



RIVERBEND RESOLUTION NO. 20240828-01

AUTHORIZING THE EXECUTIVE DIRECTOR/CEO TO EXECUTE AN INTERLOCAL AGREEMENT/CONTRACT WITH THE TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM FOR RETIREMENT BENEFITS

WHEREAS, Riverbend Water Resources District is a conservation and reclamation district created under and essential to accomplish the purposes of Section 59 Article XVI, Texas Constitution, existing pursuant to and having the powers set forth in Chapter 9601 of the Special District Local Laws Code of the State of Texas; and

WHEREAS, the Texas County and District Retirement System (TCDRS) is a retirement system created by the Texas Legislature in 1967 to provide Texas county and district employees with retirement, disability and survivor benefits; and

WHEREAS, Riverbend Water Resources District has a need for a retirement plan as a benefit to current and future employees; and

WHEREAS, TCDRS provides the needed managed retirement services.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Riverbend Water Resources District hereby authorizes the Executive Director/CEO to execute plan agreement and a participation agreement for retirement services with the Texas County and District Retirement System as reviewed by general counsel.

PASSED and APPROVED this 28th day of August 2024



Steve Mayo, President

ATTEST:



Tina Veal Gooch, Secretary



Attached: Texas County and District Retirement System Participation Agreement



Participation Agreement

Welcome to TCDRS! By participating in this retirement system, you are providing your employees with reliable retirement, disability and survivor benefits in a responsible way.

One of the advantages of your TCDRS plan is that it is a qualified retirement plan and, as such, deposits into the plan are tax-deferred. In order to maintain your plan's qualified status under IRS rules, there are some important do's and don'ts that you, as the plan sponsor, need to be aware of. This participation agreement is designed to help ensure that you understand those IRS requirements, as well as your obligations as the sponsor of a TCDRS retirement plan.

Again thank you for choosing to be a part of TCDRS!

General conditions

- The Texas County & District Retirement System (TCDRS) is a qualified retirement plan under Section 401(a) of the Internal Revenue Code. The TCDRS Act (Chapters 841-845, Texas Government Code) and administrative rules adopted by the TCDRS Board of Trustees are the plan document.
Riverbend Water Resources District agrees to be bound to the terms of the plan, and any amendments to the plan, except to the extent that this participation agreement allows separate elections with respect to its employees.
- Information held by TCDRS that is identifiable with an individual member, including personal account information, benefit amounts and beneficiary designations, is confidential under the Texas Government Code.
- The information TCDRS provides the district is confidential and may be used for lawful purposes only as authorized under the Texas Public Information Act and the TCDRS Act.

Plan funding

- Each plan is funded independently by employee deposits, employer contributions and investment earnings.
- Funds are pooled for investment purposes. The TCDRS Board of Trustees allocates investment earnings to employers after statutory allocations to the employee and retiree funds have been made.
- The TCDRS Board of Trustees establishes the minimum required funding policy, including the amortization period for liabilities. Independent consulting actuaries hired by the board determine the minimum required employer contribution rate based on your level of benefits and the funding policy. This rate changes each year based on your plan of benefits, investment and other economic results, and demographic experience.
- Each employer is required to submit by the due date employer contributions based on the required rate as a percentage of payroll. The district cannot determine its own required rate, but may elect to contribute at an optional higher rate (also referred to as an elected rate). The district may also make lump-sum contributions to fund the plan.
- In the event the required rate exceeds 11%, the district waives the 11% limit on the rate of employer contributions. Such waiver remains effective with respect to future plan years until revoked by official action.
- Employer contributions are held in trust by TCDRS and may not be returned to the participating district. Employer assets can be used only to fund benefits for plan participants.
- The district is responsible for submitting all required employee deposits to TCDRS. All participating employees must contribute the same percentage of salary elected by the governing board.

- TCDRS must receive payment of all deposits and contributions by the due date or the district may be assessed a penalty.

Employee enrollment and separation of employment

- TCDRS participation is mandatory for all eligible, non-temporary employees, both full and part time, regardless of hours worked. The district is responsible for determining who should be enrolled in the plan.
- A bona fide separation of employment is one in which the employer/employee relationship is completely severed. There can be no expectation, understanding or agreement that the separation is temporary or that the person will be rehired in the future.
- Re-employment of a retiree or a former member who has withdrawn accumulated deposits when there has not been a bona fide separation of employment, and before there has been a break in service of at least one calendar month, causes the retirement annuity or distribution to be an impermissible in-service distribution of pension benefits. In this event, the membership will be restored, any retirement annuity will be cancelled and all payments incidental to the in-service distribution must be repaid to the system by the rehired employee and/or the employer. Failure to correct an in-service distribution may subject the parties to significant fees, penalties and additional taxes levied by the IRS.

Benefit elections and cost/benefit projections

- The district’s governing board may adopt future plan changes based on selected optional benefits. The district reviews and may elect to change benefits each year; however, the district cannot lower benefits already earned by its employees.
- TCDRS can provide the district with cost and benefit projections. Projections of costs and benefits provided now or in the future are estimates, not guarantees.

Terminations

- A district may terminate participation in TCDRS, and TCDRS may terminate a district’s participation if circumstances of the district render the retirement system an ineffective program for providing retirement, disability and survivor benefits to the employees of the district.
- Terminating participation in TCDRS does not terminate the district’s obligation to fund the liability for benefits already earned by its employees who participate in the plan.
- Terminating your plan changes the way the plan’s benefits are funded. As a result, terminating your plan can result in an immediate increase to your plan costs.
- Participation in TCDRS is subject to IRS and state guidelines, which can change at any time. If changes occur that exclude the employer’s eligibility in the system, the employer will follow TCDRS’ termination procedure.

Certification summary – authorized signature

I hereby acknowledge that we have been advised of the conditions governing the participation of _____ Riverbend Water Resources District _____ in the Texas County & District Retirement System, and that _____ Riverbend Water Resources District _____ will comply with these conditions. If the district violates the terms and conditions of this participation agreement and the IRS imposes a penalty upon TCDRS based on the district’s violation, the district is liable to TCDRS for any fees and costs imposed by the IRS.

Authorized Signature

Date

Printed Name

Job Title