



Plan Effective January 1, 2016

Lubbock Fire Pension Fund
Plan Document Effective January 1, 2016

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LUBBOCK FIRE PENSION FUND

This Adoption agreement is adopted by the Board of Trustees as follows:

WITNESSETH:

WHEREAS, the Board of Trustees, has heretofore adopted the Lubbock Fire Pension Fund herein referred to as the "Plan" or the "Fund" pursuant to Vernon's Annotated Civil Statutes Article 6243e, the Texas Local Fire Fighters Retirement Act; and

WHEREAS, the Board of Trustees now desires to amend and restate the Plan;

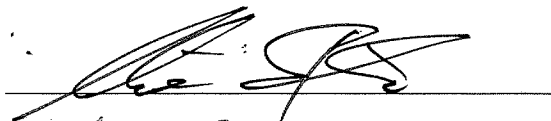
NOW, THEREFORE, to carry such amendment and restatement into effect, the Board of Trustees does hereby adopt the amended and restated Lubbock Fire Pension Fund, the terms and conditions of which are fully set out in the attached Sections 1 through 14, which are incorporated by reference.

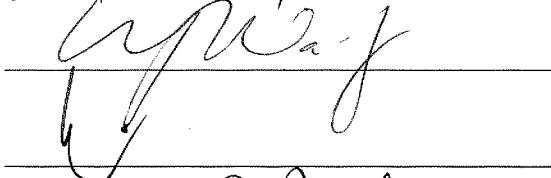
Except as otherwise specifically designated in the Plan, the Effective Date of the Plan as hereby amended and restated is January 1, 2016.

The provisions of the Plan set out below shall be applicable to all Members of the Lubbock Fire Pension Fund who are active Members of the Fund as of January 1, 2016, and to those who become Members of the Fund on or after that date. The benefits of each Member who had retired, become disabled, or terminated, as well as each beneficiary whose benefits had already been determined as of January 1, 2016, shall be as specified under the Fund provisions in effect prior to this amendment.

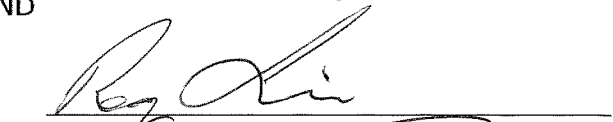
Signed this 9th day of December, 2015.


TRUSTEES OF THE LUBBOCK FIRE PENSION FUND















Section 1 Definitions

The following terms used in this document shall have the meanings stated below unless a different meaning is clearly required by the context. These terms are capitalized in the text of the Plan document.

- 1.01 "Accumulated Contributions" shall mean the sum of all contributions made pursuant to Section 8.01 credited to the Fund. A Member's Accumulated Contributions shall not include or be credited with interest from the Fund.
- 1.02 "Act" shall mean the Texas Local Fire Fighters Retirement Act, Vernon's Annotated Civil Statutes, Article 6243e.
- 1.03 "Board" or "Trustees" shall mean the Board of Trustees of the Lubbock Fire Pension Fund. The Board of Trustees shall be the plan administrator.
- 1.04 "City" shall mean the City of Lubbock, a political subdivision established within the state of Texas.
- 1.05 "Code" shall mean the Internal Revenue Code of 1986 as amended from time to time.
- 1.06 "Compensation" shall mean all regular and periodic biweekly pay except for (1) any lump sum distribution from the City, including but not limited to a lump sum distribution of termination pay for unused sick leave, vacation, holiday or comp-time; 2) car allowances on or after March 30, 1996; 3) clothing allowances on or after November 1, 1997; and 4) any reimbursement pay. The Board will have the authority to make an interpretation regarding whether special pay items from the City should be included in "Compensation". If a Member's "Compensation" has been offset (reduced) by Workmen's Compensation benefits, then "Compensation" shall also include the amount by which the "Compensation" was offset (reduced) as required by the Texas Labor Code.

The annual compensation of each Member taken into account under the Plan for any year shall not exceed the limitations of Code §401(a)(17). In determining benefit accruals in plan years beginning after December 31, 2001, the annual compensation limit for determination periods before January 1, 2002, shall be \$200,000. For Plan Years beginning on or after January 1, 2002, Compensation in excess of \$200,000 shall be disregarded for all purposes. Such amount shall be adjusted by the Commissioner for increases in the cost-of-living in accordance with Code §401(a)(17)(B). The cost-of-living adjustment in effect for a calendar year applies to any determination period beginning with or within such calendar year. If a determination period consists of fewer than twelve (12) months, the \$200,000 annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period and the denominator of which is twelve (12). Effective for plan years beginning on or after January 1, 2001, "Compensation" shall include elective amount that are not included in the gross income of the Member under Code §132(f)(4). For years beginning after December 31, 2008: (i) an individual receiving a differential wage payment, as defined by Code §3401(h)(2), is treated as an employee of the employer making the payment; and (ii) the differential wage payment is treated as Compensation.

- 1.07 "Date of Retirement" shall be the effective date of an application made to the fund administrator to commence payment of a retirement benefit, provided the

application is made within the period set forth herein. The Date of Retirement is the date elections are made by the Member for options in accordance with the provisions of the Plan.

An application for retirement benefits must be made on or after the date of the Member's Termination of Service and before the date of the regularly scheduled Board meeting in the month following the month in which the Member Terminated Service, except as follows

- a. Application for Vested Termination Benefits. An application must be made after attainment of Normal Retirement Age and before the date of the regularly scheduled Board meeting in the month following the month the Member attains Normal Retirement Age.
- b. Application for Payment of Awarded Disability Retirement Benefits. An application for payment must be made after the date of the benefit commencement, as defined in Section 4.04, and before the date of the regularly scheduled Board meeting occurring in the month following the month of benefit commencement.

1.08 "Dependent Child" or "Dependent Children" shall refer to the unmarried, dependent offspring, either natural-born or adopted, of a Member subject to provisions within Sections 6.06.

1.09 "Dependent Parent" shall be the parent of a Member claimed as a dependent on the member's Internal Revenue Code tax filing.

1.10 "Fund" or "Plan" shall mean the Lubbock Fire Pension Fund.

1.11 "Final 48-Month Average Salary" will be equal to monthly average of Compensation for the last 104 completed consecutive biweekly pay periods during which the Member received Compensation.

If the Member had been suspended or demoted during the Member's last 104 completed consecutive biweekly pay periods, the Member may choose to replace the biweekly pay periods which occurred during the suspension or demotion with an equal number of consecutive biweekly pay periods, beginning with the 105th pay period preceding the Member's Termination of Service.

If at the time of death or disability the Member has completed less than 104 consecutive biweekly pay periods, the Member's average salary will be computed as though the Member had been employed for the previous 104 completed consecutive biweekly pay periods. For the period prior to employment the Member is deemed to have held the same rank at which the Member entered the department. The Member's pay, based upon the rank mentioned above, is assumed to be the amount the Member would have received had the Member been employed by the fire department during that period.

1.12 "Member" shall mean any actively employed employee of the Lubbock Fire Department, if such employee is younger than 36 years of age on the date the individual is certified under Civil Service or by the Board as eligible for Membership in the Fund. Employees covered by the Texas Municipal Retirement System (TMRS) or any other system or plan shall be excluded from the Fund as approved by the Board. Member shall also include any other employee or leased employee of the City who performs emergency, medical, or fire department-related services as determined by the Board in their discretion. Member shall also include any employee, leased employee, or former employee of the

City who, as determined by the Board, has not Terminated Service. The meaning of the term Member, or any other term, shall be determined by the Board in its sole power and discretion. The Board shall have the power and discretion to construe the terms of the Fund and determine all questions arising in connection with the administration, interpretation and application of the terms of the Fund. Any such determination shall be binding and conclusive on all persons and the City.

- 1.13 "Normal Retirement Age" is the age at which the Member will be at least age 50 and would have had at least twenty (20) years of Service had the Member not Terminated Service.
- 1.14 "Plan Year" shall mean the twelve (12) month period ending December 31 of each year.
- 1.15 "Service" will be equal to the period of time during which the Member pays into, and keeps on deposit in the Fund, the contributions required by the Fund.

Absence from the active Service of the fire department by reason of leave of absence, including a leave of absence due to active military service by a participant reservist called to duty during national emergencies, will not terminate a Member's Service provided the Member returns to active employment prior to the expiration of this leave except that if the Member's Accumulated Contributions are withdrawn from the Fund, the Member will be treated in the same manner as though the Member Terminated Service even though the Member returns to active employment prior to the expiration of leave. Periods of leave of absence, determined by the policy of the City shall be deemed continuous employment. During periods of suspension from the fire department with no pay, if the period of suspension without pay is for two biweekly pay periods or less, then continuous service will be credited for such period. If the period suspended with no pay is more than two biweekly pay periods, then no service credit will be credited for the entire suspended period.

Service shall also include periods of leave from covered employment by reason of service in the armed forces of the United States during a war or national emergency, but only if such service is required to be included by reason of the provisions of the Act or as a condition of qualification under the Code. Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service with respect to qualified military service will be provided in accordance with Code §414(u).

In the case of a death occurring on or after January 1, 2007, if a Member dies while performing qualified military service (as defined in Code §414(u)), the Member's beneficiary is entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Fund as if the Member had resumed employment and then terminated employment on account of death. The Fund will credit the Member's qualified military service as service for vesting purposes, as though the Member had resumed employment under USERRA immediately prior to the Member's death.

- 1.16 "Spouse" shall mean the lawful wife or husband of a Member. "Surviving Spouse" shall mean the Member's Spouse on the earlier of his Date of Retirement or his Termination of Service and who is also the Member's spouse at the time of the Member's death.
- 1.17 "Terminate Service" or "Termination of Service" shall be the date at which the Member ceases contributions into the Fund, except by reason of leaves of absence and suspensions as described above in the definition of Service. Terminate Service means a Member shall be required to terminate employment from the fire department and from any position of employment with the City in an emergency, medical or fire department related capacity. The Board in its sole discretion will determine whether any position of

employment with the City is an emergency, medical or fire department related capacity. The Board shall have the sole power and discretion to determine if a Member has Terminated Service and shall determine all questions arising in connection with the interpretation of whether a Member has Terminated Service. Any such determination shall be binding and conclusive upon all persons and the City. The Board will not be bound by the action of the City in its determination of whether a Member has Terminated Service covered by the Fund.

Section 2 Service Retirement Benefits

2.01 Eligibility for a Normal Service Retirement Benefit. A Member will be eligible for a normal service retirement benefit after the Member Terminates Service and has met both of the following requirements:

- a. attainment of age 50 and
- b. completion of twenty (20) years of Service.

A Member shall become fully vested in the Member's service retirement benefit on the date the Member meets both of the requirements set forth above. The date the Member meets both of the requirements set forth above shall be such Member's normal retirement age.

2.02 Amount of Normal Service Retirement Benefit. A Member who qualifies for a normal service retirement benefit will receive a monthly benefit equal to the sum of:

- a. a standard retirement benefit equal to 68.92% of the Member's Final 48-Month Average Salary; plus
- b. an additional benefit in an amount equal to \$335.05 per month for each whole year of Service in excess of twenty (20) years of Service. A partial year of Service will be given partial credit based on number of months and days completed in excess of whole years.
- c. The monthly retirement benefit will not be less than the Member's vested accrued monthly benefit determined as of October 31, 2003, based on the plan provisions effective December 1, 2001. This vested accrued monthly benefit meets the minimum vested accrued benefit requirement of Section 7(e) of the Act. The vested accrued monthly benefit as of October 31, 2003 is equal to 70.02% of Final 48-Month Average Salary calculated as of October 31, 2003, plus \$335.05 multiplied by years and months of Service in excess of 20 years determined as of October 31, 2003.
- d. The normal service retirement benefit shall be paid for as long as the Member is living. In the event the Member's death precedes that of the Member's Surviving Spouse, two-thirds (2/3) of the Member's benefit will be continued to the Surviving Spouse for the Surviving Spouse's life.

2.03 Eligibility for Early Service Retirement Benefit. A Member will be eligible for an early service retirement benefit when the Member Terminates Service with twenty (20) or more years of Service payable immediately following Termination of Service in accordance with Section 2.07. A Member electing early service retirement may also elect one of the options described in Section 2.06. A vested terminated Member with more than twenty (20) years of Service is eligible to elect early service retirement at any time after the Member's Termination of Service.

2.04 Amount of Early Service Retirement Benefit. A Member who qualifies for an early service retirement benefit will receive a monthly early service retirement benefit equal to a percentage of the accrued benefit payable at age 50 where the percentage is based on the Member's age in completed years and months at the date benefits commence. The percentages of accrued benefit are shown in Table 1 attached hereto.

The accrued benefit payable at age 50 is the amount determined in Section 2.02 or Section 5 based on the Member's Final 48-Month Average Salary and Service (years, months and days) at the date the Member Terminates Service. The accrued benefit will not be less than the minimum vested accrued monthly benefit determined as of October 31, 2003, as described in Sections 2.02.c.

2.05 Partial Lump Sum Option (PLSO). A Member eligible for normal service retirement can elect at Date of Retirement the PLSO which will provide the Member with a PLSO lump sum amount and a PLSO monthly benefit. A Member can elect either the PLSO or the RETRO DROP/Early RETRO DROP option, but not both. The Member will elect the number of months to be included in the lump sum from 1 to 36. The PLSO lump sum amount will be determined to equal the number of months elected multiplied by either (1) the normal service retirement monthly benefit if the Member elects either normal service retirement option as described in Section 2.05.a or (2) the Straight Life option monthly benefit if the Member elects the Straight Life option as described in Section 2.05.b, or (3) the converted monthly benefit if the Member elects any Joint and Survivor Option as described in Section 2.05.c.

a. For a Normal Service Retirement. If a Member elects the normal service retirement benefit, the PLSO lump sum amount is determined by multiplying the normal service retirement monthly benefit by the number of elected months.

The reduced PLSO normal service retirement monthly benefit will be determined by multiplying the normal service retirement monthly benefit by a percentage shown in Table 2 attached hereto based on the Member's age at Termination of Service and the number of months elected for the PLSO lump sum amount. The percentages will be interpolated between whole ages based on the Member's age in completed years and months. The reduced PLSO normal service retirement monthly benefit is determined such that the actuarial present value of the normal service retirement monthly benefit equals the actuarial present value of the PLSO lump sum and the reduced PLSO normal service retirement monthly benefit.

b. For a Straight Life Option. If a Member elects the Straight Life option at Date of Retirement as described in Section 2.06.a, the PLSO lump sum amount is determined by increasing (i) the normal service retirement monthly benefit by the Straight Life adjustment as described in Section 2.06.a in order to determine the Straight Life option monthly benefit, and (ii) multiplying the Straight Life option monthly benefit by the number of elected months.

The reduced PLSO Straight Life monthly benefit will be determined by multiplying the Straight Life option monthly benefit by a percentage shown in Table 3 attached hereto based on the Member's age at Termination of Service and the number of months elected for the PLSO lump sum amount. The percentages will be interpolated between whole ages based on the Member's age in completed years and months. The reduced PLSO Straight Life monthly benefit is determined such that the actuarial present value of the Straight Life option monthly benefit equals the actuarial present value of the PLSO lump sum and the reduced PLSO Straight Life monthly benefit.

c. For a Joint and Survivor Option. If a Member elects any other Joint and Survivor option described in Section 2.06.a, the PLSO lump sum amount is determined by (i) decreasing the normal service retirement monthly benefit by the applicable "Adjustment to Benefit Otherwise Payable" as set forth in Section 2.06.a, and (ii) multiplying the Joint and Survivor Option monthly benefit by the number of elected months.

The reduced PLSO Joint and Survivor monthly benefit will be determined by multiplying the converted Joint and Survivor Option monthly benefit by a percentage shown in Table 2 attached hereto based on the Member's age at Termination of Service and the number of months elected for the PLSO lump sum amount. The percentages will be interpolated between whole ages based on the Member's age in completed years and months. The reduced PLSO Joint and Survivor Option monthly benefit is determined such that the actuarial present value of the converted Joint and Survivor Option monthly benefit equals the actuarial present value of the PLSO lump sum and the reduced PLSO Joint and Survivor Option monthly benefit.

- d. To the extent permissible under federal tax laws, payment of the amount determined in Section 2.05.a or b can be made in one of the following two forms:
 - 1. a lump sum distribution of the total amount payable at the end of the first full calendar month after a Benefit Distribution Form has been received and accepted by the Fund's administrator, or
 - 2. a maximum of five payments as elected by the Member electing the PLSO within thirty-six (36) months of the Member's Date of Retirement.

2.06 Options at Retirement:

- a. A normal service retiree, early service retiree, retiree electing Retro DROP or the Partial Lump Sum Option (PLSO) or vested terminated Member when benefits commence may convert the retirement benefits payable to the Member and the Member's Surviving Spouse to an actuarially equivalent retirement benefit option. The benefit options and the adjustments that would need to be made to the normal service retirement benefit are shown below.

Option Description	Adjustment to Benefit Otherwise Payable
Straight Life	+6.6%
Joint and 10% to Surviving Spouse	+5.6
Joint and 20% to Surviving Spouse	+4.5
Joint and 30% to Surviving Spouse	+3.5
Joint and 40% to Surviving Spouse	+2.5
Joint and 50% to Surviving Spouse	+1.6
Joint and 60% to Surviving Spouse	+0.6
Joint and 70% to Surviving Spouse	- 0.3
Joint and 80% to Surviving Spouse	- 1.2
Joint and 90% to Surviving Spouse	- 2.1
Joint and 100% to Surviving Spouse	- 3.0
Joint and 100% to Surviving Spouse with 2% Annual Increase	- 22.2
Joint and Two-Thirds to Surviving Spouse with 2% Annual Increase	- 19.2

The adjustments are determined on an actuarially equivalent basis using an interest rate of eight and one-half percent (8.5%) and the UP-1994 Mortality Tables with no age adjustment or projection and assuming that the Member will be male and at an average age of 51 at retirement with a Surviving Spouse two years younger.

- b. Election of the retirement benefit options will be subject to the following rules:
1. Once an option has been elected, the option cannot be changed.
 2. Spousal consent will be required for all of the options listed above.
 3. Both Members who are married and unmarried at Date of Retirement will be able to elect the Straight Life option.
 4. These options will not be available for election by disabled retirees, surviving beneficiaries of Members or Surviving Spouses of vested terminated Members.
 5. Members who Terminate Service with a vested termination benefit (and do not elect a refund of contributions) may elect these options at the date the benefit payments begin. The applicable adjustment will be determined based on the adjustment percentages in effect on the date the benefit payments begin.
 6. If the Member elects the Retro DROP, the adjustment will be applied to the benefit at the Retro DROP benefit calculation date and will be reflected in the benefits that accumulate in the lump sum.
 7. If the Member elects the PLSO, the adjustment will be made as described in Section 2.05.
- c. Designation of Non-Spouse Beneficiary. A Member may elect to designate a non-spouse beneficiary who would be entitled to the same benefit as a Surviving Spouse under either the normal service retirement benefit, or an elected option described in Section 2.06.a. If a Member elects a non-spouse beneficiary, no benefits will be payable to the Surviving Spouse. Election of a non-spouse beneficiary will be subject to the following rules:
1. If the Member is married, spousal consent will be required to elect a non-spouse beneficiary.
 2. The beneficiary cannot be changed following the date benefits commence.
 3. If the designated non-spouse beneficiary is more than five (5) years younger than the Member, a reduction factor (in addition to any adjustment factor applied for an optional form of benefit from Section 2.06.a would be applied to the benefit otherwise payable. The reduction factor will be determined by the Plan's actuary using an interest rate of 8.5% and the UP-1994 Mortality Table with no age adjustments or projections and based on the actual ages of the Member, Surviving Spouse and beneficiary at Termination of Service.

4. This options will not be available for election by disabled retirees, surviving beneficiaries of Members or Surviving Spouses of vested terminated Members.
 5. Members who Terminate Service with a vested termination benefit (and do not elect a refund of contributions) may elect a non-spouse beneficiary at the date the benefit payments begin. If an unmarried Member who is eligible for a vested termination benefit dies before receiving a monthly benefit, no monthly benefit will be paid to a beneficiary.
 6. The election of a non-spouse beneficiary is subject to Section 10.01.
- 2.07 Payment of Benefits. Monthly benefits described in Sections 2.02, 2.04, and 2.05 will begin on the last day of the calendar month following the month in which the Member Terminates Service (or elects commencement of the early service retirement benefit). In addition, for the month in which the Member Terminates Service, a partial monthly retirement benefit will also be paid. This partial benefit is equal to the monthly benefit described above multiplied by the number of days from the date the Member Terminates Service to the date on the last day of the month divided by the total number of days in the month.
- 2.08 Minimum Monthly Benefit. A minimum monthly benefit of \$1,066 will be applicable for service and disability retirees, Surviving Spouses and vested terminated Members receiving or entitled to receive a monthly benefit from the Fund where the date the initial benefit began or the date of Termination of Service is prior to December 1, 2001.

Section 3
The Deferred Retirement Option Plan (DROP)

3.01 Option 1- Retroactive Deferred Retirement Option Plan (Retro DROP):

- a. A Member can elect at Termination of Service a Retro DROP benefit calculation date, but the Retro DROP benefit calculation date can be no earlier than: (i) twenty-four (24) months prior to the Member's Termination of Service, and (ii) the date of attainment of age 51 and completion of twenty-one (21) years of Service.
- b. Amount of Retro DROP Benefit – A Member who qualifies for and elects the Retro DROP will receive the following:
 1. a monthly retirement benefit equal to the amount determined in Section 2.02 as of the Retro DROP benefit calculation date and based on the plan provisions in effect on the Retro DROP benefit calculation date. This benefit will include any adjustment to reflect an election pursuant to the options described in Section 2.06. The monthly benefit will not include any ad hoc retiree benefit increases effective between the Retro DROP benefit calculation date and the date of the Member's Termination of Service. These payments will begin on the last day of the calendar month following the month in which the Member Terminates Service. In addition, a partial monthly retirement benefit will be paid on the last day of the calendar month following the month in which the Member Terminates Service which is equal to the monthly benefit described above, multiplied by the number of days from the date the Member Terminates Service to the date of the last day of the month, divided by the total number of days in the month; plus
 2. an amount determined on the last day of the calendar month in which the Member Terminates Service equal to:
 - i. the difference between (1) and (2), where (1) is the amount of the Member's Accumulated Contributions as of the Member's Termination of Service and (2) is the amount of the Member's Accumulated Contributions of the RETRO DROP benefit calculation date; plus
 - ii. the total of the monthly retirement benefits described in Section 3.01.b.1 for the partial month after the RETRO DROP benefit calculation date is effective, for each completed month thereafter through the first day of the month before the Member's Termination of Service, and for the partial month before the Member Terminates Service. These benefits will not include any ad hoc retiree benefit increases effective between the RETRO DROP benefit calculation date and the Member's Termination of Service.

3.02 Option 2 - Early Retro DROP Participation:

- a. A Member can elect at Termination of Service an early Retro DROP benefit calculation date, but the early Retro DROP benefit calculation date can be no earlier than: (i) twenty-four (24) months prior to the Member's Termination of

Service, and (ii) date of attainment of age 50 and completion of twenty (20) years of Service.

b. A Member who qualifies for and elects the early Retro DROP will receive the following:

1. a monthly retirement benefit calculated pursuant to Section 3.01.b.1 multiplied by a reduction factor based on age and complete years and months of Service at the early Retro DROP benefit calculation date. The reduction factors are set forth in Section 3.02.b.3. These payments will begin on the last day of the calendar month following the month in which the Member Terminates Service. In addition, a partial monthly retirement benefit will be paid on the last day of the calendar month following the month in which the Member Terminates Service which represents the partial benefit for the month in which the Member Terminates Service, and which is equal to the monthly benefit described above, multiplied by the number of days from the date the Member Terminates Service to the date of the last day of the month, divided by the total number of days in the month; plus

2. An amount determined on the last day of the calendar month in which the Member Terminates Service equal to:

i. the difference between (1) and (2), where (1) is the amount of the Member's Accumulated Contributions as of the Member's Termination of Service and (2) is the amount of the Member's Accumulated Contributions of the early Retro DROP benefit calculation date; plus

ii. the total of the monthly retirement benefits described in Section 3.02.b.1 for the partial month after the early Retro DROP benefit calculation date is effective, for each completed month thereafter through the first day of the month before the Member's Termination of Service, and for the partial month before the Member Terminates Service. These benefits will not include any ad hoc retiree benefit increases effective between the early Retro DROP benefit calculation date and the date of the Member's Termination of Service and shall be multiplied by the reduction factors as set forth in Section 3.02.b.3.

3. Reduction Factors:

Age at Early RETRO DROP Benefit Calculation Date	Years of Service at Early RETRO DROP Benefit Calculation Date	Reduction Factor
50	20 or more	91.24%

The reduction factors will be interpolated to develop a factor for each complete year and month from age 50 to age 51. The reduction factors are determined on an actuarially equivalent basis using an interest rate of eight and one-half percent (8.5%) and the UP-1994 Mortality Tables with no age adjustment or projection and assuming the Surviving Spouse will be two years younger than the Member, assumed to be male.

3.03 General rules for Retro DROP and Early Retro DROP participation:

- a. A Member can elect either the Retro DROP/Early Retro DROP option or the Partial Lump Sum option, but not both.
- b. A Member's election to participate in Retro DROP is irrevocable.
- c. The Retro DROP benefit calculation date will always be on the last day of a biweekly pay period.
- d. The monthly benefit determined in Section 3.01.b.1 as of the Retro DROP Benefit Calculation Date will be based on the Member's "Final 48-Month Average Salary" and the Member's Service as of the Retro DROP Benefit Calculation Date.
- e. A Member's election to participate must be in writing on an election form prepared by the Board.
- f. A Member can elect to receive their form of benefit distribution by filing a completed Benefit Distribution Form with the Fund's administrator. A Member can amend the Benefit Distribution Form at any time.
- g. Should a Member fail to file a Benefit Distribution Form with the Fund's administrator by the time the Member attains age 70½, such Member will be deemed to have elected to receive the Member's RETRO DROP lump sum benefit in the form of annual payments over three years.
- h. Any filing of a Benefit Distribution Form, whether an original filing or an amendment to an earlier filing, will not take effect until the end of the first full calendar month after it has been received and accepted by the Fund's administrator. Therefore, no benefit distribution can be made until the end of the first full calendar month after a Benefit Distribution Form has been received and accepted by the Fund's administrator.
- i. A Member who elects the Retro DROP will not be eligible for a disability retirement Benefit.
- j. If a Member who elects the Retro DROP dies after Termination of Service but before the Retro DROP lump sum amount described in Section 3.01.b.2 or Section 3.02.b.2 above has been completely paid to the Member, then the remaining portion of the Retro DROP lump sum payment will be paid to the Member's Surviving Spouse, or if there is no Surviving Spouse, to the Member's estate.

An additional death benefit equal to two-thirds (or in accordance with an optional form election described in Section 2.06) of the monthly retirement benefit described in Section 3.01.b.1 or Section 3.02.b.2 will be paid to the Member's Surviving Spouse with payments beginning on the last day of the calendar month in which the Member dies. If there is no Surviving Spouse, then the Member's Dependent Child or Dependent Children will receive the benefit described in Section 6.05. If there is no Surviving Spouse and no Dependent Child, then the amount the Surviving Spouse would have received will be payable to the Member's Dependent Parent.

If there is no Surviving Spouse, Dependent Child or Dependent Parent, an amount will be paid to the Member's estate equal to the excess, if any, of the Member's contributions (without interest) to the Fund as of the Retro DROP benefit calculation date over (i) the amount of the payment described in Section 3.01.b.2.ii or Section 3.02.b.2.ii, and (ii) the amount of any payments made on behalf of the Member which have been made to the Member, Surviving Spouse, beneficiary, Dependent Child or Dependent Parent.

- k. A Member electing to participate in Retro DROP will not be eligible to receive the normal or early service retirement benefit described in Section 2.
- l. To the extent permissible under federal tax laws, payment of the amount determined in Section 3.01.b.2 or in Section 3.02.b. may be made in one of the following two forms:
 - 1. a lump sum distribution of the total amount payable at the end of the first full calendar month after a Benefit Distribution Form is received and accepted by the Fund's administrative office, or
 - 2. a maximum of five payments as requested by the Member within thirty-six (36) months of the Member's Termination of Service.

Section 4

Disability Retirement Benefit

- 4.01 Eligibility for Disability Retirement Benefit. An active Member will qualify for a disability benefit if the Member becomes disabled from any cause whatsoever for either physical or mental reasons. The Member need only be disabled to the extent of being unable to perform the duties of a position offered to the Member in the fire department providing the Member with pay that is greater than or equal to the pay the disabled Member would have been receiving had the disability not occurred and the Member had continued in the Member's former position with the fire department to be entitled to benefits for the first two and one-half years (thirty months); thereafter, the Member must be unable to perform the duties of any occupation for which the Member is reasonably suited by education, training and experience.
- 4.02 Proof of Disability. The Board, before approving or continuing payment of any disability retirement income, shall require satisfactory proof of disability. In this regard, the Board may, as a condition to such approval, require that such Member or disability retiree submit the results of a medical examination by a duly licensed physician, selected by the Board, at the expense of the Fund.

During the first two and one-half years (thirty months) of disability eligibility, if the medical opinion offered to the Board is that the Member applying for disability retirement or the disability retiree could perform the duties of a job in the fire department pursuant to Section 4.01 if the Member were to have medical treatment, medication, surgery or any other medical procedure recommended by a physician, then the Board will have the authority to deny the disability benefit if the Member or disability retiree chooses not to have such treatment, medication, surgery or procedure.

After the first two and one-half years (thirty months) of disability eligibility, if the medical opinion offered to the Board is that the disability retiree could perform the duties of a job that the Member was reasonably suited by education, training and experience if the Member were to have medical treatment, medication, surgery or any other medical procedure recommended by a physician, then the Board will have the authority to deny the disability benefit if the disability retiree chooses not to have such treatment, medication, surgery or procedure.

After the commencement of disability retirement payments, the Board may require additional financial data or medical examinations if such appears advisable in the interest of the Fund, and such an examination can be required at the end of every two and one-half years (thirty months).

- 4.03 Total and Permanent Disability. The Board will determine if a Member with more than twenty (20) years of Service but not yet age 50 at the time the disability retirement benefit commences has a disability that is a total and permanent disability. A total and permanent disability will be defined as a disability that leaves a Member so severely impaired, physically or mentally, that the Member cannot perform any substantial gainful work. The impairment must be expected to last at least one year (12 months) or to result in death. This determination will be made by the Board based on medical evidence, vocational rehabilitation evidence, evidence regarding the Member's eligibility for Social Security disability benefits, and other evidence considered relevant by the Board. The Member will be required to cooperate fully with the Board in providing the Board any evidence requested. In the event the Member does not cooperate fully with the Board, the Board shall have the authority to suspend payments of the monthly disability benefits until the evidence that has been requested by the Board has been provided.

- 4.04 Payment and Amount of Disability Retirement Benefit. The disability benefit will commence after the Member's regular salary, including any leave pay paid in regular biweekly payments, has ceased as the result of the disability and will continue thereafter as long as the Member remains alive and is eligible under Section 4.01; provided, however, that if the Member receives a lump sum of accumulated leave pay from the City, the disability retirement benefit will not commence until a period of time has elapsed equal to the period of time that would have passed had the Member received the accumulated leave pay in regular biweekly payments instead of a lump sum. If the Member forfeits any leave to which the Member is entitled, the disability retirement benefit will not commence until a period of time has elapsed equal to the period of time that would have passed had the Member not forfeited the leave. Application for disability retirement benefit may be made up to 60 days before the date of benefit commencement as defined below. The Member must submit all documentation required by the Board. Application for payment of the awarded disability benefit must be made after the date of benefit commencement as defined above.

The date as described above, after the regular pay and leave pay has ceased and after adjustment for any forfeited leave or for any lump sum for any accumulated leave, will be the date of benefit commencement. For the portion of the month following the date of benefit commencement, a partial monthly disability benefit will be paid. This partial benefit is equal to the benefit described below multiplied by the number of days from the date of benefit commencement to the end of the month divided by the total number of days in the month of benefit commencement. The first full monthly disability benefit will commence on the last day of the calendar month following the month containing the date of benefit commencement.

- a. For Members with less than twenty (20) years of Service at the time the disability retirement benefit commences, the monthly disability benefit will equal a standard benefit of 68.92% of the Member's Final 48-Month Average Salary.
- b. For Members with at least 20 years of Service but are not yet age 50 at the time the disability benefit commences and the Member has been determined to be "totally and permanently disabled" as defined in Section 4.03, then the monthly disability benefit will equal the sum of:
 - i. a standard benefit equal to 68.92% of the Member's Final 48-Month Average Salary; *plus*
 - ii. an additional benefit in an amount equal to \$335.05 per month for each whole year of Service in excess of twenty (20) years of Service. A partial year of Service will be given partial credit based on number of months and days completed in excess of whole years.
- c. For Members with at least twenty (20) years of Service but are not yet age 50 at the time the disability benefit commences and the Member has not been determined to be "totally and permanently disabled" as defined in Section 4.03, the monthly disability benefit will equal a standard benefit of 68.92% of the Member's Final 48-Month Average Salary.
- d. For Members at least age 50 with at least twenty (20) years of Service at the time the disability retirement benefit commences, the monthly disability benefit will equal the sum of:
 - i. a standard benefit equal to 68.92% of the Member's Final 48-Month Average Salary; *plus*

- ii. an additional benefit in an amount equal to \$335.05 per month for each whole year of Service in excess of twenty (20) years of Service. A partial year of Service will be given partial credit based on number of months and days completed in excess of whole years.
- 4.05 Termination, Reduction or Reinstatement of Disability Benefit. The Board shall have the power to continue, to terminate, to reduce or to reinstate a Member's disability benefits subject to the following constraints:
 - a. During the first two and one-half years (thirty months) the Board may terminate the Member's disability benefit if the Member recovers to the extent the Member is able to perform the duties of a position offered to them in the fire department providing the Member with pay that is greater than or equal to the pay the disabled Member would have been receiving had the disability not occurred and the Member had continued in the Member's former position with the fire department.
 - b. After the disabled Member has received disability benefits from the Fund for at least two and one-half years (thirty months), the Board may terminate the Member's disability benefit if the Member has recovered to the extent that the Member is able to perform the duties of a job outside the fire department and the monthly compensation the Member is earning or is able to earn from one or more jobs equals or exceeds the Member's monthly disability benefit. All Members receiving monthly disability retirement benefits on December 20, 1993 will be covered by this provision regardless of the plan under which they were disabled.
 - c. The Board shall have the power to reinstate any disability benefit which has been previously terminated or reduced provided the disabled Member's condition has worsened due to the same cause for which the Member was originally disabled.
- 4.06 Minimum Benefits Payable following Termination or Reduction of Disability Benefit:
 - a. If a disabled Member who had less than ten (10) years of Service recovers to the extent the Member's disability benefit is terminated and the Member does not return to the employ of the fire department, then an amount equal to the excess, if any, of the Member's own contributions (without interest) over the amount of payments which have been made on the Member's behalf will be paid to the Member in a lump sum payment.
 - b. For a disabled Member who had at least ten (10) years of Service, a vested termination benefit described in Section 5 below, payable beginning at the Member's Normal Retirement Age, will be paid if the Member's disability benefit is terminated or if greater than the disability benefit.
 - c. If a disabled Member has attained age 50 and had completed twenty (20) years of Service, a vested termination benefit described in Section 5 below, payable immediately, will be paid if the Member's disability benefit is terminated or if greater than the disability benefit.
- 4.07 Re-employment. If a Member who becomes disabled returns to employment in the fire department, then the Member must work at least two years (24 months) after being re-employed in order to accrue additional Service from the date of re-employment and become entitled to plan benefits on the date of employment determined based on the

plan in effect on such date. If the Member Terminates Service less than two years (24 months) following re-employment, then the Member would accrue additional Service from the Member's date of re-employment, but the monthly benefit the Member is entitled to would be calculated based on the plan in effect on the date of the Member's previous Termination of Service with a disability benefit.

Section 5
Vested Termination Benefit

- 5.01 If a Member has completed at least ten (10) years of Service but has not attained Normal Retirement Age at the time of Termination of Service, the Member is eligible to receive a deferred monthly benefit commencing on the last day of the month following the month in which the Member attains Normal Retirement Age. In addition, a partial deferred monthly benefit equal to the monthly benefit described below, multiplied by the number of days from the date the Member attains Normal Retirement Age to the last day of the month, divided by the total number of days in the month.
- 5.02 The amount of the Member's vested accrued monthly retirement benefit will be equal to a percentage of the normal service retirement benefit determined pursuant to Section 2.02, as if the Member had retired upon the Member's Termination of Service, according to the following schedule. The normal service retirement benefit will not be less than the minimum vested accrued monthly benefit determined as of October 31, 2003, as described in Section 2.02.c. The resulting normal service retirement benefit will then be multiplied by the percentage vested described below.

Completed Years of Service	Percentage Vested
10	25%
11	35
12	45
13	55
14	65
15	75
16	80
17	85
18	90
19	95
20	100

The Member's vested percentage will be based on completed years, months and days upon the Member's Termination of Service. It will be determined by interpolation between the Percentage Vested for the Completed Years of Service and the Percentage Vested for the Completed Years of Service plus one year.

- 5.03 To be entitled to receive this vested termination benefit, the Member is required to leave the Member's Accumulated Contributions in the Fund but is not required to make additional contributions between the Member's Termination of Service and the date benefits commence.
- 5.04 Upon the date monthly benefit payments commence pursuant to Section 5, the Member may elect an optional form of payment or a non-spouse beneficiary as described in Section 2.06. A vested terminated Member with less than 20 years of Service is not eligible to elect the monthly early service retirement benefit described in Section 2.04. A vested terminated Member with more than 20 years of Service is eligible to elect the monthly early service retirement benefit described in Section 2.04. at any time after Termination of Service. If a vested terminated Member with more than twenty (20) years of Service elects early service retirement pursuant to Section

2.04, the monthly benefit is equal to the monthly benefit determined under Section 5.02, adjusted by the early retirement percentages shown in Table 1 at the end of the plan document.

**Section 6
Death Benefits**

6.01 Lump Sum Benefit:

- a. Upon the death of an active Member, a vested terminated Member or a retired Member, a lump sum payment will be made to the beneficiary designated by the Member as follows:
1. \$10,000 payment, if such Member Terminates Service on or after December 1, 2001, or
 2. \$5,000 payment, if such Member Terminates Service before December 1, 2001.

However, no lump sum payment will be paid if the deceased Member had previously elected to receive the lump sum cash benefit described in Section 6.01.b.

- b. After a Member Terminates Service and upon commencement of retirement benefits at age 50 or later, a Member may elect to receive a cash payment in lieu of the lump sum death benefit provided under Section 6.01.a. The cash payment will be in addition to the retired Member's first retirement check and will be equal to the amount specified in the following schedule based upon the Member's age at commencement of retirement benefits.

Lump Sum Optional Cash Benefit at Retirement		
Age at Commencement of Retirement Benefits	Date of Termination of Service Covered by the Fund	
	Before December 1, 2001	On or After December 1, 2001
	Lump Sum Death Benefit	
	\$5,000	\$10,000
Amount of Cash Payment in Lieu of Lump Sum Death Benefit		
50	\$1,500	\$3,000
51	1,600	3,200
52	1,700	3,400
53	1,800	3,600
54	1,900	3,800
55	2,000	4,000
56	2,100	4,200
57	2,200	4,400
58	2,300	4,600
59	2,400	4,800
60	2,500	5,000
61	2,600	5,200
62	2,700	5,400
63	2,800	5,600
64	2,900	5,800
65	3,000	6,000

- 6.02 Upon the death of an active, single Member who is eligible for a service retirement benefit under Section 2, a death benefit equal to the excess of two times the Member's Accumulated Contributions to the Fund over the amount of benefits which the Member

has previously received from the Fund will be paid to the Member's estate. This benefit is payable in lieu of any payment on behalf of the deceased Member under Section 7.

6.03 The Member's Surviving Spouse will receive a monthly benefit that is payable for life according to the terms of Section 6.04, and according to the conditions and in the amounts described below provided the Member did not elect one of the optional forms of retirement described in Section 2.06.

- a. If the Member's death occurred while this plan document is in effect and while the Member was an employee of the fire department prior to becoming eligible to receive a normal service retirement benefit pursuant to Section 2, a standard death benefit equal to 45.95% of the Member's Final 48-Month Average Salary plus an additional death benefit equal to two-thirds (2/3) of any additional service benefit the Member was entitled to receive had the Member Terminated Service on the Member's date of death; *or*
- b. if the Member's death occurred while this plan document is in effect and while the Member was an employee of the fire department after becoming eligible to receive a normal service retirement benefit pursuant to Section 2, a standard death benefit equal to 68.92% of the Member's Final 48-Month Average Salary plus an additional death benefit equal to 100% of any additional service benefit that the Member was entitled to receive had the Member Terminated Service on the date of death with the combined amount reduced by the Joint and 100% to Surviving Spouse "Adjustment to Benefit Otherwise Payable" shown in Section 2.06; *or*
- c. if the Member's death occurred after normal service retirement and normal service retirement was effective while this plan document is in effect, a death benefit equal to two-thirds of the service retirement benefit the Member was receiving at the date of death; *or*
- d. if the Member's death occurred after disability retirement and disability retirement was effective while this plan document is in effect, a death benefit equal to two-thirds of the disability retirement benefit the Member was receiving at the date of death; *or*
- e. if the Member's death occurred after early service retirement and early service retirement was effective while this plan document is in effect, a death benefit equal to two-thirds of the early service retirement benefit the Member was receiving at the date of death; *or*
- f. if the Member's death occurred after Termination of Service while this plan document is in effect with 10 or more years of Service and the Member did not elect a refund of contributions, a standard death benefit equal to two-thirds (2/3) of the vested terminated benefit described in Section 5 the Member was receiving or would have received at the Member's Normal Retirement Age.

If the Member's death occurred following normal service or early service retirement or following benefit commencement of a vested terminated Member, and the Member elected at retirement one of the options described in Section 2.06, then a death benefit is payable in accordance with the option selected at Termination of Service.

6.04 The Surviving Spouse's benefit will commence according to the Member's retirement status at the date of death as follows:

- a. If the Member was retired at the date of death, the Surviving Spouse will receive a payment equal to the benefit the Member had been receiving that is payable at the end of the month in which the death occurred; thereafter, the Surviving Spouse will receive the full monthly death benefit described in Section 6.03 adjusted for any optional form of retirement the Member elected Date of Retirement under Section 2.06.
- b. If the Member was retired at the date of death and there is no Surviving Spouse, the Member's estate will receive a payment equal to the benefit the Member had been receiving that is payable at the end of the month in which death occurs; thereafter no additional monthly payments will be made.
- c. If the Member dies while in active Service with the department, the Surviving Spouse will receive a pro-rata portion of the monthly death benefit based on the Member's date of death payable at the end of the month in which the death occurred; thereafter the Surviving Spouse will receive the full monthly death benefit described in Section 6.03.

6.05 Child's Benefit:

- a. The child's benefit payable upon the death of an active Member if death occurred while this plan document is in effect is as follows:
 - 1. if a Surviving Spouse is also receiving a benefit, each Dependent Child will receive a monthly benefit of 9.19% of the Member's Final 48-Month Average Salary until age 19;
 - 2. if no Surviving Spouse is receiving a benefit, and there is only one Dependent Child, that child will receive a monthly benefit of 45.95% of the Member's Final 48-Month Average Salary until age 19;
 - 3. if no Surviving Spouse is receiving a benefit, and there is more than one Dependent Child, the monthly benefit of 45.95% of the Member's Final 48-Month Average Salary will be prorated equally among the Dependent Children.
- b. The child's benefit payable upon the death of a vested terminated (entitled to a deferred benefit), service retired or disability retired Member if death occurred while this plan document is in effect is as follows:
 - 1. if a Surviving Spouse is also receiving a benefit, each Dependent Child will receive a monthly benefit of 13.33% of the monthly benefit that the Member was receiving or entitled to receive at date of death until age 19;
 - 2. if no Surviving Spouse is receiving a benefit, and there is only one Dependent Child, that Dependent Child will receive a monthly benefit of two-thirds (2/3) of the monthly benefit that the Member was receiving or entitled to receive at date of death until age 19;
 - 3. if no Surviving Spouse is receiving a benefit, and there is more than one Dependent Child, the monthly benefit of two-thirds (2/3) of the monthly benefit that the Member was receiving or entitled to receive at date of death will be prorated equally among the Dependent Children.

- c. The benefits described above in Sections 6.05.a and b are payable from age 19 to age 25 as long as the Dependent Child remains a full-time student between these ages. Dependent Children of Members who died before March 30, 1996, will also be eligible to receive benefits from age 19 to age 25 as long as the child remains a full-time student between these ages. If the Dependent Child becomes totally disabled as a result of a physical or mental illness, injury or retardation, the benefits described above are payable after age 18 and for as long as the Dependent Child remains totally disabled.
- 6.06 In order for a natural-born Dependent Child to be eligible to receive a death benefit under this section, the child's date of birth must be no later than ten (10) months following the first to occur of the following: the Member's Termination of Service with a vested benefit, or the Member's death. In order for an adopted Dependent Child to be eligible to receive a death benefit under this section, the child must have been adopted prior to the first to occur of the following: the Member's Termination of Service with a vested benefit, or the Member's death.
- 6.07 If no Surviving Spouse or Dependent Child is entitled to a benefit under Section 6.03 or 6.05 at the time of the Member's death, the amount the Surviving Spouse would have received will be paid to the Member's Dependent Parent.
- 6.08 If no Dependent Child is entitled to a benefit under Section 6.05, a Surviving Spouse may elect to receive a payment equal to the excess of the Member's contributions to the Fund over the amount of benefits which have been paid on behalf of the Member; however, if the Surviving Spouse makes such an election, that election forfeits the Surviving Spouse's rights to the monthly benefit described under Section 6.03. The amount refunded shall not include any interest accumulated on account of the Member's contributions.
- 6.09 a. The sum of all monthly death benefits being paid or payable at any point in time shall not exceed.
1. for a retired Member, the amount of normal service retirement or disability retirement benefit the Member was receiving;
 2. for a Member who was not retired but was eligible for normal service retirement at the time of death, the normal service retirement benefit the Member would have received had the Member retired on his date of death; and
 3. for a Member who was not retired and was not eligible for normal service retirement at the time of death, the disability retirement benefit the Member would have received had the Member become disabled on his date of death.
- b. If the sum of all benefits payable on behalf of the Member's Surviving Spouse and Dependent Children would otherwise exceed the limits set forth above, then the benefit attributable to the Surviving Spouse and each Dependent Child shall be reduced by the same percentage so that the sum of the reduced benefits equals the applicable limit. If the benefit for the Surviving Spouse or one or more of the Dependent Children should subsequently be terminated then the benefits for the remaining beneficiaries shall be recalculated to provide the full benefits specified in this Plan or a larger pro-rata share of those benefits if the sum of the benefits still exceeds the above-mentioned limit.
- 6.10 Upon the death of a Member receiving vested termination benefits, normal service retirement benefits or disability benefits, if no Surviving Spouse, Dependent Child or

Dependent Parent is entitled to a benefit under Sections 6.03, 6.05, or 6.07, an amount equal to the excess, if any, of the Member's Accumulated Contributions over the amount of payments which have been made to the Member, Surviving Spouse, Dependent Child or Dependent Parent will be paid to the Member's estate.

Section 7
Return of a Member's Accumulated Contribution

If a Member Terminates Service and is not entitled to a benefit as described above, the Member will receive an amount equal to the excess of the Member's Accumulated Contributions to the Fund over the amount of benefits which the Member has previously received from the Fund. A Member who Terminates Service may elect to receive, at that time, the excess of the Member's Accumulated Contributions to the Fund over the amount of benefits which the Member had previously received from the Fund; however, if such an election is made, the Member will forfeit all rights to any benefits which the Member otherwise would have been entitled to receive. The amount refunded shall not include any interest accumulated on account of the Member's contributions.

Section 8 Contributions

- 8.01 Each Member will make contributions of 12.43% of their Compensation. The Member contribution rate may be changed by vote of the Members in accordance with §29 of the Act. A Member's contributions shall be "picked up" by the City as permitted under Code §414(h), and excluded from the taxable income of the Member. The contributions "picked up" by the City shall continue to be considered as contributions by the Member for purposes of the relevant provisions of the Fund. Any reduction in Compensation of a Member corresponding to the Member's contribution being picked up by the City shall continue to be taken into consideration in determining the Member's Final 48-Month Average Salary for purposes of relevant provisions of the Fund.
- 8.02 The City will make contributions of a percentage of each Member's Compensation. By a long-standing practice, this percentage will be equal to the Member contribution rate times the ratio of City contributions to non-Member City employee contributions, where the contributions are those made to Texas Municipal Retirement System and Social Security for non-Member City employees. The City contribution rate is annually determined as a part of the City's budget.

Section 9 Maximum Benefit

9.01 Annual Benefit:

- a. Effective date. The limitations of this Section apply in "Limitation Years" beginning on or after July 1, 2007, except as otherwise provided herein.
- b. "Annual Benefit". The "Annual Benefit" otherwise payable to a Member under the Fund at any time shall not exceed the "Defined Benefit Dollar Limitation".
- c. Adjustment if in two defined benefit plans. If the Member is, or has ever been, a participant in another qualified defined benefit plan (without regard to whether the plan has been terminated) maintained by the City, the sum of the Member's "Annual Benefits" from all such plans may not exceed the "Defined Benefit Dollar Limitation". Where the Member's employer-provided benefits under all such defined benefit plans (determined as of the same age) would exceed the "Defined Benefit Dollar Limitation" applicable at that age, the Member's benefit shall be limited in accordance with the terms of the plans.
- d. Other rules applicable. The limitations of this Section shall be determined and applied taking into account the rules in Section 9.03.

9.02 Definitions. For purposes of this Section, the following definitions apply:

- a. Annual Benefit. "Annual Benefit" means a benefit that is payable annually in the form of a "Straight Life Annuity". Except as provided below, where a benefit is payable in a form other than a "Straight Life Annuity", the benefit shall be adjusted to an actuarially equivalent "Straight Life Annuity" that begins at the same time as such other form of benefit and is payable on the first day of each month, before applying the limitations of this Section. For a Member who has or will have distributions commencing at more than one annuity starting date, the "Annual Benefit" shall be determined as of each such annuity starting date (and shall satisfy the limitations of this Section as of each such date), actuarially adjusting for past and future distributions of benefits commencing at the other annuity starting dates. For this purpose, the determination of whether a new annuity starting date has occurred shall be made without regard to Regulations §1.401(a)-20, Q&A 10(d), and with regard to Regulations §1.415(b)-1(b)(1)(iii)(B) and (C).

No actuarial adjustment to the benefit shall be made for (a) survivor benefits payable to a surviving spouse under a qualified joint and survivor annuity to the extent such benefits would not be payable if the Member's benefit were paid in another form; (b) benefits that are not directly related to retirement benefits (such as a qualified disability benefit, preretirement incidental death benefits, and postretirement medical benefits); or (c) the inclusion in the form of benefit of an automatic benefit increase feature, provided the form of benefit is not subject to Code §417(e)(3) and would otherwise satisfy the limitations of this Section, and the Fund provides that the amount payable under the form of benefit in any "Limitation Year" shall not exceed the limits of this Section applicable at the annuity starting date, as increased in subsequent years pursuant to Code §415(d). For this purpose, an automatic

benefit increase feature is included in a form of benefit if the form of benefit provides for automatic, periodic increases to the benefits paid in that form.

The determination of the "Annual Benefit" shall take into account Social Security supplements described in Code §411(a)(9) and benefits transferred from another defined benefit plan, other than transfers of distributable benefits pursuant Regulations §1.411(d)-4, Q&A-3(c), but shall disregard benefits attributable to Employee contributions or rollover contributions.

Effective for distributions in Plan Years beginning after December 31, 2003, the determination of actuarial equivalence of forms of benefit other than a "Straight Life Annuity" shall be made in accordance with (1) or (2) below:

- a. Annual Benefit. "Annual Benefit" means a benefit that is payable annually in the form of a "Straight Life Annuity". Except as provided below, where a benefit is payable in a form other than a "Straight Life Annuity", the benefit shall be adjusted to an actuarially equivalent "Straight Life Annuity" that begins at the same time as such other form of benefit and is payable on the first day of each month, before applying the limitations of this Section. For a Member who has or will have distributions commencing at more than one annuity starting date, the "Annual Benefit" shall be determined as of each such annuity starting date (and shall satisfy the limitations of this Section as of each such date), actuarially adjusting for past and future distributions of benefits commencing at the other annuity starting dates. For this purpose, the determination of whether a new annuity starting date has occurred shall be made without regard to Regulations §1.401(a)-20, Q&A 10(d), and with regard to Regulations §1.415(b)-1(b)(1)(iii)(B) and (C).

No actuarial adjustment to the benefit shall be made for (a) survivor benefits payable to a surviving spouse under a qualified joint and survivor annuity to the extent such benefits would not be payable if the Member's benefit were paid in another form; (b) benefits that are not directly related to retirement benefits (such as a qualified disability benefit, preretirement incidental death benefits, and postretirement medical benefits); or (c) the inclusion in the form of benefit of an automatic benefit increase feature, provided the form of benefit is not subject to Code §417(e)(3) and would otherwise satisfy the limitations of this Section, and the Fund provides that the amount payable under the form of benefit in any "Limitation Year" shall not exceed the limits of this Section applicable at the annuity starting date, as increased in subsequent years pursuant to Code §415(d). For this purpose, an automatic benefit increase feature is included in a form of benefit if the form of benefit provides for automatic, periodic increases to the benefits paid in that form.

The determination of the "Annual Benefit" shall take into account Social Security supplements described in Code §411(a)(9) and benefits transferred from another defined benefit plan, other than transfers of distributable benefits pursuant Regulations §1.411(d)-4, Q&A-3(c), but shall disregard benefits attributable to Employee contributions or rollover contributions.

Effective for distributions in Plan Years beginning after December 31, 2003, the determination of actuarial equivalence of forms of benefit other than a "Straight Life Annuity" shall be made in accordance with (1) or (2) below:

- (1) Benefit Forms not Subject to Code §417(e)(3).

- (i) For Limitation Years beginning before July 1, 2007, the "Straight Life Annuity" which is actuarially equivalent to the Member's form of benefit shall be determined under this subsection (i) for all forms of benefit other than a "Straight Life Annuity". The actuarially equivalent "Straight Life Annuity" is equal to the annual amount of the "Straight Life Annuity" commencing at the same annuity starting date which has the same actuarial present value as the Member's form of benefit computed using whichever of the following produces the greater annual amount: (I) the interest rate and mortality table (or other tabular factor) specified in the Fund for adjusting benefits in the same form; and (II) 5% interest rate assumption and the applicable mortality table defined in Section 9.02.g.
 - (ii) For Limitation Years beginning on or after July 1, 2007, the "Straight Life Annuity" which is actuarially equivalent to the Member's form of benefit shall be determined under this subsection (ii) if the form of the Member's benefit is either (a) a non-decreasing annuity (other than a "Straight Life Annuity") payable for a period of not less than the life of the Member, or (b) an annuity which decreases during the life of the Member because of (i) the death of the survivor annuitant (but only if the reduction is not below 50% of the benefit payable before the death of the survivor annuitant), or (ii) the cessation or reduction of Social Security supplements or qualified disability payments (as defined in Code §401(a)(11)). The actuarially equivalent "Straight Life Annuity" is equal to the greater of (I) the annual amount of the "Straight Life Annuity" (if any) payable to the Member under the Fund commencing at the same annuity starting date as the Member's form of benefit; and (II) the annual amount of the "Straight Life Annuity" commencing at the same annuity starting date which has the same actuarial present value as the Member's form of benefit, computed using a 5% interest rate assumption and the applicable mortality table defined in Section 9.02.g.
- (2) Benefit Forms Subject to Code §417(e)(3).
- (i) Except as provided in (ii), for Limitation Years beginning on and after July 1, 2007, the "Straight Life Annuity" which is actuarially equivalent to the Member's form of benefit shall be determined under this subsection (2) if the form of the Member's benefit is other than a benefit form described in Section 9.02.a(1)(ii) above. The actuarially equivalent "Straight Life Annuity" is equal to the greatest of (I) the annual amount of the "Straight Life Annuity" commencing at the same annuity starting date which has the same actuarial present value as the Member's form of benefit, computed using the interest rate and mortality table (or other tabular factor) specified in the Fund for adjusting benefits in the same form; (II) the annual amount of the "Straight Life Annuity" commencing at the same annuity starting date which has the same actuarial present value as the Member's form of benefit, computed using a 5.5 percent interest rate assumption and the applicable mortality table defined in Section 9.02.g; and (III)

the annual amount of the "Straight Life Annuity" commencing at the same annuity starting date which has the same actuarial present value as the Member's form of benefit, computed using the applicable interest rate defined in Section 9.02.g and applicable mortality table defined in Section 9.02.g, divided by 1.05.

- (ii) If the annuity starting date of the Member's form of benefit is in a Plan Year beginning in or after 2009, and if the Fund is maintained by an eligible employer as defined in IRC §408(p)(2)(C)(i), the actuarially equivalent Straight Life Annuity is equal to the greatest of (I) the annual amount of the Straight Life Annuity commencing at the same annuity starting date which has the same actuarial present value as the Member's form of benefit, computed using the interest rate and the mortality table (or other tabular factor) specified as the Fund for adjusting benefits in the same form, or (II) the annual amount of the Straight Life Annuity commencing at the same annuity starting date which has the same actuarial present value as the Member's form of benefit computed using a 5.5 percent interest rate assumption and the applicable mortality table defined in Section 9.02.g.

- b. Defined Benefit Dollar Limitation. "Defined Benefit Dollar Limitation" means, effective for "Limitation Years" ending after December 31, 2001, \$160,000, automatically adjusted under Code §415(d), effective January 1 of each year, as published in the Internal Revenue Bulletin, and payable in the form of a "Straight Life Annuity". The new limitation shall apply to "Limitation Years" ending with or within the calendar year of the date of the adjustment, but a Member's benefits shall not reflect the adjusted limit prior to January 1 of that calendar year. The automatic annual adjustment of the "Defined Benefit Dollar Limitation" under Code §415(d) shall apply to Members who have had a separation from employment.

The "Defined Benefit Dollar Limitation" shall be adjusted as provided below:

- (1) Adjustment for Less Than Ten Years of Participation or Service: If the Member has less than ten (10) years of participation in the Fund, the "Defined Benefit Dollar Limitation" shall be multiplied by a fraction -- (i) the numerator of which is the number of "Years of Participation" in the Fund (or part thereof, but not less than one year), and (ii) the denominator of which is ten (10).
- (2) Adjustment of "Defined Benefit Dollar Limitation" for Benefit Commencement Before Age 62 or after Age 65: Effective for benefits commencing in "Limitation Years" ending after December 31, 2001, the "Defined Benefit Dollar Limitation" shall be adjusted if the annuity starting date of the Member's benefit is before age 62 or after age 65. If the annuity starting date is before age 62, the "Defined Benefit Dollar Limitation" shall be adjusted under Section 9.02.b(2)(i), as modified by Section 9.02.b(2)(iii). If the annuity starting date is after age 65, the "Defined Benefit Dollar Limitation" shall be adjusted under Section 9.02.b(2)(ii), as modified by Section 9.02.b(2)(ii).
 - (i) Adjustment of "Defined Benefit Dollar Limitation" for benefit commencement Before Age 62:

- (I) "Limitation Years" Beginning Before July 1, 2007. If the annuity starting date for the Member's benefit is prior to age 62 and occurs in a "Limitation Year" beginning before July 1, 2007, the "Defined Benefit Dollar Limitation" for the Member's annuity starting date is the annual amount of a benefit payable in the form of a "Straight Life Annuity" commencing at the Member's annuity starting date that is the actuarial equivalent of the "Defined Benefit Dollar Limitation" (adjusted under Section 9.02.b(1) for years of participation less than ten (10), if required) with actuarial equivalence computed using whichever of the following produces the smaller annual amount: (1) the interest rate and mortality table (or other tabular factor) specified in the Fund; or (2) a five percent (5%) interest rate assumption and the applicable mortality table as defined in Section 9.02.g.
- (II) "Limitation Years" Beginning on or After July 1, 2007. If the annuity starting date for the Member's benefit is prior to age 62 and occurs in a "Limitation Year" beginning on or after July 1, 2007, the "Defined Benefit Dollar Limitation" for the Member's annuity starting date is the lesser of:
 - (A) the annual amount of a benefit payable in the form of a "Straight Life Annuity" commencing at the Member's annuity starting date that is the actuarial equivalent of the "Defined Benefit Dollar Limitation" (adjusted under Section 9.02.b(1) for years of participation less than ten (10), if required) with actuarial equivalence computed using a five percent (5%) interest rate assumption and the applicable mortality table for the annuity starting date as defined in Section 9.02.g (and expressing the Member's age based on completed calendar months as of the annuity starting date); or
 - (B) the "Defined Benefit Dollar Limitation" (adjusted under Section 9.02.b(1) for years of participation less than ten (10), if required) multiplied by the ratio of the annual amount of the immediately commencing "Straight Life Annuity" under the Fund at the Member's annuity starting date to the annual amount of the immediately commencing "Straight Life Annuity" under the Fund at age 62, both determined without applying the limitations of this Section.
- (ii) Adjustment of "Defined Benefit Dollar Limitation" for Benefit Commencement After Age 65:
 - (I) "Limitation Years" Beginning Before July 1, 2007. If the annuity starting date for the Member's benefit is after age 65 and occurs in a Limitation Year beginning before

July 1, 2007, the "Defined Benefit Dollar Limitation" for the Member's annuity starting date is the annual amount of a benefit payable in the form of a "Straight Life Annuity" commencing at the Member's annuity starting date that is the actuarial equivalent of the "Defined Benefit Dollar Limitation" (adjusted under Section 9.02.b(1) for years of participation less than ten (10), if required) with actuarial equivalence computed using whichever of the following produces the smaller annual amount: (1) the interest rate and mortality table (or other tabular factor) specified in the Fund; or (2) a five percent (5%) interest rate assumption and the applicable mortality table as defined in Section 9.02.g.

(II) "Limitation Years" Beginning After July 1, 2007. If the annuity starting date for the Member's benefit is after age 65 and occurs in a "Limitation Year" beginning on or after July 1, 2007, the "Defined Benefit Dollar Limitation" at the Member's annuity starting date is the lesser of:

(A) the annual amount of a benefit payable in the form of a "Straight Life Annuity" commencing at the Member's annuity starting date that is the actuarial equivalent of the "Defined Benefit Dollar Limitation" (adjusted under Section 9.02.b(1) for years of participation less than 10, if required), with actuarial equivalence computed using a five percent (5%) interest rate assumption and the applicable mortality table for that annuity starting date as defined in Section 9.02.g (and expressing the Member's age based on completed calendar months as of the annuity starting date); or

(B) the "Defined Benefit Dollar Limitation" (adjusted under Section 9.02.b(1) for years of participation less than ten (10), if required) multiplied by the ratio of the annual amount of the adjusted immediately commencing "Straight Life Annuity" under the Fund at the Member's annuity starting date to the annual amount of the adjusted immediately commencing "Straight Life Annuity" under the Fund at age 65, both determined without applying the limitations of this Section. For this purpose, the adjusted immediately commencing "Straight Life Annuity" under the Fund at the Member's annuity starting date is the annual amount of such annuity payable to the Member, computed disregarding the Member's accruals after age 65 but including actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the adjusted immediately commencing "Straight Life Annuity" under the Fund at age 65 is the annual amount of such annuity that would be payable under the Fund to a hypothetical Member who is age 65

and has the same accrued benefit as the Member.

- (iii) Notwithstanding the other requirements of this Section 9.02.b(2), no adjustment shall be made to the "Defined Benefit Dollar Limitation" to reflect the probability of a Member's death between the annuity starting date and age 62, or between age 65 and the annuity starting date, as applicable, if benefits are not forfeited upon the death of the Member prior to the annuity starting date. To the extent benefits are forfeited upon death before the annuity starting date, such an adjustment shall be made. For this purpose, no forfeiture shall be treated as occurring upon the Member's death if the Fund does not charge Members for providing a qualified preretirement survivor annuity, as defined in Code §417(c), upon the Member's death.
- (3) Notwithstanding anything else in this Section to the contrary, the benefit otherwise payable to a Member under this Fund shall be deemed not to exceed the "Defined Benefit Dollar Limitation" if:
- (i) the retirement benefits payable for a "Limitation Year" under any form of benefit with respect to such Member under this Fund and under all other defined benefit plans (without regard to whether a plan has been terminated) ever maintained by the City do not exceed \$10,000 multiplied by a fraction – (I) the numerator of which is the Member's number of Years (or part thereof, but not less than one year) of Participation (not to exceed ten (10)) with the City, and (II) the denominator of which is ten (10); and the City has not at any time maintained a defined contribution plan in which the Member participated (for this purpose, mandatory Employee contributions under a defined benefit plan, individual medical accounts under Code §401(h), and accounts for post-retirement medical benefits established under Code §419A(d)(1) are not considered a separate defined contribution plan); or
 - (ii) the retirement benefits are payable to a Member whose period of Service taken into account in determining the benefit under the Fund includes at least fifteen (15) years of Service as a full-time employee of any fire department which is organized and operated by the City to provide firefighting services for any area within the jurisdiction of the City; or
 - (iii) the benefits are payable as a pension, annuity or similar allowance from the Fund as the result of the Member becoming disabled by reason of personal injuries or sickness; or
 - (iv) the benefits are payable from the Fund to a beneficiary as a result of the death of the Member.
- c. City. "City" means, for purposes of this Section, the City that has adopted the Fund, and all Members of a controlled group of corporations, as defined in Code §414(b), as modified by Code §415(h), all commonly controlled trades or businesses (as defined in Code §414(c), as modified, except in the case of a brother-sister group of trades or businesses under common control, by Code §415(h)), or affiliated service groups (as defined in Code §414(m))

of which the City is a part, and any other entity required to be aggregated with the City pursuant to Code §414(o). For the purposes of this Section, City also includes with respect to a Member, a former employer of such Member if the City maintains a plan that provides a benefit which the Member accrued while performing services for the former employer. A former entity that antedates the City is a "Predecessor Employer" with respect to a Member if, under the facts and circumstances, the City constitutes a continuation of all or a portion of the trade or business of the former entity. For this purpose, the formerly affiliated plan rules in Regulations §1.415(f)-1(b)(2) apply as if the City and "Predecessor Employer" constituted a single employer under the rules described in Regulations §1.415(a)-1(f)(1) and (2) immediately prior to the cessation of affiliation (and as if they constituted two, unrelated employers under the rules described in Regulations §1.415(a)-1(f)(1) and (2) immediately after the cessation of affiliation) and cessation of affiliation was the event that gives rise to the "Predecessor Employer" relationship, such as a transfer of benefits or plan sponsorship.

- d. Limitation Year. "Limitation Year" means the twelve (12) month period ending December 31 of each year. The "Limitation Year" may only be changed by a Fund amendment. Furthermore, if the Fund is terminated effective as of a date other than the last day of the Fund's "Limitation Year", then the Fund is treated as if the Fund had been amended to change its "Limitation Year."
- e. Straight Life Annuity. "Straight Life Annuity" means an annuity payable in equal installments for the life of a Member that terminates upon the Member's death.
- f. Year of Participation. "Year of Participation" means, with respect to a Member, each accrual computation period (computed to fractional parts of a year) for which the following conditions are met: (1) the Member is credited with at least the number of Hours of Service (or Period of Service if the Elapsed Time Method is used) for benefit accrual purposes, required under the terms of the Fund in order to accrue a benefit for the accrual computation period, and (2) the Member is included as a Member under the eligibility provisions of the Fund for at least one day of the accrual computation period. If these two conditions are met, the portion of a "Year of Participation" credited to the Member shall equal the amount of benefit accrual service credited to the Member for such accrual computation period. A Member who is permanently and totally disabled within the meaning of Code §415(c)(3)(C)(i) for an accrual computation period shall receive a "Year of Participation" with respect to that period.

In addition, for a Member to receive a "Year of Participation" (or part thereof) for an accrual computation period, the Fund must be established no later than the last day of such accrual computation period. In no event shall more than one "Year of Participation" be credited for any twelve (12) month period.

g. Applicable Actuarial Assumptions. The actuarial assumptions used to determine Code §415 limits under the Fund shall be the interest rate specified in Section 13.03, and the applicable mortality table prescribed by the Secretary of the Treasury under Code §415(b)(2)(E)(v). Effective for distributions with annuity starting dates on or after December 31, 2002, the applicable mortality table used for purposes of adjusting any benefit or limitation under Code §415(b)(2)(B), (C), or (D) as set forth in the Fund is the table described in Revenue Ruling 2001-62. Effective for distributions with annuity starting dates on or after January 1, 2008, the applicable mortality table used for purposes of

adjusting any benefit or limitation under Code §415(b)(2)(B),(C) or (D) as set forth in the Fund, or any provision directly or indirectly prescribing the use of the mortality table described in Revenue Ruling 2001-62 shall be amended to prescribe the use of the applicable annual mortality table within the meaning of Code §417(e)(3)(B), as initially described in Revenue Ruling 2007-67. Effective for distributions with annuity starting dates on or after January 1, 2008, the applicable interest rate for the purposes of adjusting any benefit or limitation under Section 9.02.a(2)(i) shall be the rate of interest described in Code §417(e) after its amendment by the Pension Protection Act of 2006. Specifically, the applicable interest rate shall be the adjusted first, second and third segment rates applied under the rules similar to the rules of Code §430(h)(2)(C) for the second calendar month (lookback month) before the first day of the Plan Year in which the annuity starting date occurs (stability period). For this purposes, the first, second and third segment rules are the first, second and third segment rates which would be determined under Code §430(h)(2)(C) if:

- (1) Code §430(h)(2)(D) was applied by substituting the average yields for the month described in the preceding paragraph for the average yields for the 24-month period described in such section;
- (2) Code §430(h)(2)(G)(i)(II) was applied by substituting “§417(e)(3)(A)(ii)(II)” for “§412(b)(5)(B)(ii)(II)”; and
- (3) The applicable percentage under Code §430(h)(2)(G) is treated as being 20 percent in 2008, 40 percent in 2009, 60 percent in 2010, and 80 percent in 2011.

9.03 Other rules:

- a. Benefits under terminated plans. If a defined benefit plan maintained by the City has terminated with sufficient assets for the payment of benefit liabilities of all Members and a Member in the plan has not yet commenced benefits under the plan, the benefits provided pursuant to the annuities purchased to provide the Member's benefits under the terminated plan at each possible annuity starting date shall be taken into account in applying the limitations of this Section. If there are not sufficient assets for the payment of all Firemen's benefit liabilities, the benefits taken into account shall be the benefits that are actually provided to the Member under the terminated plan.
- b. Benefits transferred from the Fund. If a Member's benefits under a defined benefit plan maintained by the City are transferred to another defined benefit plan maintained by the City and the transfer is not a transfer of distributable benefits pursuant Regulations §1.411(d)-4, Q&A-3(c), then the transferred benefits are not treated as being provided under the transferor plan (but are taken into account as benefits provided under the transferee plan). If a Member's benefits under a defined benefit plan maintained by the City are transferred to another defined benefit plan that is not maintained by the City and the transfer is not a transfer of distributable benefits pursuant to Regulations §1.411(d)-4, Q&A-3(c), then the transferred benefits are treated by the City's Fund as if such benefits were provided under annuities purchased to provide benefits under a plan maintained by the City that terminated immediately prior to the transfer with sufficient assets to pay all Firemen's benefit liabilities under the plan. If a Member's benefits under a defined benefit plan maintained by the City are transferred to another defined benefit plan in a transfer of distributable benefits pursuant to Regulations

§1.411(d)-4, Q&A-3(c), the amount transferred is treated as a benefit paid from the transferor plan.

- c. Plans of a "Predecessor Employer". If the City maintains a defined benefit plan that provides benefits accrued by a Member while performing services for a "Predecessor Employer", then the Member's benefits under a plan maintained by the "Predecessor Employer" shall be treated as provided under a plan maintained by the City. However, for this purpose, the plan of the "Predecessor Employer" shall be treated as if it had terminated immediately prior to the event giving rise to the "Predecessor Employer" relationship with sufficient assets to pay Firemen's benefit liabilities under the plan, and had purchased annuities to provide benefits; the City and the "Predecessor Employer" shall be treated as if they were a single employer immediately prior to such event and as unrelated employers immediately after the event; and if the event giving rise to the predecessor relationship is a benefit transfer, the transferred benefits shall be excluded in determining the benefits provide under the plan of the "Predecessor Employer".
- d. Special rules. The limitations of this Section shall be determined and applied taking into account the rules in Regulations §1.415(f)-1(d), (e) and (h).

Section 10

Distribution of Benefits

10.01 Required Minimum Distributions. The provisions of Code §401(a)(9) are hereby incorporated in the Plan by reference. All distributions of benefits shall satisfy the minimum distribution requirements of such Code §401(a)(9) if the Fund complies with a reasonable and good faith interpretation of Code §401(a)(9).

10.02 Direct Transfers of Eligible Rollover Distributions:

- a. This Section applies to distributions made on or after January 1, 1993. Notwithstanding any provisions of the Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the plan administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.
- b. Definitions:
 1. Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent that such distribution is required under Code §401(a)(9); and the portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and for distributions made after December 31, 1998, any hardship distribution.
 2. Eligible retirement plan: An eligible retirement plan is an individual retirement account described in Code §408(b), an annuity plan described in Code §403(a), or a qualified trust described in Code §401(a), that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.
 3. Distributee: A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code §414(p), are distributees with regard to the interest of the spouse or former spouse.
 4. Direct rollover: A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.
- c. Member notice: A Member entitled to an "eligible rollover distribution" must receive a written explanation of the right to a "direct rollover", the tax consequences of not making a "direct rollover", and if applicable, any available

special income tax elections. The notice must be provided no less than thirty (30) days and no more than one hundred eighty (180) days before the first day on which the distribution is eligible to be made. The "direct rollover" notice must be provided to all Members, unless the total amount the Member will receive as a distribution during the calendar year is expected to be less than \$200.

Effective for distributions made after December 31, 2001, for purposes of the direct rollover provisions of the plan, an eligible retirement plan shall also mean an annuity contract described in Code §403(b) and an eligible plan under Code §457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan. The definition of eligible retirement plan shall also apply in the case of a distribution to a Surviving Spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code §414(p).

If this Plan contains after-tax employee contributions, then for purposes of the direct rollover provisions of the plan, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be paid only to an individual retirement account or annuity described in Code §408(a) or (b), or to a qualified defined contribution plan described in Code §401(a) or Code §403(a) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible. For taxable years beginning after December 31, 2006, a Member may elect to transfer employee after-tax contributions by means of a direct rollover to a qualified plan or to a 403(b) plan that agrees to account separately for amounts so transferred (including interest thereon), including accounting separately for the portion of such distribution which is includible in gross income and the portion of such distribution which is not includible in gross income.

Effective for distributions made on or after March 28, 2005, in the event of a distribution of an "eligible rollover distribution" greater than \$1,000 that is made in accordance with the provisions of the Plan, if the Member does not elect to have such distribution paid directly to an "eligible retirement plan" specified by the Participant in a direct rollover or to receive the distribution directly, then the Board shall pay the distribution in a direct rollover to an individual retirement plan designated by the Board.

- 10.03 For distributions after December 31, 2009, a non-spouse beneficiary, only as otherwise permitted by the Fund who is a "designated beneficiary" under Code §401(a)(9)(E) and the Regulations thereunder, by a direct trustee-to-trustee transfer ("direct rollover"), may roll over all or any portion of his or her distribution to an Individual Retirement Account (IRA) the beneficiary establishes for purposes of receiving the distribution. In order to be able to roll over the distribution, the distribution otherwise must satisfy the definition of an "eligible rollover distribution" under Code §401(a)(31).

The distribution is subject to the direct rollover requirements of Code §401(a)(31) (including Code §401(a)(31)(B)), the notice requirements of Code §402(f) and the mandatory withholding requirements of Code §3405(c). If a non-spouse beneficiary receives a distribution from the Fund, the distribution is not eligible for a sixty (60) day (non-direct) rollover.

If the Member's named beneficiary is a trust, the Fund may make a direct rollover to an IRA on behalf of the trust, provided the trust satisfies the requirements to be a designated beneficiary within the meaning of Code §401(a)(9)(E).

A non-spouse beneficiary may not roll over an amount that is a required minimum distribution, as determined under applicable Treasury Regulations and other Internal Revenue Service guidance. If the Member dies before his or her required beginning date and the non-spouse beneficiary rolls over to an IRA the maximum amount eligible for rollover, the beneficiary may elect to use either the five (5) year rule or the life expectancy rule, pursuant to Treasury Regulations §1.401(a)(9)-3, A-4(c), in determining the required minimum distributions from the IRA that receives the non-spouse beneficiary's distribution.

- 10.04 For distributions made after December 31, 2007, a Member or beneficiary may elect to roll over directly an "eligible rollover distribution" to a Roth IRA described in Code §408A(b). For this purpose, the term "eligible rollover distribution" includes employee after-tax contributions, if applicable.
- 10.05 Notwithstanding Section 5 of the Act, a Member or beneficiary may elect to direct the Fund to directly pay deductions from distributions to an accident or health plan or qualified long-term care insurance.
- 10.06 Facility of Payment. If the Board receives satisfactory evidence that a person entitled to receive a benefit is physically, mentally or legally incompetent to receive the benefit and to give a valid receipt, that an individual or institution is maintaining or has custody of the person and that no guardian, committee or other representative of the estate of the person has been appointed, the Board may direct the payment to the individual or institution maintaining or having the custody of the person. Receipt of that individual or institution shall be a valid and complete discharge for the payment of the benefit. Also, a deposit to the credit of a Member or beneficiary in any bank or trust company shall be deemed payment to a person.
- 10.07 Name and Address Changes. Each Member, Surviving Spouse, and beneficiary is responsible to notify the Board of any change in name or address to which benefit checks and other communications are to be mailed. If any check in payment of a benefit is mailed by regular United States mail to the last address of the payee as shown on the Board's records and is returned unclaimed, the Board shall discontinue further payments until corrected information is given to the Board.
- 10.08 Release of Claims. All payments to Members or former Members or beneficiaries shall, to the amount of the payments, be in full satisfaction of claims against the Plan. The Board may require the payee, as a condition precedent to payment, to execute a receipt and release in a form approved by the Board.
- 10.09 Correction of Payment Error. If any error in payment of benefits occurs, including an overpayment, the Fund shall correct such error and may adjust any future payment so the correct benefit will be paid, except as provided in subsection c below, and the Texas Government Code §802.1024(b). The adjustment for an overpayment or underpayment may be made to one or more future payments at the discretion of the Board and pursuant to Texas Government Code §§802.1024 and 802.1025. If no future payments are due, the Board may recover an overpayment in any manner permitted by Section 8 of the Act and Texas Government Code §§802.1024 and 802.1025. The Board must begin the adjustment of future payment to correct an overpayment or recovery of an overpayment not later than the ninetieth (90th) day after the date the notice described below is delivered or the date the second notice described below is mailed

- a. Notice. Upon discovery of an overpayment error but not later than ninety (90) days after discovery, the Board of Trustees shall give written notice of the overpayment error to the affected person by certified mail, return receipt requested. If the Board does not receive a signed receipt evidencing delivery on or before the thirtieth (30th) day after the date the notice is mailed, the Board shall send the notice a second time, by certified mail, return receipt requested.
- b. The written notice will include:
 - (1) the amount of the correction;
 - (2) how the correction was calculated;
 - (3) an explanation of the reason for the correction;
 - (4) a statement that the affected person may file a written complaint with the Fund if the affected person does not agree with the correction;
 - (5) instructions for filing a written complaint with the Fund; and
 - (6) a payment plan option if no future payments are due.
- c. Any overpayment of benefits may not be corrected or recovered if:
 - (1) the overpayment was made more than three (3) years before the date of the discovery of the overpayment; or
 - (2) if the Board does not adjust future payments or begin recovery within the time prescribed above.
- d. If the affected person files a written complaint, the Board will follow the procedure as set out in Texas Government Code §802.1025.

Section 11 Amendment and Termination

- 11.01 The Board reserves the right to amend or terminate the Fund, subject to the provisions and requirements of the Act.
- a. An amendment or other change adopted shall not deprive a Member of the Fund of a right to receive a vested benefit unless that Member gives written consent or unless the reduction in benefits is made in accordance with Section 16 of the Act.
 - b. All amendments to the Fund shall be made under the procedures prescribed by the Act.
 - c. The Board has the power to make any amendment to the Fund to insure the Fund is and remains qualified for purposes of Code §401 and to obtain a favorable determination letter from the IRS.
 - d. In the event of termination of the Plan, the rights of all Members to the benefits accrued to the date of such termination (to the extent funded as of such date) shall be non-forfeitable. In such event, the Plan assets will be allocated and paid in accordance with applicable law. No such termination shall cause any part of the corpus or income of the Plan to be used for or diverted to purposes other than the exclusive benefit of Members or their beneficiaries. No assets shall revert to the City.
- 11.02 Future Increases. Future retiree benefit increases will be based on the financial condition of the Fund as determined by the Fund's actuary in future actuarial valuations. The procedure for providing future retiree increases is not a vested right by any current retiree or beneficiary or by any Member who becomes eligible for a benefit after November 1, 1997. This plan provision, which is applicable for both current and future retirees, can be removed from the plan or changed in the future by election of the Members and approval by the Board and the Fund's actuary. The procedure for determining future retiree increases is as follows:
- a. If the Fund's actuary determines (after all necessary actuarial assumption changes, method changes, adjustments, etc., have been made to the existing plan provisions) that the financial condition of the Fund can allow benefit improvements to be made to the plan, the maximum number of years that the amortization period of the unfunded actuarial accrued liability can be increased for benefit improvements of any type will be determined.
 - b. A retiree monthly benefit increase will be provided so that the retiree increase causes the amortization period to increase by a minimum of 33% of the maximum number of years the actuary determines that the amortization period can be increased. The actuary will have the discretion to use "rounded" numbers to determine the amount of the monthly benefit increase.
 - c. Of the total funding determined on the above stated basis to be available for retiree benefit raises, fifteen percent (15%) of the total funding allocated to pensioners shall be used to increase the minimum monthly pension benefit. The Board may choose to use a higher percentage for this purpose if it sees fit. The minimum monthly pension benefit shall not be an amount greater than one-half of the monthly base pay of a recruit Member on the City Fire

Department as that base pay exists on the effective date of the Plan. If the fifteen percent (15%) allocation causes the minimum monthly pension benefit to be higher than one-half of the monthly base pay of a recruit Member, that allocation shall be reduced. The minimum monthly benefit will not be applicable for surviving children or non-spouse beneficiaries.

Section 12 Board of Trustees

- 12.01 The duties and responsibilities of the Board shall include, but not necessarily be limited to, the following:
- a. To construe the provisions of the Fund and determine all questions arising hereunder.
 - b. To determine all questions relating to eligibility and participation.
 - c. To determine and certify the amount of all benefits hereunder.
 - d. To establish uniform rules and procedures to be followed for administrative purposes, benefit applications and all matters required to administer the Fund.
 - e. To receive and process all applications for benefits.
 - f. To authorize all payments whatsoever from the Fund and to notify the disbursing agent in writing of approved benefit payments and other expenditures arising through the operation of the Fund.
 - g. To perform such other duties required to administer the Fund.
 - h. To invest and reinvest the assets of the Fund.
 - i. Any powers and functions of the Board may be performed or carried out by the Board through authorized agents provided the Board at all times maintains continuous supervision over the acts of any such agent.
- 12.02 The Board shall establish administrative procedures to be utilized in processing claims or matters which affect the substantial rights of any person, including Participants, retirees, beneficiaries or any person affected by a decision of the Board.
- 12.03 Any person or persons involved in the administration of the Plan shall be entitled to rely upon any representation made or evidence furnished by a Member or beneficiary with respect to age or other facts required to be determined under any of the provisions of the Plan and shall not be liable on account of the payment of any monies in reliance on those representations. Any representation or evidence shall be binding upon the Member or beneficiary making or furnishing it but not upon the City, the Board or any other person or persons involved in the administration of the Plan. Any of those parties may contest any representation or evidence. Each Member and beneficiary has a duty to submit satisfactory proof of age and other facts.

Section 13
Miscellaneous Provisions Applicable to the Fund

- 13.01 It shall be impossible under this Plan and trust, at any time prior to the satisfaction of all liabilities with respect to Members and their beneficiaries under the Plan and trust for any part of the corpus or income to be used for, or diverted to, purposes other than the exclusive benefit of Members or their beneficiaries. In the event of termination of the Plan or complete discontinuance of contributions under the Plan, the rights of all Members to benefits accrued to the date of such termination or discontinuance (to the extent funded as of such date), shall be nonforfeitable.
- 13.02 Forfeitures shall not be applied to increase the benefits any Member would otherwise receive under the Plan.
- 13.03 For the purposes of calculating actuarially equivalent benefits, the following assumptions shall be used for all Plan participants unless other factors are specified in the Plan:
- Mortality: UP 1994 Male Mortality Table, with no age adjustments or projections
Interest: Eight and one-half percent (8.5%) per annum, compounded annually
- 13.04 The right of any Member or beneficiary to any benefit or payment under this Fund shall not be subject to voluntary or involuntary transfer, alienation, or assignment;
- a. All amounts in the Fund and all rights accruing or accrued under the Fund to any Member or beneficiary are exempt from garnishment, attachment, execution, state and municipal taxation, sale, levy, and any other process and are unassignable. This provision is expressly intended to comply with and be subject to the provisions of §§42.0021 and 121.055 of Texas Property Code.
- b. The above prohibition shall also apply to the creation, assignment, or recognition of a right to any benefit payable pursuant to a domestic relations order, unless such order is determined to be a Qualified Domestic Relations Order under Subchapter A of Chapter 804 of the Texas Government Code. To the extent a qualified joint survivor annuity benefit is provided, the former spouse of the Member shall be treated as a surviving spouse of Member for such purposes if married for at least one (1) year.
- c. Payments may be made to an alternate payee under a qualified domestic relations order only if the Board of Trustees determines an order constitutes a qualified domestic relations order (Qualified Domestic Relations Order) as defined by Subchapter A of Chapter 804 of the Texas Government Code. A Qualified Domestic Relations Order may not (i) require the Plan to provide any type or form of benefits or any option that is not otherwise provided herein, (ii) require the Plan to provide increased benefits, and (iii) require the payment of benefits to an alternate payee which are required to be paid to another alternate payee under another Qualified Domestic Relations Order.
- 13.05 If any provision of this Plan is held to be illegal or invalid, such illegal or invalid provision shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if such illegal or invalid provision had never been in the Plan.
- 13.06 All provisions of the Fund shall be administered under the laws of the State of Texas unless superseded by federal law.

13.07 The Board has adopted the provisions of Subchapter A and Subchapter C of Chapter 804 of Texas Government Code. This election is intended to comply with the provisions of §804.002 of the Texas Government Code.

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TABLE 1

**For Members with 20 Years of Service
 Immediate Early Service Retirement Benefit Described as Percentage
 of Accrued Benefit Payable at Age 50 Based on
 Early Retirement Age in Completed Years and Months at Date of Early Retirement
 Effective December 1, 2001**

Age At Retirement	MONTHS											
	0	1	2	3	4	5	6	7	8	9	10	11
37	31.96%	32.20%	32.44%	32.67%	32.91%	33.15%	33.39%	33.62%	33.86%	34.10%	34.34%	34.57%
38	34.81	35.07	35.33	35.59	35.85	36.11	36.37	36.63	36.89	37.15	37.41	37.67
39	37.93	38.21	38.50	38.78	39.06	39.35	39.63	39.91	40.20	40.48	40.76	41.05
40	41.33	41.64	41.95	42.26	42.57	42.88	43.19	43.50	43.81	44.12	44.43	44.74
41	45.05	45.39	45.73	46.07	46.41	46.75	47.09	47.43	47.77	48.11	48.45	48.79
42	49.13	49.50	49.88	50.25	50.62	50.99	51.37	51.74	52.11	52.48	52.86	53.23
43	53.60	54.01	54.42	54.83	55.24	55.65	56.06	56.46	56.87	57.28	57.69	58.10
44	58.51	58.96	59.41	59.85	60.30	60.75	61.20	61.64	62.09	62.54	62.99	63.43
45	63.88	64.37	64.87	65.36	65.85	66.34	66.84	67.33	67.82	68.31	68.81	69.30
46	69.79	70.33	70.87	71.42	71.96	72.50	73.04	73.58	74.12	74.67	75.21	75.75
47	76.29	76.89	77.48	78.08	78.67	79.27	79.86	80.46	81.05	81.65	82.24	82.84
48	83.43	84.09	84.74	85.40	86.06	86.71	87.37	88.03	88.68	89.34	90.00	90.65
49	91.31	92.03	92.76	93.48	94.21	94.93	95.66	96.38	97.10	97.83	98.55	99.28
50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

The above percentages are determined on an actuarially equivalent basis using an interest rate of 8.5% and the UP-1994 Mortality Tables with no age adjustment or projection and assuming that the spouse will be two years younger than the member, assumed to be male.

Table 2

**For Members Electing the PLSO Option
With Either the Normal Service Retirement Form or Any Section 2.06 Joint and Survivor Option**

Effective November 1, 2003

Age at Retirement	Percentage of Normal Service Retirement Monthly Benefit Based on number of Months Elected for PLSO Lump Sum											
	1 Month	2 Months	3 Months	4 Months	5 Months	6 Months	7 Months	8 Months	9 Months	10 Months	11 Months	12 Months
50	99.2617	98.5233	97.7850	97.0467	96.3083	95.5700	94.8317	94.0933	93.3550	92.6167	91.8783	91.1400
51	99.2567	98.5133	97.7700	97.0267	96.2833	95.5400	94.7967	94.0533	93.3100	92.5667	91.8233	91.0800
52	99.2517	98.5033	97.7550	97.0067	96.2583	95.5100	94.7617	94.0133	93.2650	92.5167	91.7683	91.0200
53	99.2467	98.4933	97.7400	96.9867	96.2333	95.4800	94.7267	93.9733	93.2200	92.4667	91.7133	90.9600
54	99.2408	98.4817	97.7225	96.9633	96.2042	95.4450	94.6858	93.9267	93.1675	92.4083	91.6492	90.8900
55	99.2350	98.4700	97.7050	96.9400	96.1750	95.4100	94.6450	93.8800	93.1150	92.3500	91.5850	90.8200
56	99.2283	98.4567	97.6850	96.9133	96.1417	95.3700	94.5983	93.8267	93.0550	92.2833	91.5117	90.7400
57	99.2217	98.4433	97.6650	96.8867	96.1083	95.3300	94.5517	93.7733	92.9950	92.2167	91.4383	90.6600
58	99.2142	98.4283	97.6425	96.8567	96.0708	95.2850	94.4992	93.7133	92.9275	92.1417	91.3558	90.5700
59	99.2058	98.4117	97.6175	96.8233	96.0292	95.2350	94.4408	93.6467	92.8525	92.0583	91.2642	90.4700
60	99.1967	98.3933	97.5900	96.7867	95.9833	95.1800	94.3767	93.5733	92.7700	91.9667	91.1633	90.3600
61	99.1875	98.3750	97.5625	96.7500	95.9375	95.1250	94.3125	93.5000	92.6875	91.8750	91.0625	90.2500
62	99.1775	98.3550	97.5325	96.7100	95.8875	95.0650	94.2425	93.4200	92.5975	91.7750	90.9525	90.1300
63	99.1658	98.3317	97.4975	96.6633	95.8292	94.9950	94.1608	93.3267	92.4925	91.6583	90.8242	89.9900
64	99.1542	98.3083	97.4625	96.6167	95.7708	94.9250	94.0792	93.2333	92.3875	91.5417	90.6958	89.8500
65	99.1417	98.2833	97.4250	96.5667	95.7083	94.8500	93.9917	93.1333	92.2750	91.4167	90.5583	89.7000

Age at Retirement	Percentage of Normal Service Retirement Monthly Benefit Based on number of Months Elected for PLSO Lump Sum											
	13 Months	14 Months	15 Months	16 Months	17 Months	18 Months	19 Months	20 Months	21 Months	22 Months	23 Months	24 Months
50	90.4008	89.6617	88.9225	88.1833	87.4442	86.7050	85.9658	85.2267	84.4875	83.7483	83.0092	82.2700
51	90.3375	89.5950	88.8525	88.1100	87.3675	86.6250	85.8825	85.1400	84.3975	83.6550	82.9125	82.1700
52	90.2725	89.5250	88.7775	88.0300	87.2825	86.5350	85.7875	85.0400	84.2925	83.5450	82.7975	82.0500
53	90.2067	89.4533	88.7000	87.9467	87.1933	86.4400	85.6867	84.9333	84.1800	83.4267	82.6733	81.9200
54	90.1317	89.3733	88.6150	87.8567	87.0983	86.3400	85.5817	84.8233	84.0650	83.3067	82.5483	81.7900
55	90.0550	89.2900	88.5250	87.7600	86.9950	86.2300	85.4650	84.7000	83.9350	83.1700	82.4050	81.6400
56	89.9692	89.1983	88.4275	87.6567	86.8858	86.1150	85.3442	84.5733	83.8025	83.0317	82.2608	81.4900
57	89.8817	89.1033	88.3250	87.5467	86.7683	85.9900	85.2117	84.4333	83.6550	82.8767	82.0983	81.3200
58	89.7833	88.9967	88.2100	87.4233	86.6367	85.8500	85.0633	84.2767	83.4900	82.7033	81.9167	81.1300
59	89.6758	88.8817	88.0875	87.2933	86.4992	85.7050	84.9108	84.1167	83.3225	82.5283	81.7342	80.9400
60	89.5567	88.7533	87.9500	87.1467	86.3433	85.5400	84.7367	83.9333	83.1300	82.3267	81.5233	80.7200
61	89.4375	88.6250	87.8125	87.0000	86.1875	85.3750	84.5625	83.7500	82.9375	82.1250	81.3125	80.5000
62	89.3067	88.4833	87.6600	86.8367	86.0133	85.1900	84.3667	83.5433	82.7200	81.8967	81.0733	80.2500
63	89.1567	88.3233	87.4900	86.6567	85.8233	84.9900	84.1567	83.3233	82.4900	81.6567	80.8233	79.9900
64	89.0050	88.1600	87.3150	86.4700	85.6250	84.7800	83.9350	83.0900	82.2450	81.4000	80.5550	79.7100
65	88.8425	87.9850	87.1275	86.2700	85.4125	84.5550	83.6975	82.8400	81.9825	81.1250	80.2675	79.4100

Age at Retirement	Percentage of Normal Service Retirement Monthly Benefit Based on number of Months Elected for PLSO Lump Sum											
	25 Months	26 Months	27 Months	28 Months	29 Months	30 Months	31 Months	32 Months	33 Months	34 Months	36 Months	36 Months
50	81.5317	80.7933	80.0550	79.3167	78.5783	77.8400	77.1017	76.3633	75.6250	74.8867	74.1483	73.4100
51	81.4267	80.6833	79.9400	79.1967	78.4533	77.7100	76.9667	76.2233	75.4800	74.7367	73.9933	73.2500
52	81.3017	80.5533	79.8050	79.0567	78.3083	77.5600	76.8117	76.0633	75.3150	74.5667	73.8183	73.0700
53	81.1675	80.4150	79.6625	78.9100	78.1575	77.4050	76.6525	75.9000	75.1475	74.3950	73.6425	72.8900
54	81.0308	80.2717	79.5125	78.7533	77.9942	77.2350	76.4758	75.7167	74.9575	74.1983	73.4392	72.6800
55	80.8758	80.1117	79.3475	78.5833	77.8192	77.0550	76.2908	75.5267	74.7625	73.9983	73.2342	72.4700
56	80.7183	79.9467	79.1750	78.4033	77.6317	76.8600	76.0883	75.3167	74.5450	73.7733	73.0017	72.2300
57	80.5408	79.7617	78.9825	78.2033	77.4242	76.6450	75.8658	75.0867	74.3075	73.5283	72.7492	71.9700
58	80.3442	79.5583	78.7725	77.9867	77.2008	76.4150	75.6292	74.8433	74.0575	73.2717	72.4858	71.7000
59	80.1450	79.3500	78.5550	77.7600	76.9650	76.1700	75.3750	74.5800	73.7850	72.9900	72.1950	71.4000
60	79.9175	79.1150	78.3125	77.5100	76.7075	75.9050	75.1025	74.3000	73.4975	72.6950	71.8925	71.0900
61	79.6867	78.8733	78.0600	77.2467	76.4333	75.6200	74.8067	73.9933	73.1800	72.3667	71.5533	70.7400
62	79.4275	78.6050	77.7825	76.9600	76.1375	75.3150	74.4925	73.6700	72.8475	72.0250	71.2025	70.3800
63	79.1558	78.3217	77.4875	76.6533	75.8192	74.9850	74.1508	73.3167	72.4825	71.6483	70.8142	69.9800
64	78.8642	78.0183	77.1725	76.3267	75.4808	74.6350	73.7892	72.9433	72.0975	71.2517	70.4058	69.5600
65	78.5517	77.6933	76.8350	75.9767	75.1183	74.2600	73.4017	72.5433	71.6850	70.8267	69.9683	69.1100

The Percentages will be interpolated between whole ages based on the member's age in completed years and months.

The percentages are determined on an actuarially equivalent basis using an interest rate of 8.5% and the UP-1994 Mortality Tables with no age adjustment or projection and assuming the spouse will be two years younger than the member, assumed to be male.

These factors are subject to change depending on the change in the interest rate, mortality tables and any other changes necessary for the determination of actuarial equivalency.

Table 3

For Members Electing the PLSO Option
With the Straight Life Option

Effective November 1, 2003

Age at Retirement	Percentage of Straight Life Monthly Benefit Based on number of Months Elected for PLSO Lump Sum											
	1 Month	2 Months	3 Months	4 Months	5 Months	6 Months	7 Months	8 Months	9 Months	10 Months	11 Months	12 Months
50	99.2158	98.4317	97.6475	96.8633	96.0792	95.2950	94.5108	93.7267	92.9425	92.1583	91.3742	90.5900
51	99.2075	98.4150	97.6225	96.8300	96.0375	95.2450	94.4525	93.6600	92.8675	92.0750	91.2825	90.4900
52	99.1992	98.3983	97.5975	96.7967	95.9958	95.1950	94.3942	93.5933	92.7925	91.9917	91.1908	90.3900
53	99.1900	98.3800	97.5700	96.7600	95.9500	95.1400	94.3300	93.5200	92.7100	91.9000	91.0900	90.2800
54	99.1808	98.3617	97.5425	96.7233	95.9042	95.0850	94.2658	93.4467	92.6275	91.8083	90.9892	90.1700
55	99.1700	98.3400	97.5100	96.6800	95.8500	95.0200	94.1900	93.3600	92.5300	91.7000	90.8700	90.0400
56	99.1583	98.3167	97.4750	96.6333	95.7917	94.9500	94.1083	93.2667	92.4250	91.5833	90.7417	89.9000
57	99.1467	98.2933	97.4400	96.5867	95.7333	94.8800	94.0267	93.1733	92.3200	91.4667	90.6133	89.7600
58	99.1333	98.2667	97.4000	96.5333	95.6667	94.8000	93.9333	93.0667	92.2000	91.3333	90.4667	89.6000
59	99.1192	98.2383	97.3575	96.4767	95.5958	94.7150	93.8342	92.9533	92.0725	91.1917	90.3108	89.4300
60	99.1042	98.2083	97.3125	96.4167	95.5208	94.6250	93.7292	92.8333	91.9375	91.0417	90.1458	89.2500
61	99.0875	98.1750	97.2625	96.3500	95.4375	94.5250	93.6125	92.7000	91.7875	90.8750	89.9625	89.0500
62	99.0700	98.1400	97.2100	96.2800	95.3500	94.4200	93.4900	92.5600	91.6300	90.7000	89.7700	88.8400
63	99.0517	98.1033	97.1550	96.2067	95.2583	94.3100	93.3617	92.4133	91.4650	90.5167	89.5683	88.6200
64	99.0325	98.0650	97.0975	96.1300	95.1625	94.1950	93.2275	92.2600	91.2925	90.3250	89.3575	88.3900
65	99.0108	98.0217	97.0325	96.0433	95.0542	94.0650	93.0758	92.0867	91.0975	90.1083	89.1192	88.1300

Age at Retirement	Percentage of Straight Life Monthly Benefit Based on number of Months Elected for PLSO Lump Sum											
	13 Month	14 Months	15 Months	16 Months	17 Months	18 Months	19 Months	20 Months	21 Months	22 Months	23 Months	24 Months
50	89.8058	89.0217	88.2375	87.4533	86.6692	85.8850	85.1008	84.3167	83.5325	82.7483	81.9642	81.1800
51	89.6983	88.9067	88.1150	87.3233	86.5317	85.7400	84.9483	84.1567	83.3650	82.5733	81.7817	80.9900
52	89.5900	88.7900	87.9900	87.1900	86.3900	85.5900	84.7900	83.9900	83.1900	82.3900	81.5900	80.7900
53	89.4708	88.6617	87.8525	87.0433	86.2342	85.4250	84.6158	83.8067	82.9975	82.1883	81.3792	80.5700
54	89.3500	88.5300	87.7100	86.8900	86.0700	85.2500	84.4300	83.6100	82.7900	81.9700	81.1500	80.3300
55	89.2100	88.3800	87.5500	86.7200	85.8900	85.0600	84.2300	83.4000	82.5700	81.7400	80.9100	80.0800
56	89.0592	88.2183	87.3775	86.5367	85.6958	84.8550	84.0142	83.1733	82.3325	81.4917	80.6508	79.8100
57	88.9058	88.0517	87.1975	86.3433	85.4892	84.6350	83.7808	82.9267	82.0725	81.2183	80.3642	79.5100
58	88.7333	87.8667	87.0000	86.1333	85.2667	84.4000	83.5333	82.6667	81.8000	80.9333	80.0667	79.2000
59	88.5492	87.6683	86.7875	85.9067	85.0258	84.1450	83.2642	82.3833	81.5025	80.6217	79.7408	78.8600
60	88.3542	87.4583	86.5625	85.6667	84.7708	83.8750	82.9792	82.0833	81.1875	80.2917	79.3958	78.5000
61	88.1383	87.2267	86.3150	85.4033	84.4917	83.5800	82.6683	81.7567	80.8450	79.9333	79.0217	78.1100
62	87.9108	86.9817	86.0525	85.1233	84.1942	83.2650	82.3358	81.4067	80.4775	79.5483	78.6192	77.6900
63	87.6717	86.7233	85.7750	84.8267	83.8783	82.9300	81.9817	81.0333	80.0850	79.1367	78.1883	77.2400
64	87.4217	86.4533	85.4850	84.5167	83.5483	82.5800	81.6117	80.6433	79.6750	78.7067	77.7383	76.7700
65	87.1417	86.1533	85.1650	84.1767	83.1883	82.2000	81.2117	80.2233	79.2350	78.2467	77.2583	76.2700

Age at Retirement	Percentage of Straight Life Monthly Benefit Based on number of Months Elected for PLSO Lump Sum											
	25 Month	26 Months	27 Months	28 Months	29 Months	30 Months	31 Months	32 Months	33 Months	34 Months	35 Months	36 Months
50	80.3958	79.6117	78.8275	78.0433	77.2592	76.4750	75.6908	74.9067	74.1225	73.3383	72.5542	71.7700
51	80.1975	79.4050	78.6125	77.8200	77.0275	76.2350	75.4425	74.6500	73.8575	73.0650	72.2725	71.4800
52	79.9892	79.1883	78.3875	77.5867	76.7858	75.9850	75.1842	74.3833	73.5825	72.7817	71.9808	71.1800
53	79.7600	78.9500	78.1400	77.3300	76.5200	75.7100	74.9000	74.0900	73.2800	72.4700	71.6600	70.8500
54	79.5108	78.6917	77.8725	77.0533	76.2342	75.4150	74.5958	73.7767	72.9575	72.1383	71.3192	70.5000
55	79.2500	78.4200	77.5900	76.7600	75.9300	75.1000	74.2700	73.4400	72.6100	71.7800	70.9500	70.1200
56	78.9683	78.1267	77.2850	76.4433	75.6017	74.7600	73.9183	73.0767	72.2350	71.3933	70.5517	69.7100
57	78.6567	77.8033	76.9500	76.0967	75.2433	74.3900	73.5367	72.6833	71.8300	70.9767	70.1233	69.2700
58	78.3333	77.4667	76.6000	75.7333	74.8667	74.0000	73.1333	72.2667	71.4000	70.5333	69.6667	68.8000
59	77.9792	77.0983	76.2175	75.3367	74.4558	73.5750	72.6942	71.8133	70.9325	70.0517	69.1708	68.2900
60	77.6033	76.7067	75.8100	74.9133	74.0167	73.1200	72.2233	71.3267	70.4300	69.5333	68.6367	67.7400
61	77.1975	76.2850	75.3725	74.4600	73.5475	72.6350	71.7225	70.8100	69.8975	68.9850	68.0725	67.1600
62	76.7600	75.8300	74.9000	73.9700	73.0400	72.1100	71.1800	70.2500	69.3200	68.3900	67.4600	66.5300
63	76.2925	75.3450	74.3975	73.4500	72.5025	71.5550	70.6075	69.6600	68.7125	67.7650	66.8175	65.8700
64	75.8025	74.8350	73.8675	72.9000	71.9325	70.9650	69.9975	69.0300	68.0625	67.0950	66.1275	65.1600
65	75.2808	74.2917	73.3025	72.3133	71.3242	70.3350	69.3458	68.3567	67.3675	66.3783	65.3892	64.4000

The Percentages will be interpolated between whole ages based on the member's age in completed years and months.

The percentages are determined on an actuarially equivalent basis using an interest rate of 8.5% and the UP-1994 Mortality Tables with no age adjustment or projection and assuming the spouse will be two years younger than the member, assumed to be male.

These factors are subject to change depending on the change in the interest rate, mortality tables and any other changes necessary for the determination of actuarial equivalency.