



City of Austin

Recommendation for Action

File #: 24-5702, **Agenda Item #:** 30.

10/10/2024

Posting Language

Adopt the City of Austin Employee's Retirement System and City of Austin Funding Policy.

Lead Department

Audit and Finance Committee

For More Information:

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Council Committee, Boards and Commission Action:

August 28, 2024 - Audit and Finance Committee voted 5-0 to recommend the item to the full Council.

Additional Backup Information:

The City of Austin Employees' Retirement System (COAERS) was established in state law by Article 6243n of the Texas Revised Civil Statutes.

COAERS provides retirement benefits to all regular, full-time City employees, including Emergency Medical Services employees (excluding civil service police officer and fire fighters).

The purpose of the COAERS Funding Policy is to align with best practices in pension management, as well as to implement the requirements for public retirement systems in Texas pursuant to Texas Government Code Section 802.2011. Key requirements for the funding policy per statute include (1) collaboration by the plan (COAERS) and plan sponsor (City of Austin) to develop the funding policy for the system and (2) for each governing body (plan and plan sponsor) to adopt the funding policy for the system. This Funding Policy is in alignment with the recent changes made to the governing statute during the 2023 legislative session (SB 1444 - 88th Legislature), which were supported by both the plan and plan sponsor. The primary objective of the Funding Policy is to identify guidelines intended to produce actions by both the COAERS and the City toward meeting the long-term pension obligations for the benefit of the members of the system. This Funding Policy was a collaborative effort of the COAERS and City staff.