

Texas Emergency Services Retirement System Departmental Revocation Process

In accordance with 34 Texas Administrative Code §304.2, a participating Department may revoke its election to participate in the Texas Emergency Services Retirement System (TESRS) in a manner that protects the actuarial soundness of the pension system.

The rule also protects the pension benefits of enrolled, active members of a Department that revokes its participation by fully vesting their accrued benefits as of the date of the Department's revocation.

Departmental Revocation Process

1. Under §304.2, the governing body of a TESRS Participating Department that intends to revoke its participation in the pension system sends a Notice of Intent to the TESRS Executive Director and written notice of its intent to no longer participate in the pension system to the governing body of the political subdivision associated with the Department and all current members of the Department.
 - a. The Notice must be provided at least 120 days of the date the revocation;
 - b. The Notice must state the date the revocation will occur;
 - c. The notice period of 120 days may be modified by the TESRS Executive Director.
2. After the TESRS Executive Director receives the Notice of Intent, the Executive Director will provide the following to the revoking Department's point of contact:
 - a. Requirements for Local Board Certification of TESRS Membership – Provides rule requirements and instructions to the Local Board;
 - b. Requirements for Payment of Revocation Charges – Provides rule requirements for the payment of all charges related to the Department's revocation;
 - c. TESRS Membership Reconciliation Reports (MRRs) for the 2-year period prior to the date the revocation will occur; and
 - d. Benefit Statements for each affected member of the Department currently enrolled in the pension system.
 - i. Benefit Statements shall be provided to each affected member.
 - ii. Affected members must be notified that if a member disagrees with the reported qualified service, the member shall notify the point of contact, the Chief/PDH, or the Local Board Chairman and request a Local Board hearing regarding the member's disagreement at a meeting of the Local Board.
 - iii. Changes in a member's qualified service must be authorized by the Local Board and documented using TESRS Form 200-D, Correction of Errors. The completed form must be

signed by the Local Board Chair and submitted to TESRS via email at info@tesrs.texas.gov or via FAX to 512-936-3480.

3. The Local Board must certify that all individuals who were eligible to participate in the pension system during the 2-year period prior to the date the revocation will occur have been properly enrolled in the pensions system.
 - a. The Chief/PDH is statutorily responsible for enrolling members in the pension system and maintaining current and accurate membership records (Texas Government Code §865.0116).
 - b. The Chief/PDH will compare the MRRs provided by TESRS and the revoking Department's membership records during the 2-year period. The Chief/PDH will submit completed TESRS Forms 502, Personnel Record, for individuals who were eligible but were not enrolled; and TESRS Forms 504, Termination Record, for members who are no longer active members of the Department.

4. At one or more meetings of the Local Board, the Local Board shall:
 - a. Vote to certify the accuracy of enrollment;
 - b. Vote to certify the accuracy of the TESRS Department Membership Roster; and
 - c. Vote to certify the accuracy of qualified service earned for each current and former member as of the date the revocation occurs.
 - i. The Local Board will, by action of the Local Board, define the process by which the Local Board shall certify the accuracy of the total amount of qualified service earned by each current and former member as of the date the revocation occurs;
 - ii. Verification by the Local Board of the accuracy of qualified service will determine the final service credit in the pension system for each current and former member of the revoking Department;
 - iii. The Local Board must assure that any and all corrections of errors previously approved by the Local Board related to any current or former members' qualified service has been processed and accurately reflected in each member's TESRS Benefit Statement.
 - d. Local Board Attestation is completed and signed by the officers of the Local Board as the attestation that the Local Board has verified the accuracy of enrollment in the pension system, of the TESRS Department Membership Roster, and of qualified service earned for each current and former member of the revoking Department as required under §304.2(c)(2).
 - e. The completed and signed form must be submitted to TESRS via email to info@tesrs.texas.gov or via FAX to 512-936-3480.

5. Following the certifications of TESRS Membership by the Local Board, TESRS shall determine contribution charges due, including interest charges, if any.

6. In accordance with rule requirements, the TESRS System Actuary will provide the TESRS Executive Director with a Revocation Charge Determination Letter stating the Department's revocation charge.
7. TESRS will prepare and send an invoice of total charges due to the governing body of the political subdivision associated with the Department.
8. Prior to the effective date of revocation, the Chief (or other executive head of the Department) shall execute Forms 504, Termination Record, for each active member of the Department as of the effective date of revocation. The effective date of termination from the pension system membership is the effective date of revocation. The member's qualified service for the period from January 1 to the effective date of termination is reported to TESRS via the Form 504.
9. No later than 60 days after TESRS's receipt of the Notice of Intent, the governing body of the political subdivision associated with the Department must pay, or enter into a Revocation Payment Agreement to pay, all charges associated with the Department's revocation of participation in the pension system.
10. TESRS shall prepare a Revocation Amendment which shall incorporate by reference the Revocation Payment Agreement, if any. The Revocation Amendment will include rule declarations regarding revocation of Departmental participation in the pension system. The Revocation Payment Agreement and Revocation Amendment shall be executed by:
 - a. Chief/Participating Department Head of the revoking Department;
 - b. Executive Head of the revoking Department;
 - c. Executive Head of the governing body of the political subdivision associated with the Department;
 - d. TESRS Chief Financial Officer; and
 - e. TESRS Executive Director.
11. In accordance with the related statement in the Revocation Agreement, TESRS will terminate each active member of the Department in the pension system effective the date of the revocation.
12. TESRS will record the Department's revocation in the pension system database, remove all user access to the system, and disable any and all actions that may alter the certified membership records in the system.
13. Within 90 days after the effective date of revocation, TESRS will send a written notice to each current member, vested terminated member, and retiree of the revoked Department which explains the member's accrued benefit under the revocation.

14. The Executive Director will notify the state board of the occurrence of the revocation at the next meeting of the state board following the effective date of the revocation.