

ORDINANCE NO. 36-2004

AN ORDINANCE OF THE CITY OF ABILENE PROVIDING FOR INCREASED PRIOR AND CURRENT SERVICE ANNUITIES UNDER THE ACT GOVERNING THE TEXAS MUNICIPAL RETIREMENT SYSTEM ("SYSTEM") FOR RETIREES AND BENEFICIARIES OF DECEASED RETIREES OF THE CITY OF ABILENE, BY AMENDING CHAPTER 2, ARTICLE III, SECTION 2. OF THE ABILENE CITY CODE, AND ESTABLISHING AN EFFECTIVE DATE FOR THE ORDINANCE.

WHEREAS, during 2004-2005 budget hearings, the City Council agreed to update retirees of the City of Abilene prior and current service annuities by 70% of the Consumer Price Index; and

WHEREAS, Chapter 2, Administration, Article III, Employee Benefits, Division 2, RETIREMENT, Sec. 2-103, Increase in retirement annuities, must be modified to provide for that change; now therefore,

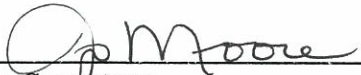
BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

- Part 1: That Chapter 2, Administration, Article III, Employee Benefits, Division 2. RETIREMENT, Sec. 2-103, of the Abilene City Code is amended as set forth in Exhibit "A", attached hereto and made a part of this ordinance for all purposes.
- Part 2. Subject to approval by the Board of Trustees of the System, this ordinance shall become effective on the 1st day of January 2005.

Passed and approved on first reading this the 18th day of November, 2004.

Passed and approved on second reading this the 2nd day of December, 2004.

ATTEST:

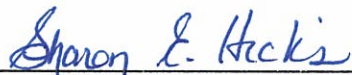


City Secretary



Mayor

APPROVED:



City Attorney

EXHIBIT "A"

DELETE the wording of Sec. 2-103 in its entirety and replace with:

Increase in Retirement Annuities.

(a) On the terms and conditions set out in Sections 853.404 and 854.203 of Subtitle G of Title 8, Government Code, as amended (hereinafter referred to as the "TMRS Act"), the City hereby elects to allow and to provide for payment of the increases below stated in monthly benefits payable by the Texas Municipal Retirement System (hereinafter referred to as the "System") to retired employees and to beneficiaries of deceased employees of the City under current service annuities and prior service annuities arising from service by such employees to the City. An annuity increased under this section replaces any annuity or increased annuity previously granted to the same person.

(b) The amount of the annuity increase under this section is computed as the sum of the prior service and current service annuities on the effective date of retirement of the person on whose service the annuities are based, multiplied by seventy percent (70%) of the percentage change in Consumer Price Index for All Urban Consumers, from December of the year immediately preceding the effective date of the person's retirement to the December that is 13 months before the effective date of the increase under this Section.

(c) An increase in an annuity that was reduced because of an option selection is reducible in the same proportion and in the same manner that the original annuity was reduced.

(d) If a computation hereunder does not result in an increase in the amount of an annuity, the amount of the annuity will not be changed hereunder.

(e) The amount by which an increase under this Section exceeds all previously granted increases to an annuitant is an obligation of the City and of its account in the municipality accumulation fund of the System.

(f) The initial increase in retirement annuities hereunder shall be effective on January 1, 2005, subject to approval by the Board of Trustees of the System. An increase in retirement annuities shall be made hereunder on January 1 of each subsequent year until this ordinance ceases to be in effect under subsection (e) of Section 853.404 of the TMRS Act, provided that, as to such subsequent year, the actuary for the System has made the determination set forth in subsection (d) of Section 853.404 of the TMRS Act, and provided further that, as to such subsequent year, the City has an ordinance in effect that provides for a simultaneous increase in updated service credits as that term is used in the TMRS Act.