prevents benefit manipulation—or "benefit spiking"—sometimes found in plans using final average salary benefit formulas; and,

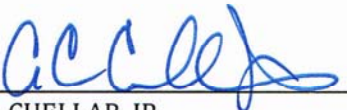
**WHEREAS**, Benefits are funded by each county or district and its employees and each employer must pay 100% of its required contribution each year, which ensures the necessary money is saved and avoids pushing retirement costs onto future generations of workers; and,

**WHEREAS**, Preliminarily the impact of HB 958 would result in costs and benefits being reduced by approximately 20% and the full cost and benefit reduction would apply to employees hired after HB958 went into effect thus imposing a mandatory reduction in benefits to all employees, with no local control; and,

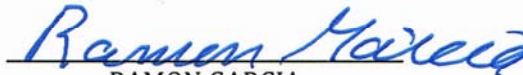
**WHEREAS**, HB 958 would reduce benefits for members, and cause the annuity reserve fund for retiree payments to ultimately run out of money because the fund needs 7% interest to stay in actuarial balance.

**NOW, THEREFORE, BE IT RESOLVED THAT** the Commissioners Court of the County of Hidalgo urge members of the Texas Legislature to oppose HB 958 as employers currently have local control of benefits and costs by reducing the amount employees are saving towards retirement or by reducing the employer's matching rate.

Signed this 5th day of March 2013.



A.C. CUELLAR, JR.  
County Commissioner, Pct. 1



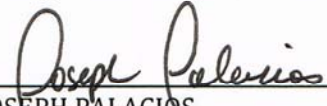
RAMON GARCIA  
County Judge



HECTOR "TITO" PALACIOS  
County Commissioner, Pct. 2



JOE M. FLORES  
County Commissioner, Pct. 3



JOSEPH PALACIOS  
County Commissioner, Pct. 4



Attest: ARTURO GUJARDO, JR.  
County Clerk