



Summary Plan Description

October 2010

Table of Contents

	Page
Guide to Your Plan	1
Financial Security	1
Management of the Fund	2
Plan Overview	3
How Much You Contribute	3
How Your Service is Determined	4
How Your Compensation Base is Computed	6
Retirement Eligibility	7
Resigning Prior to Your Normal Retirement	11
If You Become Disabled	12
Your Survivors	13
How Survivor Benefits are Paid	14
When Survivor Benefits Stop	15
Cost of Living Adjustment (COLA)	15
Exemption of Benefits from Judicial Process	17
Death Benefit	18
Applying for Benefits	18
Insurance & Accumulated Leave Pay-offs	20
Social Security	20
Important Notice	20
Notes	20
Retirement Office Contact Information	21

IMPORTANT NOTICE: The Retirement Handbook (Summary Plan Description) is being amended due to benefit changes approved by the Fort Worth City Council in April 2011. An updated Retirement Handbook will be posted by Feb. 1, 2012. If you were hired by the City of Fort Worth on or after July 1, 2011, please call the Fort Worth Employees' Retirement Fund at 817-632-8900 for details of your retirement benefits.

Guide to Your Plan...

The City of Fort Worth has adopted a defined benefit plan for its employees. When combined with your own savings, this defined benefit plan will help provide for a financially secure future.

The Board of Trustees of the Employees' Retirement Fund administers this benefit plan. The Fund has been established by City Ordinance to ensure that City employees will have equal access to comprehensive benefits. The Fund is governed by its Administrative Rules and Vernon's Texas Revised Civil Statutes, Article 6243i.

This Summary Plan Description is intended to highlight the most important provisions of the retirement system and the manner in which your retirement benefits are administered by the Fund. These provisions include:

- Eligibility for Benefits
- Commencement of Benefits
- Calculation of Benefits

We recommend that you and your family read this information so that you will know what benefits are provided by the Fund and how they are determined. If you have any questions about the Fund or desire additional information, please contact the Retirement Office at (817) 632-8900 or toll-free at (800) 741-9914.

While this summary is intended to help you better understand the Fort Worth Employees' Retirement Fund, any conflict between the provisions of this Summary Plan Description, the Retirement Ordinance or Administrative Rules will be resolved under the terms of the Administrative Rules and Article 6243i.

Financial Security...

When you retire from the City of Fort Worth, your financial security may be derived from several sources:

- Deferred Compensation Plans
- Savings
- Investments
- Social Security benefits earned through other employment
- Individual Retirement Accounts (IRAs)
- Other retirement plans
- Fort Worth Employees' Retirement Fund

You should learn as much as you can about the income you will receive from each source. This booklet is intended to serve as a resource for information about the Fort Worth Employees' Retirement Fund only.

Management of the Fund...

A thirteen (13) member Board of Trustees oversees the Employees' Retirement Fund. Each Trustee serves a two-year term.

Four members of the Board are elected by employees of the City who are also members of the Fund.

- **Place I: Employee Group A:**
Police Officers
- **Place II: Employee Group B:**
Firefighters
- **Place III: Employee Group C:**
City Manager's Office, Planning & Development, Internal Audit, City Secretary's Office, Law, Financial Management Services, Human Resources, Municipal Court, Water / Wastewater, Reprographics and members assigned to work in the Police Department who are not police officers
- **Place IV: Employee Group D:**
IT Solutions, Community Relations, Housing & Economic Development, Transportation Public Works, Equipment Services, Code Compliance, Public Events, Public Health, Environmental Management, Aviation, Parks & Community Services, Library and members assigned to work in the Fire Department who are not firefighters

Three members of the Board are elected by retired members.

- **Place V: Retiree from Employee Group B**
- **Place VI: Retiree from Employee Group A**
- **Place VII: Retiree from Employee Groups C & D**

For the abovementioned places, an election is held every odd numbered year for those positions on the Board that have an odd numbered place. An election is held every even numbered year for those positions that have an even numbered place.

Five members of the Board are appointed by the City Council and serve in **Place VIII to Place XII**. Such appointee must be a resident of the City of Fort Worth and may not be a member of the City Council. Places VIII, X and XII are appointed by a majority vote of the City Council every even numbered year. Places IX and XI are appointed by a majority vote of the City Council every odd numbered year.

Place XIII of the Board is served by the chief financial officer of the City of Fort Worth.

The Board of Trustees reviews and rules on all requests for retirement and disability benefits from the Fund. They employ an Executive Director who hires staff to manage the daily operations of the Fund. Please refer to the Fund's website at www.fwretirement.org for current incumbents.

Plan Overview...

A. Eligibility

Membership in the Fund is a condition of employment for all City employees except elected officers and non-salaried appointed members of administrative boards and commissions, part-time, temporary and contract employees, and employees paid partly by a county, state, or other governmental agency. Fund members do not earn social security benefits from their employment with the City of Fort Worth.

B. Retirement Benefit

Your pension benefit at retirement will be based on your pay, length of participation in the Fund and the applicable multiplier at the time of retirement. You will be eligible to receive a pension if you have at least five (5) years of credited service, at which time you will be vested in the Fund.

C. Disability Benefit

In some circumstances the Fund will provide a benefit if you become disabled. For more information, please contact the Retirement Office.

D. Payments

If you are eligible for retirement benefits, once your benefit begins, you will receive monthly payments for your lifetime payable the first business day of the month.

When you pass away, your survivors may receive benefits. This provision is subject to certain restrictions so you may wish to contact the Retirement Office for a more detailed explanation.

E. Refund of Contributions

If you terminate employment with the City at any time, you are entitled to receive a refund of your employee contributions plus interest at a rate of 5.25%. Employer contributions made by the City of Fort Worth are non-refundable. If you receive a refund, you will forfeit any eligibility you may have for retirement, disability or survivor benefits. If you are reemployed by the City, subject to certain policies, you may be able to repay your prior refund with interest to restore your eligibility for benefits.

How Much You Contribute...

Benefits paid out from the Fund come from:

- Your employee contributions
- City of Fort Worth employer contributions
- Income on investments

Municipal employees and firefighters contribute 8.25%, while police officers contribute 8.73%, of your annual salary compensation base to the Fund each year through regular payroll deductions. The City matches your contribution at 19.74% for municipal employees and firefighters and 20.46% for police officers.

Example*: Municipal Employee or Firefighter

If your annual compensation is \$35,000, you will contribute \$2,887.50 a year and the City will contribute \$6,909.

Example*: Police Officer

If your annual compensation is \$55,000, you will contribute \$4,801.50 a year and the City will contribute \$11,253.

While you remain an active employee of the City and a member of the Fund, you cannot withdraw any portion of the retirement contributions made to the Fund on your behalf.

How Your Service is Determined...

Credited Service

For all eligible employees, membership in the Fund is mandatory. Therefore, your credited service commences upon your date of hire and continues until your separation of employment from the City of Fort Worth. Credited service is expressed in years with each completed month counting as 1/12 of a year. Service for fifteen (15) or more calendar days in a month will constitute a month of service. Service for less than fifteen (15) calendar days shall constitute a complete month of absence. The period of time following a member's entry into DROP will not be counted as credited service.

You may also acquire credited service through the purchase of permissive service credits. If you are interested in purchasing service please contact the Retirement Office for additional information.

Sick Leave and Major Medical Leave

Once you are ready to retire the following formulas are used to convert sick leave or major medical leave into credited service.

Firefighters: Any remaining sick leave in excess of 1,080 hours will be converted to months of service and included in your benefit calculation as follows:

- Total accumulated, unused sick leave hours less 1,080
- Divided by 2,912 total hours worked in a year
- Multiplied by 12, results in the number of months that will be added to credited service, rounded to the nearest whole month

Example I*: Total number of hours of uncompensated sick leave: 2,000
 $2,000 - 1,080 = 920 / 2,912 = 0.3159 \times 12 = 3.79 = 4$ months of credited service

Police Officers: Any remaining sick leave in excess of 720 hours will be converted to months of service and included in your benefit calculation as follows:

- Total accumulated, unused sick leave hours less 720
- Divided by 2,080 total hours worked in a year
- Multiplied by 12, results in the number of months that will be added to credited service, rounded to the nearest whole month

Example II*: Total number of hours of uncompensated sick leave: 2,000

$$2,000 - 720 = 1,280 / 2,080 = 0.6154 \times 12 = 7.38 = 7 \text{ months of credited service}$$

Municipal Employees: Any remaining major medical leave will be converted to months of service and included in your benefit calculation as follows:

- Total accumulated, unused major medical hours
- Divided by 2,080 total hours worked in a year
- Multiplied by 12, results in the number of months that will be added to credited service, rounded to the nearest whole month

Example III*: Total number of hours of uncompensated major medical leave: 1,562

$$1,562 / 2,080 = 0.75 \times 12 = 9 \text{ months of credited service}$$

The addition of such accumulated sick leave or unused major medical leave to your credited service is not applied toward the determination of your retirement eligibility, but only toward the calculation of your retirement benefit.

Service Breaks

Authorized service breaks of ninety (90) consecutive days or less without pay are not deducted from credited service. A service break of more than ninety (90) consecutive days will be deducted from total credited service, and no contributions will be made during such periods.

If you terminate employment and do not receive a refund of your accumulated employee contributions, upon reemployment your prior years of service will be restored for eligibility and computation of benefits, but you will have a service break for the time you were absent. If you have received a refund of your contributions, your prior service will not be restored unless you repay the total amount of all contributions withdrawn, plus interest. This can be accomplished in two (2) ways:

1. Repay your prior distribution plus interest in a single lump sum payment within ninety (90) days of reemployment, or
2. Repay your prior distribution plus interest through a payroll deduction buyback plan, which commences within ninety (90) days of reemployment; interest will be charged through the payback period, which will not exceed seven (7) years.

If you want to repay your prior distribution, please contact the Retirement Office for information and necessary forms to complete.

Military Leave

If you are called to active duty in the U.S. Armed Forces during your tenure with the City of Fort Worth and are placed on a military leave of absence, your contributions to the Fund will cease. In order to earn credited service for the period of unemployment, you must contribute to the Fund the employee contributions that would have been made had you remained continuously employed with the City. Such payment must be made during the period which commences with the date of your reemployment to the City, whose duration is three (3) times the period of service in uniform service, not to exceed five (5) years. For instance, if you were out on

a military leave of absence for one (1) year, upon your reemployment with the City, you have three (3) years from the date of your reemployment to payback your pension contributions to earn credited service. If you served two (2) years in uniform service then you have the maximum of five (5) years to buyback this time. Upon receipt of payment, the City will make their corresponding employer contributions to the Fund.

Additionally should you elect not to make-up your employee contributions, the time served in active duty will count towards your eligibility for retirement, but will not be included in the computation of benefits.

Military Leave: Example I*	Military Leave: Example II*
<p>Employee: Jason Star Age: 55 years Credited Service: 25 years</p>	<p>Employee: Kim Pierce Age: 55 years Credited Service: 23 years Eligibility Service: 25 years</p>
<p>Mr. Star was on a military leave of absence for eighteen (18) months. Upon his reemployment, he paid back to the Fund his employee contributions for his leave within the four and a half (4.5) years following his reemployment.</p>	<p>Ms. Pierce was on a military leave of absence for two (2) years. Upon her reemployment, she elected not to buyback the time served during active duty.</p>
<p>Annual Earnings: 2xx3: \$45,000 2xx2: \$43,000 2xx1: \$41,000 (\$45,000 + \$43,000 + \$41,000) / 3 = \$43,000 Compensation Base</p>	<p>Annual Earnings: 2xx3: \$45,000 2xx2: \$43,000 2xx1: \$41,000 (\$45,000 + \$43,000 + \$41,000) / 3 = \$43,000 Compensation Base</p>
<p>Annual Pension Benefit: \$43,000 x 25 years x 3% = \$32,250 For a monthly gross benefit of \$2,687.50 (\$32,250 / 12)</p>	<p>Annual Pension Benefit: \$43,000 x 23 years x 3% = \$29,670 For a monthly gross benefit of \$2,472.50 (\$29,670 / 12)</p>

How Your Compensation Base is Computed...

Benefits are based upon your compensation base which means the average earnings which were paid to you by the City for your employment during any three (3) calendar years in which you had the highest earnings.

Earnings consists of amounts actually paid to you for services rendered during the calendar year including overtime, acting, assignment, holiday, longevity, education incentive, safety award, incentive and shift differential pay as reported on your W-2 form. Earnings also include any weekly Worker’s Compensation benefits you may have received.

Earnings shall not include non-salary allowances such as uniform or mileage reimbursement; lump sum payments received upon termination for unused accumulated leave balances; any award by a court, administrative body or settlement agreement in excess of earnings; or any amount paid to you for which the City does not contribute to the Fund.

Retirement Eligibility...

I. Normal Retirement

A member's normal retirement date is the last day of the month in which the earliest of the following occurs:

- Years of credited service and years of age equal eighty (80)
- Attain age sixty-five (65) with a minimum of five (5) years of service

Your annual pension upon retirement will equal 3% of your compensation base, multiplied by your total years of credited service.

Normal Retirement: Example I*	Normal Retirement: Example II*
<p>Rule of 80: Total of years of age and credited service must equal at least eighty (80)</p> <p>Employee: Will Rogers Age: 55 years Credited Service: 25 years</p> <p>Annual Earnings: 2xx3: \$45,000 2xx2: \$43,000 2xx1: \$41,000</p> <p>$(\\$45,000 + \\$43,000 + \\$41,000) / 3 = \\$43,000$ Compensation Base</p> <p>Annual Pension Benefit: $\\$43,000 \times 25 \text{ years} \times 3\% = \\$32,250$ For a monthly gross benefit of \$2,687.50 ($\\$32,250 / 12$)</p>	<p>Must be at least sixty-five (65) years of age with at least five (5) years of credited service</p> <p>Employee: Beth Walls Age: 65 years Credited Service: 10 years</p> <p>Annual Earnings: 2xx3: \$45,000 2xx2: \$43,000 2xx1: \$41,000</p> <p>$(\\$45,000 + \\$43,000 + \\$41,000) / 3 = \\$43,000$ Compensation Base</p> <p>Annual Pension Benefit: $\\$43,000 \times 10 \text{ years} \times 3\% = \\$12,900$ For a monthly gross benefit of \$1,075 ($\\$12,900 / 12$)</p>

II. Special Retirement

Police officers are eligible to retire after completing twenty-five (25) years of service regardless of age.

Special Retirement*
<p>Employee: Tim Jones Age: 45 years Credited Service: 25 years</p> <p>Annual Earnings: 2xx3: \$58,000 2xx2: \$54,000 2xx1: \$50,000</p> <p>$(\\$58,000 + \\$54,000 + \\$50,000) / 3 = \\$54,000$ Compensation Base</p> <p>Annual Pension Benefit: $\\$54,000.00 \times 25 \text{ years} \times 3\% = \\$40,500$ For a monthly gross benefit of \$3,375 ($\\$40,500 / 12$)</p>

III. Early Retirement

If you are at least fifty (50) years of age and have completed five (5) or more years of service, you may take an early retirement and receive a reduced pension benefit. The reduced pension will be the pension amount earned to your date of termination minus five-twelfths (5/12%) percent for each month the pension commences prior to your normal retirement date.

Upon early retirement, your annual pension benefit will equal 2.75% of your compensation base, multiplied by your credited service, multiplied by your early retirement reduction factor.

Early Retirement*	
Employee:	Susan Higgins
Age:	55 years
Credited Service:	5 years (10 years to Normal Retirement)
Annual Earnings:	
2xx3:	\$46,000
2xx2:	\$44,000
2xx1:	\$42,000
(\$46,000 + \$44,000 + \$42,000) / 3 = \$44,000 Compensation Base	
Early Retirement Reduction Factor:	
5% x 10 = 50% Penalty	
Annual Pension Benefit:	
\$44,000 x 5 years x 2.75% = \$6,050 x 50% = \$3,025	
For a monthly gross benefit of \$252.08 (\$3,025 / 12)	
Benefit is payable upon retirement at age 55.	

IV. Vested Retirement

If you sever your employment with the City, upon having completed at least five (5) years of service, you may elect to commence distribution of your pension benefit upon attaining your early or normal retirement date.

If you separate from the City and elect to leave your monies in the Fund until at least your early retirement date, then your benefit will be calculated using the same method described above under 'Early Retirement'. You may elect to commence payments in any month following your fiftieth (50th) birthday. Should you elect to receive your pension upon reaching your normal retirement date, your benefit will equal 3% of your compensation base.

Vested Retirement* : Payable upon Normal Retirement	Vested Early Retirement* : Payable upon attaining Early Retirement
<p>Employee: Bill Lopez Age: 55 years Credited Service: 5 years (10 years to Normal Retirement)</p> <p>Annual Earnings: 2xx3: \$46,000 2xx2: \$44,000 2xx1: \$42,000 (\$46,000 + \$44,000 + \$42,000) / 3 = \$44,000 Compensation Base</p> <p>Annual Pension Benefit: \$44,000 x 5 years x 3% = \$6,600 For a monthly gross benefit of \$550 (\$6,600 / 12) Benefit payable upon attaining normal retirement in 10 years at age 65</p>	<p>Employee: Ben Masters Age: 46 years Credited Service: 10 years (12 years to Normal Retirement)</p> <p>Annual Earnings: 2xx3: \$46,000 2xx2: \$44,000 2xx1: \$42,000 (\$46,000 + \$44,000 + \$42,000) / 3 = \$44,000 Compensation Base</p> <p>Benefit payable upon attaining early retirement in 4 years at age 50 Early Retirement Reduction Factor: (12 - 4) = 8 x 5% = 40% Penalty</p> <p>Annual Pension Benefit: \$44,000 x 10 years x 2.75% = \$12,100 x 60% = \$7,260 For a monthly gross benefit of \$605 (\$7,260 / 12)</p>

V. Actuarial Equivalent

Upon your normal or special retirement, you may elect to receive between 5% and 25% of the actuarial value of your retirement benefit in a one-time lump sum payment and a reduced monthly benefit.

Actuarial Equivalent*													
Employee: Jackie Smith													
Assume Ms. Smith's monthly pension benefit is \$2,000. Ms. Smith could elect to take a reduction of her monthly pension to be between \$1,500 (25%) and \$1,900 (5%) per month. She would then receive a lump sum payment equal to the actuarial equivalent of the reduction.													
The following table shows Ms. Smith's lump sum distribution if she elected the 5% actuarial equivalent.													
<table border="1" style="margin: auto;"> <thead> <tr> <th colspan="2">Monthly Pension Benefit: \$2,000</th> </tr> <tr> <th>Age of Ms. Smith</th> <th>Lump Sum Amount</th> </tr> </thead> <tbody> <tr> <td>50</td> <td>\$12,878.60</td> </tr> <tr> <td>55</td> <td>\$12,266.00</td> </tr> <tr> <td>60</td> <td>\$11,448.30</td> </tr> <tr> <td>65</td> <td>\$10,460.50</td> </tr> </tbody> </table>		Monthly Pension Benefit: \$2,000		Age of Ms. Smith	Lump Sum Amount	50	\$12,878.60	55	\$12,266.00	60	\$11,448.30	65	\$10,460.50
Monthly Pension Benefit: \$2,000													
Age of Ms. Smith	Lump Sum Amount												
50	\$12,878.60												
55	\$12,266.00												
60	\$11,448.30												
65	\$10,460.50												
The lump sum benefit is paid the same date the first (1 st) monthly retirement benefit is made.													

VI. Deferred Retirement Option Program (DROP)

You may elect to remain in active service with the City and participate in the Deferred Retirement Option Program when you reach your normal or special retirement date. Upon your election to enter the DROP, your credited service and compensation base are frozen. Then an amount equal to your monthly pension benefit is credited to a DROP account each month. When you separate from service with the City, you will be entitled to receive both the monthly pension benefit and payment of the DROP account balance. Interest is not credited to your DROP account.

To be eligible for the DROP account balance, you must remain in DROP for a period of at least twelve (12) months to a maximum of five (5) years. Upon your retirement from DROP, your monthly pension benefit will be recalculated to include any additional service accrued for sick and major medical leave. If you complete at least two (2) years of service after making a DROP election, your monthly pension benefit upon retirement will include a retroactive cost of living adjustment (COLA) accrued during the DROP period.

The following payment options are available for distribution of your DROP account balance:

- Defer payment(s) until a later start date with the latest possible benefit commencement date as April 1st of the calendar year following the year in which you attain seventy and one-half (70 ½) years of age
- A lump sum payment
- Periodic payments in which you designate a specific amount
- Periodic payments in which you designate a period of time
- Life expectancy calculation
- A combination of a lump sum and periodic payments
- A defined benefit annuity

Each option will have various tax consequences depending on your particular situation. We recommend you seek qualified tax advice prior to making your election.

DROP*

Employee: Jerry White
Age: 55 years
Credited Service: 25 years

Annual Earnings:
2xx3: \$43,000
2xx2: \$41,000
2xx1: \$39,000
 $(\$43,000 + \$41,000 + \$39,000) / 3 = \$41,000$ Compensation Base

Annual Pension Benefit:
 $\$41,000 \times 25 \text{ years} \times 3\% = \$30,750$
For a monthly gross benefit of \$2,562.50 ($\$30,750 / 12$)

Monthly Pension Benefit: \$2,562.50	
DROP Period	Lump Sum DROP Amount
12 Months	$\$2,562.50 \times 12 = \$30,750$
24 Months*	$\$2,562.50 \times 24 = \$61,500$
36 Months*	$\$2,562.50 \times 36 = \$92,250$
48 Months*	$\$2,562.50 \times 48 = \$123,000$
60 Months*	$\$2,562.50 \times 60 = \$153,750$

*Mr. White's monthly pension benefit would be adjusted to include any retroactive COLAs accrued during the DROP period. The COLA amount is dependent upon his election of the 'Guaranteed COLA' or the 'Conditional Ad Hoc COLA'.

Resigning Prior to Your Normal Retirement...

I. Prior to Vesting

If you leave the City before you have completed the five (5) years of service needed to vest, you are entitled to receive a refund of your employee contributions plus interest at the rate of 5.25%.

II. After Vesting

If you leave the City after becoming a vested member of the Fund, but before you are eligible for normal retirement, you may elect one (1) of the following three (3) options:

- Receive a refund of your employee contributions with interest at the rate of 5.25%
- Leave your contributions in the Fund and submit an application for Early Retirement.
- Leave your contribution in the Fund and submit an application for Vested Termination.

If You Become Disabled...

If you become disabled while you are a member of the Fund, you may be eligible for disability benefits. You are considered disabled and entitled to a disability benefit if the Board of Trustees determines from your application, physicians' statements, medical records, independent medical evaluation and other relevant evidence that you are unable to perform the essential functions of your position or of other positions that are reasonably comparable to your position. Your disability must exist for at least ninety (90) consecutive days prior to you submitting an application for disability retirement. A condition that was pre-existing when you joined the Fund may disqualify you for a disability benefit.

You are not eligible to receive a disability benefit while you continue working for the City.

There are two (2) types of disability benefits, both of which cover mental and physical disabilities:

- In Line of Duty Disability
- Not in Line of Duty Disability

I. In Line of Duty Disability

If you are injured in the line of duty, whether or not you are vested, your annual life pension will be computed as if you had worked to your earliest normal or special retirement date, but with your current compensation base.

Your pension will equal 2.75% of your compensation base multiplied by your projected service, unless you have already reached your normal or special retirement date, in which case the multiplier will be 3%.

In Line of Duty Disability*	
Employee:	Karen Lane
Age:	50 years
Credited Service:	10 years (10 years to Normal Retirement)
Annual Earnings:	
2xx3:	\$45,000
2xx2:	\$43,000
2xx1:	\$41,000
$(\$45,000 + \$43,000 + \$41,000) / 3 = \$43,000$ Compensation Base	
Annual Pension Benefit:	
$\$43,000 \times 20 \text{ years}^* \times 2.75\% = \$23,650$	
For a monthly gross benefit of \$1,970.83 ($\$23,650 / 12$)	
<i>*Service was projected to Ms. Lane's earliest normal retirement date</i>	

II. Not in Line of Duty Disability

If you become disabled while not in the line of duty and are a vested member of the Fund, you will receive a pension equal to 2.75% of your compensation base multiplied by your total credited service, unless you have reached your normal or special retirement date, in which case the multiplier will be 3%. Note that unlike the 'In Line of Duty Disability', your actual years of credited service at the time of your disability retirement will be used; no projections will be made.

Not in Line of Duty Disability*	
Employee:	Robert Wilson
Age:	44 years
Credited Service:	15 years
Annual Earnings:	
2xx3:	\$45,000
2xx2:	\$43,000
2xx1:	\$41,000
$(\$45,000 + \$43,000 + \$41,000) / 3 = \$43,000$ Compensation Base	
Annual Pension Benefit:	
$\$43,000 \times 15 \text{ years} \times 2.75\% = \$17,737.50$	
For a monthly gross benefit of \$1,478.13 ($\$17,737.50 / 12$)	

However, if you become disabled and are not vested then you are not eligible to receive a disability benefit. You will receive a refund of your employee contributions with interest at a rate of 5.25%.

The Board reserves the right to send you to a doctor of their choice to certify your disability. The Board may also require you to be reexamined periodically by a doctor appointed by the Board to confirm that your disability continues to exist. Additionally, all disability recipients are required to submit a copy of their income tax returns annually to the Retirement Office. Your future disability pension will be reduced if your other income when combined with your current disability pension exceeds the annualized base hourly rate of pay you would have made during the same tax year had your employment with the City continued.

Your Survivors...

The Plan provides for your eligible dependents to receive a benefit from the Plan when you die. Your eligible survivors include:

- **Surviving Spouse:** The person to whom you were married to at least one (1) year prior to your retirement and at the time of your death
- **Dependent Children:** Your unmarried children under the age of eighteen (18)
- **Dependent Parents:** Must be qualified as dependent as defined by the Administrative Rules

How Survivor Benefits are Paid...

Death Before Retirement

If you pass away before you retire from an injury that occurred in the line of duty, whether or not you are vested, your spouse will receive 75% of your accrued pension projected to your normal retirement date, but shall not be less than \$250 per month. Each dependent child will receive a pension benefit of \$100 per month.

If you die as a vested member of the Fund in a non-service related incident, your spouse will receive 75% of your accrued unreduced pension benefit, but shall not be less than \$150 per month. Each dependent child will receive a pension benefit of \$100 per month.

If you are not survived by a surviving spouse but are survived by dependent children, then your dependent children will receive the benefit that would have been paid to your spouse.

If you are not survived by a surviving spouse or dependent children but are survived by either one (1) or both of your dependent parents, then your dependent parent(s) will receive the pension that would have been paid to your spouse.

If you are not a vested member of the Fund at the time of your non-service related death, your surviving spouse will receive a refund of all your employee contributions plus interest at a rate of 5.25%.

Service Related Death*	Non-service Related Death*
<p>Employee: John Williams Age: 50 years Credited Service: 10 years (10 years to Normal Retirement)</p> <p>Annual Earnings: 2xx3: \$39,000 2xx2: \$37,000 2xx1: \$35,000 (\$39,000 + \$37,000 + \$35,000) / 3 = \$37,000 Compensation Base</p> <p>Annual Survivor Pension Benefit: \$37,000 x 20 years* x 3% = \$22,200 x 75% = \$16,650 For a monthly gross benefit of \$1,387.50 (\$16,650 / 12)</p> <p><small>*Service was projected to Mr. Williams' earliest normal retirement date</small></p>	<p>Employee: Jane Doe Age: 50 years Credited Service: 10 years</p> <p>Annual Earnings: 2xx3: \$39,000 2xx2: \$37,000 2xx1: \$35,000 (\$39,000 + \$37,000 + \$35,000) / 3 = \$37,000 Compensation Base</p> <p>Annual Survivor Pension Benefit: \$37,000 x 10 years x 2.75% = \$10,175 x 75% = \$7,631.25 For a monthly gross benefit of \$635.94 (\$7,631.25 / 12)</p>

Death After Retirement

If you die after retiring, your surviving spouse will receive 75% of your pension provided you and your surviving spouse were married for at least one (1) year prior to your retirement. If you married after retirement and within six (6) months of completing your second (2nd) year wedding anniversary you elected to receive a reduced monthly pension benefit, then your surviving widow(er) shall receive a monthly pension for life equal to 75% of your reduced monthly pension. Each dependent child shall receive a pension benefit of \$100 per month.

If you are not survived by a surviving spouse but are survived by dependent children, then your dependent children will receive the benefit that would have been paid to your spouse.

If you are not survived by a surviving spouse or dependent children but are survived by either one (1) or both of your dependent parents, then your dependent parent(s) will receive the pension that would have been paid to your spouse.

Survivor Benefits Without Eligible Dependents

If you leave no eligible dependents upon your death, your designated beneficiary will receive a return of your total employee contributions plus interest at a rate of 5.25%, reduced by any benefit payments paid to you during your retirement. If you do not have a designated beneficiary on file with the Retirement Office, then the refund of your remaining contributions will be paid to your estate upon receipt of one (1) of the following legal instruments: (1) letters testamentary; (2) letters of administration; (3) muniment of title; (4) affidavit of small estate; or (5) judgment declaring heirship.

When Survivor Benefits Stop...

- Payments to your surviving spouse cease upon death of the surviving spouse, regardless of remarriage
- Payments to a dependent child cease upon the earliest of marriage, attainment of age eighteen (18) or death
- Payments to dependent parent(s) cease upon death of the dependent parent(s)

Cost of Living Adjustment (COLA)...

The two (2) types of cost of living adjustments are 'Guaranteed' and 'Conditional Ad Hoc'. Effective January 1, 2000, all retirees and survivors receiving a monthly pension benefit receive a guaranteed COLA equivalent to two (2%) percent of their base pension each and every January 1st. In order to receive a COLA in the January following retirement, you must be receiving benefits by September 30th.

The 'Conditional Ad Hoc COLA' became effective January 1, 2008. The conditional ad hoc COLA is compounded based upon the amortization period required to pay-off the unfunded actuarial liability of the Fund as follows:

COLA	Plan Funding Period in Years
4%	≤ 18
3%	18.1 - 24.0
2%	24.1 - 28.0
0%	≥ 28.1

In the third quarter of 2007, all retirees and survivors receiving a pension benefit and vested active and inactive members, were provided a one-time option to choose between the 'Guaranteed COLA' or transitioning to the 'Conditional Ad Hoc COLA'. All employees not vested as of December 31, 2007, new employees and re-hires after December 31, 2007 are automatically enrolled under the 'Conditional Ad Hoc COLA'. As previously noted, if you are enrolled in DROP any retroactive COLAs accrued during your DROP period will be applied to your monthly pension benefit upon your retirement.

Guaranteed COLA: Example I*

Retiree: Emily Price
Retirement Date: July 1, 2008

Monthly Pension Benefit: \$2,500

Guaranteed COLA: \$2,500 x 2% = \$50 Monthly COLA

Beginning January 1, 2009, Ms. Price will receive a cost of living adjustment of \$50 payable monthly. On January 1, 2010, Ms. Price will again receive a cost of living adjustment of \$50, for a COLA total of \$100 payable monthly. The table below shows Ms. Price's monthly cost of living adjustments during the first five (5) years of retirement:

Year	COLA Increase	Total COLA
2009	\$50	\$50
2010	\$50	\$100
2011	\$50	\$150
2012	\$50	\$200
2013	\$50	\$250

Guaranteed COLA: Example II*

Retiree: Michael Lions
Retirement Date: November 1, 2008

Monthly Pension Benefit: \$2,500

Guaranteed COLA: \$2,500 x 2% = \$50 Monthly COLA

Since Mr. Lions retired on November 1st which falls after September 30th, he must wait one (1) full year before he will be eligible to receive his COLA. Therefore, beginning January 1, 2010, Mr. Lions will receive a cost of living adjustment of \$50 payable monthly. On January 1, 2011, Mr. Lions will again receive a cost of living adjustment of \$50, for a COLA total of \$100 payable monthly. The table below shows Mr. Lions' monthly cost of living adjustments during the first five (5) years of retirement:

Year	COLA Increase	Total COLA
2009	\$0	\$0
2010	\$50	\$50
2011	\$50	\$100
2012	\$50	\$150
2013	\$50	\$200

Ad-Hoc COLA: Example I *

Retiree: Megan Marsh
Retirement Date: September 1, 2007

Monthly Pension Benefit: \$2,500

2008 COLA: $\$2,500 \times 2\% = \50 Monthly COLA
2009 COLA: $(\$2,500 + \$50) \times 4\% = \$102$ Monthly COLA

Susan Marsh's COLA is effective January 1, 2008 on which date she received a 2% increase of \$50. On January 1, 2009, she is due to receive a compounded increase of 4% resulting in a total monthly COLA amount of \$102.

Ad-Hoc COLA: Example II *

Retiree: Sam Toll
Retirement Date or DROP Entry Date: April 1, 2005

Monthly Pension Benefit: \$3,000

Mr. Toll's COLA was effective January 1, 2006. Since the ad-hoc COLA became effective January 1, 2008, Mr. Toll would have received a guaranteed COLA for 2006 and 2007 and the ad-hoc compounded COLA for 2008 and thereafter. The table below shows Mr. Toll's monthly cost of living adjustments during the first four (4) years of retirement or DROP period*:

Year	COLA Increase	Total COLA
2006	$\$3,000 \times 2\% = \60	\$60
2007	$\$3,000 \times 2\% = \60	\$120
2008	$(\$3,000 + \$120) \times 2\% = \$62.40$	\$182.40
2009	$(\$3,000 + \$182.40) \times 4\% = \$127.30$	\$309.70

*In order to be eligible for the retroactive COLAs accrued during Mr. Toll's DROP period, he would have to stay in DROP for a minimum of two (2) years.

Exemption of Benefits from Judicial Process...

Qualified Domestic Relation Order (QDRO)

Your pension benefits can be reduced if a court issues a QDRO awarding your former spouse a portion of your retirement benefit. The maximum pension benefit that can be paid to your former spouse is fifty (50%) percent of your benefit. The QDRO must either provide the specific monthly amount or designate the percentage of your benefit to be paid to your former spouse. If you divorce, please visit the Fund's website (www.fwretirement.org; Click on Forms, then 'Model QDRO (Divorce)') to obtain a copy of the Fund's model QDRO.

Child Support

The Retirement Office can also withhold deductions for child support upon receipt of a valid court order from a court of competent jurisdiction.

Death Benefit...

The City of Fort Worth provides a death/burial benefit of \$5,000 for retirees who retired after December 31, 1969. Your surviving spouse is eligible to receive this benefit upon your death. However, if you are not survived by a spouse when you die, then the Death Benefit will be paid to your designated beneficiary(ies) on file with the Retirement Office. If you do not have a designated beneficiary on file with the Retirement Office, then the Death Benefit will be paid to your estate upon receipt of one (1) of the following legal instruments: (1) letters testamentary; (2) letters of administration; (3) muniment of title; (4) affidavit of small estate; or (5) judgment declaring heirship.

The beneficiary designation form is available on the Fund's website at www.fwretirement.org, click on Forms then 'Retiree Beneficiary Designation'. Please return the completed form to the Retirement Office.

Applying for Benefits...

Refund of Contributions

Upon your separation of employment, you must complete an application for a refund of your contributions in order to receive a return of your employee contributions with interest. An application can be obtained by visiting the Fund's website at www.fwretirement.org, click on Forms and download the 'Termed/Separation Packet'. Please return the completed paperwork to the Retirement Office.

Retirement

You must contact the Retirement Office at (817) 632-8900 to schedule an appointment with a Member Services Specialist to discuss your pension benefit and complete the necessary paperwork. Retirement packets are available on our website at www.fwretirement.org, click on Forms and download the appropriate retirement packet.

The following documents must be submitted with your Application for Retirement Benefits:

- Marriage License or Judicial Determination of Common Law Marriage
- Social Security Card*
- Driver's License or Government Issued Identification*
- Birth Certificate*

*Documents are required for you, your spouse and dependent(s)

Upon receipt of a completed application for retirement and all required supporting documents, the Board of Trustees will review the application for approval. The Board must approve the application before payments will commence.

Disability Retirement

To apply for Disability Retirement you must contact the Retirement Office at (817) 632-8900 to schedule an appointment. If you have a disability which was not pre-existing prior to your membership with the Fund and such disability has existed for at least ninety (90) consecutive days, then the following paperwork must be submitted to the Retirement Office:

- Completed Disability Application Packet (Refer to the aforementioned section entitled 'Retirement' for a list of required documents)
- A disability certification letter submitted by your doctor(s)
- Copies of all related medical records. You are responsible for verifying that all necessary records are received by the Retirement Office.
- Any other related documents (i.e. accident reports)

Upon receipt of your completed disability packet, the Board will conduct a hearing to review your application. In most cases, your attendance at all disability hearings is mandatory. You may be required to undergo an independent medical evaluation (IME) by a physician of the Board's choice prior to any disability hearings. Payments will commence upon approval of your application for Disability Retirement by the Board.

Survivor Benefits

If you are a surviving spouse, dependent child, dependent parent or beneficiary requesting survivor benefits, you must contact the Retirement Office at (817) 632-8900 to schedule an appointment with a Member Services Specialist who will discuss your eligibility for benefits and provide you with the necessary paperwork. Please bring the following documents to your appointment:

- Your Driver's License or Government Issued Identification
- Your Birth Certificate
- Your Social Security Card
- Marriage License or Judicial Determination of Common Law Marriage
- Death Certificate of the Member or Retiree

Application Deadlines & Procedures

You, your eligible survivors or beneficiaries must file a written application with the Retirement Office and follow the procedures established by the Board before any benefits will be paid. Prior to submitting your application, you must contact the Retirement Office to schedule an appointment with a Member Services Specialist to discuss your options. The Board reviews and approves all requests for payments from the Fund at its regularly scheduled board meeting which is usually held the fourth (4th) Wednesday of every calendar month. In order for the Retirement Office to provide the Board with the necessary information in a timely manner, all paperwork must be received by the 10th of the month preceding your benefit commencement date (Ex: If you want to retire July 1st, all your paperwork must be submitted to the Retirement Office by June 10th).

Insurance and Accumulated Leave Pay-offs...

Medical insurance, life insurance and accumulated leave pay-offs are handled by the Compensation & Benefits Division of the City of Fort Worth's Human Resources Department. Please contact the City's Retiree Liaison, at (817) 392-2897 for more information. The Retirement Office cannot answer your questions regarding these matters.

Social Security...

As an employee of the City, you do not pay social security taxes and therefore, do not accrue social security benefits as a result of your employment with the City of Fort Worth. However, you may be eligible to receive social security based on employment you held other than with the City of Fort Worth. To determine your eligibility, contact the nearest social security office by calling (800) 772-1213 or visit www.ssa.gov.

Important Notice...

This summary of the Fund's Administrative Rules describes many of the principal features of the Fort Worth Employees' Retirement Fund, but is only a summary. The complete provisions are available on-line at:

http://www.fwretirement.org/administrative_rules.php

You may also examine a copy of Vernon's Texas Revised Civil Statutes, Article 6243i on-line at <http://tlo2.tlc.state.tx.us/statutes/cv.toc.htm> or the Retirement Ordinance at <http://www.municode.com>. While this summary includes most of the facts about the Fund, it does not attempt to describe all provisions or limitations as they apply to individual situations. In case of any conflict between this summary and the administrative rules, the administrative rules will prevail.

*Examples are provided for educational purposes only. No specific benefit is promised by the examples illustrated in this document.

Notes...

Retirement Office Contact Information...

Ruth Ryerson, Executive Director/CIO (817) 632-8900
Email: ruth.ryerson@fwretirement.org

Wanda Valentine, Deputy Director of Benefits & Administration (817) 632-8905
Email: wanda.valentine@fwretirement.org

Robert Hulme, Deputy Director of Investments & Operations (817) 632-8918
Email: robert.hulme@fwretirement.org

Doreen McGookey, General Counsel (817) 632-8900
Email: doreen.mcgookey@fwretirement.org

Bryan Hedrick, Investment Officer (817) 632-8916
Email: bryan.hedrick@fwretirement.org

Christian Wetshi-Lunula, Accountant (817) 632-8911
Email: christian.wetshi-lunula@fwretirement.org

Rebecca Earley*, Operations Assistant (817) 632-8914
Email: rebecca.earley@fwretirement.org

Jennifer Sierra*, Member Services Specialist (817) 632-8902
Email: jennifer.sierra@fwretirement.org

Melissa McDougall, Member Services Specialist (817) 632-8903
Email: melissa.mcdougall@fwretirement.org

Angelica Rodriguez, Member Services Information Technology Specialist (817) 632-8904
Email: angie.rodriguez@fwretirement.org

Carla Perez, Executive Assistant (817) 632-8901
Email: carla.perez@fwretirement.org

Wynona Gulley, Administrative Assistant (817) 632-8900
Email: wynona.gulley@fwretirement.org

Tennie Cole, Administrative Assistant (817) 632-8900
Email: tennie.cole@fwretirement.org

**Se habla español*

Office Location: 3801 Hulen St., Suite 101
Fort Worth, Texas 76107

Toll Free: (800) 741-9914

Hours of Operation: Monday to Friday
7:30 am to 5:30 pm

Fax: (817) 632-8910

Website: www.fwretirement.org

DEDICATED TO PROVIDING PROMISED RETIREMENT BENEFITS AND EXCEPTIONAL
SERVICE WHILE SUSTAINING OUR MEMBERS' TRUST