CHAPTER 2.5: RETIREMENT

Article

I. EMPLOYEES' RETIREMENT FUND

II. RETIRED EMPLOYEES' GROUP DEATH BENEFIT FUND

III. SUPPLEMENTAL RETIREMENT ORDINANCE

Charter reference:

Employees' retirement fund, see Ch. XXVII, § 36

Cross-reference:

Human resources, see §§ 2-176 et seq.

Retired employee health coverage, see § 2-190

Editor's note:

Ord. 20471-10-2012, adopted Oct. 23, 2012, repealed former Ch. 2, Art. VI ("RETIREMENT") in its entirety and enacted new provisions designated as Ch. 2.5, §§ 2.5-1 through 2.5-235, pertaining to the same subject matter.

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§ 2.5-1 DEFINITIONS.

The following words, terms and phrases, when used in this chapter, as amended, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning. The masculine pronouns, wherever used herein, shall include both male and female persons.

**ACTUARIAL EQUIVALENT AND ACTUARILY EQUIVALENT.** Equality in value of the aggregate amounts expected to be received under different forms of payment based upon the actuarial factors and assumptions used by the actuary with the approval of the board.

**ACTUARIAL TABLES.** Such tables of mortality, interest rates, turnover discounts, salary scales, etc., as shall be used by the actuary with approval of the board.

**ACTUARY.** The technical advisor regarding the operations, which are based on mortality, service and compensation experience, who makes periodic valuations of the assets and liabilities of the fund and other evaluations as requested by the board and the governing body.

**ALTERNATIVE PENSION BENEFIT.** Shall have the meaning as set forth in the following sections:

1. Section 2.5-25 for group III members;
2. Section 2.5-35 for group IV members;
3. Section 2.5-45 for group I members;
4. Section 2.5-55 for group II members;
5. Section 2.5-65 for group V firefighters; and
6. Section 2.5-75 for group VI firefighters.

**BASE PENSION.** The annual life pension a member receives as set forth in the following sections:

1. Section 2.5-25 for group III members;
2. Section 2.5-35 for group IV members;
3. Section 2.5-45 for group I members;
4. Section 2.5-55 for group II members;
5. Section 2.5-65 for group V firefighters; and
6. Section 2.5-75 for group VI firefighters.

**BENEFICIARY.** Any person in receipt of a retirement benefit or any other benefit provided under this chapter.

**BOARD.** The board of trustees of the employees' retirement fund of the City of Fort Worth.

**BUILT-IN OVERTIME.** The overtime earned as a result of suppression firefighters working their regular schedules, that is, the hours worked in excess of 212 hours in the city's regular 28-day pay cycle for firefighters. This definition does not include constant staffing overtime (CSOT) or emergency callback overtime (ECOT). In each 28-day pay cycle, a suppression firefighter is scheduled to work either 216, 224 or 232 hours. The number of hours in each 28-day pay cycle that are in excess of 212 is the **BUILT-IN OVERTIME** that the suppression firefighter will earn for that particular 28-day pay cycle. Thus, the maximum amount of **BUILT-IN**
OVERTIME that a suppression firefighter can earn per 28-day pay cycle is four hours (when the suppression firefighter is scheduled to work 216 hours), or 12 hours (when the suppression firefighter is scheduled to work 224 hours), or 20 hours (when the suppression firefighter is scheduled to work 232 hours).

CASH BALANCE ACCOUNT. The individual nominal account established for general employees hired on or after July 1, 2011, to account for overtime contributions made to the fund.

CITY. The City of Fort Worth, Texas.

CODE. The United States Internal Revenue Code, as amended, and any successor thereof.

COMPENSATION BASE. Shall have the meanings set forth in the following sections:

1. Section 2.5-23 for group III members;
2. Section 2.5-33 for group IV members;
3. Section 2.5-43 for group I members;
4. Section 2.5-53 for group II members;
5. Section 2.5-63 for group V firefighters; and
6. Section 2.5-73 for group VI firefighters.

CREDITED SERVICE. The number of years (treating each complete month of service as one-twelfth of a year) in which an employee has participated in the employees' retirement fund of the City of Fort Worth, Texas, including unused accumulated sick leave and major medical leave pursuant to § 2.5-4. Service for 15 or more calendar days in any month shall constitute a complete month of service; service for less than 15 calendar days in any month shall constitute a complete month of absence. Notwithstanding the preceding provisions of this definition of CREDITED SERVICE, the period of time following a member's effective DROP election shall not be included when determining a member's credited service. A member may have his or her proof of credited service increased through the purchase of permissive service credits as provided in § 2.5-4(c).

DROP. The deferred retirement option program as set forth in § 2.5-9.

DROP ACCOUNT. The account created pursuant to § 2.5-9(d) for a member who has made a DROP election.

DROP ELECTION. The election made by a member pursuant to § 2.5-9 to participate in the DROP.

EARNED INCOME. For purposes of § 2.5-7, those wages, salaries, tips, commissions, monetary bonuses or professional fees, and other amounts received as compensation for personal services actually rendered, including any compensation deferred under a deferred compensation program.

EARNINGS. Shall have the meaning set forth in the following sections:

1. Section 2.5-21 for group III members;
2. Section 2.5-31 for group IV members;
3. Section 2.5-41 for group I members;
4. Section 2.5-51 for group II members;
5. Section 2.5-61 for group V firefighters; and
6. Section 2.5-71 for group VI firefighters.

EXECUTIVE DIRECTOR. The individual appointed by the board to supervise the administrative affairs of the fund and carry out the business of the fund.

FISCAL YEAR. The period from October 1 of one year through September 30 of the following year.

FUND. The employees' retirement fund of the City of Fort Worth, Texas.

GENERAL EMPLOYEE. A member of the fund who is not a police officer or firefighter.
GOVERNING BODY. The city council for the City of Fort Worth.

GROUP I MEMBER. A general employee hired prior to July 1, 2011.

GROUP II MEMBER. A general employee hired on or after July 1, 2011.

GROUP III MEMBER. A police officer hired prior to January 1, 2013.

GROUP IV MEMBER. A police officer hired on or after January 1, 2013.

GROUP V FIREFIGHTER.

(1) A firefighter member hired prior to January 10, 2015.

(2) Any member of the Fort Worth fire department, hired prior to January 10, 2015 who was hired in substantial compliance with Tex. Local Government Code Chapter 143, or as modified by the provisions of the city's collective bargaining agreement with the Fort Worth Professional Firefighters Association IAFF Local 440, and any firefighter trainee who is employed by the city for the sole purpose of attending the City of Fort Worth fire department's training academy.

GROUP VI FIREFIGHTER.

(1) A firefighter member hired on or after January 10, 2015.

(2) Any member of the Fort Worth fire department, hired on or after January 10, 2015, who was hired in substantial compliance with Tex. Local Government Code Chapter 143, or as modified by the provisions of the city's collective bargaining agreement with the Fort Worth Professional Firefighters Association IAFF Local 440, and any firefighter trainee who is employed by the city for the sole purpose of attending the City of Fort Worth fire department's training academy.

LEGITIMATE CHILDREN. Those children legitimate to their respective parent(s), as legitimacy is defined by the Texas Family Code and the Texas Probate Code, as amended.

LINE OF DUTY. In the course of the operation usual to a member's employment, including all operations necessary, incident or appurtenant thereto or connected therewith, whether such operations are conducted at the usual place of employment or elsewhere.

MEMBER. A "participating member" as defined by Tex. Revised Civil Statutes Article 6243i, § 1.02(4).

NET EARNINGS FROM SELF-EMPLOYMENT. Shall constitute, for purposes of § 2.5-7, the NET EARNINGS FROM SELF-EMPLOYMENT as reflected upon the Internal Revenue Form Schedule SE and its successors, which schedule is attached to Internal Revenue Form 1040 and its successors.

NORMAL RETIREMENT DATE. Shall have the meaning set forth in the following sections:

(1) Section 2.5-22 for group III members;

(2) Section 2.5-32 for group IV members;

(3) Section 2.5-42 for group I members;

(4) Section 2.5-52 for group II members;

(5) Section 2.5-62 for group V firefighters; and

(6) Section 2.5-72 for group VI firefighters.

PERMISSIVE SERVICE CREDITS. A member's voluntary purchase of additional periods of credited service pursuant to § 2.5-4(c).

POLICE OFFICER. A member of the City of Fort Worth police department, who has acquired civil service status pursuant to Tex. Local Government Code Chapter 143, as amended, as well as a beginning employee of the City of Fort Worth police department currently serving a one-year probationary period pursuant to Tex. Local Government Code Chapter 143, as amended.

REGULAR INTEREST. Interest compounded biweekly which should equal but not exceed the effective annual rate of 5.25% computed on a calendar year basis.

RETIREMENT BENEFIT. A pension for life, as provided in this chapter, payable each year in 12 equal monthly installments,
beginning as of the date fixed by the board in accordance with the provisions of this chapter.

**STANDARD PENSION BENEFIT.** Shall have the meaning set forth in the following sections:

1. Section 2.5-25 for group III members;
2. Section 2.5-35 for group IV members;
3. Section 2.5-45 for group I members;
4. Section 2.5-55 for group II members;
5. Section 2.5-65 for group V firefighters; and
6. Section 2.5-75 for group VI firefighters.

**TERMINATION OF EMPLOYMENT.** Complete severance of employment of any member as an employee of the city by any act or means except death, disability or retirement.

**TRUSTEE.** A person appointed or elected to administer the fund.

**VESTED.** The rights accrued under this article by a member of the fund who has been a member for five years or more, or who has attained his or her retirement date, as described in this chapter. Such rights shall also accrue to all members of the fund at the time of termination of the fund, at the time of any complete discontinuance of the city's contributions to the fund, and to members affected at the time of any partial termination of the fund, but only to the extent that the benefits of such members have been funded.

**VESTED RETIREMENT DATE.** Shall have the meaning as set forth in the following sections:

1. Section 2.5-22(b) for group III members;
2. Section 2.5-32(b) for group IV members;
3. Section 2.5-42(b) for group I members;
4. Section 2.5-52(b) for group II members;
5. Section 2.5-62(b) for group V firefighters; and
6. Section 2.5-72(b) for group VI firefighters.

**VESTED TERMINATION PENSION.** Shall have the meaning as set forth in the following sections:

1. Section 2.5-24(b) for group III members;
2. Section 2.5-34(b) for group IV members;
3. Section 2.5-44(b) for group I members;
4. Section 2.5-54(b) for group II members;
5. Section 2.5-64(b) for group V firefighters; and
6. Section 2.5-74(b) for group VI firefighters.

(Ord. 20471-10-2012, § 2, passed 10-23-2012; Ord. 21459-09-2014, § 1, passed 9-16-2014; Ord. 21510-10-2014, § 1, passed 10-21-2014)

§ 2.5-2  MEMBERSHIP IN THE FUND.

(a) Membership in the fund shall be based on the requirements set forth in Tex. Revised Civil Statutes Article 6243i, § 2.01, provided however, that membership in the fund shall be a condition of employment for all employees who are eligible to be members.

(b) If a group I member terminates employment with the city after vesting, takes a refund of contributions, and then returns to service with the city after July 1, 2011, then the group I member will be treated as if he or she was hired after July 1, 2011, even if the member purchases permissive service credits pursuant to § 2.5-4.
(c) If a group I member terminates employment with the city after vesting, does not take a refund of contributions, and then returns to service with the city after July 1, 2011, then the group I member will be treated as if he or she was hired prior to July 1, 2011.

(d) If a group I member terminates employment with the city prior to vesting, and then returns to service with the city after July 1, 2011, then the group I member will be treated as if he or she was hired after July 1, 2011, even if he or she purchases permissive service credits pursuant to § 2.5-4, or failed to take a refund of contributions.

(e) For pension purposes, if a group III member terminates employment with the city after vesting, takes a refund of contributions, and then returns to service with the city after January 1, 2013, then the group III member will be treated as if the group III member was hired after January 1, 2013, even if the group III member purchases permissive service credits pursuant to § 2.5-4.

(f) For pension purposes, if a group III member terminates employment with the city after vesting, does not take a refund of contributions, and then returns to service with the city after January 1, 2013, then the group III member will be treated as if the group III member was hired prior to January 1, 2013.

(g) For pension purposes, if a group III member terminates employment with the city prior to vesting, and then returns to service with the city after January 1, 2013, the group III member will be treated as if the group III member was hired after January 1, 2013, even if the group III member purchases permissive service credits pursuant to § 2.5-4, or failed to take a refund of contributions.

(h) For pension purposes, if a group V firefighter terminates employment with the city after vesting, takes a refund of contributions, and then returns to service with the city after January 10, 2015, then the group V firefighter will be treated as if the group V firefighter was hired after January 10, 2015, even if the group V firefighter purchases permissive service credits pursuant to § 2.5-4.

(i) For pension purposes, if a group V firefighter terminates employment with the city after vesting, does not take a refund of contributions, and then returns to service with the city after January 10, 2015, then the group V firefighter will be treated as if the group V firefighter was hired prior to January 10, 2015.

(j) For pension purposes, if a group V firefighter terminates employment with the city prior to vesting, and then returns to service with the city after January 10, 2015, the group V firefighter will be treated as if the group V firefighter was hired after January 10, 2015, even if the group V firefighter purchases permissive service credits pursuant to § 2.5-4, or failed to take a refund of contributions.

(Ord. 20471-10-2012, § 2, passed 10-23-2012; Ord. 21510-10-2014, § 1, passed 10-21-2014)

§ 2.5-3 CONTRIBUTIONS.

(a) Member contributions.

(1) Commencing on the effective date of membership and continuing until the date of actual retirement or earlier termination of employment, police officer members shall contribute to the fund 8.73% of their earnings and all other members shall contribute 8.25% of their earnings.

(2) If, following a member's involuntary termination of employment, the city is required, as the direct result of an appeal or suit arising from the involuntary termination, to reinstate the member's employment, the member shall make the contribution described in this section on any payment made by the city to the member as back pay, less interim earnings, if any.

(3) Contributions by members reinstated following a military leave of absence are governed by the Uniformed Services Employment and Reemployment Rights Act, 38 U.S.C. §§ 4301-33, as provided for in § 2.5-4(a)(4) of this division. These contributions shall be made even if to do so would reduce a member's net cash compensation below the minimum wage prescribed by law.

(4) By accepting employment with the city, each member shall be deemed to consent and agree to deductions made from the member's compensation, and payments to all such members of compensation, less the deduction, shall constitute a full and complete discharge of all claims and demands whatsoever for services rendered by such member during the period covered by such payment, except as to the benefits provided by the fund.

(5) The contributions of all members may be raised at any time from the amount stated in this section to a higher amount in accordance with the procedures provided by Tex. Revised Civil Statutes Article 6243i.

(6) Both group V and group VI firefighters will make contributions to the fund on built-in overtime.
City contributions.

(1) For group III and group IV members only, effective October 1, 2010, the city shall contribute to the fund 20.46% of their earnings. For all other members, effective October 1, 2010, the city shall contribute to the fund 19.74% of their earnings. Notwithstanding the foregoing, city contribution to the fund shall be reduced for each fiscal year by the amount of benefits paid by the city, if any, under the supplemental retirement ordinance. Subsection (a) shall not limit the right of the governing body, through its budget appropriation, to contribute an additional amount over and above the member's contribution in accordance with Tex. Revised Civil Statutes Article 6243i, as amended.

(2) If, following a member's involuntary termination of employment, the city is required, as the direct result of an appeal or suit arising from the involuntary termination, to reinstate the member's employment, the city shall make the contribution described in this section on any payment by the city to the member as back pay, without reduction for the member's interim earnings, if any. In addition, the city shall, on behalf of the member, make the member's contribution described in this section above on any interim earnings deducted from the back-pay award. Contributions made by the city on behalf of members whose employment is reinstated following a military leave of absence are governed by the Uniformed Services Employment and Reemployment Rights Act, 38 U.S.C. §§ 4301-33, as provided for in subsection (a)(4) above.

(3) Effective for pay periods ending after April 1, 1999, the required member contributions described in subsection (a) above shall be picked up by the city and shall be treated as city contributions for federal income tax purposes. Such contributions, although designated as member contributions, shall be paid by the city on behalf of the members and in lieu of contributions by the members. The members shall not have the option of receiving such contributions directly instead of having such amounts paid by the city to the fund.

(4) Retirement contributions made on behalf of the members, as well as the city's contributions to the fund, shall be paid by the city based on weekly workers' compensation benefits (currently referred to as a temporary income benefits) paid to those members, beginning for such amounts received by members on or after January 1, 2006.

(5) Although effective October 1, 2013, overtime will not be included in the definition of earnings for group I and group III members, the city will continue to contribute its contribution on overtime for all group I and group III members.

(6) Although effective January 10, 2015, overtime that is not built-in overtime will not be included in the definition of earnings for group V firefighters, the city will continue to contribute its contribution on all overtime for all group V firefighters, and on built-in overtime for all group VI firefighters.

§ 2.5-4 CREDITED SERVICE.

(a) Service breaks. Pension credits shall be granted for all credited service for which a member of the fund receives employment compensation from the city, subject to the following regulations pertaining to service breaks.

(1) Authorized service breaks of 90 or less consecutive calendar days without pay shall not be deducted from credited service.

(2) Except as provided below, periods of absence in excess of 90 consecutive calendar days without pay shall be deducted from credited service, and no contributions shall be made by members or by the city during such periods.

(3) a. An absence of any period shall be permitted without loss of prior credited service, unless the member receives a distribution of his or her total contributions, plus regular interest, and any period of absence shall cancel all prior credited service if the member receives a distribution of the member's total contributions, plus regular interest; however, if a member is absent, the member may regain prior credited service by repaying the total amount of all contributions withdrawn, plus regular interest thereon (at the regular interest rate in effect on the date of repayment), less the amount received in from the member's cash balance account, from the date of withdrawal to the date of repayment, pursuant to policies adopted by the board under one of the two following options:

1. Repay in a single lump sum payment within 90 days of reemployment; or

2. Repay through a payroll deduction pay-back plan which commences within 90 days of reemployment, and provides that regular interest will be charged throughout the pay-back period and that the repayment period will not exceed seven years.

b. A rehired member who does not timely elect one of these two options and timely repay the prior contributions (plus regular interest) will waive his or her right to prior credited service. Members who received a refund of the proceeds in their cash balance account are not required to repay that amount to regain credited service under this provision. A refund of the proceeds in the cash...
(4) Effective on or after December 12, 1994, any member who is reemployed by the city upon completion of service in the uniformed services (within the time frame provided under the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended), shall be granted credited service for such uniformed service, provided the member makes the contributions (with no interest) to the fund that the member would have been required to contribute if the member had remained continuously employed by the city throughout the period of uniformed service. Such payment must be made during the period which commences with the date of reemployment by the city and which duration is three times the period of the member's service in the uniformed services, not to exceed five years. If a reemployed member makes such contributions, the city shall also make its corresponding contributions to the fund. This provision shall be construed consistently with the requirements of the Uniformed Services Employment and Reemployment Act of 1994, as amended.

(5) Any member whose employment was terminated involuntarily and was thereafter reinstated as the direct result of an appeal or suit arising from the involuntary termination shall be granted all credited service for the period of absence.

(b) Accumulated sick leave and major medical leave. At retirement and in calculating a vested termination pension, a member shall have added to his or her credited service, subject to the provisions of this section, any hours of accumulated sick leave and/or unused major medical leave, as recorded in the official personnel records of the city, for which that employee has not received compensation. Notwithstanding the preceding sentence, accumulated sick leave and/or unused major medical leave shall not be taken into account to increase the pension of a member receiving a line of duty disability pension. For credited service purposes, such accumulated sick leave and/or unused major medical leave for which a member shall not receive compensation shall be converted into months using the following formula: total number of hours accumulated uncompensated sick leave and/or unused major medical leave divided by the member's total scheduled hours of work for the year and multiplied by 12. The resulting product represents the number of months in whole numbers and/or a decimal fraction of a month, and any whole number shall constitute that number of months to be added to credited service. If the resulting product contains a decimal value that is less than five-tenths, then no addition to credited service shall be made with respect to such decimal value, however, if the resulting product contains a decimal value that is five-tenths or greater, then an additional month of credited service shall be provided for such decimal value. The addition of such accumulated sick leave and/or unused major medical leave to credited service shall not be applied toward determination of retirement eligibility, but only toward calculation of retirement benefits. Group I members and group III members who have unused accumulated sick leave and/or major medical leave that was earned prior to October 1, 2013, will have the leave added to credited service earned or purchased prior to October 1, 2013. Unused accumulated sick leave and/or major medical leave earned on or after October 1, 2013, will be added to credited service earned or purchased after October 1, 2013. Group I members and group III members who use their accumulated sick leave and/or major medical leave prior to retirement will have the leave deducted from accumulated sick leave and/or major medical leave that was earned prior to October 1, 2013, first. Group V firefighters who have unused accumulated sick leave and/or major medical leave that was earned prior to January 10, 2015, will have the leave added to credited service earned or purchased prior to January 10, 2015. Unused accumulated sick leave and/or major medical leave earned on or after January 10, 2015, will be added to credited service earned or purchased after January 10, 2015. Group V firefighters who use their accumulated sick leave and/or major medical leave prior to retirement will have the leave deducted from accumulated sick leave and/or major medical leave earned prior to January 10, 2015, first.

(c) Permissive service credits.

(1) General. Effective on or after October 1, 2002, a member who has earnings from the city for the then current year may elect to purchase permissive service credits and have his or her period of credited service increased for purposes of calculating the member's retirement benefit, pursuant to the provisions of this division. The actuary shall prepare factors which shall be used to determine the voluntary additional contributions that a member must make to purchase permissive service credits, provided, however, that in no event shall a member be required to contribute an amount that exceeds the amount necessary to fund the benefit attributable to the additional credited service that is purchased.

(2) Limitations. A member may purchase up to five years of permissive service credits that are attributable to non-qualified service, and a member cannot purchase any permissive service credits for non-qualified service prior to completion of five years of participation as a member.

(3) Non-qualified service. For purposes of this subsection (c), the term NON-QUALIFIED SERVICE means service other than:

a. Service (including parental, medical, sabbatical and similar leave) as an employee of the government of the United States, any state or political subdivision thereof, or any agency instrumentality of any of the foregoing (other than military service or service for credit which was obtained as a result of the repayment described in § 415(k)(3) of the Code);

b. Service (including parental, medical, sabbatical and similar leave) as an employee (other than as an employee described in
subsection (c)(3)a. above) of an education organization described in § 170(b)(l)(A)(ii) of the Code which is a public, private or sectarian school which provides elementary or secondary education (through grade 12), as determined under state law;

c. Service as an employee of an association of employees who are described in subsection (c)(3)a. above; or

d. Military service (other than qualified military service under § 414(u) of the Code) recognized by such governmental plan. In the case of service described in subsections (c)(3)a.1., (c)(3)b. or (c)(3)c. above, such service will be non-qualified service if recognition of such service would cause a member to receive retirement benefits for the same service under more than one plan.

(4) **Purchase of permissive service credits.** A member may purchase permissive service credits pursuant to the rules, procedures and forms as may be adopted and amended by the board in its complete discretion, which shall be uniform and nondiscriminatory and which shall be interpreted in a manner that is consistent with the provision of the retirement ordinance and applicable law. Permissive service credits may be purchased by a member's direct payment to the trustee of the amount determined by the factors provided by the actuary, or through a trustee to trustee transfer of such amount from the member's account under an eligible deferred compensation plan (as defined in Code § 457) or a qualified plan within the meaning of Code § 401(a), including a 401(k) plan, or the member's annuity contract meeting the requirements of Code § 403(b).
Method of nominating members for election. Nominations of members for election to the board shall be by petition only. Before May 31 of each election year, the executive director shall make available to members of each employee group eligible to vote in the scheduled election petition forms with written instructions. Petitions containing the names of nominees shall be returned to the executive director prior to July 1 of said election year. Nominees may use copies of the petition form or may create their own petition forms, provided each page of each returned petition shall identify the name of the nominee, the department in which the nominee is employed, the employee group of which the nominee is a member, and the place on the board for which the member is being nominated. No person's name shall be placed upon the official ballot as a nominee unless that person is nominated by petition. Said nominating petition must contain the signature and employee number of at least 75 members of the employee group who are qualified to vote for said place on the date said petition is submitted to the executive director. Only those employees who are members of the fund shall be entitled to be listed upon the official ballot as a nominee. No person's name shall be placed upon the official ballot as a nominee for Place 1 unless that person is a member of employee group A. No person's name shall be placed upon the official ballot as a nominee for Place 2 unless that person is a member of employee group B. No person's name shall be placed upon the official ballot as a nominee for Place 3 unless that person is a member of employee group C. No person's name shall be placed upon the official ballot as a nominee for Place 4 unless that person is a member of employee group D.

e. Method of electing member trustees.

1. The executive director shall provide for an election procedure as authorized by the board, including, but not limited to, voting by mail, telephone and electronic means, and which may be conducted by a third-party voting service. The executive director shall prepare an official ballot for each place, listing in alphabetical order according to surname the nominees for election to that place. If, however, there is only one nominee for any place, there shall be no election for that place, and such nominee shall automatically be elected to the board. Only the names of those members who are nominated by petition as prescribed herein shall be placed upon the official ballot. No member shall be elected as a trustee whose name does not appear upon the official ballot as a nominee. Ballots shall be made available to the members no later than July 20 of the election year. Each member qualified to vote in said election shall vote for one nominee only. Any ballot containing votes for two or more persons, or for persons who are not nominees as prescribed herein, shall be declared invalid and shall not be counted. All ballots must be cast no later than August 15. Votes cast by written ballot must be returned no later than August 15 of the election year. If the ballot is returned by mail, the envelope must be postmarked by August 15 of the election year. The executive director or a designated third party shall tabulate all votes for all nominees. The nominee for each place who receives a majority of the votes cast for that place shall be declared elected to the board. Following the tabulation of votes, the executive director shall submit the results to the board at a meeting to be held before September 1 of said election year, at which time the board shall canvass the results of said election and certify which nominee is elected for each place on the board. If, at the time of canvassing said results, the nominee receiving the majority of votes for said place is no longer eligible to serve in the place to which that nominee was elected, then the nominee finishing second in the election shall be certified by the board as elected to the board.

2. If there is more than one nominee and no nominee receives a majority of the votes cast for any one place, or if there is a tie for any one place, then a run-off election shall be held, with ballots made available to the members qualified to vote for that place no later than September 1 of the election year, and in the same manner as prescribed for the first election. Only the names of candidates who tied for the highest number of votes cast for that place in the first election, or the two candidates who received the highest number of votes with neither having a majority of votes cast for that place, shall be printed on the ballot for the run-off election. All ballots for the second election must be cast by September 20 of the election year. Votes cast by written ballot must be returned by September 20. If a ballot is returned by mail, the envelope must be postmarked by September 20. The executive director or a designated third party shall tabulate the votes for the candidates in the run-off election. The candidate receiving the highest number of votes cast for that place in the run-off election shall be declared elected to the board.

3. In the event of a tie vote at the second election, the candidates who tie shall cast lots in the presence of the board to determine which one shall be declared elected. Following the tabulation of votes in the run-off election, and the casting of lots in case of a tie, the candidate receiving the highest number of votes shall be declared elected to the board. If, at the time the board canvasses said results, the candidate to whom the vote was cast is no longer eligible to serve in the place to which that candidate was elected, then said candidate shall automatically forfeit the office of trustee. Should a vacancy occur, for whatever reason, in Place 1, 2, 3 or 4, during the term thereof, then a majority of all trustees remaining on the board shall appoint to the board a qualified candidate from the employee group whose place has been vacated, which qualified candidate shall serve the remainder of the unexpired term; provided, however, that if, at the time the vacancy arises, more than one year remains in the unexpired term, then in lieu of the board appointing a replacement trustee, there shall be an election pursuant to the nomination and election provisions set forth below, with the board making reasonable modifications in the dates and time frames for the nomination and election in light of the time of the vacancy. Should a vacancy occur, for whatever reason, in Place 1, 2, 3 or 4, during the term thereof, then a majority of all trustees remaining on the board shall appoint to the board a qualified candidate from the employee group whose place has been vacated, which qualified candidate shall serve the remainder of the unexpired term; provided, however, that if, at the time the vacancy arises, more than one year remains in the unexpired term, then in lieu of the board appointing a replacement trustee, there shall be an election pursuant to the nomination and election provisions set forth below, with the board making reasonable modifications in the dates and time frames for the nomination and election in light of the time of the vacancy.
of ties, the executive director shall submit the results of same to the board at a meeting to be held before November 1 of said election
year, at which time the board shall canvass the results of the run-off election and certify which nominee is elected to the board. If, at
the time of canvassing the results of the run-off election, the nominee elected to serve on said board is no longer eligible to serve in the
place to which he or she was elected, then the nominee finishing second in the election shall be certified by the board as elected to the
board.

(2) **Trustees elected by retired members.**

a. **Places.**

1. **Place 5.** The trustee for Place 5 shall be elected by retiree group B, which shall consist of those retired members of the
fund from employee group B. Only members of the fund who qualify for retiree group B shall be eligible to vote for a nominee for
Place 5. Only members of the fund who qualify for retiree group B shall be eligible to serve in Place 5 on the board.

2. **Place 6.** The trustee for Place 6 shall be elected by retiree group A, which shall consist of those retired members of the
fund from employee group A. Only members of the fund who qualify for retiree group A shall be eligible to vote for a nominee for
Place 6. Only members of the fund who qualify for retiree group A shall be eligible to serve in Place 6 on the board.

3. **Place 7.** The trustee for Place 7 shall be elected by retiree group C, which shall consist of those retired members of the
fund from employee groups C and D. Only members of the fund who qualify for retiree group C shall be eligible to vote for a nominee for
Place 7. Only members of the fund who qualify for retiree group C shall be eligible to serve in Place 7 on the board.

b. **Term.** In accordance with the nomination and election procedures prescribed in this section, a trustee shall be elected for
Places 5, 6 and 7, and shall serve for a two-year term. The trustee for Place 6 shall be elected to serve a term from September 1,
2007 through August 31, 2008. Thereafter, the trustee for Place 6 shall be elected every even numbered year and shall serve from
September 1 of such even numbered year through August 31 of the next even numbered year. Trustees for Places 5 and 7 shall be
elected every odd numbered year beginning in 2007, and shall serve from September 1 of such odd numbered year through August 31
of the next odd numbered year. Should a trustee for Place 5, 6 or 7 return to city employment and again become an employee member
of the fund, the trustee shall automatically forfeit the office of trustee for Place 5, 6 or 7. Should a vacancy occur in Place 5, 6 or 7,
during the term thereof, then a majority of all trustees remaining on the board shall appoint to the board a retired member of the
applicable retiree group, to serve the remainder of the unexpired term.

c. **Nomination of retired members for election.** Nomination of retired members for election to the board shall be by letter of
nomination only. Before May 31 of each election year, the executive director shall make available to retired members official letter of
nomination forms with written instructions. Copies of the letter of nomination may be used. Completed letters of nomination shall be
returned to the executive director prior to July 1 of each election year. Each returned letter of nomination shall identify the retired
member being nominated and the place for which the retired member is being nominated and must contain the signature and the last
eight digits of the Social Security number of the retired member making the nomination. Any member of retiree group A receiving at
least 25 nominations from retiree group A shall be considered a nominee for election to Place 6 on the board. Any retired member of
retiree group B receiving at least 25 nominations from retiree group B shall be considered a nominee for election to Place 5 on the
board. Any member of retiree group C receiving at least 25 nominations from retiree group C shall be considered a nominee for
election to Place 7 on the board. No person shall be placed on the ballot as a nominee unless the person is a retired member who is
nominated by the process detailed above.

d. **Election of retired board members.**

1. The executive director shall provide for an election procedure as authorized by the board, including, but not limited to,
voting by mail, telephone and electronic means, and which may be conducted by a third-party voting service. The executive director
shall prepare official ballots for the election of the retired board members, listing the nominees in alphabetical order by surname.
Ballots for election of retired board members shall be made available to all retired members in retiree group A, B and C no later than
July 20. If there is only one nominee for Place 5, there shall be no election for Place 5 and the one nominee shall automatically be
elected to the board. If there is only one nominee for Place 6, there shall be no election for Place 6 and the one nominee shall
automatically be elected to the board. If there is only one nominee for Place 7, there shall be no election for Place 7 and the one
nominee shall automatically be elected to the board. No person shall be elected as trustee whose name does not appear on the official
ballot as a nominee. To be considered valid, a ballot must be cast no later than August 15 of the election year. Votes cast by written
ballot must be returned no later than August 15 of the election year. If the ballot is returned by mail, the envelope must be postmarked
by August 15 of the election year. Each retired member qualified to vote in the election shall vote for one nominee only. Any ballot
containing votes for two or more persons, or for persons who are not nominees as provided herein, shall be declared invalid and shall
not be counted. The executive director or a designated third party shall tabulate all votes for all nominees. The nominees for each
place receiving a majority of votes cast shall be declared elected to the board of trustees. Following the tabulation of votes, the
executive director shall submit the results of same to the board meeting to be held before September 1 of the election year, at which
time the board shall canvass the results of the election and certify which nominees are elected to the board. If, at the time of canvassing the results, a nominee receiving the majority of votes is no longer eligible to serve, then the nominee receiving the second highest number of votes from the appropriate retiree group will fill Place 5, 6 or 7 on the board. That member shall serve from September 1 of the election year through August 31 of the next election year for that place.

2. If there is more than one nominee for a place and no nominee receives a majority of the votes cast, or if there is a tie, then a run-off election shall be held, with ballots made available to the retired members for that place no later than September 1 of the election year and in the same manner as prescribed for the first election. Only the names of candidates who tied for the highest number of votes cast for that place in the first election, or the two candidates who received the highest number of votes with neither having a majority of votes cast, shall be printed on the ballot for the run-off election. All ballots for the second election must be cast by September 20 of the election year. Votes cast by written ballot must be returned by September 20 of the election year. If a ballot is returned by mail, the envelope must be postmarked by September 20 of the election year. The executive director or a designated third party shall tabulate the votes for the candidates in the run-off election. The candidate receiving the highest number of votes cast in the run-off election shall be declared elected to the board of trustees. In the event of a tie vote at the second election, the candidates who tie shall cast lots in the presence of the board of trustees to determine which one shall be declared elected.

3. Following the tabulation of votes in the run-off election, and the casting of lots in case of ties, the executive director shall submit the results of same to the board at a meeting to be held before November 1 of said election year, at which time the board shall canvass the results of the run-off election and certify which nominee is elected to the board. If, at the time of canvassing the results of the run-off election, the nominee elected to serve on said board is no longer eligible to serve, then the nominee receiving the second highest number of votes from the appropriate retiree term will fill Place 5, 6 or 7 on the board. That member shall serve from September 1 of the election year to August 31 of the next election year for that place.

(3) Trustees appointed by the governing body.

a. Place 8. The trustee for Place 8 shall be a resident of the city. A person appointed under this section may not be a member of the governing body. The trustee for Place 8 shall be appointed by a majority vote of the governing body to serve a term initially commencing September 1, 2007 and ending August 31, 2008. Thereafter, the person appointed by the governing body shall serve a term of two years (unless removed sooner by a majority vote of the governing body) commencing on September 1 of every even numbered year and ending August 31 of the next even numbered year. Should a vacancy occur in Place 8, then governing body, by majority vote, shall appoint another eligible resident of the city to serve the remainder of the unexpired term.

b. Place 9. The trustee for Place 9 shall be a resident of the city. A person appointed under this section may not be a member of the governing body. The trustee for Place 9 shall be appointed by a majority vote of the governing body to serve a term of two years (unless removed sooner by a majority vote of the governing body) commencing on September 1 of every odd numbered year through August 31 of the next odd numbered year. Should a vacancy occur in Place 9, then governing body, by a majority vote, shall appoint another eligible resident of the city to serve the remainder of the unexpired term.

c. Place 10. The trustee for Place 10 shall be a resident of the city. A person appointed under this section may not be a member of the governing body. The trustee for Place 10 shall be appointed by a majority vote of the governing body to serve a term initially commencing on September 1, 2007, and ending August 31, 2008. Thereafter, the person appointed by governing body shall serve a term of two years (unless removed sooner by a majority vote of the governing body) commencing on September 1 of every even numbered year through August 31 of the next even numbered year. Should a vacancy occur in Place 10, then governing body, by a majority vote, shall appoint another eligible resident of the city to serve the remainder of the unexpired term.

d. Place 11. The trustee for Place 11 shall be a resident of the city. A person appointed under this section may not be a member of the governing body. The trustee for Place 11 shall be appointed by a majority vote of the governing body to serve a term of two years (unless removed sooner by a majority vote of the governing body) commencing on September 1 of every odd numbered year through August 31 of the next odd numbered year. Should a vacancy occur in Place 11, then governing body, by a majority vote, shall appoint another eligible resident of the city to serve the remainder of the unexpired term.

e. Place 12. The trustee for Place 12 shall be a resident of the city. A person appointed under this section may not be a member of the governing body. The trustee for Place 12 shall be appointed by a majority vote of the governing body to serve a term initially commencing September 1, 2007, and ending August 31, 2008. Thereafter, the person appointed by governing body shall serve a term of two years (unless removed sooner by a majority vote of the governing body) commencing on September 1 of every even numbered year and ending on August 31 of the next even numbered year. Should a vacancy occur in Place 12, then the governing body, by a majority vote, shall appoint another eligible resident of the city to serve the remainder of the unexpired term.

f. Place 13. The trustee for Place 13 shall be the chief financial officer of the city. Should a vacancy occur in Place 13, then governing body, by a majority vote, shall appoint a qualified person to serve until a new chief financial officer is appointed.
General provisions.

(1) The members of the board shall remain in office until their successors are duly elected or appointed.

(2) At its September meeting, the board shall elect from its membership a chair and a vice chair to serve for one year.

(3) The board shall serve without remuneration and shall meet not less than once a month and may meet at any time that the business of the fund shall require it. The chair shall have the power to call a meeting at any time necessary to carry out the business of the fund.

(4) Seven members of the board shall constitute a quorum to transact any business unless there are vacancies, in which event the quorum shall be reduced by the number of vacancies existing. Every matter before the board for vote shall require the affirmative vote of a majority of the trustees on the board (regardless of the number of trustees present at the board meeting) for final passage.

(5) The board shall have the power and duty to administer the fund and to make and establish any and all rules, regulations and procedures pertaining to the fund not inconsistent with this ordinance and applicable law.

(6) The board shall have the power, as it deems necessary and appropriate to carry out the purposes of the fund, to retain, enter into contracts and pay from fund assets for professional services, including, but not limited, to the following: actuaries, accountants, attorneys, administrators, consultants, directors and investment managers or advisors.

(7) The board shall have the power, as it deems necessary and appropriate to carry out the business of the fund, to enter into contracts, agreements and arrangements to facilitate the administration of the fund, and to pay for the costs and expenses of such business and administration out of fund assets.

(8) The board has discretion to make all determinations regarding the eligibility of members or other persons for benefits from the fund and the amount and payee thereof, not inconsistent with this ordinance and applicable law. Therefore, its decisions shall be final, binding and conclusive on all persons.

(9) In construing this ordinance, the provisions of the Texas Trust Code shall apply to the extent that they do not differ from this chapter.

§ 2.5-6 ANNUAL ACTUARIAL VALUATIONS.

(a) The board shall appoint an actuary for the purpose of providing annual valuations of the retirement fund. The actuary shall also serve as a technical advisor to the board and the executive director regarding the operations authorized by this chapter. The actuarial assumptions and tables used by the actuary shall assume such costs, liabilities, rates of interest, mortality, turnover and other factors as are reasonable, taking into account the experience of the fund and reasonable expectations, and shall be subject to board approval. At least 30 days before the date the board adopts actuarial assumptions to be used by the fund, the board shall submit to the city council a detailed report regarding the proposed actuarial assumptions. The report must include the fiscal impact of the proposed actuarial assumptions on the fund.

(b) The city shall engage an independent actuary every five years to perform an audit of the actuarial valuations, studies and reports of the fund in accordance with the provisions of Tex. Government Code § 802.1012, as amended.

§ 2.5-7 DISABILITY PENSION.

(a) Definition of disabled member. A member is disabled (or continues to be disabled) if, because of bodily injury, disease or mental illness, the member is incapacitated for life, in spite of reasonable accommodations by the city, from performing the essential functions of:

(1) The trade, profession or occupation in which the member was employed by the city when the member suffered the bodily injury, disease or mental illness; and

(2) Any other position which the board determines to be reasonably comparable to the position held by the member, taking into account the member's education, qualifications, experience, salary and other factors which the board deems appropriate; provided,
b) General provisions.

(1) Such disability must exist for at least 90 consecutive days prior to application for a disability pension.

(2) Such disability must not have been contracted, suffered or incurred while the member was engaged in, or did not result from the member having engaged in, a criminal enterprise, or from habitual drunkenness, addiction to narcotics, self-inflicted injury, or from voluntary or involuntary service in the Armed Forces of the United States (including the United States Merchant Marine), any of its allies or any other foreign country.

(3) Notwithstanding the provisions of §§ 2.5-26, 2.5-36, 2.5-46, 2.5-56, 2.5-66 and 2.5-76, no disability pension shall, at the time of commencement, exceed the member's rate of earnings.

(4) To assist the board in making disability determinations, the city shall provide the executive director with city job descriptions and qualifications, related salary ranges and other appropriate information as requested.

(5) Continuation of a disability pension, whether granted before or after the enactment of this article, shall be subject to all the provisions of this section, including review and determination of the member's eligibility for a disability pension.

c) Qualification for disability pension.

(1) A member shall not qualify for a disability pension as hereinafter provided unless one or more duly licensed and practicing physician(s) appointed by the executive director has determined that the member is not capable of performing the essential functions of the positions identified under this section. Determination of the existence of disability shall not be made until 90 days after the date such disability is alleged to have commenced, and benefits shall not commence before the first day of the month following the month in which such 90-day period ends.

(2) The executive director shall have the appointed physician(s) conduct an annual medical examination after a disability pension has been granted (unless deemed not necessary by the executive director due to the member's medical condition) and at any other time deemed necessary by the board in order to determine whether the disability is continuing. The fund will pay the expenses for medical examinations directed by the executive director or board. To continue to receive a disability pension, the member shall submit to any medical examination required by the executive director or board.

(3) If at any time the board is in reasonable doubt as to whether the member is disabled as above defined, it may suspend the disability pension until the doubt is resolved, which shall occur within a reasonable time. Any disability pension shall be terminated upon the board's determination that the member is not disabled as defined in this section.

(4) No disability pension coverage shall be provided during a service break in excess of 90 consecutive days unless the service break was caused by sickness or accident leading to total disability.

(5) The disability pension specified herein shall not be payable during any period for which wages are received from the city, the State of Texas or any other branch of government while performing the duties of a firefighter or peace officer.

(6) Falsification or omission on any part of the employment application of prior conditions or injuries for which a disability pension is or has been sought, falsification or omission on any part of the disability pension application, or falsification or omission in connection with the continuation of a disability pension shall constitute grounds for denial of a disability pension or for revocation of any disability pension previously granted.

(7) The board's determination on all matters concerning the granting, refusing or revoking of a disability pension shall be final and conclusive on all parties, and no appeal can be made therefrom. A member is entitled to a reasonable hearing (at which the member may appear in person, with or by a representative, or in writing) before the board makes its determination.

(8) No disability pension shall be granted (or continued) while the member is working for the city; provided however, a member may be granted a disability pension if the executive director or the board has been informed by the city that the member's employment is about to be terminated by the city because of the member's inability to perform the essential functions of the member's position. Any such disability pension granted under this subsection (c)(8) shall not become effective until the month after the member has stopped working for the city.

(9) Except as otherwise provided by law, to be eligible to continue receiving a disability pension, a member must have complied with the medical recommendations (including rehabilitation therapy and treatment) as prescribed by the member's treating physician(s), the physician(s) appointed by the executive director and/or the Texas Rehabilitation Commission.
(d) **Calculation of disability pension.** The calculation for disability pension can be found in the following sections:

1. Section 2.5-26 for a group III member;
2. Section 2.5-36 for a group IV member;
3. Section 2.5-46 for a group I member;
4. Section 2.5-56 for a group II member;
5. Section 2.5-66 for a group V firefighter; and
6. Section 2.5-76 for a group VI firefighter.

(e) **Recovery from disability.** If the board determines that a disabled member receiving a disability pension hereunder is no longer disabled as above defined, the member's disability pension shall immediately cease. If such member is re-employed by the city immediately following such determination by the board, the member's fund membership shall be reinstated as of the date of such re-employment, with full credited service to the date of disability. The member shall receive no additional credited service for the period of disability, provided however, that such period of disability shall be used to determine attainment of normal retirement date and special retirement date. If such member is not re-employed by the city immediately following certification of recovery, the member shall be considered as a terminated fund member and shall have no further interest in the fund other than a refund of any excess of the member's total contributions, plus regular interest (at the regular interest rate in effect on the date of any refund), less the amount already received from the member's cash balance account, if applicable, over the total of disability payments made to the member; provided, however, that if such member had a vested interest in pension credits as of the date of which the member was certified disabled, the member shall receive a vested termination pension from the later of the date of certification of recovery or attainment of the vested retirement date under § 2.5-24, 2.5-34, 2.5-44, 2.5-54, 2.5-64 or 2.5-74, whichever is applicable, equal to the amount which would have been payable under the provisions of this section had the member terminated employment on the date the disability pension began. Any death benefits thereafter shall be determined in accordance with the applicable provisions of this article.

(f) **Report of earned income or net earnings from self employment.**

1. Any disabled member who has not attained normal retirement date or special retirement date and who is receiving a disability pension shall submit to the executive director prior to May 1 of each year following disability retirement a copy of the member's signed income tax return filed for the preceding year, with all attachments thereto, along with all tax returns and attachments for all of the member's affiliated entities, including, but not limited to, partnerships, corporations or other entities in which the member, or any relative, owns any interest, including community or separate property, and for which the member performs any services, whether compensated or not, as proof of the member's earned income and net earnings from self-employment for that year obtained from any occupation or employment. At the end of the first year of disability retirement and by May 1 of each subsequent year, a disabled member shall also submit to the executive director an affidavit on the executive director's approved form swearing that the member's earned income and net earnings from self-employment are fully disclosed on the tax returns provided to the executive director and that the disabled member has not received any other compensation, directly or indirectly, for services rendered by the disabled member, nor performed any services for which the member received no compensation except as disclosed in the affidavit, including amounts paid to other affiliated entities for the benefit of the disabled member or to any relative of the disabled member. If the Internal Revenue Service has approved an extension to file a tax return and the tax return has not been filed by May 1, the member shall provide the executive director with a copy of the extension by May 1, and a copy of the tax return with all attachments and the related affidavit, within two weeks after the tax return has been filed.

2. If the disabled member's total receipt of earned income, net earnings from self-employment, and city disability pension exceed the annualized base hourly rate of pay the member would have made during that same tax year had he or she remained employed by the city in the same position then, as soon as practicable, the board shall reduce the amount of disability benefits to be paid to the member. In reducing a member's disability pension due to such excess earnings, the board shall consider the member's then current earnings, and attempt to recover the cumulative excess earnings and preclude excess earnings in the future. In the event that a member's disability pension is reduced in excess of the amount required, the board shall pay such excess to the member. For purposes of this subsection (f), base hourly rate of pay shall not include overtime, acting, assignment, holiday, longevity, educational incentive, safety award, incentive, shift differential or any other special or premium pay.

3. The board shall withhold a disabled member's disability pension upon the member's failure to submit on a timely basis the required income tax returns with all attachments thereto and related documents. If the disabled member subsequently provides the required documentation by the end of the calendar year in which the return was due, the board shall cause the member's disability pension to be reinstated, subject to the other provisions of this section, and including the payment of any previously withheld amounts, without interest. If the disabled member fails to provide the required documentation by the end of the calendar year in which the return
was due, the disabled member's disability pension shall be terminated and the member shall not be entitled to any payment for the period during which the documentation was not provided.

(4) For purposes of this section, any amounts paid to a disabled member’s affiliated entity in connection with the performance of services by the disabled member shall constitute "earned income," and any attempt to circumvent the limitations under this article on earned income and net earnings from self-employment through the use of affiliated entities shall be grounds for the board to terminate the disabled member's disability pension.

(Ord. 20471-10-2012, § 2, passed 10-23-2012; Ord. 21459-09-2014, § 1, passed 9-16-2014; Ord. 21510-10-2014, § 1, passed 10-21-2014)

§ 2.5-8 COST OF LIVING ADJUSTMENT.

(a) History. In 1999, city council adopted Ord. 13842, which established a guaranteed simple 2% cost-of-living adjustment for all members. In 2007, city council adopted Ord. 17839-10-2007, which established an ad hoc cost-of-living adjustment for all city employees hired on or after December 31, 2007, and all members who were not vested as of December 31, 2007. All members who were vested as of December 31, 2007, all retired members, and all beneficiaries were allowed to make a selection to either stay with the 2% simple cost-of-living adjustment or to receive the ad hoc cost-of-living adjustment. The members who did not make a selection were automatically defaulted into the 2% cost-of-living adjustment. In 2011, city council adopted Ord. 19599-03-2011, which eliminated the cost-of-living adjustment for general employees hired after July 1, 2011. In 2012, city council adopted Ord. 20471-10-2012, which eliminated the cost-of-living adjustment for group IV members, implemented the 2% cost-of-living adjustment for all service earned or purchased after October 1, 2013, for group I and group III members, allowed group I members and group III members who were subject to the ad hoc cost-of-living adjustment to select the 2% guaranteed cost-of-living adjustment for past years of service, and allowed beneficiaries who were subject to the ad hoc cost-of-living adjustment to select the 2% guaranteed cost-of-living adjustment for future benefits. Active firefighters, and those firefighters who retired or separated from employment during the term of the April 13, 2010, collective bargaining agreement between the city and the Fort Worth Professional Firefighters Association IAFF Local 440, were not eligible to participate in the 2012 selection. On September 16, 2014, the City Council adopted Ord. 21459-09-2014, which eliminated the cost-of-living adjustment for group VI firefighters.

(b) Two percent simple cost-of-living adjustment.

(1) The 2% simple cost-of-living adjustment is applicable to the following:

a. Members who were vested as of December 31, 2007, who selected the guaranteed 2% cost-of-living adjustment during the 2007 selection process;

b. Members and beneficiaries (including those receiving disability retirement and survivors (including children)) receiving benefits on December 31, 2007, who elected the guaranteed 2% cost-of-living adjustment in the election conducted pursuant to the 2007 selection process;

c. Vested members and beneficiaries who failed to make a selection during the 2007 selection process;

d. Credited service earned or purchased on or after October 1, 2013, for group III members, who were subject to the ad hoc cost-of-living adjustment;

e. Credited service earned or purchased on or after October 1, 2013, for group I members, who were subject to the ad hoc cost-of-living adjustment;

f. Credited service earned or purchased on or after January 10, 2015, for group V firefighters, who were subject to the ad hoc cost-of-living adjustment;

g. Members and beneficiaries who selected to receive the guaranteed 2% cost-of-living adjustment on future benefits in the 2012 and 2014 selection process;

h. Credited service earned or purchased prior to October 1, 2013, for group I, and III members that selected the 2% cost-of-living adjustment for credited service prior to October 1, 2013 during the selection process; and

i. Credited service earned or purchased prior to January 10, 2015, for group V firefighters that selected the 2% cost-of-living adjustment for credited service prior to January 10, 2015 during the selection process.

(2) Cost-of-living adjustment selection process.
a. Group V firefighters who are under the ad hoc cost-of-living adjustment and are not currently receiving a benefit from the
fund will be allowed to make a onetime selection of the 2% guaranteed simple cost-of-living adjustment for all credited service earned
prior to January 10, 2015. The 2% cost-of-living adjustment will be based on base pension on the date of retirement.

b. Group V firefighters who retired or separated from employment during the term of the April 13, 2010, collective bargaining
agreement between the city and the Professional Firefighters Association IAFF Local 440, and who are currently receiving benefits,
and who are under the ad hoc cost-of-living adjustment will be allowed to make a one-time selection of the guaranteed 2% cost-of-
living adjustment for future years of benefits. The 2% guaranteed cost-of-living adjustment will be based on base salary on the date
of retirement. Members currently receiving benefits who select the 2% cost-of-living adjustment during the selection process under this
subsection will retain the ad hoc cost-of-living adjustments previously received, but will waive their rights to future ad hoc cost-of-
living adjustments. Instead, effective January 1, 2016, and annually thereafter, those members will receive a 2% cost-of-living adjustment by
adding to the actual pension for that year, an amount equal to 2% of his or her base pension.

(3) Calculation of the two percent simple cost-of-living adjustment. Upon retirement, on the first day of each January a cost-
of-living adjustment shall be made on the base pension of a member subject to the 2% cost-of-living adjustment by increasing the
amount of the actual pension by 2% of the base pension, unless otherwise provided herein. To be eligible for a cost-of-living
adjustment for a particular year, either the member or any survivor must have been receiving benefits by September 30 of the prior
year.

c. Ad hoc cost-of-living adjustment.

(1) The ad hoc cost-of-living adjustment is applicable to the following:

a. Credited service until September 30, 2013, for group I members who were not vested as of December 31, 2007, and are not
currently receiving a benefit pursuant to this article, and who did not select to receive the 2% simple cost-of-living adjustment during
the 2012 selection process;

b. Credited service until September 30, 2013, for group I members who were vested as of December 31, 2007, who selected
the ad hoc cost-of-living adjustment in the 2007 selection process, and are not currently receiving a benefit pursuant to this article, and
who did not select to receive the 2% simple cost-of-living adjustment during the 2012 selection process;

c. Credited service until September 30, 2013, for group III members who were not vested as of December 31, 2007, and are
not currently receiving a benefit pursuant to this article, and who did not select to receive the 2% simple cost-of-living adjustment
during the 2012 selection process;

d. Credited service until September 30, 2013, for group III members who were vested as of December 31, 2007, who selected
the ad hoc cost-of-living adjustment in the 2007 selection process, and are not currently receiving a benefit pursuant to this article, and
who did not select to receive the 2% simple cost-of-living adjustment during the 2012 selection process;

e. Credited service until January 9, 2015, for group V firefighters who were not vested as of December 31, 2007, and are not
currently receiving a benefit pursuant to this article, and who did not select to receive the 2% simple cost-of-living adjustment
during the selection process for group V firefighters;

f. Credited service until January 9, 2015, for group V firefighters who were vested as of December 31, 2007, who selected the
ad hoc cost-of-living adjustment in the 2007 selection process, and are not currently receiving a benefit pursuant to this article, and who
did not select to receive the 2% simple cost-of-living adjustment during the selection process for group V firefighters; and

g. Members and beneficiaries (including those receiving disability retirement and survivors (including children)) receiving
benefits under this article, and who are under the ad hoc cost-of-living adjustment, and who did not elect to return to the guaranteed
2% simple cost-of-living adjustment during the selection process.

(2) Calculation of the ad hoc cost-of-living adjustment. Upon retirement, on the first day of each January thereafter, an ad
hoc cost-of-living adjustment may be made on the pension of members who are subject to the ad hoc cost-of-living adjustment
pursuant to this subsection (c) as follows:

a. Prior to December 31 of each year, the fund's actuary shall make a written report to the board certifying the amortization
period required to pay off the unfunded actuarial accrued liability of the fund.

b. Based on the information provided by the actuary, the board shall:

1. Grant a compounded ad hoc cost-of-living adjustment of 4%, if the actuary certifies that the amortization period required to
pay off the unfunded actuarial accrued liability of the fund, after granting the 4% cost-of-living adjustment, is 18.0 years or less;
2. Grant a compounded ad hoc cost-of-living adjustment of 3%, if the actuary certifies that the amortization period required to pay off the unfunded actuarial accrued liability of the fund, after granting the 3% cost-of-living adjustment, is between 18.1 and 24.0 years;

3. Grant a compounded ad hoc cost-of-living adjustment of 2%, if the actuary certifies that the amortization period required to pay off the unfunded actuarial accrued liability of the fund, after granting a 2% cost-of-living adjustment, is between 24.1 and 28.0 years;

4. Grant no ad hoc cost of living adjustment if the actuary certifies that the amortization period required to pay off the unfunded actuarial accrued liability of the fund is 28.1 years or more.

(d) DROP and cost-of-living adjustment.

(1) If a member elects the ad hoc cost-of-living adjustment and by December 31, 2007, the member has completed at least two years of service after making a DROP election, the member's initial pension benefit upon retirement will also receive a 2% cost-of-living adjustment for the DROP period before the member made the ad hoc cost-of-living election. The ad hoc cost-of-living adjustment will apply for the member's remaining DROP period.

(2) If a member elects the 2% cost-of-living adjustment, and by December 31, 2007, the member has completed at least two years of service after making the DROP election, the member's initial pension benefit upon retirement will also receive cost-of-living adjustment for the entire DROP period.

(3) A member who makes a DROP election but who does not complete at least two years of service after making the drop election will only be eligible to receive a cost-of-living adjustment after the member's retirement, based on whether the member is entitled to a cost-of-living adjustment.

(e) Eligibility for the cost-of-living adjustment. Group II members, group IV members, and group VI firefighters and their beneficiaries will not be eligible to receive a cost-of-living adjustment on their retirement benefits.

§ 2.5-9 DEFERRED RETIREMENT OPTION PROGRAM (DROP).

(a) General. In lieu of the standard pension benefit or the alternative pension benefit, a member who has attained his or her normal retirement date may elect to remain in active service with the city and to participate in the DROP. By making an election to participate in DROP, the member's commencement of retirement pension benefits will be deferred until the member's actual retirement and the member will receive a lump sum payment (unless such person elects installment payments pursuant to subsection (j) below) of his or her DROP account at the time the member's actual retirement pension benefits commence. No interest on earnings shall be paid on the lump sum payment. Once a member makes a DROP election and the DROP election is approved by the board, the DROP election is irrevocable and is effective as long as the member remains in active service with the city. Distribution of a member's DROP account will not be made, and commencement of the member's retirement pension benefits will not begin, until the member retires from the city. DROP shall be administered in accordance with the rules, procedures and forms as may be adopted and amended by the board in its complete discretion, which shall be uniform and nondiscriminatory and which shall be interpreted in a manner that is consistent with the provisions of this Article and applicable law.

(b) Procedure for DROP election. A DROP election shall be made in accordance with the rules, procedures and forms (including spousal consent, where applicable) as may be adopted by the board. The election form adopted by the board may be amended by the board, and, except as otherwise provided by the board, the election form in effect at the time of the member's DROP election is effective shall control all DROP benefits the member may become entitled to receive upon retirement. A member shall not be subject to any fees, charges or any other similar expenses in connection with a DROP election.

(c) Timing and irrevocability of a DROP election. A member may make a DROP election at any time on or after the date that is 60 days prior to the date that the member will attain his or her normal retirement date or special retirement date. Once effective, a DROP election is irrevocable, provided, however, that a member's DROP election shall not be effective until the member attains his or her normal retirement date.

(d) The DROP account. A member's DROP account is an individual account established on behalf of the member into which a monthly amount will be credited once the DROP election is effective. The monthly amount credited to the member's DROP account will be equal to the monthly pension benefit that the member would have initially received if the member had retired from the city and
commenced his or her pension. Credits to a member's DROP account will continue to be made until the member's actual retirement, provided, however, that amounts will be credited to a member's DROP account for a maximum of five years. No withdrawals may be made from the DROP account. A member will receive his or her DROP account in a lump sum distribution at the time the member's pension benefits commences upon retirement, or, if elected by the member, the DROP account will be distributed in installments, as provided in subsection (j) below.

(e) Continued contributions to the fund. Once a DROP election is effective, both the member and the city shall continue to make the same contributions to the fund that would have been made if the member had not made a DROP election. Neither the member's nor the city's contributions to the fund will be credited to the member's DROP account and the additional contributions will not affect the member's monthly pension upon actual retirement.

(f) Monthly pension and ad hoc cost of living adjustment. Upon retirement following an effective DROP election, the member's base pension will be the monthly pension benefits that the member had earned at the time the DROP election became effective. The member's earnings and credited service following the DROP election will not be included in calculating the member's base pension and monthly pension benefits. If (and only if) a member completes at least two years of service with the city after his or her DROP election is effective, then the monthly pension benefits that the member initially receives upon retirement will be adjusted for intervening cost of living adjustments, if applicable, as if the member's monthly pension had commenced at the time the DROP election became effective. Further, such a member shall receive a cost of living adjustment on the following January 1, regardless of whether the member's pension benefits had commenced by September 30. Notwithstanding the preceding provisions of this subsection (f), when a member's monthly pension is initially scheduled to commence at retirement or death, the member's base pension shall be recalculated by adjusting the member's credited service for the member's then accumulated sick leave and major medical leave (if any) pursuant to § 2.5-4(b).

(g) DROP election and death pension. If a member dies while his or her DROP election is in effect, the member's DROP account shall be paid to the member's spouse, or if there is no spouse, to the member's estate. The spouse or estate eligible to receive the DROP account shall receive the DROP account in a lump sum distribution, unless an election is made to receive installment payments pursuant to this section. The remaining portion of the member's pension shall be paid pursuant to the death pension provisions of this article, with the amount determined as if the member had died at the time of the DROP election.

(h) DROP election and disability pension. If a member makes a DROP election, the member will not be eligible to receive a disability pension under this article. If a member does become disabled following an effective DROP election, the member may retire from the city and receive the amount that has been credited to the member's DROP account in a lump sum or in installment payments pursuant to subsection (j) below, and commence receipt of a monthly pension, with the amount of the pension calculated as if the member had retired at the time the DROP election became effective.

(i) Alternative pension benefit. A member who has made a DROP election shall not be eligible to elect an alternative pension benefit.

(j) Installment payments. Notwithstanding the preceding provisions of this section, a member who is entitled to receive a lump sum payment of his or her DROP account may elect (on a form adopted by the board) to receive the DROP account in five substantially equal annual installment payments, rather than a lump sum. The first installment payment shall be made at the time the member's monthly pension commences, and the other installments shall be made on or about the anniversary of the initial installment. No interest on earnings shall be paid on the installment payments.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-10 PAYMENT OF BENEFITS.

(a) When benefits are payable to a minor, an individual who has legally been determined to lack capacity, or an individual whom the board determines to be unable to handle money, the board shall make payments, without any duty to see to the application thereof, to the guardian of such person's estate or, if there is none, as the board determines to be in the best interest of such person.

(b) If a retired city employee who is receiving pension benefits from the fund is re-employed by the city as a regular employee, that person's pension benefits shall cease upon the date of re-employment. credited service earned during the term of any member's subsequent re-employment in which the employee's pension benefits have been suspended shall be added to the credited service of the prior periods of employment, and upon final separation from the city, a new pension shall be calculated taking into account the member's total years of credited service and recalculated compensation base. In no event shall the member's monthly pension be reduced due to periods of re-employment.
(c) If the distributee of an eligible rollover distribution (as defined in the code § 402(f)(2)(A) (i) elects to have such distribution paid directly to another eligible retirement plan and (ii) specifies in writing (before the distribution is made) the eligible retirement plan to which such distribution is to be made, the distribution will be made in the form of a direct trustee-to-trustee transfer to the eligible retirement plan so specified.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-11 EXEMPTION OF BENEFITS FROM JUDICIAL PROCESS.

(a) The city shall never be held liable or responsible for any claim or asserted claim for benefits under the provisions of this article, but all claims shall be paid from the fund for which provision has been specifically made in this division. Notwithstanding the preceding sentence, the city, pursuant to its policies, programs and applicable law, shall indemnify and hold harmless the board and its individual members against any and all loss, damage and expense, including court costs and attorney's fees, resulting from or arising out of the actions and inactions of the board and its members in connection with the performance of their duties under the retirement ordinance, provided, however, that such obligation of the city to indemnify and hold harmless shall not apply to any member of the board to the extent that the loss, damage or expense is attributable to such member's gross negligence or willful misconduct.

(b) No portion of this fund shall, at any time before or after its disbursement, be held, seized, taken, subjected to or detained or levied upon by virtue of any execution, attachment, garnishment, assignment, injunction or other writ, order or decree, or any process proceedings whatsoever issued out of or by any court for the payment or satisfaction, in whole or in part, of any debt, damage, claim, demand or judgment against any person entitled to a benefit from this fund, nor shall the fund, or any claim thereto, be directly or indirectly, assigned or transferred, and any attempt to transfer or assign same shall be void; provided that:

(1) Nothing in this section shall prevent the deduction of the spouse's insurance premiums from the fund for the purpose of paying same, on behalf of the spouse, to the health and life insurance carrier for the city only; and

(2) Nothing shall prevent the fund from dividing a member's pension benefit between the member and a former spouse and/or children or other dependents of the member according to the terms of a valid court order from a court of competent jurisdiction as set forth in subsection (c) below.

(c) (1) The court order must be a "qualified domestic relations order" within the meaning of § 414(p) of the code and must also satisfy the provisions of this section. The maximum pension benefit that can be paid to a former spouse is 50% of the member's pension benefit. The order must state a specific amount payable monthly or a percentage of the member's pension benefit to be divided between the member and the former spouse. Except as otherwise provided below with respect to the return of the member's contributions, no single sum payment shall be made to a former spouse.

(2) a. Upon the member's death, no further monthly pension benefit shall be paid to the former spouse. If, however, at the time of the member's death, the member and the former spouse had not yet received pension benefits from the fund in excess of the member's total contributions to the fund (plus regular interest), the member's remaining contributions (plus regular interest) shall be divided between the member and the former spouse according to:

1. The ratio of the pension benefit payable to the former spouse divided by the pension benefit payable to the member but for the divorce; or

2. The percentage used to calculate the pension benefit payable to the member and the former spouse.

b. The former spouse shall receive his or her portion of the remaining contributions (plus regular interest) in a single sum distribution.

(3) If such deceased member died with no dependent child, dependent parent or surviving spouse to whom the member had been married for at least the one year immediately prior to the member's retirement, the member's portion of the remaining contributions (plus regular interest) shall be paid in a single sum to the member's estate. If the deceased member died with a dependent child (or children), dependent parent (or parents), or a surviving spouse to whom the member had been married for at least the one year immediately prior to the member's retirement, such person(s) shall be entitled to a monthly benefit under the terms of this division, but adjusted as provided below. Upon a single sum payment to the former spouse, such monthly pension benefit shall be reduced according to the following methodology:

a. Create a fraction, the numerator of which is the single sum amount paid to the former spouse and the denominator of which is the sum of the member's contributions (plus regular interest) and the city's contributions on behalf of the member;
b. Multiply that fraction by the monthly pension benefit which would otherwise be payable to the dependent child, parent or surviving spouse; and

c. The difference between the result of the second step and the monthly pension benefit which would otherwise be payable to the dependent child, dependent parent or surviving spouse is the monthly pension benefit which should be paid to the dependent child, dependent parent or surviving spouse.

(4) Since any pension benefit payable to a former spouse is derived from the member's pension, a former spouse's pension benefit shall not commence until the member's pension benefit commences.

(5) If a member with respect to whom a former spouse has obtained a domestic relations order purporting to be a qualified domestic relations order terminates employment with the city and receives a return of contributions (plus regular interest) rather than a pension benefit, the former spouse shall not receive a pension benefit, but shall instead receive a percentage (or fixed dollar amount) of the returned contributions (plus regular interest).

(6) No court order shall be honored if it:

a. Provides for any form of benefit or option not otherwise provided by this division;

b. Requires the fund to provide increased benefits determined on the basis of actuarial value; or

c. Requires the payment of benefits to a former spouse that are required to be paid to another former spouse.

(d) Unless otherwise expressly provided for in this division, the board shall not reduce an individual pension.

e) No part of the corpus or income of the fund shall ever revert to the city or be used for, or diverted to, any purpose other than for the exclusive purpose of providing benefits to members and their beneficiaries in accordance with the terms of this division.

§ 2.5-12 AMENDMENT OF ORDINANCE.

The governing body, consistent with the Constitution, the laws of the State of Texas, and the Charter of the City of Fort Worth, shall have the power and authority to amend any or all of the terms and provisions of this article, except where an amendment in the city's contribution rate would require the issuance of tax-supported bonds approved at an election of the qualified voters of the City of Fort Worth.

§ 2.5-13 CONTROLLING POWER OF ORDINANCE.

The provisions of this division shall be cumulative of and in addition to all other ordinances of the City of Fort Worth relating to pensions, which ordinances are hereby preserved and continued in force and effect; provided, however, that in the event of any conflict, the provisions of this division shall control.

§ 2.5-14 PREREQUISITES TO ORDINANCE.

The governing body finds that all acts, conditions and things required by provisions of the Constitution of Texas and Charter and ordinances of the City of Fort Worth precedent to and in the adoption of this division have been done, have happened and have been performed in proper and lawful time.

§ 2.5-15 LIMITATION OF LEGAL RIGHTS.
By reason of the benefits and coverage herein and the additional burdens placed upon the City of Fort Worth and the fund, it is expressly provided that no member of the fund shall have the right to sue the city with respect to this fund for disability sustained in line of duty, as heretofore defined; and by virtue of membership in the fund, the member accepts the benefits provided by the fund in lieu of any alleged right at law to sue the city or this fund for damages. No heir or legal representative of a member who is injured in line of duty, which injury results in death, shall have the right to sue the city for damages by reason thereof, but such heir or legal representative shall accept the benefits provided under the employees’ retirement fund ordinances of the City of Fort Worth in lieu of such right to sue for damages in a court of competent jurisdiction.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§§ 2.5-16-2.5-19 RESERVED.

DIVISION 2: PROVISIONS FOR GROUP III MEMBERS
(POLICE OFFICERS HIRED PRIOR TO JANUARY 1, 2013)

§ 2.5-20 APPLICABILITY.

This division applies only to group III members as defined by § 2.5-1.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-21 EARNINGS.

(a) (1) For credited service earned prior to October 1, 2013, earnings shall mean the amount actually paid to a group III member by the city for services rendered to the city during the calendar year, plus overtime, acting, assignment, holiday, longevity, educational incentive, safety award, incentive and shift differential pay, as reported on the group III member's W-2 form. Earnings shall also include weekly workers' compensation benefits (currently referred to as temporary income benefits), beginning for such amounts received by group III members on or after January 1, 2006, so long as required by law. Regardless of the fact that the following payments may be shown on a group III member's W-2 form, earnings shall not include:

a. Any non-salary allowance (such as uniform reimbursement, automobile allowance or mileage, etc.);

b. Lump sum payments received at time of termination for unused vacation leave, sick leave and personal leave;

c. Any award by a court, administrative body or settlement agreement in excess of earnings; and

d. Any amount paid to a group III member for which the city does not contribute to the fund under § 2.5-3(b).

(2) A group III member participating in a city-sponsored deferred compensation plan shall have the amount of any deferred compensation credited to that group III member during the calendar year added to earnings reported on the group III member's W-2 form to arrive at total earnings for fund matters. Mandatory group III member contributions that are picked-up by the city and excluded from a group III member's W-2 form shall also be included as part of earnings. Notwithstanding the foregoing, earnings in excess of $200,000, if any (or such other amounts as may be determined by taking into account the cost of living adjustment provided under § 401(a)(17) of the code) shall be disregarded for all purposes of this definition of earnings. Notwithstanding the preceding provisions of this definition of earnings, earnings shall not include any amounts paid following a group III member's effective DROP election.

(b) (1) For credited service earned on or after October 1, 2013, earnings shall mean the amount actually paid to a group III member by the city for services rendered to the city during the calendar year, plus acting, assignment, holiday, longevity, educational incentive, safety award, incentive and shift differential pay, as reported on the group III member's W-2 form. Earnings shall also include weekly workers' compensation benefits (currently referred to as temporary income benefits), beginning for such amounts received by group III members on or after January 1, 2006, so long as required by law. earnings shall not include any amount received as a result of overtime. Regardless of the fact that the following payments may be shown on a group III member's W-2 form, earnings shall not include:

a. Any non-salary allowance (such as uniform reimbursement, automobile allowance or mileage, etc.);

b. Lump sum payments received at time of termination for unused vacation leave, sick leave and personal leave;
c. Any award by a court, administrative body or settlement agreement in excess of earnings; and

d. Any amount paid to a group III member for which the city does not contribute to the fund under § 2.5-3(b).

(2) A group III member participating in a city-sponsored deferred compensation plan shall have the amount of any deferred compensation credited to that group III member during the calendar year added to earnings reported on the group III member's W-2 form to arrive at total earnings for fund matters. Mandatory group III member contributions that are picked-up by the city and excluded from a group III member's W-2 form shall also be included as part of earnings. Notwithstanding the foregoing, earnings in excess of $200,000, if any (or such other amounts as may be determined by taking into account the cost of living adjustment provided under § 401(a)(17) of the code) shall be disregarded for all purposes of this definition of earnings. Notwithstanding the preceding provisions of this definition of earnings, earnings shall not include any amounts paid following a group III member's effective DROP election.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-22 RETIREMENT DATES.

(a) Normal retirement date. A group III member shall be eligible for pension benefits on or after the group III member's normal retirement date which shall be the last day of the month in which the earliest of the following occurs:

(1) The group III member's years of age and years of credited service total 80; or

(2) The later of:
   a. The date on which the group III member reaches age 65; or
   b. The fifth anniversary of the date the group III member joined the fund.

(3) The last day of the month in which such group III member's years of credited service total 25.

(b) Vested retirement date. A vested group III member who is voluntarily or involuntarily separated from the service of the city shall be eligible for pension benefits on or after such group III member's vested termination date which shall be the last day of the month in which the group III member reaches age 50, or, if earlier, the last day of the month in which the group III member would have attained his or her normal retirement date had the group III member remained employed by the city.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-23 COMPENSATION BASE FOR DETERMINING BENEFITS.

(a) Compensation base for determining group III member benefits for credited service earned or purchased prior to October 1, 2013.

(1) For group III members hired and vested prior to October 23, 2007 (not subject to the 12% earnings cap), pension, death benefits, disability pension and vested termination benefits for credited service earned or purchased prior to October 1, 2013, shall be based upon the group III member's compensation base which shall mean the average annual earnings as defined by § 2.5-21(a) which were paid to the group III member by the city for employment with the city during any three calendar years in which the group III member had the highest annual earnings. If a group III member's last day of employment with the city is prior to January 1, 1999, "five" shall be substituted for "three" in the preceding sentence.

(2) For group III members who were not vested by October 23, 2007, and for group III members hired after October 23, 2007, but prior to January 1, 2013 (subject to the 12% earnings cap), pension, death benefits, disability pension and vested termination benefits for credited service earned or purchased prior to October 1, 2013, shall be based upon the group III member's compensation base which shall mean the average annual earnings, as defined by § 2.5-21(a) which were paid to the group III member by the city for employment with the city during any three calendar years in which the group III member had the highest annual earnings, subject to the following limitations.

   a. The fund shall determine the four calendar years in which the group III member had the highest annual earnings. Of such four years, the year in which the group III member had the lowest annual earnings shall serve as the base year. The base year shall not be included as one of the three calendar years for purposes of the compensation base calculation.
b. The first annual earnings to be used in the calculation of the group III member's compensation base shall be the actual annual earnings from the calendar year with the third highest annual earnings of the four calendar years identified in subsection (a)(2)a. above, provided that if such annual earnings are from a calendar year beginning on or after January 1, 2008, the amount to be used in the calculation of the compensation base for the first year shall not exceed 112% of the annual earnings for the base year.

c. The second annual earnings to be used in the calculation of the group III member's compensation base shall be the actual annual earnings from the calendar year with the second highest annual earnings of the four calendar years identified in subsection (a)(2)a. above, provided that if such annual earnings are from a calendar year beginning on or after January 1, 2008, the amount to be used in the calculation of the compensation base for the second year shall not exceed 112% of the annual earnings used that are attributable to the year described in subsection (a)(2)b. above.

d. The third annual earnings to be used in the calculation of the group III member's compensation base shall be the actual annual earnings from the calendar year with the highest annual earnings of the four calendar years identified in subsection (a)(2)a. above, provided that if such annual earnings are from a calendar year beginning on or after January 1, 2008, the amount to be used in the calculation of the compensation base for the third year shall not exceed 112% of the annual earnings used that are attributable to the year described in subsection (a)(2)c. above.

e. The average of the three amounts determined in accordance with subsections (a)(2)a. through (a)(2)d. above will be the average annual earnings for purposes of the group III member's compensation base.

(b) Compensation base for determining benefits for credited service earned or purchased, on or after October 1, 2013. Pension, death benefits, disability pension and vested termination benefits for credited service earned or purchased from October 1, 2013 to the date of termination shall be based upon the group III member's average annual earnings as defined by § 2.5-21(b), which were paid to the group III member by the city for employment with the city during any five calendar years in which the group III member had the highest annual earnings. The compensation base for credited service earned or purchased on or after October 1, 2013, does not include overtime.

(c) If a group III member has less than three, or if applicable, five calendar years of employment. If a group III member has less than three, or if applicable, five calendar years of employment, the group III member's compensation base shall be determined by the executive director under uniform, non-discriminatory procedures that are consistently applied.

(d) Lump sum payments. For compensation base purposes, any lump sum payments of earnings for any prior time period, whether awarded to the group III member by a court, administrative body or settlement agreement, shall be retroactively attributed to the calendar year in which it would otherwise have been received by the employee from the city for services rendered.

(e) DROP election. For purposes of computing the compensation base for a group III member who has made an effective DROP election, the group III member's compensation base shall be calculated using the group III member's earnings prior to the effective date of the DROP election.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-24 TERMINATION BENEFITS AND VESTING.

(a) Contribution refund prior to vesting. Any group III member who is voluntarily or involuntarily separated from the service of the city before the group III member is vested shall be entitled to receive the amount of the group III member's contributions plus regular interest (at the regular interest rate in effect on the date of such payment) less any amount previously paid to the group III member from the fund.

(b) Vested termination pension.

(1) a. A vested group III member who is voluntarily or involuntarily separated from the service of the city shall be entitled to receive a vested termination pension payable:

   1. In full, pursuant to § 2.5-22(b); or

   2. In a reduced amount commencing on or after age 50.

   b. A group III member must file a request for the commencement of the vested termination pension by completing such forms and following such procedures as are established by the board. A vested termination pension shall be payable monthly on the first day of each month commencing with the month following approval of the group III member's vested termination pension by the board.
(2) A vested termination pension shall be an annual life pension, the amount of which shall be the specified percentage of the group III member's compensation base multiplied by the group III member's total years of credited service to date of such voluntary or involuntary separation from the service of the city. For purposes of the preceding sentence, the specified percentage of the group III member's compensation base shall be 2.75% for all credited service earned or purchased prior to October 1, 2013, and 2.25% for credited service earned or purchased on or after October 1, 2013, unless the group III member has attained his or her normal retirement date or vested retirement date prior to the date the group III member's pension payments begin, in which case the specified percentage shall be 3% for all credited service earned or purchased prior to October 1, 2013 and shall be 2.5% for all credited service earned or purchased on or after October 1, 2013. A vested termination pension shall be calculated using the specified percentage and compensation base in effect at the time the group III member earned or purchased the credited service for all credited service earned or purchased after October 1, 2013.

(3) In addition to the reduced multiplier described in subsection (b)(2) above, if a group III member has not attained his or her normal retirement date or vested retirement date prior to the date the group III member's vested termination pension payments begin, the amount of reduction for commencement of a pension prior to the group III member's normal retirement date or vested retirement date shall be 0.416666667% for each month by which commencement of the pension antedates the group III member's normal retirement date had the group III member remained employed by the city.

(c) Contribution refund after vesting in lieu of vested termination pension. Any vested group III member who is voluntarily or involuntarily separated from the service of the city may elect to receive a refund of the group III member's contributions, plus regular interest (at the regular interest rate in effect on the date of such payment) less any amount previously paid to the group III member from the fund, either at the date of such separation or at any time thereafter prior to commencement of retirement benefit, but by so doing, the group III member shall forfeit all rights under the fund and thereafter be entitled to no further benefits hereunder.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-25 RETIREMENT PENSION (PENSION BENEFITS).

(a) Pensions commencing prior to October 1, 2013.

(1) Standard pension benefit A. A vested group III member who retires on or after the group III member's normal retirement date and who requests commencement of the group III member's pension prior to October 1, 2013, or a group III member who terminates employment prior to October 1, 2013, and prior to the group III member's normal retirement date and who waits until such vested retirement date to apply for a pension, shall receive an annual life pension, the amount of which shall be 3% of the group III member's applicable compensation base as defined by § 2.5-23(a)(1) or (a)(2), whichever is applicable, multiplied by the group III member's total years of credited service, payable monthly on the first day of each month commencing with the month following the board's approval of the group III member's pension. This retirement pension shall be defined as the "group III member's standard pension benefit A."

(2) Alternative pension benefit. In lieu of the group III member standard pension benefit A, a group III member under this subsection (a) may irrevocably elect with his or her spouse's consent (where applicable), in advance of his or her retirement and pursuant to regulations and requirements the board in its discretion may adopt, to receive an "alternative pension benefit" which shall be actuarially equivalent to the group III member's standard pension benefit A and which shall be payable in two parts:

a. One part in a lump sum amount not less than 5% nor greater than 25% of the actuarial equivalent of the group III member's pre-October 1, 2013 standard pension benefit A, which lump sum shall be payable on the date benefits commence under subsection (a) (2)b. below; and

b. The remainder in an annual life pension, payable monthly on the first day of each month commencing with the month following the board's approval of the group III member's alternative pension benefit.

(3) Limitation on alternative pension benefit. Notwithstanding any other provision in this division to the contrary, the option to elect an alternative pension benefit shall not be available for any disability pension under § 2.5-26, death benefit under § 2.5-27, or normal vested termination pension under § 2.5-24, nor shall it be available to any group III member who is receiving pension benefits as of the effective date of the alternative pension benefit provisions of this section, nor shall it be available upon re-retirement to any retired group III member who becomes re-employed by the city.

(b) Pensions commencing on or after October 1, 2013.

(1) Pensions commencing upon normal retirement date or vested retirement date for group III members hired and vested prior to October 23, 2007, whose pensions commences on or after October 1, 2013 (not subject to the 12% earnings cap). A
vested group III member hired and vested prior to October 23, 2007, who retires on or after the group III member's normal retirement date and requests commencement of the group III member's pension on or after October 1, 2013, or a group III member who terminates employment on or after October 1, 2013, and prior to the group III member's normal retirement date and who waits until such vested retirement date to apply for a pension, shall receive an annual life pension, the amount of which is calculated by adding the following:

a. Three percent of the group III member's compensation base as defined by § 2.5-23(a)(1) multiplied by the group III member's years of credited service from date of hire until September 30, 2013; and

b. Two and fifty one-hundredths percent of the group III member's compensation base as defined by § 2.5-23(b) multiplied by the group III member's years of credited service from October 1, 2013, until date of termination.

(2) Pensions commencing upon normal retirement date for group III members hired prior January 1, 2013 and not vested by October 23, 2007 (subject to the earnings cap). A group III member hired prior to January 1, 2013, who was not vested by October 23, 2007 who retires on or after the group III member's normal retirement date and requests commencement of the group III member's pension, and whose pension commences on or after October 1, 2013, or who terminates employment on or after October 1, 2013, but prior to the group III member's normal retirement date and who waits until such vested retirement date to apply for a pension, shall receive an annual life pension, the amount of which is calculated by adding the following:

a. Three percent of the group III member's compensation base as defined by § 2.5-23(a)(2) multiplied by the group III member's years of credited service from date of hire until September 30, 2013; and

b. Two and fifty one-hundredths percent of the group III member's compensation base as defined by § 2.5-23(b) multiplied by the group III member's years of credited service from October 1, 2013 until date of termination.

(3) Payable. The pension should be payable monthly on the first day of each month commencing with the month following the board's approval of the group III member's pension benefit. This retirement pension shall be defined as the "group III member standard pension benefit B."

(c) Alternative pension benefit. In lieu of the group III member standard pension benefit A or B, a group III member may irrevocably elect with his or her spouse's consent (where applicable), in advance of his or her retirement and pursuant to regulations and requirements the board in its discretion may adopt, to receive an "alternative pension benefit" which shall be actuarially equivalent to the group III member's standard pension benefit A or B and which shall be payable in two parts:

(1) One part in a lump sum amount not less than 5% nor greater than 25% of the actuarial equivalent of the group III member's standard pension benefit A or B, which lump sum shall be payable on the date benefits commence under subsection (c)(2) below; and

(2) The remainder in an annual life pension, payable monthly on the first day of each month commencing with the month following the board's approval of the group III member's pension.

(d) Limitation on alternative pension benefit. Notwithstanding any other provision in this division to the contrary, the option to elect an alternative pension benefit shall not be available for any disability benefits under § 2.5-26, death benefits under § 2.5-27, or vested termination pension under § 2.5-24, nor shall it be available to any group III member who is receiving pension benefits hereunder as of the effective date of the alternative pension benefit provisions of this section, nor shall it be available upon re-employment to any retired group III member who becomes re-employed by the city.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-26 DISABILITY PENSION.

(a) General provisions. See § 2.5-7, for general provisions related to disability pension.

(b) Disability in line of duty. If a group III member, whether or not vested, becomes disabled as defined in § 2.5-7, while in line of duty, the group III member shall receive an annual life pension, the amount of which shall be the specified percentage of the group III member's compensation base multiplied by the group III member's total years of credited service which would have accrued if the group III member had worked to the group III member's normal retirement date, but not less than $250 per month. For purposes of the preceding sentence, the specified percentage of the group III member's compensation base shall be 2.75%, unless the group III member is already eligible to retire on or after his or her normal retirement date, in which case the group III member shall receive the standard pension benefit.

(c) Disability not in line of duty for vested group III members whose disability pension commences prior to October 1,
2013. If a vested group III member becomes disabled as defined in § 2.5-7, while not in line of duty, and the group III member's pension commences prior to October 1, 2013, the group III member shall receive an annual life pension, the amount of which shall be the specified percentage of the group III member's compensation base, multiplied by the group III member's total years of credited service to date of actual retirement. For purposes of the preceding sentence, the specified percentage of the group III member's compensation base shall be 2.75%, unless the group III member is already eligible to retire on or after the group III member's normal retirement date, in which case the specified percentage shall be 3%.

(d) Disability not in line of duty for vested group III members whose disability pension commences on or after October 1, 2013. If a vested group III member becomes disabled as defined in § 2.5-7, while not in line of duty, and the group III member's pension commences on or after October 1, 2013, the group III member shall receive an annual life pension, the amount of which shall be determined by adding the following:

1. A specified percentage of the group III member's compensation base as defined by § 2.5-23(a)(1) for group III members hired and vested prior to October 23, 2007, or a specified percentage of the group III member's compensation base as defined by § 2.5-23(a)(2) for group III members who were hired prior to January 1, 2013, and were not vested by October 23, 2007, multiplied by the group III member's years of credited service from date of hire until September 30, 2013. For purposes of the preceding sentence, the specified percentage of the group III member's compensation base for credited service pursuant to this subsection (d)(1) shall be 2.75%; and

2. A specified percentage of the group III member's compensation base as defined by § 2.5-23(b), multiplied by the group III member's years of credited service from October 1, 2013, until the date of disability. For purposes of the preceding sentence, the specified percentage of the group III member's compensation base for credited service pursuant to this subsection (d)(2) shall be 2.25%.

(e) Disability not in line of duty for non-vested group III members. If a group III member becomes disabled while not in line of duty before the group III member is vested, then such group III member shall be entitled to receive a contribution refund in accordance with § 2.5-24(a).

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-27 DEATH BENEFIT.

(a) While in line of duty.

1. If a group III member dies before retirement while in line of duty and as a result of the performance of that group III member's duties, the surviving widow or widower shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group III member's pension, based on the number of years of credited service that would have accrued had the group III member lived to the group III member's normal retirement date, but not less than $250.

2. Each dependent child of such group III member under 18 years of age shall be entitled to receive a monthly pension, the amount of which shall be $100, provided however, that if no surviving widow or widower shall be entitled to receive a monthly pension pursuant to the terms of this section, all such dependent children shall share equally a monthly pension, the amount of which shall be 75% of the group III member's pension, based on the number of years of credited service that would have accrued had the group III member lived to the group III member's normal retirement date, but not less than $250.

3. If a group III member dies while in line of duty and leaves no widow or widower or children eligible to receive a benefit hereunder, but is survived by a dependent parent or parents, such dependent parent(s) shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group III member's accrued pension projected to the group III member's normal retirement date, but not less than $250.

4. The survivor's monthly pension benefit for a group III member who dies in line of duty under this subsection (a) shall be calculated using a multiplier of 3%.

(b) While not in line of duty.

1. Vested group III member who dies not in line of duty and whose survivor's monthly pension begins prior to October 1, 2013.

a. If a vested group III member dies before retirement, while not in line of duty, and the survivor monthly pension benefit begins prior to October 1, 2013, then the surviving widow or widower shall be entitled to receive a monthly pension, the amount of
which shall be 75% of the group III member's accrued pension but not less than $150.

b. Each dependent child under 18 years of age of such vested group III member shall be entitled to receive a monthly pension, the amount of which shall be $100, provided, however, that if no surviving widow or widower shall be entitled to receive a monthly pension pursuant to the terms of this subsection (b), all such dependent children shall share equally a monthly pension, the amount of which shall be 75% of the group III member's accrued pension, but not less than $150.

c. If a vested group III member dies while not in line of duty and leaves no widow or widower or children eligible to receive a benefit under this subsection (b), but is survived by a dependent parent or parents, such dependent parent(s) shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group III member's accrued pension, projected to the group III member's normal retirement date, but not less than $150.

d. For purposes of this subsection (b)(1), a group III member's accrued pension shall be calculated using a multiplier of 2.75%, unless the group III member had reached the group III member's normal retirement date prior to death, in which event the multiplier shall be 3.0%.

(2) Vested group III member who dies not in line of duty and whose survivor's monthly pension begins on or after October 1, 2013.

a. If a vested group III member dies before retirement, while not in line of duty, and the survivor pension begins on or after October 1, 2013, then the surviving widow or widower shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group III member's accrued pension but not less than $150. The accrued pension shall be calculated by adding the following:

1. A specified percentage of the group III member's compensation base as defined by § 2.5-23(a)(1) for group III member's hired and vested prior to October 23, 2007, or a specified percentage of the group III member's compensation base as defined by § 2.5-23(a)(2) for group III members who were hired prior to January 1, 2013, and were not vested by October 23, 2007, multiplied by the group III member's years of credited service from date of hire until September 30, 2013. For purposes of the preceding sentence, the specified percentage of the group III member's compensation base for credited service for this time period shall be 2.75%; and

2. A specified percentage of the group III member's compensation base as defined by § 2.5-23(b), multiplied by the group III member's years of credited service from October 1, 2013, until the date of death. For purposes of the preceding sentence, the specified percentage of the group III member's compensation base for credited service for this time period shall be 2.25%.

b. Each dependent child under 18 years of age of such vested group III member shall be entitled to receive a monthly pension, the amount of which shall be $100; provided, however, that if no surviving widow or widower shall be entitled to receive a monthly pension pursuant to the terms of this section, all such dependent children shall share equally a monthly pension, the amount of which shall be 75% of the group III member's accrued pension, but not less than $150.

c. If a group III member dies while not in line of duty and leaves no widow or widower or children eligible to receive a benefit hereunder, but is survived by a dependent parent or parents, such dependent parent(s) shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group III member's accrued pension, but not less than $150.

(3) Group III member not vested at time of death. If a group III member was not vested on the date of death, the surviving widow or widower shall be entitled to the return of all contributions which the group III member paid into the fund during the group III member's life plus regular interest thereon (at the regular interest rate in effect on the date of any payment to the widow or widower). If there is not a surviving widow or widower, the contributions shall be paid to the estate of the group III member.

c. After retirement.

(1) Upon the death of a retired group III member. Upon the death of a retired group III member, the surviving widow or widower shall be entitled to receive a monthly pension, the amount of which shall be 75% of the pension being paid to the group III member, provided that the group III member and surviving widow or widower had been married for at least one year immediately prior to the group III member's retirement. Notwithstanding the preceding sentence, a surviving widow or widower who was not married to the deceased group III member for at least one year immediately prior to the group III member's retirement shall be eligible to receive a monthly pension if the group III member has elected to receive a reduced monthly pension, on a form and subject to procedures developed by the executive director, within six months after the group III member's completion of two years of marriage to the group III member's spouse. The reduced monthly pension shall be actuarially determined in a manner that is actuarially neutral to the fund, based on actuarial tables in effect on the date of the group III member's election to receive a reduced monthly pension. If such an election has been made, the surviving widow or widower shall receive a monthly pension for life equal to 75% of the group III member's reduced monthly pension.

(2) Group III members who are not married on date of retirement. Upon the death of a retired group III member who was
not married at retirement, a beneficiary designated by the group III member at retirement may be eligible to receive a monthly pension
if the group III member has elected to receive a reduced monthly pension, on a form and subject to procedures developed by the
executive director. The group III member's reduced monthly pension shall be actuarially determined in a manner that is actuarially
neutral to the fund, based on actuarial tables in effect on the date of the group III member's election to receive a reduced monthly
pension. The group III member can elect for his or her designated beneficiary to receive either 100%, 75%, 50% or 25% of the group
III member's reduced monthly pension. If a group III member who was not married at retirement and who selected a designated
beneficiary pursuant to this section later marries only the designated beneficiary would be entitled to receive a lifetime monthly
pension.

(3) Dependent children. Each dependent child under 18 years of age of such retired deceased group III member shall be
entitled to receive a monthly pension, the amount of which shall be $100, but shall cease upon the earliest of such child's death,
maintenance or attainment of age 18 pursuant to the terms of this article.

(d) Death of vested terminated group III member prior to pension commencing. If a terminated group III member entitled to a
pension dies before the group III member's pension commences, the group III member's designated beneficiary, or if none, the group
III member's estate shall receive an amount equal to the group III member's total contributions to the fund, plus regular interest. If the
vested group III member's years of age and years of credited service total at least 65 as of the date of the group III member's
termination, the group III member's eligible dependents shall receive the benefit specified under subsection (b) above, based on the
pension to which the group III member would have been entitled as of the date of the group III member's death, in lieu of the payment
of contributions plus regular interest. If the group III member's years of age and service did not total at least 65 as of the date of the
group III member's termination, the group III member's eligible dependents may choose between the refund of contributions, the
payment of the survivor benefit at the date the group III member would have been eligible to draw the benefit, or an immediate benefit
at an actuarially reduced rate.

(e) General provisions.

(1) If a deceased group III member leaves no widow, widower, designated beneficiary, children or dependent parents eligible to
receive a benefit hereunder, the group III member's total contributions plus regular interest (at the regular interest rate in effect on the
date of any such payment) less any amount previously paid to him or her from the fund, shall be paid to the group III member's estate.

(2) Payments to a child shall be made whether or not a widow, widower or designated beneficiary survives and shall continue
after the death of a widow, widower or designated beneficiary but shall cease upon the earliest of such child's death, marriage or
attainment of age 18. Payments to a dependent parent shall cease upon such parent's death. For purposes of this division, a parent will
be deemed to be dependent if the group III member provides over one half of the parent's support. Payments to a widow, widower or
designated beneficiary shall continue after remarriage, but shall cease upon the death of the widow, widower or designated
beneficiary. Payments to a widow or widower forfeited due to remarriage, under prior provisions of this section will be reinstated upon
written request by the widow or widower, but no retroactive payment can be made. After payments cease, any excess of the group III
member's total contributions over and above disability and/or death benefits paid, plus regular interest at date of death o shall be paid to
the group III member's estate.

(3) Except as provided in subsection (d) above, death benefit coverage during service breaks in excess of 90 consecutive
calendar days shall be limited to group III members who are absent due to service-connected injury incurred while in line of duty.

(4) Benefits hereunder shall be payable on the first day of each month commencing with the month following the month in which
the group III member's death occurs. The board shall determine all questions of dependency, and its determination shall be final and
conclusive on all parties. All unmarried, legitimate and legally adopted children under the age of 18 years, in the absence of
determination to the contrary, shall be considered dependent.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§§ 2.5-28-2.5-29 RESERVED.

DIVISION 3: PROVISIONS APPLICABLE TO GROUP IV MEMBERS
(POLICE OFFICERS HIRED ON OR AFTER JANUARY 1, 2013)

§ 2.5-30 APPLICABILITY.

This division shall apply to group IV members as defined by § 2.5-1.
§ 2.5-31 EARNINGS.

(a) Earnings shall mean the amount actually paid to a group IV member by the city for services rendered to the city during the calendar year, plus acting, assignment, holiday, longevity, educational incentive, safety award, incentive and shift differential pay, as reported on the group IV member's W-2 form. Earnings shall also include weekly workers' compensation benefits (currently referred to as temporary income benefits), beginning for such amounts received by group IV members on or after January 1, 2006, so long as required by law. Earnings does not include any amount received as a result of overtime. Regardless of the fact that the following payments may be shown on a group IV member's W-2 form, earnings shall not include:

(1) Any non-salary allowance (such as uniform reimbursement, automobile allowance or mileage, etc.);
(2) Lump sum payments received at time of termination for unused vacation leave, sick leave and personal leave;
(3) Any award by a court, administrative body or settlement agreement in excess of earnings;
(4) Any payment received from the city's wellness program;
(5) Any amount received from the city's vacation sell-back program; and
(6) any amount paid to a group IV member for which the city does not contribute to the fund under § 2.5-3(b).

(b) A group IV member participating in a city-sponsored deferred compensation plan shall have the amount of any deferred compensation credited to that group IV member during the calendar year added to earnings reported on the group IV member's W-2 form to arrive at total earnings for fund matters. Mandatory group IV member contributions that are picked-up by the city and excluded from a group IV member's W-2 form shall also be included as part of earnings. Notwithstanding the foregoing, earnings in excess of $200,000, if any (or such other amounts as may be determined by taking into account the cost-of-living adjustment provided under § 401(a)(17) of the code) shall be disregarded for all purposes of this definition. Notwithstanding the preceding provisions, earnings shall not include any amounts paid following a group IV member's effective DROP election.

§ 2.5-32 RETIREMENT DATES.

(a) Normal retirement date. A group IV member shall be eligible for pension benefits on or after the normal retirement date which shall be the last day of the month in which the earliest of the following occurs:

(1) The group IV member's years of age and years of credited service total 80;
(2) The later of:
   a. The date on which the group IV member reaches age 65; or
   b. The fifth anniversary of the date the group IV member joined the fund.
(3) The last day of the month in which such group IV member's years of credited service total 25.

(b) Vested terminated retirement date. A vested group IV member who is voluntarily or involuntarily separated from the service of the city shall be eligible for pension benefits on or after such group IV member's vested termination date which shall be the last day of the month in which the group IV member reaches age 50, or, if earlier, the last day of the month in which the group IV member's age when added to his or her credited service totals 80.

§ 2.5-33 COMPENSATION BASE FOR DETERMINING BENEFITS.

(a) Pension, death, disability and vested termination benefits shall be based upon the group IV member's compensation base which shall mean the average annual earnings which were paid to the group IV member by the city for employment with the city during any
five years. If a group IV member has less than five calendar years of employment, the group IV member's compensation base shall be determined by the executive director under uniform, non-discriminatory procedures that are consistently applied.

(b) For compensation base purposes, any lump sum payments of earnings for any prior time period, whether awarded to the group IV member by a court, administrative body or settlement agreement, shall be retroactively attributed to the calendar year in which it would otherwise have been received by the group IV member from the city for services rendered.

(c) For purposes of computing the compensation base for a group IV member who has made an effective DROP election, the group IV member's compensation base shall be calculated using the group IV member's earnings prior to the effective date of the DROP election.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-34 TERMINATION BENEFITS AND VESTING.

(a) **Contribution refund prior to vesting.** A group IV member who is voluntarily or involuntarily separated from the service of the city before the group IV member is vested shall be entitled to receive the amount of the group IV member's contributions plus regular interest (at the regular interest rate in effect on the date of such payment) less any amount previously paid to the group IV member from the fund.

(b) **Vested termination pension.**

1. A vested group IV member who is voluntarily or involuntarily separated from the service of the city shall be entitled to receive a vested termination pension payable:
   1. In full, pursuant to § 2.5-32(b); or
   2. In a reduced amount commencing on or after age 50.

   b. A group IV member must file a request for the commencement of the vested termination pension by completing such forms and following such procedures as are established by the board. A vested termination pension shall be payable monthly on the first day of each month commencing with the month following approval of the vested termination pension by the board.

2. A vested termination pension shall be an annual life pension, the amount of which shall be the specified percentage of the group IV member's compensation base multiplied by his or her total years of credited service to date of such voluntary or involuntary separation from the service of the city. For purposes of the preceding sentence, the specified percentage of the group IV member's compensation base shall be 2.25%, unless the group IV member has attained his or her normal retirement date or vested retirement date prior to the date that pension payments begin, in which case the specified percentage shall be 2.5%. A vested termination pension shall be calculated using the specified percentage and compensation base in effect at the time the group IV member earned the credited service.

3. If a group IV member has not attained his or her normal retirement date or vested retirement date prior to the date the vested termination pension payments begins, the amount of reduction for commencement of a pension prior to the group IV member's normal retirement date or vested retirement date (in addition to the specified percentage of 2.25%), shall be 0.416666667% for each month by which commencement of the pension antedates the group IV member's normal retirement date had he or she remained employed by the city.

(c) **Contribution refund after vesting in lieu of vested termination pension.** Any vested group IV member who is voluntarily or involuntarily separated from the service of the city may elect to receive a refund of the group IV member's contributions, plus regular interest (at the regular interest rate in effect on the date of such payment) less any amount previously paid to the group IV member from the fund, either at the date of such separation or at any time thereafter prior to commencement of retirement benefit, but by so doing, the group IV member shall forfeit all rights under the fund and thereafter be entitled to no further benefits hereunder.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-35 RETIREMENT PENSION (BENEFIT).

(a) **Pensions commencing upon normal retirement date.** A vested group IV member under this division who retires on or after the group IV member's normal retirement date and requests commencement of the group IV member's pension, or a group IV
member who terminates employment prior to the group IV member's normal retirement date and who waits until such vested retirement date to apply for a pension, shall receive an annual life pension, the amount of which shall be 2.5% of the group IV member's compensation base multiplied by the group IV member's total years of credited service, payable monthly on the first day of each month commencing with the month following the board's approval of the group IV member's pension. This pension benefit shall be called the "group IV member's standard pension benefit."

(b) **Alternative pension benefit.** In lieu of the standard pension benefit, a group IV member may irrevocably elect with his or her spouse's consent (where applicable), in advance of his or her retirement and pursuant to regulations and requirements the board in its discretion may adopt, to receive an "alternative pension benefit" which shall be actuarially equivalent to the group IV member's standard pension benefit and which shall be payable in two parts:

1. One part in a lump sum amount not less than 5% nor greater than 25% of the actuarial equivalent of the group IV member's standard pension benefit, which lump sum shall be payable on the date benefits commence under subsection (b)(2) below; and

2. The remainder in an annual life pension, payable monthly on the first day of each month commencing with the month following the board's approval of the group IV member's pension.

(c) **Limitation on alternative pension benefit.** Notwithstanding any other provision in this division to the contrary, the option to elect an alternative pension benefit shall not be available for any disability pension under § 2.5-36, death benefit under § 2.5-37, or normal vested termination pension under § 2.5-34, nor shall it be available to any retired group IV member who is receiving pension benefits hereunder as of the effective date of the alternative pension benefit provisions of this section, nor shall it be available upon re-retirement to any retired group IV member who becomes re-employed by the city.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-36  **DISABILITY PENSION.**

(a) **General provisions.** See § 2.5-7 for general provisions related to disability pension.

(b) **Disability in line of duty.** If a group IV member, whether or not vested, becomes disabled as defined in § 2.5-7 while in line of duty, the group IV member shall receive an annual life pension, the amount of which shall be the specified percentage of the group IV member's compensation base multiplied by the total years of credited service which would have accrued if the group IV member had worked to normal retirement date, but not less than $250 per month. For purposes of the preceding sentence, the specified percentage of the group IV member's compensation base shall be 2.25%, unless the group IV member is already eligible to retire on or after his or her normal retirement date, in which case the specified percentage shall be 2.5%.

(c) **Disability not in line of duty for vested group IV members.** If a vested group IV member becomes disabled, as defined in § 2.5-7, while not in line of duty, the group IV member shall receive an annual life pension, the amount of which shall be the specified percentage of the group IV member's compensation base multiplied by the group IV member's total years of credited service to date of actual retirement. For purposes of the preceding sentence, the specified percentage of the group IV member's compensation base shall be 2.25%, unless the group IV member is already eligible to retire on or after the group IV member's normal retirement date, in which case the specified percentage shall be 2.5%.

(d) **Disability not in line of duty for non-vested group IV members.** If a group IV member becomes disabled while not in line of duty before the group IV member is vested, then such group IV member shall be entitled to receive a contribution refund in accordance with § 2.5-34(a).

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-37  **DEATH BENEFIT.**

(a) **While in line of duty.**

1. If a group IV member dies before retirement while in line of duty and as a result of the performance of that group IV member's duties, the surviving widow or widower shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group IV member's pension, based on the number of years of credited service that would have accrued had the group IV member lived to the group IV member's normal retirement date, but not less than $250.

2. Each dependent child of such group IV member under 18 years of age shall be entitled to receive a monthly pension, the
amount of which shall be $100, provided however, that if no surviving widow or widower shall be entitled to receive a monthly pension pursuant to the terms of this division, all such dependent children shall share equally a monthly pension, the amount of which shall be 75% of the group IV member's pension, based on the number of years of credited service that would have accrued had the group IV member lived to the group IV member's normal retirement date, but not less than $250.

3) If a group IV member dies while in line of duty and leaves no widow or widower or children eligible to receive a benefit hereunder, but is survived by a dependent parent or parents, such dependent parents or the surviving dependent parent shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group IV member's accrued pension projected to the group IV member's normal retirement date, but not less than $250.

4) The survivor's monthly pension benefit for a group IV member who dies in line of duty shall be calculated using a multiplier of 2.5%.  

(b) While not in line of duty.  

(1) Vested group IV member.  

a. If a vested group IV member dies before retirement, while not in line of duty, the surviving widow or widower shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group IV member's accrued pension but not less than $150.  

b. Each dependent child under 18 years of age of such vested group IV member shall be entitled to receive a monthly pension, the amount of which shall be $100, provided, however, that if no surviving widow or widower shall be entitled to receive a monthly pension pursuant to the terms of this division, all such dependent children shall share equally a monthly pension, the amount of which shall be 75% of the group IV member's accrued pension, but not less than $150.  

c. If a group IV member dies while in not in line of duty and leaves no widow or widower or children eligible to receive a benefit hereunder, but is survived by a dependent parent or parents, such dependent parents or the surviving dependent parent shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group IV member's accrued pension, projected to the group IV member's normal retirement date, but not less than $150.  

d. The survivor's monthly pension benefit for a vested group IV member who dies not in line of duty shall be calculated using a multiplier of 2.25%.  

(2) Group IV member not vested at time of death. If a group IV member was not vested on the date of death, the surviving widow or widower shall be entitled to the return of all contributions which the group IV member paid into the fund during the group IV member's life plus regular interest thereon (at the regular interest rate in effect on the date of any payment to the widow or widower). If there is not a surviving widow or widower, the contributions shall be paid to the estate of the group IV member.  

(c) After retirement.  

(1) Group IV members who are married at retirement. The surviving spouse of a group IV member who dies after retirement would be eligible to receive a monthly pension if the group IV member elected to receive a reduced monthly pension prior to retirement, on a form and subject to procedures developed by the executive director of the fund. The group IV member's reduced monthly pension shall be determined in a manner that is actuarially neutral to the fund, based on actuarial tables in effect on the date of the group IV member's election to receive a reduced monthly pension. Notwithstanding the preceding, a surviving spouse who was not married to the deceased group IV member at the time of his or her retirement shall be eligible to receive a monthly pension if the group IV member has elected to receive a reduced monthly pension, on a form and subject to procedures developed by the executive director, within six months after the group IV member's completion of two years of marriage to his or her spouse. The reduced monthly pension shall be actuarially determined in a manner that is actuarially neutral to the fund, based on actuarial tables in effect on the date of the group IV member's election to receive a reduced monthly pension. The group IV member can elect for his or her surviving spouse to receive either 100%, 75%, 50% or 25% of the group IV member's reduced monthly pension.  

(2) Group IV members who are not married on date of retirement. Upon the death of a retired group IV member, who was not married at retirement, a beneficiary designated by the group IV member at retirement may be eligible to receive a monthly pension if the group IV member has elected to receive a reduced monthly pension, on a form and subject to procedures developed by the executive director. The group IV member's reduced monthly pension shall be actuarially determined in a manner that is actuarially neutral to the fund, based on actuarial tables in effect on the date of the group IV member's election to receive a reduced monthly pension. The group IV member can elect for his or her designated beneficiary to receive either 100%, 75%, 50% or 25% of the group IV member's reduced monthly pension. If a group IV member who was not married at retirement and who selected a designated beneficiary pursuant to this subsection (c) later marries, only the designated beneficiary would be entitled to receive a lifetime monthly pension.  


(3) **Dependent child.** Each dependent child under 18 years of age of such retired deceased group IV member shall be entitled to receive a monthly pension, the amount of which shall be $100, but shall cease upon the earliest of such child's death, marriage or attainment of age 18 pursuant to the terms of this article.

(d) **Death of vested terminated group IV member prior to pension commencing.** If a terminated group IV member entitled to a pension dies before his or her pension commences, the group IV member's designated beneficiary, or if none, the group IV member's estate shall receive an amount equal to the group IV member's total contributions to the fund, plus regular interest. If the vested group IV member's years of age and years and credited service total at least 65 as of the date of the group IV member's termination, the group IV member's eligible dependents shall receive the benefit specified under subsection (b) above, based on the pension to which the group IV member would have been entitled as of the date of the group IV member's death, in lieu of the payment of contributions plus regular interest. If the group IV member's years of age and service did not total at least 65 as of the date of the group IV member's termination, the group IV member's eligible dependents' benefit shall be paid to the group IV member's estate.

(e) **General provisions.**

(1) If a deceased group IV member leaves no widow, widower, designated beneficiary, children or dependent parents eligible to receive a benefit hereunder, the group IV member's total contributions plus regular interest (at the regular interest rate in effect on the date of any such payment) less any amount previously paid to him or her from the fund, shall be paid to the group IV member's estate.

(2) Payments to a child shall be made whether or not a widow, widower or designated beneficiary survives and shall continue after the death of a widow, widower or designated beneficiary but shall cease upon the earliest of such child's death, marriage or attainment of age 18. Payments to a dependent parent shall cease upon such parent's death. For purposes of this division, a parent will be deemed to be dependent if the group IV member provides over one-half of the parent's support. Payments to a widow, widower or designated beneficiary shall continue after remarriage, but shall cease upon the death of the widow, widower or designated beneficiary. Payments to a widow or widower forfeited due to remarriage, under prior provisions of this section will be reinstated upon written request by the widow or widower, but no retroactive payment can be made. After payments cease, any excess of the group IV member's total contributions over and above disability and/or death benefits paid, plus regular interest at date of death shall be paid to the member's estate.

(3) Except as provided in subsection (d) above, death benefit coverage during service breaks in excess of 90 consecutive calendar days shall be limited to group IV members who are absent due to service-connected injury incurred while in line of duty.

(4) Benefits hereunder shall be payable on the first day of each month commencing with the month following the month in which the group IV member's death occurs. The board shall determine all questions of dependency, and its determination shall be final and conclusive on all parties. All unmarried, legitimate and legally adopted children under the age of 18 years, in the absence of determination to the contrary, shall be considered dependent.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§§ 2.5-38, 2.5-39  RESERVED.

DIVISION 4: PROVISIONS APPLICABLE TO GROUP I MEMBERS
(GENERAL EMPLOYEES HIRED PRIOR TO JULY 1, 2011)

§ 2.5-40 APPLICABILITY.

This division shall apply to group I members as defined by § 2.5-1.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-41 EARNINGS.

(a) (1) For credited service earned prior to October 1, 2013, earnings shall mean the amount actually paid to a group I member by the city for services rendered to the city during the calendar year, plus overtime, acting, assignment, holiday, longevity, educational incentive, safety award, incentive and shift differential pay, as reported on the group I member's W-2 form. "Earnings" shall also
include weekly workers' compensation benefits (currently referred to as temporary income benefits), beginning for such amounts received by group I members on or after January 1, 2006, so long as required by law. Regardless of the fact that the following payments may be shown upon a group I member's W-2 form, earnings shall not include:

(a) Any non-salary allowance (such as uniform reimbursement, automobile allowance or mileage, etc.);

(b) Lump sum payments received at time of termination for unused vacation leave, sick leave and personal leave;

(c) Any award by a court, administrative body or settlement agreement in excess of earnings; and

(d) Any amount paid to a group I member for which the city does not contribute to the fund under § 2.5-4(b).

(2) A group I member participating in a city-sponsored deferred compensation plan shall have the amount of any deferred compensation credited to that group I member during the calendar year added to earnings reported on the group I member's W-2 form to arrive at total earnings for fund matters. Mandatory group I member contributions that are picked-up by the city and excluded from a group I member's W-2 form shall also be included as part of earnings. Notwithstanding the foregoing, earnings in excess of $200,000, if any (or such other amounts as may be determined by taking into account the cost-of-living adjustment provided under § 401(a)(17) of the code) shall be disregarded for all purposes of this definition. Notwithstanding the preceding provisions, earnings shall not include any amounts paid following a group I member's effective DROP election.

(b) For credited service earned on or after October 1, 2013, earnings shall mean the amount actually paid to a group I member by the city for services rendered to the city during the calendar year, plus acting, assignment, holiday, longevity, educational incentive, safety award, incentive and shift differential pay, as reported on the group I member's W-2 form. Earnings shall also include weekly workers' compensation benefits (currently referred to as temporary income benefits), beginning for such amounts received by group I members on or after January 1, 2006, so long as required by law. Earnings does not include overtime. Regardless of the fact that the following payments may be shown upon a group I member's W-2 form, earnings shall not include:

(a) Any non-salary allowance (such as uniform reimbursement, automobile allowance or mileage, etc.);

(b) Lump sum payments received at time of termination for unused vacation leave, sick leave and personal leave;

(c) Any award by a court, administrative body or settlement agreement in excess of earnings; and

(d) Any amount paid to a group I member for which the city does not contribute to the fund under § 2.5-4(b).

(2) A group I member participating in a city-sponsored deferred compensation plan shall have the amount of any deferred compensation credited to that group I member during the calendar year added to earnings reported on the group I member's W-2 form to arrive at total earnings for fund matters. Mandatory group I member contributions that are picked-up by the city and excluded from a group I member's W-2 form shall also be included as part of earnings. Notwithstanding the foregoing, earnings in excess of $200,000, if any (or such other amounts as may be determined by taking into account the cost-of-living adjustment provided under § 401(a)(17) of the code) shall be disregarded for all purposes of this definition. Notwithstanding the preceding provisions, earnings shall not include any amounts paid following a group I member's effective DROP election.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-42 RETIREMENT DATES FOR GROUP I MEMBERS.

(a) Normal retirement date. A group I member shall be eligible for pension benefits on or after the group I member's normal retirement date which shall be the last day of the month in which the earliest of the following occurs:

(1) The group I member's years of age and years of credited service total 80; or

(2) The later of:

   a. The date on which the group I member reaches age 65; or

   b. The fifth anniversary of the date the group I member joined the fund.

(b) Vested terminated retirement date. A vested group I member who is voluntarily or involuntarily separated from the service of the city shall be eligible for pension benefits on or after such group I member's vested termination retirement date which shall be the last day of the month in which the group I member reaches age 50, or, if earlier, the last day of the month in which the group I member would have attained his or her normal retirement date had the group I member remained employed by the city.
§ 2.5-43 COMPENSATION BASE FOR DETERMINING BENEFITS.

(a) Compensation base for determining group I member benefits for credited service earned or purchased prior to October 1, 2013.

(1) For group I members hired and vested prior to October 23, 2007 (not subject to the 12% cap), pension, death benefits, disability pension and vested termination benefits shall be based upon the group I member's compensation base which shall mean the average annual earnings, as defined by § 2.5-41(a) which were paid to the group I member by the city for employment with the city during any three calendar years in which he or she had the highest annual earnings. If a group I member's last day of employment with the city is prior to January 1, 1999, "five" shall be substituted for "three" in the preceding sentence.

(2) For group I members who were hired prior to July 1, 2011, but not vested by October 23, 2007 (subject to the 12% cap), pension, death benefits, disability pension and vested termination benefits shall be based upon the group I member's compensation base which shall mean the average annual earnings, as defined by § 2.5-41(a) which were paid to the group I member by the city for employment with the city during any three calendar years in which he or she had the highest annual earnings, subject to the following limitations.

a. The fund shall determine the four calendar years in which the group I member had the highest annual earnings. Of such four years, the year in which the group I member had the lowest annual earnings shall serve as the base year. The base year shall not be included as one of the three calendar years for purposes of the compensation base calculation.

b. The first annual earnings to be used in the calculation of the group I member's compensation base shall be the actual annual earnings from the calendar year with the third highest annual earnings of the four calendar years identified in subsection (a)(2)a. above, provided that if such annual earnings are from a calendar year beginning on or after January 1, 2008, the amount to be used in the calculation of the compensation base for the first year shall not exceed 112% of the annual earnings for the base year.

c. The second annual earnings to be used in the calculation of the group I member's compensation base shall be the actual annual earnings from the calendar year with the second highest annual earnings of the four calendar years identified in subsection (a) (2)a. above, provided that if such annual earnings are from a calendar year beginning on or after January 1, 2008, the amount to be used in the calculation of the compensation base for the second year shall not exceed 112% of the annual earnings that are attributable to the year described in subsection (a)(2)b. above.

d. The third annual earnings to be used in the calculation of the group I member's compensation base shall be the actual annual earnings from the calendar year with the highest annual earnings of the four calendar years identified in subsection (a)(2)a. above, provided that if such annual earnings are from a calendar year beginning on or after January 1, 2008, the amount to be used in the calculation of the compensation base for the third year shall not exceed 112% of the annual earnings that are attributable to the year described in subsection (a)(2)c. above.

e. The average of the three amounts determined in accordance with subsections (a)(2)a. through (a)(2)d. above will be the average annual earnings for purposes of the group I member's compensation base.

(b) Compensation base for determining group I member benefits for credited service earned or purchased on or after October 1, 2013. For group I members, credited service earned or purchased on or after October 1, 2013 shall be based upon average annual earnings, as defined by § 2.5-41(b) which were paid to the group I member by the city for employment with the city during any five calendar years in which the group I member had the highest annual earnings. The compensation base for credited service earned or purchased on or after October 1, 2013, does not include overtime.

c. If a group I member has less than five (or if applicable, three) calendar years of employment. If a group I member has less than five (or if applicable, three) calendar years of employment, the group I member's compensation base shall be determined by the executive director under uniform, non-discriminatory procedures that are consistently applied.

d. Lump sum payments. For compensation base purposes, any lump sum payments of earnings for any prior time period, whether awarded to the group I member by a court, administrative body or settlement agreement, shall be retroactively attributed to the calendar year in which it would otherwise have been received by the group I member from the city for services rendered.

e. Compensation base. For purposes of computing the compensation base for a group I member who has made an effective DROP election, the group I member's compensation base shall be calculated using the group I member's earnings prior to the effective date of the DROP election.
§ 2.5-44 TERMINATION BENEFITS AND VESTING.

(a) Contribution refund prior to vesting. Any group I member who is voluntarily or involuntarily separated from the service of the city before the group I member is vested shall be entitled to receive the amount of the group I member's contributions plus regular interest (at the regular interest rate in effect on the date of such payment) less any amount previously paid to the group I member from the fund.

(b) Vested termination pension.

(1) A vested group I member who is voluntarily or involuntarily separated from the service of the city shall be entitled to receive a vested termination pension payable:

   1. In full, pursuant to § 2.5-42(b); or
   2. In a reduced amount commencing on or after age 50.

b. A group I member must file a request for the commencement of the vested termination pension by completing such forms and following such procedures as are established by the board. A vested termination pension shall be payable monthly on the first day of each month commencing with the month following approval of the group I member's vested termination pension by the board.

(2) A vested termination pension shall be an annual life pension, the amount of which shall be the specified percentage of the group I member's compensation base multiplied by the group I member's total years of credited service to date of such voluntary or involuntary separation from the service of the city. For purposes of the preceding sentence, the specified percentage of the group I member's compensation base shall be 2.75% for all credited service earned or purchased prior to October 1, 2013, and 2.25% for credited service earned or purchased on or after October 1, 2013, unless the group I member has attained his or her normal retirement date or vested retirement date prior to the date the group I member's pension payments begin, in which case the specified percentage shall be 3% for all credited service earned or purchased prior to October 1, 2013 and shall be 2.5% for all credited service earned or purchased on or after October 1, 2013. A vested termination pension shall be calculated using the specified percentage and compensation base in effect at the time the group I member earned or purchased the credited service for all credited service earned or purchased after October 1, 2013.

(3) In addition to the reduced multiplier describe in subsection (b)(2) above, if a group I member has not attained his or her normal retirement date or vested retirement date prior to the date the group I member's vested termination pension payments begins, the amount of reduction for commencement of a pension prior to the group I member's normal retirement or vested retirement date shall be 0.416666667% for each month by which commencement of the pension antedates the group I member's normal retirement date had the group I member remained employed by the city.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-45 RETIREMENT PENSION (BENEFIT).

(a) Pensions commencing prior to October 1, 2013.

(1) Standard pension benefit A. A vested group I member who retires on or after the group I member's normal retirement date and who requests commencement of the group I member's pension prior to October 1, 2013, or a group I member who terminates employment prior to October 1, 2013, and prior to the group I member's normal retirement date and who waits until such vested retirement date, to apply for a pension, shall receive an annual life pension, the amount of which shall be 3% of the group I member's applicable compensation base as defined by § 2.5-43(a)(1) or (a)(2), whichever is applicable, multiplied by the group I member's total years of credited service, payable monthly on the first day of each month commencing with the month following the board's approval of the group I member's pension. This retirement pension shall be defined as the "group I member's standard pension benefit A."

(2) Alternative pension benefit. In lieu of the group I member standard pension benefit A, a group I member under this subsection (a) may irrevocably elect with his or her spouse's consent (where applicable), in advance of his or her retirement and pursuant to regulations and requirements the board in its discretion may adopt, to receive an "alternative pension benefit" which shall be actuarially equivalent to the group I member's standard pension benefit A and which shall be payable in two parts:

   a. One part in a lump sum amount not less than 5% nor greater than 25% of the actuarial equivalent of the group I member's
pre-October 1, 2013 standard pension benefit A, which lump sum shall be payable on the date benefits commence under subsection (a) (2)b. below; and

b. The remainder in an annual life pension, payable monthly on the first day of each month commencing with the month following the board's approval of the group I member's alternative pension benefit.

(3) Limitation on alternative pension benefit. Notwithstanding any other provision in this division to the contrary, the option to elect an alternative pension benefit shall not be available for any disability pension under § 2.5-46, death benefit under § 2.5-47, or vested termination pension under § 2.5-44, nor shall it be available to any group I member who is receiving pension benefits as of the effective date of the alternative pension benefit provisions of this section, nor shall it be available upon re-retirement to any retired group I member who becomes re-employed by the city.

(b) Pensions commencing on or after October 1, 2013.

(1) Pensions commencing upon normal retirement date for group I members hired and vested prior to July 1, 2011, whose pension commences on or after October 1, 2013 (not subject to the earnings cap). A vested group I member hired and vested prior to October 23, 2007, who retires on or after the group I member's normal retirement date and requests commencement of the group I member's pension on or after October 1, 2013, or a group I member who terminates employment on or after October 1, 2013 and prior to the group I member's normal retirement date and who waits until such vested retirement date to apply for a pension, shall receive an annual life pension, the amount of which shall be calculated by adding the following:

a. Three percent of the group I member's compensation base as defined by § 2.5-43(a)(1) multiplied by the group I member's years of credited service from date of hire until September 30, 2013; and

b. Two and fifty one-hundredths percent of the group I member's compensation base as defined by § 2.5-43(b) multiplied by the group I member's years of credited service from October 1, 2013 until date of termination.

(2) Pensions commencing upon normal retirement date for group I members who were hired prior to July 1, 2011 and were not vested by October 23, 2007 and whose pension commences on or after October 1, 2013 (subject to the earnings cap). A group I member hired prior to July 1, 2011, and not vested by October 23, 2007, who retires on or after the group I member's normal retirement date and requests commencement of the group I member's pension, and whose pension commences on or after October 1, 2013, or who terminates employment on or after October 1, 2013, but prior to his or her normal retirement date and who waits until such vested retirement date to apply for a pension shall receive an annual life pension, the amount of which shall be calculated by adding the following:

a. Three percent of the group I member's compensation base as defined by § 2.5-43(a)(2) multiplied by the group I member's years of credited service from date of hire until September 30, 2013; and

b. Two and fifty one-hundredths percent of the group I member's compensation base as defined by § 2.5-43(b) multiplied by the group I member's years of credited service from October 1, 2013 until date of termination.

(3) Payable. The pension should be payable monthly on the first day of each month commencing with the month following the board's approval of the group I member's pension. This retirement pension shall be defined as the "group I member standard pension benefit B."

(c) Alternative pension benefit. In lieu of the group I member standard pension benefit B, a group I member may irrevocably elect with his or her spouse's consent (where applicable), in advance of his or her retirement and pursuant to regulations and requirements the board in its discretion may adopt, to receive an "alternative pension benefit" which shall be actuarially equivalent to the group I member's standard pension benefit B and which shall be payable in two parts:

(1) One part in a lump sum amount not less than 5% nor greater than 25% of the actuarial equivalent of the group I member's standard pension benefit, which lump sum shall be payable on the date benefits commence under subsection (c)(2) below; and

(2) The remainder in an annual life pension, payable monthly on the first day of each month commencing with the month following the board's approval of the group I member's pension.

(d) Limitation on alternative pension benefit. Notwithstanding any other provision in this division to the contrary, the option to elect an alternative pension benefit shall not be available for any disability benefit under § 2.5-46, death benefit under § 2.5-47, or normal vested termination pension under § 2.5-44, nor shall it be available to any retired employee who is receiving pension benefits hereunder as of the effective date of the alternative pension benefit provisions of this section, nor shall it be available upon re-retirement to any retired group I member who becomes re-employed by the city.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)
§ 2.5-46 DISABILITY PENSION.

(a) General provisions. See § 2.5-7 for general provisions related to disability pension.

(b) Disability in line of duty. If a group I member, whether or not vested, becomes disabled as defined in § 2.5-7, while in line of duty, the group I member shall receive an annual life pension, the amount of which shall be the specified percentage of the group I member's compensation base multiplied by the group I member's total years of credited service which would have accrued if the group I member had worked to the group I member's normal retirement date, but not less than $250 per month. For purposes of the preceding sentence, the specified percentage of the group I member's compensation base shall be 2.75%, unless the group I member is already eligible to retire on or after the group I member's normal retirement date, in which case the specified percentage shall be 3%.

(c) Disability not in line of duty for vested group I members whose disability pension commences prior to October 1, 2013. If a vested group I member becomes disabled as defined in § 2.5-7, while not in line of duty, and the group I member's pension commences prior to October 1, 2013, the group I member shall receive an annual life pension, the amount of which shall be the specified percentage of the group I member's compensation base, multiplied by the group I member's total years of credited service to date of actual retirement. For purposes of the proceeding sentence, the specified percentage of the group I member's compensation base shall be 2.75%, unless the group I member is already eligible to retire on or after the group I member's normal retirement date, in which case the specified percentage shall be 3%.

(d) Disability not in line of duty for vested group I members whose disability pension commences on or after October 1, 2013. If a vested group I member becomes disabled as defined in § 2.5-7, while not in line of duty, and the group I member's pension commences on or after October 1, 2013, the group I member shall receive an annual life pension, the amount of which shall be determined by adding the following:

1. A specified percentage of the group I member's compensation base as defined by § 2.5-43(a)(1) if hired and vested prior to October 23, 2007, or a specified percentage of the group I member's compensation base as defined by § 2.5-43(a)(2) if hired prior to July 1, 2011 and not vested by October 23, 2007, multiplied by the group I member's years of credited service from date of hire until September 30, 2013. For purposes of the preceding sentence, the specified percentage of the group I member's compensation base for credited service pursuant to this subsection (d) shall be 2.75%; and

2. A specified percentage of the group I member's compensation base as defined by § 2.5-43(b) multiplied by the group I member's years of credited service from January 1, 2013, until the date of disability. For purposes of the preceding sentence, the specified percentage of the group I member's compensation base for credited service pursuant to this subsection shall be 2.25%.

(e) Disability not in line of duty for non-vested group I members. If a group I member becomes disabled while not in line of duty before the group I member is vested, then such group I member shall be entitled to receive a contribution refund in accordance with § 2.5-44(a).

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-47 DEATH BENEFIT.

(a) While in line of duty.

1. If a group I member dies before retirement while in line of duty and as a result of the performance of that group I member's duties, the surviving widow or widower shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group I member's standard pension, based on the number of years of credited service that would have accrued had the group I member lived to the group I member's normal retirement date, but not less than $250.

2. Each dependent child under 18 years of age of such group I member shall be entitled to receive a monthly pension, the amount of which shall be $100, provided however, that if no surviving widow or widower shall be entitled to receive a monthly pension pursuant to the terms of this division, all such dependent children shall share equally a monthly pension, the amount of which shall be 75% of the group I member's pension, based on the number of years of credited service that would have accrued had the group I member lived to the group I member's normal retirement date, but not less than $250.

3. If a group I member dies while in line of duty and leaves no widow or widower or children eligible to receive a benefit hereunder, but is survived by a dependent parent or parents, such dependent parent(s) shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group I member's accrued pension projected to the group I member's normal retirement date, but not less than $250.
(4) The survivor's monthly pension benefit for a group I member who dies in line of duty shall be calculated using a multiplier of 3%.

(b) While not in line of duty.

(1) Vested group I member who dies not in line of duty and whose survivor's monthly pension begins prior to October 1, 2013.

a. If a vested group I member dies before retirement, while not in line of duty, and the survivor monthly pension benefits begins prior to October 1, 2013, then the surviving widow or widower shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group I member's accrued pension but not less than $150.

b. Each dependent child under 18 years of age of such vested group I member shall be entitled to receive a monthly pension, the amount of which shall be $100; provided, however, that if no surviving widow or widower shall be entitled to receive a monthly pension pursuant to the terms of this subsection (b), all such dependent children shall share equally a monthly pension, the amount of which shall be 75% of the group I member's accrued pension, but not less than $150.

c. If a vested group I member dies while not in line of duty and leaves no widow or widower or children eligible to receive a benefit under this subsection (b), but is survived by a dependent parent or parents, such dependent parents of the surviving dependent parent shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group I member's accrued pension, projected to the group I member's normal retirement date, but not less than $150.

d. For purposes of this subsection (b)(1), a group I member's accrued pension shall be calculated using a multiplier of 2.75%, unless the group I member had reached the group I member's normal retirement date prior to death, in which event the multiplier shall be 3%.

(2) Vested group I member who dies not in line of duty and whose survivor's monthly pension begins on or after October 1, 2013.

a. If a vested group I member dies before retirement, while not in line of duty, and the survivor pension begins on or after October 1, 2013, then the surviving widow or widower shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group I member's accrued pension but not less than $150. The accrued pension shall be calculated by adding the following:

1. A specified percentage of the group I member's compensation base as defined by § 2.5-43(a)(1) if hired and vested prior to October 23, 2007, or a specified percentage of the group I member's compensation base as defined by § 2.5-43(a)(2) if hired prior to July 1, 2011 and not vested by October 23, 2007, multiplied by the group I member's years of credited service from date of hire until September 30, 2013. For purposes of the preceding sentence, the specified percentage of the group I member's compensation base for credited service for this time period shall be 2.75%; and

2. A specified percentage of the group I member's compensation base as defined by § 2.5-43(b), multiplied by the group I member's years of credited service from October 1, 2013, until the date of death. For purposes of the preceding sentence, the specified percentage of the group I member's compensation base for credited service for this time period shall be 2.25%.

b. Each dependent child under 18 years of age of such vested group I member shall be entitled to receive a monthly pension, the amount of which shall be $100; provided, however, that if no surviving widow or widower shall be entitled to receive a monthly pension pursuant to the terms of this section, all such dependent children shall share equally a monthly pension, the amount of which shall be 75% of the group I member's accrued pension, but not less than $150.

c. If a group I member dies while not in line of duty and leaves no widow or widower or children eligible to receive a benefit hereunder, but is survived by a dependent parent or parents, such dependent parent(s) shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group I member's accrued pension, but not less than $150.

(3) Group I member not vested at time of death. If a group I member was not vested on the date of death, the surviving widow or widower shall be entitled to the return of all contributions which the group I member paid into the fund during the group I member's life plus regular interest thereon (at the regular interest rate in effect on the date of any payment to the widow or widower). If there is not a surviving widow or widower, the contributions shall be paid to the estate of the group I member.

(c) After retirement.

(1) Upon the death of a group I member, the surviving widow or widower shall be entitled to receive a monthly pension, the amount of which shall be 75% of the pension being paid to the group I member, provided that the group I member and surviving widow or widower had been married for at least one year immediately prior to the group I member's retirement. Notwithstanding the preceding sentence, a surviving widow or widower who was not married to the deceased group I member for at least one year
immediately prior to the group I member's retirement shall be eligible to receive a monthly pension if the group I member has elected to receive a reduced monthly pension, on a form and subject to procedures developed by the executive director, within six months after the group I member's completion of two years of marriage to the group I member's spouse. The reduced monthly pension shall be actuarially determined in a manner that is actuarially neutral to the fund, based on actuarial tables in effect on the date of the group I member's election to receive a reduced monthly pension. If such an election has been made, the surviving widow or widower shall receive a monthly pension for life equal to 75% of the group I member's reduced monthly pension.

(2) Upon the death of a group I member who was not married at retirement, a beneficiary designated by a group I member at retirement may be eligible to receive a monthly pension if the group I member has elected to receive a reduced monthly pension, on a form and subject to procedures developed by the executive director. The group I member's reduced monthly pension shall be actuarially determined in a manner that is actuarially neutral to the fund, based on actuarial tables in effect on the date of the group I member's election to receive a reduced monthly pension. If such an election has been made, the group I member's designated beneficiary shall receive a monthly pension for life equal to 100%, 75%, 50% or 25% of the group I member's reduced monthly pension. If a group I member who was not married at retirement and who selected a designated beneficiary pursuant to this subsection (e) later marries only the designated beneficiary would be entitled to receive a lifetime monthly pension.

(3) Each dependent child under 18 years of age of such deceased group I member shall be entitled to receive a monthly pension, the amount of which shall be $100 but shall cease upon the earliest of such child's death, marriage or attainment of age 18; provided, however, that if no surviving widow, widower or designated beneficiary shall be entitled to a monthly pension pursuant to the terms of this division, all such dependent children shall share equally a monthly pension, the amount of which shall be 75% of the pension being paid to the group I member at the time of his or her death.

(d) Death of vested terminated group I member prior to pension commencing. If a terminated group I member entitled to a pension under the provisions of § 2.5-44 dies before the group I member's pension commences, the group I member's designated beneficiary, or if none, the group I member's estate shall receive an amount equal to the group I member's total contributions to the fund, plus regular interest (at the regular interest rate in effect on the date of such payment). If the vested group I member's years of age and years of credited service total at least 65 as of the date of the group I member's termination, the group I member's eligible dependents shall receive the benefit specified under subsection (b) above, based on the pension to which the group I member would have been entitled as of the date of the group I member's death, in lieu of the payment of contributions plus regular interest. If the group I member's years of age and credited service did not total at least 65 as of the date of the group I member's termination, the group I member's eligible dependents may choose between the refund of contributions, the payment of the survivor benefit at the date the group I member would have been eligible to draw the benefit, or an immediate benefit at an actuarially reduced rate.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§§ 2.5-48-2.5-49 RESERVED.

DIVISION 5: PROVISIONS FOR GROUP II MEMBERS
(GENERAL EMPLOYEES HIRED ON OR AFTER JULY 1, 2011)

§ 2.5-50 APPLICABILITY.

This division applies to group II members as defined by § 2.5-1.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-51 EARNINGS.

(a) (1) For credited service earned prior to October 1, 2013, earnings shall mean the amount actually paid to a group II member by the city for services rendered to the city during the calendar year, plus overtime, acting, assignment, holiday, longevity, educational incentive, safety award, incentive and shift differential pay, as reported on the group II member's W-2 form. Earnings shall also include weekly workers' compensation benefits (currently referred to as temporary income benefits), beginning for such amounts received by group II members on or after January 1, 2006, so long as required by law. Regardless of the fact that the following payments may be shown upon a group II member's W-2 form, earnings shall not include:

a. Any non-salary allowance (such as uniform reimbursement, automobile allowance or mileage, etc.);
b. Lump sum payments received at time of termination for unused vacation leave, sick leave and personal leave;

c. Any award by a court, administrative body or settlement agreement in excess of earnings;

d. Any a payment received from the city's wellness program;

e. Any amount received from the city's vacation sell-back program; and

f. Any amount paid to a group II member for which the city does not contribute to the fund under § 2.5-3.

(2) A group II member participating in a city-sponsored deferred compensation plan shall have the amount of any deferred compensation credited to that group II member during the calendar year added to earnings reported on the group II member's W-2 form to arrive at total earnings for fund matters. Mandatory group II member contributions that are picked-up by the city and excluded from a member's W-2 form shall also be included as part of earnings. Notwithstanding the foregoing, earnings in excess of $200,000, if any (or such other amounts as may be determined by taking into account the cost-of-living adjustment provided under § 401(a)(17) of the code) shall be disregarded for all purposes of this definition. Notwithstanding the preceding provisions, earnings shall not include any amounts paid following a group II member's effective DROP election.

(b) (1) For credited service earned on or after October 1, 2013, earnings shall mean the amount actually paid to a group II member for services rendered to the city during the calendar year, plus acting, assignment, holiday, longevity, educational incentive, safety award, incentive and shift differential pay, as reported on the group II member's W-2 form. "Earnings" shall also include weekly workers' compensation benefits (currently referred to as temporary income benefits), beginning for such amounts received by group II members on or after January 1, 2006, so long as required by law. Earnings does not include overtime. Regardless of the fact that the following payments may be shown upon a group II member's W-2 form, earnings shall not include:

   a. Any non-salary allowance (such as uniform reimbursement, automobile allowance or mileage, etc.);

   b. Lump sum payments received at time of termination for unused vacation leave, sick leave and personal leave;

   c. Any award by a court, administrative body or settlement agreement in excess of earnings;

   d. Any payment received from the city's wellness program;

   e. Any amount received from the city's vacation sell-back program; and

   f. Any amount paid to a group II member for which the city does not contribute to the fund under § 2.5-3.

(2) A group II member participating in a city-sponsored deferred compensation plan shall have the amount of any deferred compensation credited to that group II member during the calendar year added to earnings reported on the group II member's W-2 form to arrive at total earnings for fund matters. Mandatory group II member contributions that are picked-up by the city and excluded from a member's W-2 form shall also be included as part of earnings. Notwithstanding the foregoing, earnings in excess of $200,000, if any (or such other amounts as may be determined by taking into account the cost-of-living adjustment provided under § 401(a)(17) of the code) shall be disregarded for all purposes of this definition. Notwithstanding the preceding provisions, earnings shall not include any amounts paid following a group II member's effective DROP election.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-52 RETIREMENT DATES.

(a) Normal retirement date. A group II member hired on or after July 1, 2011, shall be eligible for pension benefits on or after the group II member's normal retirement date which shall be the last day of the month in which the group II member reaches age 55, and in which the earliest of the following occurs:

   (1) The group II member's years of age (minimum age of 55) and years of credited service total 80; or

   (2) The later of:

      a. The date on which the group II member reaches age 65; or

      b. The fifth anniversary of the date the group II member joined the fund.

(b) Vested retirement date. A vested group II member hired on or after July 1, 2011, who is voluntarily or involuntarily separated from the service of the city prior to their normal retirement date shall be eligible for pension benefits on or after such group II
member's vested termination date which shall be the last day of the month in which the group II member reaches age 55, and in which
the group II member's years of age (minimum age of 55) and years of service total 80.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-53 COMPENSATION BASE FOR DETERMINING BENEFITS FOR GROUP II MEMBERS.

(a) For a group II member, pension, death, disability and vested termination benefits shall be based upon the group II member's
compensation base which shall mean the average annual earnings, excluding overtime, which were paid to the group II member by the
city for employment with the city during any five calendar years in which he or she had the highest annual earnings (excluding
overtime).

(b) If a group II member has less than five calendar years of employment, the group II member's compensation base shall be
determined by the executive director under uniform, non-discriminatory procedures that are consistently applied.

(c) For compensation base purposes, any lump sum payments of earnings for any prior time period, whether awarded to the group
II member by a court, administrative body or settlement agreement, shall be retroactively attributed to the calendar year in which it
would otherwise have been received by the group II member from the city for services rendered. For purposes of computing the
compensation base for a group II member who has made an effective DROP election, the group II member's compensation base shall
be calculated using the group II member's earnings (excluding overtime) prior to the effective date of the DROP election.

(d) For the time period from July 1, 2011, through September 30, 2013, both city contributions and group II member contributions
"picked up" by the city on overtime will be placed in a cash balance account for each group II member to be administered by the fund.
A group II member will be eligible to receive the proceeds in the cash balance account plus regular interest (at the regular interest rate
in effect on the date of such payment) upon termination of employment from the city. However, a group II member who retires from
the city under a normal retirement, special retirement, disability retirement or early retirement is entitled to receive a dollar-for-dollar
match of the proceeds in the cash balance account plus a dollar-for-dollar match of the regular interest (at the regular interest rate in
effect on the date of such payment) on the proceeds in the cash balance account upon retirement. A group II member who retires
from the city under a vested termination retirement is entitled to receive a dollar-for-dollar match of the proceeds in the group II
member's cash balance account, and a dollar-for-dollar match of the regular interest on the cash balance up until the date of the group
II member's termination of employment with the city. However, the group II member is not entitled to any interest on the cash balance
account after the date of the group II member's termination of employment with the city. An eligible surviving widow or widower,
dependent child or children, or dependent parent or parents of a group II member who dies prior to retirement would also be entitled
to receive a dollar-for-dollar match of the proceeds in the cash balance account plus a dollar-for-dollar match of the regular interest (at
the regular interest rate in effect on the date of such payment) on the proceeds in the cash balance account.

(e) Overtime is not included in the definition of earnings for credited service earned or purchased on or after October 1, 2013.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-54 TERMINATION BENEFITS AND VESTING.

(a) Contribution refund prior to vesting. Any group II member hired on or after July 1, 2011, who is voluntarily or involuntarily
separated from the service of the city before the group II member is vested shall be entitled to receive the amount of the group II
member's contributions, plus regular interest (at the regular interest rate in effect on the date of such payment) including any proceeds
in the group II member's cash balance account, less any amount previously paid to the group II member from the fund.

(b) Vested termination pension.

(1) a. A vested group II member, who is voluntarily or involuntarily separated from the service of the city shall be entitled to
receive a vested termination pension payable:

1. In full pursuant to § 2.5-52(b); or

2. In a reduced amount commencing on or after age 55.

b. A group II member must file a request for the commencement of the vested termination pension by completing such forms
and following such procedures as are established by the board. A vested termination pension shall be payable monthly on the first day
of each month commencing with the month following approval of the group II member's vested termination pension by the board.
A vested termination pension shall be an annual life pension, the amount of which shall be the specified percentage of the group II member's compensation base multiplied by the group II member's total years of credited service to date of such voluntary or involuntary separation from the service of the city. For purposes of the preceding sentence, the specified percentage of the group II member's compensation base shall be 2.25%, unless the group II member has attained his or her normal retirement date prior to the date the group II member's pension payments begin, in which case the specified percentage shall be 2.50%. A vested termination pension shall be calculated using the "multiplier" ("specified percentage") in effect at the time the credited service is earned or purchased.

In addition to the reduced multiplier described in subsection (b)(2) above, the amount of reduction for early commencement of a vested termination pension prior to the group II member's normal retirement date shall be 0.416666667% for each month by which commencement of the pension antedates the group II member's normal retirement date had the group II member remained employed by the city.

(c) Contribution refund after vesting in lieu of vested termination pension. Any vested group II member who is voluntarily or involuntarily separated from the service of the city may elect to receive a refund of the group II member's contributions, plus regular interest (at the regular interest rate in effect on the date of such payment) including any proceeds in the group II member's cash balance accountless any amount previously paid to the group II member from the fund, either at the date of such separation or at any time thereafter prior to commencement of retirement benefit, but by so doing, the group II member shall forfeit all rights under the fund and thereafter be entitled to no further benefits hereunder.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-55 RETIREMENT PENSION (BENEFIT).

(a) Pensions commencing upon normal retirement date. A vested group II member who retires on or after the group II member's normal retirement date and requests commencement of the group II member's pension, or a group II member who terminates employment prior to the group II member's normal retirement date and who waits until such vested retirement date to apply for a pension, shall receive an annual life pension, the amount of which shall be 2.50% of the group II member's compensation base multiplied by the group II member's total years of credited service, payable monthly on the first day of each month commencing with the month following the board's approval of the group II member's pension. This retirement benefit shall be called the "group II member standard pension benefit."

(b) Alternative pension benefit. In lieu of the group II member standard pension benefit, a group II member may irrevocably elect with his or her spouse's consent (where applicable), in advance of his or her retirement and pursuant to regulations and requirements the board in its discretion may adopt, to receive an "alternative pension benefit" which shall be actuarially equivalent to the group II member's standard pension benefit and which shall be payable in two parts:

(1) One part in a lump sum amount not less than 5% nor greater than 25% of the actuarial equivalent of the group II member's standard pension benefit, which lump sum shall be payable on the date benefits commence under subsection (b)(2) below; and

(2) The remainder in an annual life pension, payable monthly on the first day of each month commencing with the month following the board's approval of the group II member's pension.

(c) Limitation on alternative pension benefit. Notwithstanding any other provision in this division to the contrary, the option to elect an alternative pension benefit shall not be available for any disability benefit under § 2.5-56, death benefit under § 2.5-57, or normal vested termination pension under § 2.5-54, nor shall it be available to any retired employee who is receiving pension benefits hereunder as of the effective date of the alternative pension benefit provisions of this division, nor shall it be available upon re-retirement to any retired employee who becomes re-employed by the city.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-56 DISABILITY PENSION.

(a) General provisions. See § 2.5-7, for general provisions related to disability pension.

(b) Disability in line of duty. If a group II member hired on or after July 1, 2011, whether or not vested, becomes disabled as above defined while in line of duty, the group II member shall receive an annual life pension, the amount of which shall be the specified percentage of the group II member's compensation base multiplied by the group II member's total years of credited service which
would have accrued if the group II member had worked to the group II member's normal retirement date, but not less than $250 per month. For purposes of the preceding sentence, the specified percentage of the group II member's compensation base shall be 2.25%, unless the group II member is already eligible to retire on or after the group II member's normal retirement date, in which case the specified percentage shall be 2.50%.

(c) **Disability not in line of duty for vested group II members.** If a vested group II member as defined by § 2.5-7 becomes disabled as above defined while not in line of duty, the group II member shall receive an annual life pension, the amount of which shall be the specified percentage of the group II member's compensation base multiplied by the group II member's total years of credited service to date of actual retirement. For purposes of the preceding sentence, the specified percentage of the group II member's compensation base shall be 2.25%, unless the group II member is already eligible to retire on or after the group II member's normal retirement date, in which case the specified percentage shall be 2.50%.

(d) **Disability not in line of duty for non-vested group II members.** If a group II member becomes disabled while not in line of duty before the group II member is vested, then such group II member shall be entitled to receive a contribution refund in accordance with § 2.5-54(a).

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-57 DEATH BENEFITS.

(a) **In line of duty.**

(1) If a group II member dies before retirement while in line of duty and as a result of the performance of that group II member's duties, the surviving widow or widower shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group II member's pension, based on the number of years of credited service that would have accrued had the group II member lived to the group II member's normal retirement date, but not less than $250. The surviving widow or widower shall also be entitled to the proceeds in the group II member's cash balance account and a dollar-for-dollar match of the proceeds in the group II member's cash balance account plus a dollar-for-dollar match of the regular interest (at the regular interest rate in effect on the date of such payment) on the proceeds in the cash balance account, if applicable.

(2) Each dependent child of such group II member under age 18 shall be entitled to receive a monthly pension, the amount of which shall be $100, provided however, that if no surviving widow or widower shall be entitled to receive a monthly pension pursuant to the terms of this division, all such dependent children shall share equally a monthly pension, the amount of which shall be 75% of the group II member's pension, based on the number of years of credited service that would have accrued had the group II member lived to the group II member's normal retirement date, but not less than $250, plus the proceeds in the group II member's cash balance account, and a dollar-for-dollar match of the proceeds in the group II member's cash balance account plus a dollar-for-dollar match of the regular interest (at the regular interest rate in effect on the date of such payment) on the proceeds in the cash balance account, if applicable.

(3) If a group II member dies while in line of duty and leaves no widow or widower or children eligible to receive a benefit hereunder, but is survived by a dependent parent or parents, such dependent parents or the surviving dependent parent shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group II member's accrued pension projected to the group II member's normal retirement date, but not less than $250, plus the proceeds in the group II member's cash balance account, and a dollar-for-dollar match of the proceeds in group II member's cash balance account plus a dollar-for-dollar match of the regular interest (at the regular interest rate in effect on the date of such payment) on the proceeds in the cash balance account, if applicable.

(4) The survivor's monthly pension benefit for a group II member who dies in line of duty shall be calculated using a multiplier of 2.5%.

(b) **While not in line of duty.**

(1) **Vested group II member.**

a. If a vested group II member dies before retirement, while not in line of duty, the surviving widow or widower shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group II member's accrued pension but not less than $150, plus the proceeds in the group II member's cash balance account, and a dollar-for-dollar match of the proceeds in the group II member's cash balance account plus a dollar-for-dollar match of the regular interest (at the regular interest rate in effect on the date of such payment) on the proceeds in the cash balance account, if applicable.

b. Each dependent child under 18 years of age of such vested group II member shall be entitled to receive a monthly pension,
the amount of which shall be $100; provided, however, that if no surviving widow or widower shall be entitled to receive a monthly pension pursuant to the terms of this division, all such dependent children shall share equally a monthly pension, the amount of which shall be 75% of the group II member's accrued pension, but not less than $150, plus the proceeds in the group II member's cash balance account, and a dollar-for-dollar match of the proceeds in group II member's cash balance account plus a dollar-for-dollar match of the regular interest (at the regular interest rate in effect on the date of such payment) on the proceeds in the cash balance account, if applicable.

c. If a group II member dies while not in line of duty and leaves no widow or widower or children eligible to receive a benefit hereunder, but is survived by a dependent parent or parents, such dependent parents or the surviving dependent parent shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group II member's accrued pension, but not less than $150, plus the proceeds in the group II member's cash balance account, and a dollar-for-dollar match of the proceeds in group II member's cash balance account plus a dollar-for-dollar match of the regular interest (at the regular interest rate in effect on the date of such payment) on the proceeds in the cash balance account, if applicable.

d. The survivor's monthly pension benefit for a vested group II member who dies not in line of duty shall be calculated using a multiplier of 2.25%.

(2) Group II member not vested at time of death. If a group II member was not vested on the date of death, the surviving widow or widower shall be entitled to the return of all contributions which the group II member paid into the fund during the group II member's life plus regular interest thereon (at the regular interest rate in effect on the date of any payment to the widow or widower). If there is not surviving widow or widower, the contributions shall be paid to the estate of the group II member.

(c) After retirement.

(1) Group II members who are married at retirement. Upon the death of a retired group II member, the surviving spouse of the group II member may be eligible to receive a monthly pension if the group II member has elected to receive a reduced monthly pension, on a form and subject to procedures developed by the executive director. The group II member's reduced monthly pension shall be actuarially determined in a manner that is actuarially neutral to the fund, based on actuarial tables in effect on the date of the group II member's election to receive a reduced monthly pension. Notwithstanding the preceding, a surviving spouse who was not married to the deceased group II member at the time of the group II member's retirement shall be entitled to receive a monthly pension if the group II member has elected to receive a reduced monthly pension, on a form and subject to procedures developed by the executive director, within six months after the group II member's completion of two years of marriage to the group II member's spouse. The reduced monthly pension shall be actuarially determined in a manner that is actuarially neutral to the fund, based on actuarial tables in effect on the date of the group II member's election to receive a reduced monthly pension. The group II member can elect for his or her surviving spouse to receive either 100%, 75%, 50% or 25% of the group II member's reduced monthly pension.

(2) Group II members who are not married on date of retirement. Upon the death of a retired group II member who was not married at retirement, a beneficiary designated by the group II member at retirement may be eligible to receive a monthly pension if the group II member has elected to receive a reduced monthly pension, on a form and subject to procedures developed by the executive director. The group II member's reduced monthly pension shall be actuarially determined in a manner that is actuarially neutral to the fund, based on actuarial tables in effect on the date of the group II member's election to receive a reduced monthly pension. The group II member can elect for his or her designated beneficiary to receive either 100%, 75%, 50% or 25% of the group II member's reduced monthly pension. If a group II member who was not married at retirement and who selected a designated beneficiary pursuant to this section later marries, only the designated beneficiary would be entitled to receive a lifetime monthly pension.

(3) Each dependent child under 18 years of age of such deceased group II member shall be entitled to receive a monthly pension, the amount of which shall be $100, but shall cease upon the earliest of such child's death, marriage or attainment of age 18 pursuant to the terms of this division.

(d) Terminated group II member. If a terminated group II member entitled to a pension under the provisions of this division dies before the group II member's pension commences, the group II member's designated beneficiary, or if none, the group II member's estate shall receive an amount equal to the group II member's total contributions to the fund, plus regular interest (at the regular interest rate in effect on the date of such payment), including any proceeds in the group II member's cash balance account, if applicable. If the vested group II member's years of age and years of credited service total at least 65 as of the date of the group II member's termination, the group II member's eligible dependents shall receive the benefit specified under subsection (b) above, based on the pension to which the group II member would have been entitled as of the date of the group II member's death, in lieu of the payment of contributions plus regular interest. If the group II member's years of age and credited service did not total at least 65 as of the date of the group II member's termination, the group II member's eligible dependents may choose between the refund of contributions, the payment of the survivor benefit at the date the group II member would have been eligible to draw the benefit, or an
immediate benefit at an actuarially reduced rate.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§§ 2.5-58-2.5-60  RESERVED.

DIVISION 6: PROVISIONS APPLICABLE TO GROUP V FIREFIGHTERS
(FIREFIGHTERS HIRED PRIOR TO JANUARY 10, 2015) ONLY

§ 2.5-60  APPLICABILITY.

This division shall apply to group V firefighters as defined by § 2.5-1.

(Ord. 21510-10-2014, § 2, passed 10-21-2014)

§ 2.5-61  EARNINGS.

(a) (1) For credited service earned prior to January 10, 2015, earnings shall mean the amount actually paid to a group V firefighter by the city for services rendered to the city during the calendar year, plus overtime, acting, assignment, holiday, longevity, educational incentive, safety award, incentive and shift differential pay, as reported on the group V firefighter's W-2 form. Earnings shall also include weekly workers' compensation benefits (currently referred to as temporary income benefits), beginning for such amounts received by group V firefighters on or after January 1, 2006, so long as required by law. Regardless of the fact that the following payments may be shown upon a group V firefighter's W-2 form, earnings shall not include:

a. Any non-salary allowance (such as uniform reimbursement, automobile allowance or mileage, etc.);

b. Lump sum payments received at time of termination for unused vacation, sick and/or major medical, and personal leave;

c. Any award by a court, administrative body or settlement agreement in excess of earnings; and

d. Any amount paid to a group V firefighter for which the city does not contribute to the fund under § 2.5-3(b).

(2) A group V firefighter participating in a city-sponsored deferred compensation plan shall have the amount of any deferred compensation credited to that group V firefighter during the calendar year added to earnings reported on the group V firefighter's W-2 form to arrive at total earnings for fund matters. Mandatory group V firefighter contributions that are picked-up by the city and excluded from a group V firefighter's W-2 form shall also be included as part of earnings. Notwithstanding the foregoing, earnings in excess of $200,000, if any (or such other amounts as may be determined by taking into account the cost-of-living adjustment provided under § 401(a)(17) of the Code) shall be disregarded for all purposes of this definition. Notwithstanding the preceding provisions, earnings shall not include any amounts paid following a group V firefighter's effective DROP election.

(b) (1) For credited service earned on or after January 10, 2015, earnings shall mean the amount actually paid to a group V firefighter by the city for services rendered to the city during the calendar year, plus acting, assignment, holiday, longevity, educational incentive, safety award, incentive and shift differential pay, as reported on the group V firefighter's W-2 form. Earnings shall also include weekly workers' compensation benefits (currently referred to as temporary income benefits), beginning for such amounts received by group V firefighters on or after January 1, 2006, so long as required by law. Earnings will also include built-in overtime as defined by § 2.5-1. All other overtime is excluded. Regardless of the fact that the following payments may be shown upon a group V firefighter's W-2 form, earnings shall not include:

a. Any non-salary allowance (such as uniform reimbursement, automobile allowance or mileage, etc.);

b. Lump sum payments received at time of termination for unused vacation, sick and/or major medical, and personal leave;

c. Any award by a court, administrative body, or settlement agreement in excess of earnings;

d. Any amount paid to a group V firefighter for which the city does not contribute to the fund under § 2.5-3(b); and

e. Overtime that is not built-in overtime.

(2) A group V firefighter participating in a city-sponsored deferred compensation plan shall have the amount of any deferred
compensation credited to that group V firefighter during the calendar year added to earnings reported on the group V firefighter's W-2 form to arrive at total earnings for fund matters. Mandatory group V firefighter contributions that are picked-up by the city and excluded from a group V firefighter's W-2 form shall also be included as part of earnings. Notwithstanding the foregoing, earnings in excess of $200,000, if any (or such other amounts as may be determined by taking into account the cost-of-living adjustment provided under § 401(a)(17) of the Code) shall be disregarded for all purposes of this definition. Notwithstanding the preceding provisions, earnings shall not include any amounts paid following a group V firefighter's effective DROP election.

(Ord. 20471-10-2012, § 2, passed 10-23-2012; Ord. 21510-10-2014, § 2, passed 10-21-2014)

§ 2.5-62 RETIREMENT DATES.

(a) Normal retirement date. A group V firefighter shall be eligible for a standard pension benefit or an alternative pension benefit on or after the group V firefighter's normal retirement date which shall be the last day of the month in which the earliest of the following occurs:

(1) The group V firefighter's years of age and years of credited service total 80; or

(2) The later of:
   a. The date on which the group V firefighter reaches age 65; or
   b. The fifth anniversary of the date the group V firefighter joined the fund.

(b) Vested terminated retirement date. A vested group V firefighter who is voluntarily or involuntarily separated from the service of the city shall be eligible for pension benefits on or after such group V firefighter's vested termination date which shall be the last day of the month in which the group V firefighter reaches age 50, or, if earlier, the last day of the month in which the group V firefighter would have attained his or her normal retirement date had the group V firefighter remained employed by the city.

(Ord. 20471-10-2012, § 2, passed 10-23-2012; Ord. 21510-10-2014, § 2, passed 10-21-2014)

§ 2.5-63 COMPENSATION BASE FOR DETERMINING BENEFITS.

(a) Compensation base for determining group V firefighter benefits for credited service earned or purchased prior to January 10, 2015.

(1) For group V firefighters hired and vested prior to October 23, 2007 (not subject to the 12% cap), pension, death benefits, disability pension and vested termination benefits shall be based upon the group V firefighter's compensation base which shall mean the average annual earnings, as defined by § 2.5-61(a) which were paid to the group V firefighter by the city for employment with the city during any three calendar years in which he or she had the highest annual earnings.

(2) For group V firefighters who were hired prior to January 10, 2015, but not vested by October 23, 2007 (subject to the 12% cap), pension, death benefits, disability pension and vested termination benefits shall be based upon the group V firefighter's compensation base which shall mean the average annual earnings, as defined by § 2.5-61(a) which were paid to the group V firefighter by the city for employment with the city during any three calendar years in which he or she had the highest annual earnings, subject to the following limitations:

   a. The fund shall determine the four calendar years in which the group V firefighter had the highest annual earnings. Of such four years, the year in which the group V firefighter had the lowest annual earnings shall serve as the base year. The base year shall not be included as one of the three calendar years for purposes of the compensation base calculation.

   b. The first annual earnings to be used in the calculation of the group V firefighter's compensation base shall be the actual annual earnings from the calendar year with the third highest annual earnings of the four calendar years identified in subsection (a) (2)a. above, provided that if such annual earnings are from a calendar year beginning on or after January 1, 2008, the amount to be used in the calculation of the compensation base for the first year shall not exceed 112% of the annual earnings for the base year.

   c. The second annual earnings to be used in the calculation of the group V firefighter's compensation base shall be the actual annual earnings from the calendar year with the second highest annual earnings of the four calendar years identified in subsection (a) (2)a. above, provided that if such annual earnings are from a calendar year beginning on or after January 1, 2008, the amount to be used in the calculation of the compensation base for the second year shall not exceed 112% of the annual earnings that are attributable
to the year described in subsection (a)(2)b. above.

d. The third annual earnings to be used in the calculation of the group V firefighter's compensation base shall be the actual annual earnings from the calendar year with the highest annual earnings of the four calendar years identified in subsection (a)(2)a. above, provided that if such annual earnings are from a calendar year beginning on or after January 1, 2008, the amount to be used in the calculation of the compensation base for the third year shall not exceed 112% of the annual earnings that are attributable to the year described in subsection (a)(2)c. above.

e. The average of the three amounts determined in accordance with subsections (a)(2)a. through (a)(2)d. will be the average annual earnings for purposes of the group V firefighter's compensation base.

(b) Compensation base for determining group V firefighter benefits for credited service earned or purchased on or after January 10, 2015.

For group V firefighters, credited service earned or purchased on or after January 10, 2015 shall be based upon average annual earnings, as defined by § 2.5-61(b) which were paid to the group V firefighter by the city for employment with the city during any five calendar years in which the group V firefighter had the highest annual earnings. The compensation base for credited service earned or purchased on or after January 10, 2015, includes built-in overtime, but does not include any other overtime.

c. If a group V firefighter has less than five (or if applicable, three) calendar years of employment, the group V firefighter's compensation base shall be determined by the executive director under uniform, non-discriminatory procedures that are consistently applied.

d. For compensation base purposes, any lump sum payments of earnings for any prior time period, whether awarded to the group V firefighter by a court, administrative body or settlement agreement, shall be retroactively attributed to the calendar year in which it would otherwise have been received by the group V firefighter from the city for services rendered.

e. For purposes of computing the compensation base for a group V firefighter who has made an effective DROP election, the group V firefighter's compensation base shall be calculated using the group V firefighter's earnings prior to the effective date of the DROP election.

(Ord. 20471-10-2012, § 2, passed 10-23-2012; Ord. 21510-10-2014, § 2, passed 10-21-2014)

§ 2.5-64 TERMINATION BENEFITS AND VESTING.

(a) Contribution refund prior to vesting. Any group V firefighter who is voluntarily or involuntarily separated from the service of the city before the group V firefighter is vested shall be entitled to receive the amount of the group V firefighter's contributions plus regular interest (at the regular interest rate in effect on the date of such payment) less any amount previously paid to the group V firefighter from the fund.

(b) Vested termination pension.

1. A vested group V firefighter who is voluntarily or involuntarily separated from the service of the city shall be entitled to receive a vested termination pension payable:
   a. in full, pursuant to § 2.5-62(b); or
   b. In a reduced amount commencing on or after age 50.

2. A group V firefighter must file a request for the commencement of the vested termination pension by completing such forms and following such procedures as are established by the board. A vested termination pension shall be payable monthly on the first day of each month commencing with the month following approval of the group V firefighter's vested termination pension by the board.

2. A vested termination pension shall be an annual life pension, the amount of which shall be the specified percentage of the group V firefighter's compensation base multiplied by the group V firefighter's total years of credited service to date of such voluntary or involuntary separation from the service of the city. For purposes of the preceding sentence, the specified percentage of the group V firefighter's compensation base shall be 2.75% for all credited service earned or purchased prior to January 10, 2015, and 2.25% for credited service earned or purchased on or after January 10, 2015, unless the group V firefighter has attained his or her normal retirement date prior to the date the group V firefighter's pension payments begin, in which case the specified percentage shall be 3% for all credited service earned or purchased prior to January 10, 2015, and shall be 2.5% for all credited service earned or purchased on or after January 10, 2015. A vested termination pension shall be calculated using the specified percentage and compensation base in effect at the time the group V firefighter earned or purchased the credited service for all credited service earned or purchased after January 10, 2015.
In addition to the reduced multiplier described in subsection (b)(2) above, if a group V firefighter has not attained his or her normal retirement date prior to the date the group V firefighter’s vested termination pension payments begins, the amount of reduction for commencement of a pension prior to the group V firefighter’s normal retirement shall be 5/12% for each month by which commencement of the pension antedates the group V firefighter’s normal retirement date had the group V firefighter remained employed by the city.

(Ord. 20471-10-2012, § 2, passed 10-23-2012; Ord. 21510-10-2014, § 2, passed 10-21-2014)

§ 2.5-65 RETIREMENT PENSION FOR GROUP V FIREFIGHTERS.

(a) Pensions commencing prior to January 10, 2015.

1. A vested group V firefighter who retires on or after the group V firefighter's normal retirement date and who requests commencement of the group V firefighter's pension prior to January 10, 2015, or a group V firefighter who terminates employment prior to January 10, 2015, and prior to the group V firefighter's normal retirement date and who waits until such normal retirement date, to apply for a pension, shall receive an annual life pension, the amount of which shall be 3% of the group V firefighter's applicable compensation base as defined by § 2.5-63(a)(1) or (a)(2), whichever is applicable, multiplied by the group V firefighter's total years of credited service, payable monthly on the first day of each month commencing with the month following the board's approval of the group V firefighter's pension. This retirement pension shall be defined as the "group V firefighter's standard pension benefit A."

2. Alternative pension benefit. In lieu of the group V firefighter's standard pension benefit A, a group V firefighter under this subsection may irrevocably elect with his or her spouse's consent (where applicable), in advance of his or her retirement and pursuant to regulations and requirements the board in its discretion may adopt, to receive an "alternative pension benefit" which shall be actuarially equivalent to the group V firefighter's standard pension benefit A and which shall be payable in two parts:

a. One part in a lump sum amount not less than 5% nor greater than 25% of the actuarial equivalent of the group V firefighter's pre-January 10, 2015 standard pension benefit A, which lump sum shall be payable on the date benefits commence under subsection (a)(2)b. below; and

b. The remainder in an annual life pension, payable monthly on the first day of each month commencing with the month following the board's approval of the group V firefighter's alternative pension benefit.

3. Limitation on alternative pension benefit. Notwithstanding any other provision in this division to the contrary, the option to elect an alternative pension benefit shall not be available for any disability pension under § 2.5-66, death benefit under § 2.5-67, or vested termination pension under § 2.5-64, nor shall it be available to any group V firefighter who is receiving pension benefits as of the effective date of the alternative pension benefit provisions of this section, nor shall it be available upon re-retirement to any retired group V firefighter who becomes re-employed by the city.

(b) Pensions commencing on or after January 10, 2015.

1. Pensions commencing upon normal retirement date for group V firefighters hired and vested prior to October 23, 2007, whose pension commences on or after January 10, 2015 (not subject to the earnings cap). A vested group V firefighter hired and vested prior to October 23, 2007, who retires on or after the group V firefighter's normal retirement date and requests commencement of the group V firefighter's pension on or after January 10, 2015, or a group V firefighter who terminates employment on or after January 10, 2015, and prior to the group V firefighter's normal retirement date and who waits until such normal retirement date to apply for a pension, shall receive an annual life pension, the amount of which shall be calculated by adding the following:

a. Three percent of the group V firefighter's compensation base as defined by § 2.5-63(a)(1) multiplied by the group V firefighter's years of credited service from date of hire until January 9, 2015; and

b. Two and one half percent of the group V firefighter's compensation base as defined by § 2.5-63(b) multiplied by the group V firefighter's years of credited service from January 10, 2015 until date of termination.

2. Pensions commencing upon normal retirement date for group V firefighters who were hired prior to January 10, 2015, but were not vested by October 23, 2007, and whose pension commences on or after January 10, 2015 (subject to the earnings cap). A group V firefighter hired prior to January 10, 2015, but not vested by October 23, 2007, who retires on or after the group V firefighter's normal retirement date and requests commencement of the group V firefighter's pension, and whose pension commences on or after January 10, 2015, or who terminates employment on or after January 10, 2015, but prior to his or her normal retirement date and who waits until such normal retirement date to apply for a pension shall receive an annual life pension, the amount of which shall be calculated by adding the following:
a. Three percent of the group V firefighter's compensation base as defined by § 2.5-63(a)(2) multiplied by the group V firefighter's years of credited service from date of hire until January 9, 2015; and

b. Two and one-half percent of the group V firefighter's compensation base as defined by § 2.5-63(b) multiplied by the group V firefighter's years of credited service from January 10, 2015, until date of termination.

(3) The pension should be payable monthly on the first day of each month commencing with the month following the board's approval of the group V firefighter's pension. This retirement pension shall be defined as the "group V firefighter standard pension benefit B."

(c) Alternative pension benefit. In lieu of the group V firefighter standard pension benefit B, a group V firefighter may irrevocably elect with his or her spouse's consent (where applicable), in advance of his or her retirement and pursuant to regulations and requirements the board in its discretion may adopt, to receive an "alternative pension benefit" which shall be actuarially equivalent to the group V firefighter's standard pension benefit B and which shall be payable in two parts:

(1) One part in a lump sum amount not less than 5% nor greater than 25% of the actuarial equivalent of the group V firefighter's standard pension benefit, which lump sum shall be payable on the date benefits commence under subsection (c)(2) below; and

(2) The remainder in an annual life pension, payable monthly on the first day of each month commencing with the month following the board's approval of the group V firefighter's pension.

(d) Limitation on alternative pension benefit. Notwithstanding any other provision in this division to the contrary, the option to elect an alternative pension benefit shall not be available for any disability benefit under § 2.5-66, death benefit under § 2.5-67, or vested termination pension under § 2.5-64, nor shall it be available to any retired employee who is receiving pension benefits hereunder as of the effective date of the alternative pension benefit provisions of this division, nor shall it be available upon re-retirement to any retired group V firefighter who becomes re-employed by the city.

(Ord. 20471-10-2012, § 2, passed 10-23-2012; Ord. 21510-10-2014, § 2, passed 10-21-2014)

§ 2.5-66 DISABILITY PENSION.

(a) See § 2.5-7, for general provisions related to disability pension.

(b) Disability in line of duty. If a group V firefighter, whether or not vested, becomes disabled as defined in § 2.5-7, while in the line of duty, the group V firefighter shall receive an annual life pension, the amount of which shall be the specified percentage of the group V firefighter's compensation base multiplied by the group V firefighter's total years of credited service which would have accrued if the group V firefighter had worked to the group V firefighter's normal retirement date, but not less than $250 per month. For purposes of the preceding sentence, the specified percentage of the group V firefighter's compensation base shall be 2.75%, unless the group V firefighter is already eligible to retire on or after the group V firefighter's normal retirement date, in which case the group V firefighter shall receive the standard pension benefit.

(c) Disability not in line of duty for vested group V firefighters whose disability pension commences prior to January 10, 2015. If a vested group V firefighter becomes disabled as defined in § 2.5-7, while not in line of duty, and the group V firefighter's pension commences prior to January 10, 2015, the group V firefighter shall receive an annual life pension, the amount of which shall be the specified percentage of the group V firefighter's compensation base, multiplied by the group V firefighter's total years of credited service to date of actual retirement. For purposes of the preceding sentence, the specified percentage of the group V firefighter's compensation base shall be 2.75%, unless the group V firefighter is already eligible to retire on or after the group V firefighter's normal retirement date, in which case the specified percentage shall be 3%.

(d) Disability not in line of duty for vested group V firefighters whose disability pension commences on or after January 10, 2015. If a vested group V firefighter becomes disabled as defined in § 2.5-7, while not in line of duty, and the group V firefighter's pension commences on or after January 10, 2015, the group V firefighter shall receive an annual life pension, the amount of which shall be determined by adding the following:

(1) A specified percentage of the group V firefighter's compensation base as defined by § 2.5-63(a)(1) if hired and vested prior to October 23, 2007, or a specified percentage of the group V firefighter's compensation base as defined by § 2.5-63(a)(2) if hired prior to January 10, 2015, and not vested by October 23, 2007, multiplied by the group V firefighter's years of credited service from date of hire until January 9, 2015. For purposes of the preceding sentence, the specified percentage of the group V firefighter's compensation base for credited service pursuant to this subsection shall be 2.75%; and
(2) A specified percentage of the group V firefighter's compensation base as defined by § 2.5-63(b) multiplied by the group V firefighter's years of credited service from January 10, 2015, until the date of disability. For purposes of the preceding sentence, the specified percentage of the group V firefighter's compensation base for credited service pursuant to this subsection shall be 2.25%.

c) Disability not in line of duty for non-vested group V firefighters. If a group V firefighter becomes disabled while not in line of duty before the group V firefighter is vested, then such group V firefighter shall be entitled to receive a contribution refund in accordance with § 2.5-64(a).

(Ord. 20471-10-2012, § 2, passed 10-23-2012; Ord. 21510-10-2014, § 2, passed 10-21-2014)

§ 2.5-67 DEATH BENEFITS FOR GROUP V FIREFIGHTERS.

(a) While in line of duty.

(1) If a group V firefighter dies before retirement while in line of duty and as a result of the performance of that group V firefighter's duties, the surviving widow or widower shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group V firefighter's standard pension, based on the number of years of credited service that would have accrued had the group V firefighter lived to the group V firefighter's normal retirement date, but not less than $250.

(2) Each dependent child under 18 years of age of such group V firefighter shall be entitled to receive a monthly pension, the amount of which shall be $100, provided however, that if no surviving widow or widower shall be entitled to receive a monthly pension pursuant to the terms of this section, all such dependent children shall share equally a monthly pension, the amount of which shall be 75% of the group V firefighter's pension, based on the number of years of credited service that would have accrued had the group V firefighter lived to the group V firefighter's normal retirement date, but not less than $250.

(3) If a group V firefighter dies while in line of duty and leaves no widow or widower or children eligible to receive a benefit hereunder, but is survived by a dependent parent or parents, such dependent parent(s) or the surviving dependent parent, shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group V firefighter's accrued pension projected to the group V firefighter's normal retirement date, but not less than $250.

(4) The survivor's monthly pension benefit for a group V firefighter who dies in line of duty shall be calculated using a multiplier of 3%.

(b) While not in line of duty.

(1) Vested group V firefighter who dies not in line of duty and whose survivor's monthly pension begins prior to January 10, 2015.

a. If a vested group V firefighter dies before retirement, while not in line of duty, and the survivor monthly pension benefit begins prior to January 10, 2015, then the surviving widow or widower shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group V firefighter's accrued pension but not less than $150.

b. Each dependent child under 18 years of age of such vested group V firefighter shall be entitled to receive a monthly pension, the amount of which shall be $100; provided however, that if no surviving widow or widower shall be entitled to receive a monthly pension pursuant to the terms of this section, all such dependent children shall share equally a monthly pension, the amount of which shall be 75% of the group V firefighter's accrued pension, but not less than $150.

c. If a vested group V firefighter dies while not in line of duty and leaves no widow or widower or children eligible to receive a benefit under this section, but is survived by a dependent parent or parents, such dependent parent(s) or the surviving dependent parent, shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group V firefighter's accrued pension, but not less than $150.

d. For purposes of this subsection (b)(1), a group V firefighter's accrued pension shall be calculated using a multiplier of 2.75%, unless the group V firefighter had reached the group V firefighter's normal retirement date prior to death, in which event the multiplier shall be 3%.

(2) Vested group V firefighter who dies not in line of duty and whose survivor's monthly pension begins on or after January 10, 2015.

a. If a vested group V firefighter dies before retirement, while not in line of duty, and the survivor pension begins on or after January 10, 2015, then the surviving widow or widower shall be entitled to receive a monthly pension, the amount of which shall be...
75% of the group V firefighter's accrued pension but not less than $150. The accrued pension shall be calculated by adding the following:

1. A specified percentage of the group V firefighter's compensation base as defined by § 2.5-63(a)(1) if hired and vested prior to October 23, 2007, or a specified percentage of the group V firefighter's compensation base as defined by § 2.5-63(a)(2) if hired prior to January 10, 2015, and not vested by October 23, 2007, multiplied by the group V firefighter's years of credited service from date of hire until January 9, 2015. For purposes of the preceding sentence, the specified percentage of the group V firefighter's compensation base for credited service for this time period shall be 2.75%; and

2. A specified percentage of the group V firefighter's compensation base as defined by § 2.5-63(b), multiplied by the group V firefighter's years of credited service from January 10, 2015, until the date of death. For purposes of the preceding sentence, the specified percentage of the group V firefighter's compensation base for credited service for this time period shall be 2.25%.

b. Each dependent child under 18 years of age of such vested group V firefighter shall be entitled to receive a monthly pension, the amount of which shall be $100; provided, however, that if no surviving widow or widower shall be entitled to receive a monthly pension pursuant to the terms of this section, all such dependent children shall share equally a monthly pension, the amount of which shall be 75% of the group V firefighter's accrued pension, but not less than $150.

c. If a group V firefighter dies while not in line of duty and leaves no widow or widower or children eligible to receive a benefit hereunder, but is survived by a dependent parent or parents, such dependent parent(s) shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group V firefighter's accrued pension, but not less than $150.

(3) Group V firefighter not vested at time of death. If a group V firefighter was not vested on the date of death, the surviving widow or widower shall be entitled to the return of all contributions which the group V firefighter paid into the fund during the group V firefighter's life plus regular interest thereon (at the regular interest rate in effect on the date of any payment to the widow or widower). If there is not a surviving widow or widower, the contributions shall be paid to the estate of the group V firefighter.

c. After retirement.

1. Upon the death of a group V firefighter, the surviving widow or widower shall be entitled to receive a monthly pension, the amount of which shall be 75% of the pension being paid to the group V firefighter, provided that the group V firefighter and surviving widow or widower had been married for at least one year immediately prior to the group V firefighter's retirement. Notwithstanding the preceding sentence, a surviving widow or widower who was not married to the deceased group V firefighter for at least one year immediately prior to the group V firefighter's retirement shall be eligible to receive a monthly pension if the group V firefighter has elected to receive a reduced monthly pension, on a form and subject to procedures developed by the executive director, within six months after the group V firefighter's completion of two years of marriage to the group V firefighter's spouse. The reduced monthly pension shall be actuarially determined in a manner that is actuarially neutral to the fund, based on actuarial tables in effect on the date of the group V firefighter's election to receive a reduced monthly pension. If such an election has been made, the surviving widow or widower shall receive a monthly pension for life equal to 75% of the group V firefighter's reduced monthly pension.

2. Upon the death of a group V firefighter who was not married at retirement, a beneficiary designated by a group V firefighter at retirement may be eligible to receive a monthly pension if the group V firefighter has elected to receive a reduced monthly pension, on a form and subject to procedures developed by the executive director. The group V firefighter's reduced monthly pension shall be actuarially determined in a manner that is actuarially neutral to the fund, based on actuarial tables in effect on the date of the group V firefighter's election to receive a reduced monthly pension. If such an election has been made, the group V firefighter's designated beneficiary shall receive a monthly pension for life equal to 100%, 75%, 50% or 25% of the group V firefighter's reduced monthly pension. If a group V firefighter who was not married at retirement and who selected a designated beneficiary pursuant to this subsection later marries only the designated beneficiary would be entitled to receive a lifetime monthly pension.

3. Each dependent child under 18 years of age of such deceased group V firefighter shall be entitled to receive a monthly pension, the amount of which shall be $100 but shall cease upon the earliest of such child's death, marriage or attainment of age 18; provided, however, that if no surviving widow, widower or designated beneficiary shall be entitled to receive a monthly pension pursuant to the terms of this section, all such dependent children shall share equally a monthly pension, the amount of which shall be 75% of the pension being paid to the group V firefighter at the time of his or her death.

(d) Death of vested terminated group V firefighter prior to pension commencing. If a terminated group V firefighter entitled to a pension under the provisions of § 2.5-64 dies before the group V firefighter's pension commences, the group V firefighter's designated beneficiary, or if none, the group V firefighter's estate shall receive an amount equal to the group V firefighter's total contributions to the fund, plus regular interest (at the regular interest rate in effect on the date of such payment). If the vested group V firefighter's years of age and years of credited service total at least 65 as of the date of the group V firefighter's termination, the group V firefighter's eligible dependents shall receive the benefit specified under subsection (b) above, based on the pension to which the
group V firefighter would have been entitled as of the date of the group V firefighter's death, in lieu of the payment of contributions plus regular interest (at the regular interest rate in effect on the date of such payment). If the group V firefighter's years of age and credited service did not total at least 65 as of the date of the group V firefighter's termination, the group V firefighter's eligible dependents may choose between the refund of contributions, the payment of the survivor benefit at the date the group V firefighter would have been eligible to draw the benefit, or an immediate benefit at an actuarially reduced rate.

(Ord. 20471-10-2012, § 2, passed 10-23-2012; Ord. 21510-10-2014, § 2, passed 10-21-2014)

§§ 2.5-68-2.5-69 RESERVED.

DIVISION 7: PROVISIONS FOR GROUP VI FIREFIGHTERS
(FIREFIGHTERS HIRED ON OR AFTER JANUARY 10, 2015)

§ 2.5-70 APPLICABILITY.

This division applies to group VI firefighters as defined by § 2.5-1.

(Ord. 21459-09-2014, § 2, passed 9-16-2014)

§ 2.5-71 EARNINGS.

(a) Earnings shall mean the amount actually paid to a group VI firefighter by the city for services rendered to the city during the calendar year, plus acting, assignment, holiday, longevity, educational incentive, safety award, incentive and shift differential pay, as reported on the group VI firefighter's W-2 form. Earnings shall also include weekly workers' compensation benefits (currently referred to as temporary income benefits). Earnings will include built-in overtime as defined by § 2.5-1. All other overtime is excluded. Regardless of the fact that the following payments may be shown on a group VI firefighter's W-2 form, earnings shall not include:

1. Any non-salary allowance (such as uniform reimbursement, automobile allowance or mileage, etc.);
2. Lump sum payments received at time of termination for unused vacation, sick and/or major medical, and personal leave;
3. Any award by a court, administrative body or settlement agreement in excess of earnings;
4. Any payment received from the city's wellness program;
5. Any amount received from the city's vacation sell-back program,
6. Any amount paid to a group VI firefighter for which the city does not contribute to the fund under § 2.5-3(b), and
7. Overtime that is not built-in overtime.

(B) A group VI firefighter participating in a city-sponsored deferred compensation plan shall have the amount of any deferred compensation credited to that group VI firefighter during the calendar year added to earnings reported on the group VI firefighter's W-2 form to arrive at total earnings for fund matters. Mandatory group VI firefighter contributions that are picked-up by the city and excluded from a group VI firefighter's W-2 form shall also be included as part of earnings. Notwithstanding the foregoing, earnings in excess of $200,000, if any (or such other amounts as may be determined by taking into account the cost-of-living adjustment provided under § 401(a)(17) of the Code) shall be disregarded for all purposes of this definition. Notwithstanding the preceding provisions, earnings shall not include any amounts paid following a group VI firefighter's effective DROP election.

(Ord. 21459-09-2014, § 2, passed 9-16-2014)

§ 2.5-72 RETIREMENT DATES.

(a) Normal retirement date. A group VI firefighter shall be eligible for a standard pension benefit or an alternative pension benefit on or after the group VI firefighter's normal retirement date which shall be the last day of the month in which the earliest of the following occurs:
(1) The group VI firefighter's years of age and years of credited service total 80; or

(2) The later of:

   a. The date on which the group VI firefighter reaches age 65; or

   b. The fifth anniversary of the date the group VI firefighter joined the fund.

(b) Vested terminated retirement date. A vested group VI firefighter who is voluntarily or involuntarily separated from the service of the city shall be eligible for pension benefits on or after such group VI firefighter's vested termination date which shall be the last day of the month in which the group VI firefighter reaches age 50, or, if earlier, the last day of the month in which the group VI firefighter's age when added to his or her credited service total 80.

(Ord. 21459-09-2014, § 2, passed 9-16-2014)

§ 2.5-73 COMPENSATION BASE FOR DETERMINING BENEFITS FOR GROUP VI FIREFIGHTERS.

(a) Pension, death, disability and vested termination benefits shall be based upon the group VI firefighter's compensation base which shall mean the average annual earnings which were paid to the group VI firefighter by the city for employment with the city during any five years in which the group VI firefighter had the highest annual earnings. If a group VI firefighter has less than five calendar years of employment, the group VI firefighter's compensation base shall be determined by the executive director under uniform, non-discriminatory procedures that are consistently applied.

(b) For compensation base purposes, any lump sum payments of earnings for any prior time period, whether awarded to the group VI firefighter by a court, administrative body or settlement agreement, shall be retroactively attributed to the calendar year in which it would otherwise have been received by the group VI firefighter from the city for services rendered.

(c) For purposes of computing the compensation base for a group VI firefighter who has made an effective DROP election, the group VI firefighter's compensation base shall be calculated using the group VI firefighter's earnings prior to the effective date of the DROP election.

(Ord. 21459-09-2014, § 2, passed 9-16-2014)

§ 2.5-74 TERMINATION BENEFITS AND VESTING.

(a) Contribution refund prior to vesting. A group VI firefighter who is voluntarily or involuntarily separated from the service of the city before the group VI firefighter is vested shall be entitled to receive the amount of the group VI firefighter's contributions plus regular interest (at the regular interest rate in effect on the date of such payment) less any amount previously paid to the group VI firefighter from the fund.

(b) Vested termination pension.

(1) a. A vested group VI firefighter who is voluntarily or involuntarily separated from the service of the city shall be entitled to receive a vested termination pension payable:

   1. In full, pursuant to § 2.5-72(b); or

   2. In a reduced amount commencing on or after age 50.

b. A group VI firefighter must file a request for the commencement of the vested termination pension by completing such forms and following such procedures as are established by the board. A vested termination pension shall be payable monthly on the first day of each month commencing with the month following approval of the vested termination pension by the board.

(2) A vested termination pension shall be an annual life pension, the amount of which shall be the specified percentage of the group VI firefighter's compensation base multiplied by his or her total years of credited service to date of such voluntary or involuntary separation from the service of the city. For purposes of the preceding sentence, the specified percentage of the group VI firefighter's compensation base shall be 2.25%, unless the group VI firefighter has attained his or her normal retirement date prior to the date that pension payments begin, in which case the specified percentage shall be 2.5%. A vested termination pension shall be calculated using the specified percentage and compensation base in effect at the time the group VI firefighter's earned the credited service.
§ 2.5-74 VI FIREFIGHTER PENSION (BENEFIT).

(a) Vested termination pension. If a group VI firefighter has not attained his or her normal retirement date prior to the date the vested termination pension payments begins, the amount of reduction for commencement of a pension prior to the group VI firefighter's normal retirement date (in addition to the specified percentage of 2.25%), shall be 5/12% for each month by which commencement of the pension antedates the group VI firefighter's normal retirement date had he or she remained employed by the city.

(c) Contribution refund after vesting in lieu of vested termination pension. Any vested group VI firefighter who is voluntarily or involuntarily separated from the service of the city may elect to receive a refund of the group VI firefighter's contributions, plus regular interest (at the regular interest rate in effect on the date of such payment) less any amount previously paid to the group VI firefighter from the fund, either at the date of such separation or at any time thereafter prior to commencement of retirement benefits, but by so doing, the group VI firefighter shall forfeit all rights under the fund and thereafter be entitled to no further benefits hereunder. (Ord. 21459-09-2014, § 2, passed 9-16-2014)

§ 2.5-75 RETIREMENT PENSION (BENEFIT).

(a) Pensions commencing upon normal retirement date. A vested group VI firefighter under this division who retires on or after the group VI firefighter's normal retirement date and requests commencement of the group VI firefighter's pension, or a group VI firefighter who terminates employment prior to the group VI firefighter's normal retirement date and who waits until such normal retirement date to apply for a pension, shall receive an annual life pension, the amount of which shall be 2.5% of the group VI firefighter's compensation base multiplied by the group VI firefighter's total years of credited service, payable monthly on the first day of each month commencing with the month following the board's approval of the group VI firefighter's pension. This pension benefit shall be called the "group VI firefighter's standard pension benefit."

(b) Alternative pension benefit. In lieu of the standard pension benefit, a group VI firefighter may irrevocably elect with his or her spouse's consent (where applicable), in advance of his or her retirement and pursuant to regulations and requirements the board in its discretion may adopt, to receive an "alternative pension benefit" which shall be actuarially equivalent to the group VI firefighter's standard pension benefit and which shall be payable in two parts:

1. One part in a lump sum amount not less than 5% nor greater than 25% of the actuarial equivalent of the group VI firefighter's standard pension benefit, which lump sum shall be payable on the date benefits commence under subsection (b)(2) below; and

2. The remainder in an annual life pension, payable monthly on the first day of each month commencing with the month following the board's approval of the group VI firefighter's pension.

(c) Limitation on alternative pension benefit. Notwithstanding any other provision in this division to the contrary, the option to elect an alternative pension benefit shall not be available for any disability pension under § 2.5-76, death benefit under § 2.5-77, or vested termination pension under § 2.5-74, nor shall it be available to any retired group VI firefighter who is receiving pension benefits hereunder as of the effective date of the alternative pension benefit provisions of this section, nor shall it be available upon re-employment to any retired group VI firefighter who becomes re-employed by the city. (Ord. 21459-09-2014, § 2, passed 9-16-2014)

§ 2.5-76 DISABILITY PENSION.

(a) See § 2.5-7 for general provisions related to disability pension.

(b) Disability in line of duty. If a group VI firefighter, whether or not vested, becomes disabled as defined in § 2.5-7 while in line of duty, the group VI firefighter shall receive an annual life pension, the amount of which shall be the specified percentage of the group VI firefighter's compensation base multiplied by the total years of credited service which would have accrued if the group VI firefighter had worked to normal retirement date, but not less than $250 per month. For purposes of the preceding sentence, the specified percentage of the group VI firefighter's compensation base shall be 2.25%, unless the group VI firefighter is already eligible to retire on or after his or her normal retirement date, in which case the specified percentage shall be 2.5%.

(c) Disability not in line of duty for vested group VI firefighters. If a vested group VI firefighter becomes disabled, as defined in § 2.5-7, while not in line of duty, the group VI firefighter shall receive an annual life pension, the amount of which shall be the specified percentage of the group VI firefighter's compensation base multiplied by the group VI firefighter's total years of credited service to date of actual retirement. For purposes of the preceding sentence, the specified percentage of the group VI firefighter's compensation base shall be 2.25%, unless the group VI firefighter is already eligible to retire on or after the group VI firefighter's
normal retirement date, in which case the specified percentage shall be 2.5%.

(d) **Disability not in line of duty for non-vested group VI firefighters.** If a group VI firefighter becomes disabled while not in line of duty before the group VI firefighter is vested, then such group VI firefighter shall be entitled to receive a contribution refund in accordance with § 2.5-74(a).

(Ord. 21459-09-2014, § 2, passed 9-16-2014)

§ 2.5-77 DEATH BENEFIT.

(a) **While in line of duty.**

(1) If a group VI firefighter dies before retirement while in line of duty and as a result of the performance of that group VI firefighter's duties, the surviving widow or widower shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group VI firefighter's pension, based on the number of years of credited service that would have accrued had the group VI firefighter lived to the group VI firefighter's normal retirement date, but not less than $250.

(2) Each dependent child of such group VI firefighter under 18 years of age shall be entitled to receive a monthly pension, the amount of which shall be $100, provided however, that if no surviving widow or widower shall be entitled to receive a monthly pension pursuant to the terms of this section, all such dependent children shall share equally a monthly pension, the amount of which shall be 75% of the group VI firefighter's pension, based on the number of years of credited service that would have accrued had the group VI firefighter lived to the group VI firefighter's normal retirement date, but not less than $250.

(3) If a group VI firefighter dies while in line of duty and leaves no widow or widower or children eligible to receive a benefit hereunder, but is survived by a dependent parent or parents, such dependent parent(s), or the surviving dependent parent, shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group VI firefighter's accrued pension projected to his or her normal retirement date, but not less than $250.

(4) The survivor's monthly pension benefit for a group VI firefighter who dies in line of duty shall be calculated using a multiplier of 2.5%.

(b) **While not in line of duty.**

(1) **Vested group VI firefighter.**

a. If a vested group VI firefighter dies before retirement, while not in line of duty, the surviving widow or widower shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group VI firefighter's accrued pension but not less than $150.

b. Each dependent child under 18 years of age of such vested group VI firefighter shall be entitled to receive a monthly pension, the amount of which shall be $100; provided, however, that if no surviving widow or widower shall be entitled to receive a monthly pension pursuant to the terms of this section, all such dependent children shall share equally a monthly pension, the amount of which shall be 75% of the group VI firefighter's accrued pension, but not less than $150.

c. If a group VI firefighter dies while not in line of duty and leaves no widow or widower or children eligible to receive a benefit hereunder, but is survived by a dependent parent or parents, such dependent parent(s), or the surviving dependent parent, shall be entitled to receive a monthly pension, the amount of which shall be 75% of the group VI firefighter's accrued pension, but not less than $150.

(2) **Group VI firefighter not vested at time of death.** If a group VI firefighter was not vested on the date of death, the surviving widow or widower shall be entitled to the return of all contributions which the group VI firefighter paid into the fund during the group VI firefighter's life plus regular interest thereon (at the regular interest rate in effect on the date of any payment to the widow or widower). If there is not a surviving widow or widower, the contributions shall be paid to the estate of the group VI firefighter.

(c) **After retirement.**

(1) **Group VI firefighters who are married at retirement.** The surviving spouse of a group VI firefighter who dies after
(2) **Group VI firefighters who are not married on date of retirement.** Upon the death of a retired group VI firefighter, who was not married at retirement, a beneficiary designated by the group VI firefighter at retirement may be eligible to receive a monthly pension if the group VI firefighter has elected to receive a reduced monthly pension, on a form and subject to procedures developed by the executive director. The group VI firefighter's reduced monthly pension shall be actuarially determined in a manner that is actuarially neutral to the fund, based on actuarial tables in effect on the date of the group VI firefighter's election to receive a reduced monthly pension. If a group VI firefighter who was not married at retirement and who selected a designated beneficiary pursuant to this subsection later marries, only the designated beneficiary would be entitled to receive a lifetime monthly pension.

(3) Each dependent child under 18 years of age of such retired deceased group VI firefighter shall be entitled to receive a monthly pension, the amount of which shall be $100, but shall cease upon the earliest of such child's death, marriage or attainment of age 18 pursuant to the terms of this section.

(d) **Death of vested terminated group VI firefighter prior to pension commencing.** If a terminated group VI firefighter entitled to a pension dies before his or her pension commences, the group VI firefighter's designated beneficiary, or if none, the group VI firefighter's estate shall receive an amount equal to the group VI firefighter's total contributions to the fund, plus regular interest (at the regular interest rate in effect on the date of any payment to the estate). If the vested group VI firefighter's years of age and years and credited service total at least 65 as of the date of the group VI firefighter's termination, the group VI firefighter's eligible dependents shall receive the benefit specified under subsection (b) above, based on the pension to which the group VI firefighter would have been entitled as of the date of the group VI firefighter's death, in lieu of the payment of contributions plus regular interest (at the regular interest rate in effect on the date of any such payment). If the group VI firefighter's years of age and service did not total at least 65 as of the date of the group VI firefighter's termination, the group VI firefighter's eligible dependents may choose between the refund of contributions, the payment of the survivor benefit at the date the group VI firefighter would have been eligible to draw the benefit, or an immediate benefit at an actuarially reduced rate.

(e) **General provisions.**

(1) If a deceased group VI firefighter leaves no widow, widower, designated beneficiary, children or dependent parents eligible to receive a benefit hereunder, the group VI firefighter's total contributions plus regular interest (at the regular interest rate in effect on the date of any such payment) less any amount previously paid to him or her from the fund, shall be paid to the group VI firefighter's estate.

(2) Payments to a child shall be made whether or not a widow, widower or designated beneficiary survives and shall continue after the death of a widow, widower, or designated beneficiary but shall cease upon the earliest of such child's death, marriage or attainment of age 18. Payments to a dependent parent shall cease upon such parent's death. For purposes of this section, a parent will be deemed to be dependent if the group VI firefighter provides over one-half of the parent's support. Payments to a widow, widower or designated beneficiary shall continue after remarriage, but shall cease upon the death of the widow, widower, or designated beneficiary. Payments to a widow or widower forfeited due to remarriage, under prior provisions of this section will be reinstated upon written request by the widow or widower, but no retroactive payment can be made. After payments cease, any excess of the group VI firefighter's total contributions over and above disability and/or death benefits paid, plus regular interest at date of death shall be paid to the firefighter's estate.

(3) Except as provided in subsection (d) above, death benefit coverage during service breaks in excess of 90 consecutive calendar days shall be limited to group VI firefighters who are absent due to service-connected injury incurred while in line of duty.

(4) Benefits hereunder shall be payable on the first day of each month commencing with the month following the month in which the group VI firefighter's death occurs. The board shall determine all questions of dependency, and its determination shall be final and conclusive on all parties. All unmarried, legitimate and legally adopted children under the age of 18 years, in the absence of
§ 2.5-225 CONTINUATION OF DEATH BENEFIT FUND.

Ord. 6235, as adopted by the city council on January 26, 1970, created and established a fund designated as the "retired employees group death benefit fund" from which lump-sum payments are made upon the death of retired members of the employees' retirement fund of the City of Fort Worth, Texas. That fund is still in existence and shall continue operation as herein set forth.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-226 APPROPRIATIONS TO FUND.

The city shall continue to appropriate to the retired employees' death benefit fund such amount or amounts as may be necessary to provide the lump-sum payments hereinafter set forth in § 2.5-229 on an as needed basis from current revenues, and, in the event such current revenues are insufficient, the city shall compute, ascertain and levy an ad valorem tax sufficient to raise and produce the money required to appropriate and pay any additional sums which may become due during any such year. The city shall levy a sufficient tax, when needed, to provide the revenue from which such appropriations may be made.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-228 DEFINITIONS.

With reference to the retired employees' group death benefit fund, the following words, terms and phrases shall have the meanings ascribed to them herein, except where the context clearly indicates a different meaning. The masculine pronouns wherever used herein shall include both the male and female persons.

DESIGNATED BENEFICIARIES ELIGIBLE TO RECEIVE THE DEATH BENEFIT HEREUNDER. Includes any individual designated by the member as a designated beneficiary on a board approved beneficiary designated card.

FILING. For purposes of determining the surviving designated beneficiary, the date when the beneficiary designation card is actually received by the retirement office.

RETIREMENT EMPLOYEES' GROUP DEATH BENEFIT FUND. The fund from which lump-sum payments are made upon the death of retired members of the fund if said member retired after January 1, 1970.

SURVIVING SPOUSE. The widow or widower legally married to the member at least one year immediately prior to the member's retirement from the City of Fort Worth and at the time of the member's death.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-229 ENTITLEMENT TO DEATH BENEFIT.

(a) When a member of the fund dies subsequent to retirement from active employment with the city, the surviving spouse shall be entitled to receive (in addition to benefits provided by the fund a lump-sum payment of $5,000). If the deceased member leaves no surviving spouse and has filed a valid beneficiary designation card with the retirement office naming a surviving designated beneficiary, a lump-sum payment of $5,000 shall be made in full to said surviving designated beneficiary. Upon written request by the surviving spouse or surviving designated beneficiary after the death of the member, the executive director may directly pay the death benefit, or
(b) (1) If the deceased member leaves no surviving spouse or surviving designated beneficiary, a lump-sum payment of $5,000 shall be made to the estate of the deceased member upon presentation to the executive director of one of the following legal instruments:

   a. Letters testamentary;
   b. Letters of administration;
   c. Muniment of title;
   d. Affidavit of small estate; or
   e. Judgment declaring heirship.

(2) The lump-sum payment herein provided shall be made in lieu of any payments to which the survivor(s) or estate of the deceased member would have been entitled under the city's group life insurance plan during the member's period of active employment with the city.

(c) This lump-sum payment of $5,000 shall not be payable to those members:

   (1) Who retired before January 1, 1970; or

   (2) Whose coverage at the time of death was otherwise extended under the permanent and total disability feature of the city's group life insurance plan.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-230 EXECUTIVE DIRECTOR OF DEATH BENEFIT FUND.

The executive director of the fund shall be charged with the duty of making the lump-sum payments herein provided for, and such payments shall be made solely from funds appropriated by the city council for such purpose. The executive director shall maintain such records as may be necessary in the administration of the retired employees' group death benefit fund. The executive director shall maintain a special accounting of the funds heretofore and hereby appropriated, and the executive director shall not make any payments authorized hereunder from funds contributed by the employees or the city under the provisions of the fund or from earnings on such contributions.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

§ 2.5-231 BOARD OF TRUSTEES.

(a) The board of trustees of the fund shall act on behalf of the city council of the City of Fort Worth as trustees of the retired employees' group death benefit fund under the same provisions, regulations and procedures for the investment of funds of the employees' retirement fund of the City of Fort Worth.

(b) All records and earnings on the assets of the retired employees' group death benefit fund shall be maintained separate and apart from assets and earnings of the fund.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)

ARTICLE III: SUPPLEMENTAL RETIREMENT ORDINANCE

§ 2.5-232 GENERAL PROVISION.

(a) Establishment of supplemental retirement ordinance. There is hereby created and established an ordinance designated as the City of Fort Worth supplemental retirement ordinance which shall provide benefits to members of the fund whose benefits are limited by the qualified plan limits under the Internal Revenue Code of 1986, as amended.
The city shall annually appropriate such amounts as may be necessary to provide for the payment of benefits under the supplemental retirement ordinance. Such appropriations shall continue to be made from current revenues, and, in the event such current revenues are insufficient, the city shall compute, ascertain and levy an ad valorem tax sufficient to raise and produce the money required to appropriate and pay any additional sums which may become due during any such year. The city shall levy a sufficient tax from year to year to provide the revenue from which such appropriations may be made.

(c) Purpose. The purpose of this article is to provide members with certain benefits which, because of the qualified plan limits, are not provided to such members under the fund.

(d) Governing law. The ordinance shall be construed in accordance with and governed by the laws of the State of Texas.

(e) Amounts provided by the city. Benefits under the ordinance shall constitute general obligations of the city in accordance with the terms of the ordinance. No amounts in respect of such benefits are required to be set aside or held in trust, and no recipient of any benefit hereunder shall have any right to have the benefit paid out of any particular asset of the city, except to the extent the city may establish a grantor (“rabbi”) trust, which trust will not be protected from the city's creditors. Members have the status of general unsecured creditors of the city and this ordinance constitutes promise to make benefit payments as described herein.

§ 2.5-233 DEFINITIONS.

The following words, terms and phrases when used in this article, as may be amended, shall have the respective meanings set forth below, unless their context clearly indicates to the contrary. The masculine pronouns, wherever used herein, shall include both male and female persons, and the singular may include the plural, and vice versa.

EFFECTIVE DATE. April 1, 1999.

ORDINANCE. The City of Fort Worth supplemental retirement ordinance, as amended from time to time.

PLAN YEAR. The 12-month period beginning on January 1 and ending on December 31.

QUALIFIED PLAN LIMITS. The limitation on qualified plan benefits under code §§ 401(a)(17) and 415, as amended.

§ 2.5-234 ELIGIBILITY AND BENEFITS.

(a) Employees eligible to participate. Each employee of the city who is a member of the fund shall be eligible to participate in the ordinance. Each such employee whose benefits under the fund are reduced due to the qualified plan limits shall automatically participate in and be eligible to receive benefits under this ordinance.

(b) Benefits.

(1) Amount of benefits. If the benefits payable to a member from the fund are limited by the qualified plan limits, the amount by which such benefits are so limited shall be paid to such member under this ordinance. For purposes of this ordinance, death and disability benefits under the retirement ordinance which are limited by the qualified plan limits shall be provided hereunder.

(2) Payment of benefits. Payment of a member's benefits calculated under subsection (b)(1) hereof shall be made to such member, after termination of employment with the city. Payment shall be made at the same time and in the same form as the member's benefits under the employees' retirement fund. If a member's (or his or her beneficiary's) death or disability benefits under the fund are reduced by the qualified plan limits, such reduced benefits shall be paid under this ordinance at the same time, in the same form, and to the same person(s) who receive the fund benefits.

§ 2.5-235 ADMINISTRATION AND MISCELLANEOUS.

(a) General. The ordinance shall be administered by the board.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)
(b) **Powers and duties.** The board shall have such powers as may be necessary to discharge its duties hereunder, including without limitations, the complete discretion to construe and interpret the ordinance, determine eligibility to participate, compute any benefits payable, grant or deny any benefit claims, review any claim denials and to give directions to the trustee under any grantor trust referred to in § 2.5-232(e) hereof. The board may delegate its duties hereunder as it deems appropriate, including to any committee it may appoint or to the executive director.

(c) **Amendment, termination, etc.** The city may, in its absolute discretion, from time to time, amend, suspend or terminate in whole or in part, and if terminated reinstate, any or all of the provisions of the ordinance.

(d) **Nonguarantee of employment.** Nothing contained in this ordinance shall be construed as a contract of employment between the city and any employee, or as providing a right of any employee to be continued in the employment of the city, or as a limitation of the right of the city to discharge any of its employees, with or without cause.

(e) **Nonalienation of benefits.** To the extent permitted by law, benefits payable under this ordinance shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary. Any unauthorized attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge or otherwise dispose of any right to benefits payable hereunder shall be void. No part of the assets of the city shall be subject to seizure by legal process resulting from any attempt by creditors of or claimants against any member (or beneficiary), or any person claiming under or through the foregoing, to attach his or her interest under the ordinance.

(f) **Liability.** No member of the board shall be liable for any act or action, whether of omission or commission, taken by any other member, or by any officer, agent or employee of the city or of any such body, nor, except in circumstances involving his or her bad faith, for anything done or omitted to be done by himself or herself.

(Ord. 20471-10-2012, § 2, passed 10-23-2012)