



Texas Comptroller
PUBLIC PENSIONS

SUMMARY

Use of this form is optional, though all the information captured by this form is required for receipt of a Public Pensions Transparency Star.

ENTITY NAME: Hays County, Texas

TYPE OF ENTITY: County



Most recently completed fiscal year for which data is available (MM/DD/YYYY-MM/DD/YYYY):

10/01/2024 – 9/30/2025

Funded ratio from most recent actuarial valuation:

97.33% funded ratio

Amortization period from most recent actuarial valuation:

16 year amortization period

One-, three- and 10-year rates (if available) of return, with basic explanation (or link to basic explanation) of methodology employed:

One-year rate: 10.26%

Explanation: <https://www.tcdrs.org/investments/our-results/>

Three-year rate: 4.88%

Explanation: <https://www.tcdrs.org/investments/our-results/>

Ten-year rate: 8.10%

Explanation: <https://www.tcdrs.org/investments/our-results/>

Assumed rate of return: 7.5%

Actuarially Determined Contribution (ADC) Rate from most recent actuarial valuation: 14.3%

Current total Contribution Rate from most recent actuarial valuation: 14.3%

Unfunded Actuarial Accrued Liability (UAAL) as percent of covered payroll from most recent actuarial valuation:

4.83%

Narrative: In the space provided, summarize your entity's recent efforts to increase transparency in the area of Public Pensions. Be sure to:

- a) Provide explanations for any terminology that appears in the summary.
- b) Describe any benchmarks, standards or best practices (for example, from the Pension Review Board or GASB) your entity uses to gauge its progress in this area.
- c) Detail any historical analysis your entity performs to track its efforts to improve transparency in this area.

Hays County offers its full-time employees retirement through the state-wide Texas County and District Retirement System (TCDRS). TCDRS manages the county's pension plan and is governed by the TCDRS Act of Texas. The county has decided to abide by the Act's rules regarding variable-rate plans. Every year, the employer contribution rate is calculated actuarially as a percentage of employee earnings, subject to plan modifications approved by the county's governing body while adhering to Act-imposed restrictions. The employee contribution rate likewise is a percentage of employee earnings subject to adjustment by the governing body of the employer within the constraints of the Act. Funding is provided by monthly contributions from the employer, along with biweekly payroll deductions from the employee and the interest earned thereon.

GASB Statements No. 68 and No. 71 were implemented by Hays County during the fiscal year ended September 30, 2015. The primary objective of GASB No. 68 is to improve accounting and financial reporting by state and local governments for pensions and improves information about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. The scope of this GASB No. 68 addresses accounting and financial reporting for pension plans that are administered through trusts that have the following characteristics:

- Contributions from employers and non-employer contributing entities to the pension plan and earnings on those contributions are irrevocable,
- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms, and
- Pension plan assets are legally protected from the creditors of employers, non-employer contributing entities, and the pension plan administrator.

If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members. GASB No. 68 also establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Hays County also follows GASB No. 71 and the objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. At transition to Statement 68, if it is not practical for an employer or non-employer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or non-employer contributing entity's beginning net position and expense in the initial period of implementation. GASB No. 71 amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of Statement 71 are required to be applied simultaneously with the provisions of Statement 68.