EMPLOYEE HANDBOOK

Summary Plan Description

November 2014

General Employees — Tier I
Civil Service Police — Tier I
Civil Service Fire — Tier I

FORT WORTH EMPLOYEES' RETIREMENT FUND

2014-T1-2

Contents

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

Who Is FWERF?

The Fort Worth Employees' Retirement Fund (FWERF) is an organization that helps provide safe, secure retirement plans for Fort Worth municipal employees by administering the defined benefit plan adopted by the City of Fort Worth.

As a defined benefit plan member, you join more than 10,000 FWERF participants, many of them your friends, family, neighbors and coworkers.

The defined benefit plan gives you an important tool to help you reach your retirement goals, with a lifetime benefit from your employer. This handbook will help you understand your retirement plan and point you to other important resources to help you along your way.

If you need assistance or additional information, our friendly staff is available by phone, e-mail or personal consultation. Our online Member Portal, found on our website, **www.fwretirement.org**, provides access to your account anytime, complete with up-to-date information, important forms, a benefit calculator and other helpful information.

Remember, the road to retirement is paved with preparation. We're here to help you prepare.

Section 1.1 FWERF Board of Trustees

The Board of Trustees of the Employees' Retirement Fund administers your defined benefit plan. The Fund was established by Fort Worth 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.

A thirteen-member Board of Trustees oversees the 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 1: Employee Group A**: Police Officers, Active
- **Place 2: Employee Group B**: Fire Fighters, Active
- **Place 3: Employee Group C**: Active General Employees from City Manager's Office, City Secretary's Office, Financial Management Services, Human Resources, Internal Audit, Law, Municipal Courts, Planning and Development, Water and Waste Water and non-Civil Service employees of the Police Department
- **Place 4: Employee Group D**: Active General Employees from IT Solutions, Economic Development, Library, Neighborhood Services, Parks and Community Services, Public Events, Aviation, Code Compliance, Property Management, Transportation and Public Works and non-Civil Service employees of the Fire Department

Three members of the Board are elected by retired members.

- **Place 5: Retiree from Employee Group B, Retired Fire Civil Service**
- **Place 6: Retiree from Employee Group A, Retired Police Civil Service**
- **Place 7: Retiree from Employee Groups C & D, Retired General Employees**

For Places 1 through 7, 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 8 to Place 12. Such appointee must be a resident of the City of Fort Worth and may not be a member of the Fort Worth City Council. Places 8, 10 and 12 are appointed by a majority vote of the city council every even-numbered year. Places 9 and 11 are appointed by a majority vote of the city council every odd-numbered year.

Place 13 of the Board is a standing seat held 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. A list of Fund staff is provided in the section "Extra – Retirement Fund Contact Information." Please refer to the Fund's website at www.fwretirement.org for current incumbents.

Section 1.2 FWERF Investments

Your financial security is our highest priority. We hold the fiduciary responsibility for the investment of all Fund assets. Your future benefits are invested with FWERF and you benefit from many years of experience. We understand what drives the markets and offer a disciplined approach to investing. As long-term investors, we maintain a well-diversified portfolio and manage investment activity on a day-to-day basis.

It's important to understand, with a defined benefit plan, that your future benefit does not fluctuate due to investment gains or losses in the market. Your benefit is based on the defined benefit formula, which we detail in the next section.

A Closer Look at the Defined Benefit Plan

Section 2.1 What is a Defined Benefit Plan?

A defined benefit pension plan is a type of pension plan which promises a specified monthly benefit at retirement. The plan may state this promised benefit as an exact dollar amount, such as $1,000.00 per month. Or more commonly, like the City of Fort Worth's pension plan, it may calculate the benefit utilizing a pre-determined formula based on the employee's earnings history, years of service credit and age. A defined benefit plan provides a predictable benefit, generally for life. Both the employee and/or the employer may contribute to the plan, often at a set rate or percentage of annual earnings.

A defined benefit plan is "defined" in the sense that the benefit formula is defined and known in advance. Conversely, for a "defined contribution" pension plan, the formula for computing the employer's and employee's contributions is defined and known in advance, but the benefit to be paid out is not known in advance. The employee bears all investment risk in a defined contribution plan because he/she is responsible for making his/her own investment decisions. In most defined benefit plans, the employer bears the investment risk and can benefit from surpluses.

Section 2.2 Understanding Your Defined Benefit Formula

Under the City of Fort Worth's pension plan, 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. The benefit formula is comprised of three components:

Final Average Compensation	**X**	**Service Credit**	**X**	**Benefit Multiplier**	**=**	**$ Annual Benefit**

Final average compensation (FAC) is the average of the highest annual wages over a period of time, determined by your employer. We review your entire work history and pull the highest years of wages, even if they are not the most current years.

Service credit is the total amount of all your qualified periods of work (this can also include purchases of service credit). You earn service credit for each month of work that meets your employer's requirement.

Your service credit commences upon your date of hire and continues until your separation of employment from the City of Fort Worth. Service credit is expressed in years with each completed month counting as one-twelfth of a year. Service for 15 or more calendar days in a month will constitute a month of service. Service for less than 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 service credit. See more on DROP in the section, "Reaching the Goal – Retirement."

The **benefit multiplier** ranges from 2.25% to 3.00%, depending on your hire date and retirement type. More information on this can be found in the "Reaching the Goal – Retirement" section.

You may also find the applicable benefit multiplier – and much more – by logging into the Member Portal at www.fwretirement.org.

Important Note: *For all Tier I employees, your FAC and multiplier are different after specific dates. So your benefit is calculated in two parts:* ***Blue*** *for service prior to Oct. 1, 2013 for police and general members and prior to Jan. 10, 2015 for fire members, and* ***Orange*** *for service on or after Oct. 1, 2013 for police and general members and on or after Jan. 10, 2015 for fire members. In the sub-sections below, we will distinguish the differences of each component (service, FAC and multiplier) by* ***Blue*** *and* ***Orange****. Each Tier I member will have two formulas and the results will be added together to provide a total benefit amount.*

Service prior to Oct. 1, 2013 (police and general), prior to Jan. 10, 2015 (fire):

Final Average Compensation	X	Service Credit	X	Benefit Multiplier	=	$ Annual Benefit

+

Service on or after Oct. 1, 2013 (police and general), on or after Jan. 10, 2015 (fire):

Final Average Compensation	X	Service Credit	X	Benefit Multiplier	=	$ Annual Benefit

Tier I	3.00% Multiplier; High 3 Blue Benefit	2.50% Multiplier; High 5 Orange Benefit
General	Hire to Sept. 30, 2013	Oct. 1, 2013 — retire
Police	Hire to Sept. 30, 2013	Oct. 1, 2013 — retire
Fire	Hire to Jan. 9, 2015	Jan. 10, 2015 — retire

Putting the Formula Into Practice

Ima M. Ployee worked for the city full-time for 26 years (**Blue** service for 24 years, **Orange** service for two years). She is eligible for Normal Retirement, getting a 3.00% multiplier for her **Blue** service and a 2.50% multiplier for her **Orange** service. Her final average compensation for her **Blue** service was $41,200.00 and $39,800.00 for her **Orange** service. To figure out what Ima's annual benefit will be, see the calculation:

Blue:		**Orange:**	
FAC	$41,200.00	FAC	$39,800.00
	X		**X**
Service Credit	24 years	Service Credit	2 years
	X		**X**
Multiplier	3.00%	Multiplier	2.50%

$29,664.00 **+** $1,990.00 **=** $31,654.00 Annual Benefit

$31,654.00 = Annual Benefit
Divided by 12 = $2,637.83 Monthly Benefit

Section 2.3 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.

Section 2.4 Vesting

Now that you have a general overview of how your defined benefit is calculated, we will take a more in-depth look at how everything else works together.

Vesting is a required amount of service credit you must earn to be eligible for your retirement benefit.

Your employer has chosen a specific vesting schedule of five years. You will be eligible to receive a pension if you have at least five years of eligibility service, at which time you will be vested in the Fund. We outline retirement eligibility requirements in the section "Reaching the Goal – Retirement."

Section 2.5 Contributions

Retirement benefits paid out from the Fund come from:

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

General employees and firefighters contribute 8.25% of retirement-eligible wages to the Fund each year through regular payroll deductions. Police officers contribute 8.73%. The city contributes to the Fund as well: 19.74% for general employees and firefighters and 20.46% for police officers.

Example: General Employee or Firefighter
If your annual retirement-eligible compensation is $40,000.00, you will contribute $3,300.00 a year and the city will contribute $7,896.00.

Example: Police Officer
If your annual retirement-eligible compensation is $40,000.00, you will contribute $3,492.00 a year and the city will contribute $8,184.00.

As of Oct. 1, 2013, contributions are not paid on overtime earnings by police and general employees. The city still pays the employer contributions on overtime earnings. As of Jan. 10, 2015, fire employees only pay contributions on built-in overtime and no other overtime, while the city still pays contributions on all overtime for firefighters.

Section 2.6 Service

Service that is earned by active employment with the city in an eligible position can count toward your eligibility to retire, as well as the benefit service credit used in the formula to calculate your benefit. Unless you have a period of unpaid absence from the city, your benefit service and eligibility service will be the same.

An absence in excess of 90 consecutive calender days without pay will be reflected in benefit and eligibility service. In some circumstances, such as military leave or grievance settlements, eligibility service may be given without giving benefit service unless both the member and the city pay contributions for earnings that would have been paid during the absence. See also Section 2.8, "Service Breaks and Military Leave."

Sick Leave and Major Medical Leave

In addition to the time you work, unused major medical leave for general employees and unused and unpaid Civil Service sick leave for police and firefighters is converted to benefit service at the time of retirement. This service cannot be used to reach retirement eligibility, only toward the calculation of your retirement benefit. The following formulas are used to convert Civil Service sick leave or major medical leave into benefit service at retirement:

Firefighters: Any remaining Civil Service sick leave in excess of 1,080 hours (90 days at the 56-hour work week) will be converted to months of service and included in your benefit calculation as follows:

- Total accumulated, unused sick leave hours minus 1,080 (hours are subtracted from the **Blue** balance first and then the **Orange** Balance)
- Divide both remaining balances by 2,912 total hours worked in a year
- Multiply remaining balances by 12
- The results are the number of months that will be added to credited service for each benefit type, rounded to the nearest whole month.

Example I: Total hours of uncompensated Civil Service sick leave: 2,100 hours **Blue**, 400 **Orange**

Blue: 2,100 – 1,080 = 1.020 divided by 2,912 = 0.3502 x 12 = 4 months of credited service

Orange: 400 – 0 = 400 divided by 2,912 = .1373 x 12 = 1.64 = 2 months of credited service

Police Officers: Any remaining Civil Service sick leave in excess of 720 hours (90 days at the 40-hour work week) will be converted to months of service and included in your benefit calculation as follows:

- Total accumulated, unused sick leave hours minus 720 (hours subtracted from the **Blue** balance first and then the **Orange**)
- Divide both remaining balances by 2,080 total hours worked in a year
- Multiply remaining balances by 12
- The results are the number of months that will be added to benefit service for each benefit type, rounded to the nearest whole month.

Example II: Total hours of uncompensated sick leave: 1,800 hours **Blue**, 200 hours **Orange**

Blue: 1,800 - 720 = 1,080 divided by 2,080 = 0.5192 x 12 = 6 months of benefit service

Orange: 200 – 0 = 200 divided by 2,080 = .0962 x 12 = 1.15 = 1 month of benefit service

General 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 (both **Blue** and **Orange** balance)
- Divide balances by 2,080 total hours worked in a year
- Multiply both remaining balances by 12
- The results are the number of months that will be added to benefit service for each benefit type, rounded to the nearest whole month.

Example III: Total hours of uncompensated sick leave: 1,250 hours **Blue,** 180 hours **Orange**

Blue: 1,250 divided by 2,080 = 0.6010 x 12 = 7.21 = 7 months of benefit service

Orange: 180 divided by 2,080 = .0865 x 12 = 1.04 = 1 month of benefit service

Section 2.7 Purchasing Service Credit

You may also acquire service through the purchase of permissive service credits. You may want to help meet a different retirement eligibility date or to increase your pension. There are four types of service purchase and each applies in different situations. Please review the summaries below. There are variables to keep in mind before you make decisions. The cost to purchase service credit for each individual is based on many factors, some of which are age, projected earnings, benefit provisions and expected retirement date. If you are interested in purchasing service, please contact the Retirement Fund for additional information.

- Service Purchase (Buy-Up)
- Additional Credited Service
- Refund Buy Back
- Military Buy Back

Service Purchase
A member who wants to increase the amount of service may purchase additional service. There are two types of service purchases:

Qualified – If you have worked in service as (i) an employee of the government of the United States, any state or political subdivision thereof, or any agency instrumentality of any of the foregoing, (ii) service as an employee of an education organization which is a public, private, or sectarian school which provides elementary or secondary education (through grade 12), (iii) service as an employee of an association of employees who are described in clause (i) above, or (iv) military service (other than qualified military service) recognized by such governmental plan, then you are eligible to purchase the equivalent time provided that you are not going to receive a retirement benefit from them.

- You must provide verification of service from the entity
- You may purchase the full number of years worked (e.g., if you've worked 10 years, you can purchase 10 additional years)

Non Qualified – Is a purchase of service that is other than qualified service defined above. This type of service purchase is available to any vested member and is limited to five years of service.

Some general points to remember about service purchases:

- A member must have earnings from the city for the then current year to purchase service.
- Minimum purchase is one month.
- You can purchase qualified service credit any time during your employment.
- You can purchase non-qualified service any time after you are vested.
- Your retirement date will change after purchasing service.
- Payment for a service purchase must be made all at one time.
- Only **Orange** service may be purchased after Sept. 30, 2013 for police and general members and after Jan. 9, 2015 for fire members.

Additional Credited Service
A member who wants to increase the amount of benefit service at the time of termination may purchase additional service. This purchase must be done before you terminate but after you are certain you will terminate employment.

Some general points to remember about service purchases:

- You must have earnings from the city for the then current year to purchase service.
- You must provide proof of separation in writing from city Human Resources or supervisor.
- You must not be enrolled in the DROP.
- Minimum purchase is one month.
- Your retirement date will NOT change.
- Payment for a service purchase must be made all at one time.
- As a terminated vested member, the amount paid is based on the fact that you will no longer be receiving a salary or any other compensation from the city. If you become reemployed by the city, it will change the basis for the cost of the purchase and probably reduce the benefit service, since you will be receiving compensation again from the city.

Refund Buy Back
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. Employees who are rehired by the City of Fort Worth have 90 days from the date of rehire to contact the Retirement Fund regarding the repayment of withdrawn contributions to restore prior service.

This can be accomplished in two ways:

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

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

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 service. A member who begins to buy back service credit but does not complete making all payments will be awarded prorated service based upon the ratio of the amount repaid to the total contributions withdrawn.

Military Buy Back
See the sub-section below, "Military Leave in Service Breaks."

Section 2.8 Service Breaks

Authorized service breaks of 90 consecutive days or less without pay are not deducted from service. A service break of more than 90 consecutive days without pay where no contributions are made may be deducted from service.

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 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. See the sub-section above, "Purchasing Service Credit – Refund Buy Back."

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. You may earn eligibility service while you are on active duty up to a maximum of five years. In order to earn benefit service credit for this period of absence, you must make contributions (on your average wage) to the Fund of 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 times the period of service in uniform service, not to exceed five years.

For instance, if you were out on a military leave of absence for one year, upon your reemployment with the city, you have three years from the date of your reemployment to pay back your pension contributions to earn benefit service. If you served two years in uniform service, then you have the maximum of five years to buy back this time. You may pay contributions in a lump sum or by payroll deduction over a period of time not to exceed the payback period. Upon receipt of payment, the City of Fort Worth 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.

(See Military Leave examples on next page)

Military Leave Example I:	Employee:	Heidi Clare
	Age:	55 years
	Benefit Service:	**25 years**
	Eligibility Service:	25 years

Ms. Clare was on a military leave of absence for 18 months. Upon her reemployment, she paid her employee contributions to the Fund for her leave period within the 4½ years following her reemployment. Ms. Clare is eligible to retire because her age plus her years of eligibility service equal 80.

Annual Earnings:
Year 1 : $45,000.00
Year 2 : $43,000.00
Year 3 : $41,000.00
($45,000.00 + $43,000.00 + $41,000.00) / 3 = $43,000.00 FAC

Annual Pension Benefit:
$43,000.00 x 25 years x 3.00% = $32,250.00 annual benefit
For a monthly gross benefit of $2,687.50 ($32,250.00 / 12)

Military Leave Example II:	Employee:	Kim Pierce
	Age:	55 years
	Benefit Service:	**23 years**
	Eligibility Service:	25 years

Ms. Pierce was on a military leave of absence for two years. Upon her reemployment, she elected not to buy back the time served during active duty. Ms. Pierce is eligible to retire because her age plus her years of eligibility service equal 80.

Annual Earnings:
Year 1 : $45,000.00
Year 2 : $43,000.00
Year 3 : $41,000.00
($45,000.00 + $43,000.00 + $41,000.00) / 3 = $43,000.00 FAC

Annual Pension Benefit:
$43,000 x 23 years x 3.00% = $29,670.00 annual benefit
For a monthly gross benefit of $2,472.50 ($29,670.00 / 12)

Section 2.9 Final Average Compensation (FAC)

Benefits are based upon your compensation base which means the average earnings which were paid to you by the city for your employment.

For **Blue** service, the final average compensation (FAC) is calculated during any three calendar years in which you had the highest earnings. These earnings include overtime, acting pay, longevity, education incentive, assignment pay, holiday, safety award, shift differential, incentive, vacation sellback and wellness pay. Earnings also include any weekly Worker's Compensation benefits you may have received. For employees who were not vested on Oct. 23, 2007, earnings are subject to a 12% cap.

For **Orange** service, the FAC is calculated during any five calendar years in which you had the highest earnings. These earnings include acting pay, longevity, education incentive, assignment pay, holiday, safety award, shift differential, incentive, vacation sellback and wellness pay. Overtime is excluded from **Orange** service earnings. Earnings also include any weekly Worker's Compensation benefits you may have received. For firefighters, built-in overtime, as defined by the ordinance, is considered part of regular earnings.

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.

Earnings Cap of 12% on Members Vested After Oct. 23, 2007

The cap is determined by taking the four highest calendar-year earnings where the lowest of the four is used as the starting point. Calculate 112% of the fourth-year highest earnings and compare to the actual retirement-eligible earnings for the third highest year. Use the lower of these two numbers. Take the number used for the third highest year (either the actual number or 112% of the fourth highest year) and calculate 112%. Compare this number to the second highest year and use the lower of these two numbers. Take the number used for the second highest year (either the actual number or 112% of the third highest year) and calculate 112%. Compare this number to the first highest year and use the lower of these two numbers.

Example 12% Cap

- Year 3: Fourth highest = $49,989.33 x 112% = $55,988.05 compared to actual third highest of $50,601.52 = $50,601.52
- Year 2: Third highest = $50,601.52 x 112% = $56,673.70 compared to actual second highest of $70,984.38 = $56,673.70
- Year 1: Second highest = $56,673.70 x 112% = $63,474.55 compared to actual first highest of $73,351.28 = $63,474.55

Year	Amount	CAP	New High 3	FAC
Year 1	$ 73, 351.28	$ 63, 474.55	$ 63,474.55	$ 56,916.59
Year 2	$ 70,984.38	$ 56,673.70	$ 56,673.70	
Year 3	$ 50,601.52	$ 55,988.05	$ 50,601.52	
Year 4	$ 49,989.33			

Naming Your Beneficiary

Section 3.1

One of the most important things you can do for yourself and your family is to name a beneficiary. Equally important is to make sure your information always remains up-to-date. You can name or change your beneficiary by completing a beneficiary form which is available on our website (www.fwretirement.org). If you are an active employee, keep your contact information up-to-date through the Human Resources department at the city. Retirees and vested terminated members may update their contact information on the Retirement Fund Member Portal (which can be reached through our website) or by completing a change of address form.

Prior to retirement, there are two types of refund beneficiaries, a primary and a contingent. Unless otherwise specified, your spouse is always your survivor and refund beneficiary. If your spouse chooses to waive his or her rights, it must be in writing. If you are not married you may designate your refund beneficiary.

A refund beneficiary is a person(s) who receives a lump sum refund of your accumulated contributions (plus interest) if you die before you are vested and are eligible for your benefits. You may elect more than one refund beneficiary; they would each receive any assigned percentage of your contributions you indicate (if any) and interest earnings in one lump sum.

A contingent refund beneficiary is a person(s) who receives a refund of your contributions (plus interest) if you and your named refund beneficiary die before you are vested and eligible to receive your benefits. You may name more than one contingent refund beneficiary; they would each receive any assigned percentage of your contributions you indicate (if any) and interest earnings in one lump sum.

Retirees should see Section 6.7, "Life after Retirement – Survivor Benefits."

If you decide to change your beneficiary elections for any reason, you will need to fill out a new beneficiary form and bring or send the original document to the Retirement Fund.

(See Leaving Employment section on next page)

Leaving Employment Before It's Time to Retire

Now, what happens if you decide to leave your job before you've reached your retirement age? Your options depend on whether or not you are vested and how much service credit you have acquired.

Section 4.1 Resigning Prior to Retirement

Prior to Vesting
If you leave the city before you have completed the five years of service needed to become vested, you are entitled to receive a refund of your employee contributions plus interest at the rate of 5.25%.

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 of the following three 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 Term Vested Retirement, when you are eligible.
- Leave your contributions in the Fund and submit an application for Normal Term Vested Retirement, when you are eligible.

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% annually. 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. See the sub-section "Purchasing Service Credit – Refund Buy Back."

In order to receive a refund you will need to complete an Application for Withdrawal of Contributions. Please note that it takes 60 to 90 days upon receipt of your Application of Withdrawal to process your refund.

Note: Interest stops accruing at your termination date.

Section 4.2 Disability Benefit

In some circumstances the Fund will provide a benefit 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 Retirement Fund 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

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.

The Board reserves the right to send you to a doctor of its 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 Fund. 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.

For detailed information on disability retirement, please contact the Retirement Fund. Below you will find general information.

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

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

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.

The multiplier for the In Line of Duty Disability benefit is as follows, unless you have already reached your Normal or Special Retirement date, in which case the multiplier for Normal or Special Retirement will apply:

- **Police** – for both the **Blue** and **Orange** service the multiplier is 2.75%
- **General** – for both the **Blue** and **Orange** service the multiplier is 2.75%
- **Fire** – or both the **Blue** and **Orange** service the multiplier is 2.75%

(See In Line of Duty Disability example on next page)

In Line of Duty Disability Example:

Employee:	Walter Melon
Age:	50 years
Benefit Service:	10 years (leaving 10 years before Normal Retirement); service projected to Mr. Melon's earliest Normal Retirement date

Blue Benefit	**Orange Benefit**
FAC (High 3):	**FAC (High 5):**
(41,000 + 42,000 + 44,000) / 3 = 42,333.33	**(38,500 + 39,000 + 40,000 + 41,200 + 42,900) / 5 = 40,320.00**
Years of Benefit Service:	**Years of Benefit Service:**
10 Years	**10 Years**
Multiplier:	**Multiplier:**
2.75%	**2.75%**
Annual Benefit:	**Annual Benefit:**
42,333.33 x 10 x 2.75% = 11,641.67	**40,320.00 x 10 x 2.75% = 11,088.00**
Total Annual Benefit: $22,729.67 (Monthly [divide by 12] = $1,894.14)	

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. The multiplier for the Not In Line of Duty Disability benefit is as follows, unless you have already reached your Normal or Special Retirement date, in which case the multiplier for Normal or Special Retirement will apply:

- **Police** – for **Blue** service the multiplier is 2.75% and for **Orange** service the multiplier is 2.25%
- **General** – for **Blue** service the multiplier is 2.75% and for **Orange** service the multiplier is 2.25%
- **Fire** – for **Blue** service the multiplier is 2.75% for **Orange** service the multiplier is 2.25%

Note that unlike In Line of Duty Disability, your actual years of benefit service at the time of your disability retirement will be used.

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% annually.

(See Not in Line of Duty Disability example on next page)

Not in Line of Duty Disability Example:

Employee:	Tom Morrow
Age:	44 years
Benefit Service:	15 years

Blue Benefit	Orange Benefit
FAC (High 3):	FAC (High 5):
(41,000 + 42,000 + 44,000) / 3 = 42,333.33	(38,500 + 39,000 + 40,000 + 41,200 + 42,900) / 5 = 40,320.00
Years of Benefit Service:	Years of Benefit Service:
9 Years	6 Years
Multiplier:	Multiplier:
2.75%	2.25%
Annual Benefit:	Annual Benefit:
42,333.33 x 9 x 2.75% = 10,477.50	40,320.00 x 6 x 2.25% = 5,443.20
Total Annual Benefit: $15,920.70 (Monthly [divide by 12] = $1,326.72)	

Section 4.3 Death Before Retirement — Active Employee

If you should die while you are still working, it can have an impact on your family's financial security. To help ease this burden, it's important to know how your beneficiaries are protected.

If you are still an active member at the time of your death, your beneficiary may be entitled to either a refund of your contributions or a monthly death benefit. There are two terms used when describing death benefits: In Line of Duty Death and Not in Line of Duty Death.

In Line of Duty Death

An In Line of Duty death is a death that happens as the direct result of an injury or illness arising out of the actual performance of your assigned work duties.

Here are a few points you should know about In Line of Duty Death:

- You do not need to be vested.
- Your spouse will automatically receive 75% of your accrued pension projected to your Normal Retirement date, but shall not be less than $250.00 per month. In addition, each dependent child will receive a pension benefit of $100.00 per month.
- If you do not have a surviving spouse or other named survivor, beneficiary dependent children under 18 will equally share a total of 75% of your accrued pension projected to your Normal Retirement date, but shall not be less than $250.00 per month.
- If you are not survived by a surviving spouse or dependent children, but are survived by either one 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 do not have a spouse, dependent children or dependent parent(s), your refund beneficiary may apply for a refund of your employee contributions plus interest.

- The multiplier for the In Line of Duty Death benefit is as follows:
    - **Police** – for both **Blue** and **Orange** service the multiplier is 3.00%
    - **General** – for both **Blue** and **Orange** service the multiplier is 3.00%
    - **Fire** – for **Blue** and **Orange** service the multiplier is 3.00%
- If you have already reached your Normal or Special Retirement date, the multiplier for Normal or Special Retirement will apply.

In Line of Duty Death Example:

Employee:	Les Payne
Age:	50 years
Benefit Service:	10 years (leaving 10 years before Normal Retirement); service projected to Mr. Payne's earliest Normal Retirement date

Blue Benefit	**Orange Benefit**
FAC (High 3):	**FAC (High 5):**
(41,000 + 42,000 + 44,000) / 3 = 42,333.33	**(38,500 + 39,000 + 40,000 + 41,200 + 42,900) / 5 = 40,320.00**
Years of Benefit Service:	**Years of Benefit Service:**
12 Years	**8 Years**
Multiplier:	**Multiplier:**
3.00%	**3.00%**
Annual Benefit:	**Annual Benefit:**
42,333.33 x 12 x 3.00% = 15,240.00	**40,320.00 x 8 x 2.50% = 8,064.00**
Survivor Benefit:	**Survivor Benefit:**
15,240.00 x 75% = 11,430.00	**8,064.00 x 75% = 6,048.00**
Total Annual Benefit: $17,478.00 (Monthly [divide by 12] = $1,456.50)	

Not In Line of Duty Death

A Not in Line of Duty Death is a death that is due to a non-work related condition or event.

Here are a few points you should know about Not In Line of Duty Death:

- You must be vested for your beneficiary to receive a monthly benefit.
- Your spouse will receive 75% of your accrued unreduced pension benefit, but shall not be less than $150.00 per month. In addition, each dependent child will receive a pension benefit of $100.00 per month.
- If you do not have a surviving spouse, dependent children would be eligible to equally share 75% of your accrued unreduced pension benefit, but shall not be less than $150.00 per month per child.
- If you are not survived by a surviving spouse or dependent children, but are survived by either one 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 vested, your beneficiary would receive a refund of your employee contributions with interest at a rate of 5.25% annually.
- The multiplier for the Not In Line of Duty Death benefit is as follows:

    - **Police** – for **Blue** service the multiplier is 2.75% and for **Orange** service the multiplier is 2.25%
    - **General** – for **Blue** service the multiplier is 2.75% and for **Orange** service the multiplier is 2.25%
    - **Fire** – for **Blue** service the multiplier is 2.75% and for **Orange** service the multiplier is 2.25%

- If you have already reached your Normal or Special Retirement date, the multiplier for Normal or Special Retirement will apply.
- Note that unlike the In Line of Duty Death, the member's actual years of benefit service credit at the time of death will be used; no projections will be made.

Not In Line of Duty Death Example: Employee: Brighton Early
Age: 50 years
Benefit Service: 10 years

Blue Benefit	**Orange Benefit**
FAC (High 3):	**FAC (High 5):**
(41,000 + 42,000 + 44,000) / 3 = 42,333.33	**(38,500 + 39,000 + 40,000 + 41,200 + 42,900) / 5 = 40,320.00**
Years of Benefit Service:	**Years of Benefit Service:**
6 Years	**4 Years**
Multiplier:	**Multiplier:**
2.75%	**2.25%**
Annual Benefit:	**Annual Benefit:**
42,333.33 x 6 x 2.75% = 6,985.00	**40,320.00 x 4 x 2.25% = 3,628.80**
Survivor Benefit:	**Survivor Benefit:**
6,985.00 x 75% = 5,238.75	**3,628.80 x 75% = 2,721.60**
Total Annual Benefit: $7,960.35 (Monthly [divide by 12] = $663.36)	

(See Death Before Retirement - Vested Terminated Member on next page)

Section 4.4 Death Before Retirement — Vested Terminated Member

Here are a few points you should know about death of a Vested Terminated Member prior to commencing his or her pension:

- If the member's years of age and years of eligibility service total at least 65 as of the date of the member's termination, the member's spouse and/or dependents are entitled to the same benefit as a member who dies while Not In Line of Duty (see previous section).
- If the member's age and years of service do not total at least 65, the surviving spouse and dependents may either:
    - Take a refund of employee contributions plus interest, or,
    - Be eligible for the survivor benefit of 75% at the date the member would have been eligible to draw the benefit of Normal Vested Retirement or Early Vested Retirement.
- If the member has no surviving spouse, dependent children or dependent parents, the beneficiary is entitled to a refund of employee contributions plus interest.

Section 4.5 Divorce/Qualified Domestic Relations Order (QDRO)

Your pension benefits can be reduced if a court issues a Qualified Domestic Relations Order (QDRO) awarding your former spouse a portion of your retirement benefit. The maximum pension benefit that can be paid to your former spouse is 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 find yourself in the process of a divorce, please contact your Member Services Specialist and visit the Retirement Fund's website (www.fwretirement.org; click on Forms, then Model QDRO [Divorce]) to obtain a copy of the Fund's model QDRO. Your attorney may also find this information helpful during the process. This legal document must be accepted by both the court granting your divorce and the Retirement Fund once it is complete. The Fund will need a copy of the entire Judgment of Divorce.

Reaching the Goal — Retirement

Section 5.1 Eligibility to Retire

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 eligibility service and years of age equal 80.
- Attain age 65 with a minimum of five years of service.

Your annual pension upon retirement will have a multiplier of 3.00% for **Blue** service and 2.50% for **Orange** service.

Normal Retirement Example I: Rule of 80: Total of years of age and eligibility service must equal at least 80.

Employee:	Will Rogers
Age:	55 years
Benefit Service:	25 years

Blue Benefit	Orange Benefit
FAC (High 3):	FAC (High 5):
(41,000 + 42,000 + 44,000) / 3 = 42,333.33	(38,500 + 39,000 + 40,000 + 41,200 + 42,900) / 5 = 40,320.00
Years of Benefit Service:	Years of Benefit Service:
17 Years	8 Years
Multiplier:	Multiplier:
3.00%	2.50%
Annual Benefit:	Annual Benefit:
42,333.33 x 17 x 3.00% = 21,590.00	40,320.00 x 8 x 2.50% = 8,064.00
Total Annual Benefit: $29,654.00 (Monthly [divide by 12] = $2,471.17)	

Normal Retirement Example II: Must be at least 65 years of age with at least five years of benefit service:

Employee:	Sue Ridge
Age:	65 years
Benefit Service:	10 years

Blue Benefit	Orange Benefit
FAC (High 3):	FAC (High 5):
(41,000 + 42,000 + 44,000) / 3 = 42,333.33	(38,500 + 39,000 + 40,000 + 41,200 + 42,900) / 5 = 40,320.00
Years of Benefit Service:	Years of Benefit Service:
5 Years	5 Years
Multiplier:	Multiplier:
3.00%	2.50%
Annual Benefit:	Annual Benefit:
42,333.33 x 5 x 3.00% = 6,350.00	40,320.00 x 5 x 2.50% = 5,040.00
Total Annual Benefit: $11,390.00 (Monthly [divide by 12] = $949.17)	

Special Retirement
Police officers are eligible to retire after completing 25 years of service regardless of age.

Your annual pension upon retirement will have a multiplier of 2.50% for **Orange** service.

Special Retirement Example:	Employee:	Pat Downe
	Age:	45 years
	Benefit Service:	25 years

Blue Benefit	Orange Benefit
FAC (High 3):	FAC (High 5):
(41,000 + 42,000 + 44,000) / 3 = 42,333.33	(38,500 + 39,000 + 40,000 + 41,200 + 42,900) / 5 = 40,320.00
Years of Benefit Service:	Years of Benefit Service:
17 Years	8 Years
Multiplier:	Multiplier:
3.00%	2.50%
Annual Benefit:	Annual Benefit:
42,333.33 x 17 x 3.00% = 21,590.00	40,320.00 x 8 x 2.50% = 8,064.00
Total Annual Benefit: $29,654.00 (Monthly [divide by 12] = $2,471.17)	

Early Retirement
If you are at least 50 years of age and have completed five 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 upon retirement will have a multiplier of 2.75% for **Blue** service and 2.25% for **Orange** service, which will then be multiplied by the Early Retirement reduction factor.

(See Early Retirement example on next page)

Early Retirement Example:

Employee:	Reid Enright
Age:	55 years
Benefit Service:	5 years (leaving 10 years before Normal Retirement)

Blue Benefit	Orange Benefit
FAC (High 3):	**FAC (High 5):**
(41,000 + 42,000 + 44,000) / 3 = 42,333.33	(38,500 + 39,000 + 40,000 + 41,200 + 42,900) / 5 = 40,320.00
Years of Benefit Service:	**Years of Benefit Service:**
3 Years	2 Years
Multiplier:	**Multiplier:**
2.75%	2.25%
Annual Benefit:	**Annual Benefit:**
42,333.33 x 3 x 2.75% = 3,492.50	40,320.00 x 2 x 2.25% = 1,814.40
Early Retirement Factor:	**Early Retirement Factor:**
3,492.500 x 0.50 = 1,746.25	1,814.40 x 0.50 = 907.20
Total Annual Benefit: $2,653.45 (Monthly [divide by 12] = $221.12)	

Normal Vested Retirement

If you sever your employment with the city after vesting (having completed at least five years of service) you may elect to commence distribution of your pension benefit upon attaining your Early or Normal Retirement date. Your Normal Retirement date will remain the date your normal retirement would have been had you continued employment with the city.

Your annual pension upon retirement will have a multiplier of 3.00% for **Blue** service and 2.50% for **Orange** service.

Normal Vested Retirement Example:

Employee: Anne Teak
Age: 55 years (terminated at age 45)
Benefit Service: 15 years (terminated 10 years prior to Normal Retirement, Rule of 80)

Blue Benefit	Orange Benefit
FAC (High 3):	**FAC (High 5):**
(41,000 + 42,000 + 44,000) / 3 = 42,333.33	(38,500 + 39,000 + 40,000 + 41,200 + 42,900) / 5 = 40,320.00
Years of Benefit Service:	**Years of Benefit Service:**
10 Years	5 Years
Multiplier:	**Multiplier:**
3.00%	2.50%
Annual Benefit:	**Annual Benefit:**
42,333.33 x 10 x 3.00% = 12,700.00	40,320.00 x 5 x 2.50% = 5,040.00
Total Annual Benefit: $17,740.00 (Monthly [divide by 12] = $1,478.33)	

Early Vested Retirement

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 50th birthday.

Upon Early Vested Retirement, your annual pension upon retirement will have a multiplier of 2.75% for **Blue** service and 2.25% for **Orange** service, which will then be multiplied by the Early Retirement reduction factor.

Early Vested Retirement Example:

Employee:	Noah Lott
Age:	55 years
Benefit Service:	5 years (leaving 10 years before Normal Retirement)

Blue Benefit	Orange Benefit
FAC (High 3):	FAC (High 5):
(41,000 + 42,000 + 44,000) / 3 = 42,333.33	(38,500 + 39,000 + 40,000 + 41,200 + 42,900) / 5 = 40,320.00
Years of Benefit Service:	Years of Benefit Service:
3 Years	2 Years
Multiplier:	Multiplier:
2.75%	2.25%
Annual Benefit:	Annual Benefit:
42,333.33 x 3 x 2.75% = 3,492.50	40,320.00 x 2 x 2.25% = 1,814.40
Early Retirement Factor:	Early Retirement Factor:
3,492.500 x 0.50 = 1,746.25	1,814.40 x 0.50 = 907.20
Total Annual Benefit: $2,653.45 (Monthly [divide by 12] = $221.12)	

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 Retirement Example: Employee: Otto Graf

Assume Mr. Graf's monthly pension benefit is $2,000.00. Mr. Graf could elect to take a reduction of his monthly pension to be between $1,500.00 (25%) and $1,900.00 (5%) per month. He would then receive a lump sum payment equal to the actuarial equivalent of the reduction. Any applicable COLA would be on the unreduced base pension ($2,000.00).

The following table shows Mr. Graf's lump sum distribution if he elected the 5% actuarial equivalent, provided Mr. Graf was not married.

Monthly Pension Benefit: $1,900.00	
Age of Mr. Graf at Retirement	**Lump Sum Amount**
50	$13,801.56
55	$13,101.20
60	$12,205.86
65	$11,125.71

The lump sum benefit is paid the same date the first monthly retirement benefit is made.

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 benefit service credit and FAC 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.

The DROP account balance will continue to accrue for a maximum of five years or 60 months. Upon your retirement from DROP, your monthly pension benefit will be recalculated to include any additional service accrued for unused Civil Service sick and major medical leave. If you complete at least two years of service after making a DROP election, your monthly pension benefit upon retirement will include any 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 70½ 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.

(See DROP Example and Table on next page)

DROP Example: Employee: Owen Moore
Age: 55 years
Benefit Service: 25 years

Blue Benefit	**Orange Benefit**
FAC (High 3):	**FAC (High 5):**
(41,000 + 42,000 + 44,000) / 3 = 42,333.33	**(38,500 + 39,000 + 40,000 + 41,200 + 42,900) / 5 = 40,320.00**
Years of Benefit Service:	**Years of Benefit Service:**
17 Years	**8 Years**
Multiplier:	**Multiplier:**
3.00%	**2.50%**
Annual Benefit:	**Annual Benefit:**
42,333.33 x 17 x 3.00% = 21,590.00	**40,320.00 x 8 x 2.50% = 8,064.00**
Total Annual Benefit: $29,654.00 (Monthly [divide by 12] = $2,471.17)	

Monthly Pension Benefit: $2,471.17	
DROP Period	**Lump Sum DROP Amount**
12 Months	$2,471.17 x 12 = $29,654.04
24 Months*	$2,471.17 x 24 = $59,308.08
36 Months*	$2,471.17 x 36 = $88,962.12
48 Months*	$2,471.17 x 48 = $118,616.16
60 Months*	$2,471.17 x 60 = $148,270.02

*If Mr. Moore stayed at least 24 months in the DROP, upon retirement his monthly pension benefit would be adjusted to include any retroactive COLAs accrued during the DROP period. The COLA amount is dependent upon his COLA type for both his **Blue** and **Orange** benefits.

Section 5.2 Applying for Retirement

You must contact the Retirement Fund 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 photo identification card*
- 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 commence.

The deadline for applications is generally the tenth of the month preceding your retirement date. Please call or check our website (www.fwretirement.org) to make sure of the date before submitting your Application for Retirement.

Apply for Disability Retirement

To apply for Disability Retirement you must contact the Retirement Fund 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 90 consecutive days, then the following paperwork must be submitted to the Retirement Fund:

- 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 Fund.
- 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 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.

Section 5.3 Beneficiary Options

When applying for retirement, you will also be asked to list your spouse and any children under age 18 for your survivor benefit. If you are not married you may elect a designated beneficiary with a reduced pension (See Designate Beneficiary Reduction Election).

You will also be asked to complete a beneficiary form for the death benefit. If you are married, your spouse is your primary beneficiary. You should also consider a contingent beneficiary in the event of your spouse's death.

Remember to keep your Beneficiary Election for Death Benefits Form up-to-date as your life changes. Forms can be found on our website (www.fwretirement.org). Original, signed beneficiary forms must be sent to the Retirement Fund.

Married Members

In the event of your death, your surviving spouse will receive 75% of your monthly pension for the rest of his/her life, provided that you were married at least one year prior to your retirement. Additionally, if you have any legitimate or legally adopted child(ren) under 18 years of age, such child(ren) will receive $100.00 per month per child until the attainment of age 18 or marriage. If the total pension benefit paid to you and your survivors ceases and is less than your aggregate employee contributions and regular interest made to the Fund, then the excess of such contributions and interest will be paid to your beneficiary listed on your Beneficiary Election for Death Benefit Form, or if you do not have a beneficiary elected, to your estate.

Marriage After Retirement
If you were not married for at least one year prior to retirement, but do have a spouse, you may, after you have been married for two years and subject to Board policies, elect to receive an actuarially reduced pension to provide a pension for your spouse. You must make such an election within six months of being married for two years. If you make this election, your spouse will receive 75% of your reduced pension upon your death. If you do not make such an election, your surviving spouse will not receive a pension upon your death. If you have any legitimate or legally adopted child(ren) under 18 years of age, such child(ren) will share equally 75% of your benefit unless you have elected the reduced pension to cover your spouse and then such child(ren) will receive $100.00 per month per child until the attainment of age 18 or marriage. If the total pension benefit paid to you and your survivors ceases and is less than your aggregate employee contributions and regular interest made to the Fund, then the excess of such contributions and interest will be paid to your beneficiary listed on your Beneficiary Election for Death Benefit Form, or if you do not have a beneficiary election, to your estate.

Unmarried Member — Designated Beneficiary Option
At the time of retirement you may elect to receive a reduced monthly pension so that upon your death a designated beneficiary will receive a monthly pension for his or her life equal to 100%, 75%, 50% or 25% of your reduced monthly pension (as may be adjusted for cost-of-living increases). You have the option to designate one single person at one of the listed percentages (25, 50, 75 or 100). An actuarial reduction will be applied to your base pension, beginning gross pension and any DROP account balance (if applicable). This is a one-time irrevocable election approved by the Board of Trustees. Additionally, if you have any legitimate or legally adopted child(ren) under 18 years of age, such child(ren) will receive $100.00 per month per child until the attainment of age 18 or marriage. If the total pension benefit paid to you and your survivors ceases and is less than your aggregate employee contributions and regular interest made to the Fund, then the excess of such contributions and interest will be paid to your beneficiary listed on your Beneficiary Election for Death Benefit Form, or if you do have have a beneficiary elected, to your estate.

Section 5.4 Payments

Once you have applied and been approved by the Board, your Member Services Specialist will inform you of the starting payment schedule. After your benefit begins, you will receive monthly payments for your lifetime, payable the first business day of the month.

Life in Retirement

Section 6.1 Cost-of-Living Adjustment (COLA)

A cost-of-living adjustment is an annual increase that is given on Jan. 1. There are two types of COLA for Tier I members:

Guaranteed 2% - Members who have the Guaranteed 2% COLA receive a 2% increase of their base pension effective every Jan. 1. The COLA is added to the gross payment. In order to be eligible to receive a COLA in the January following retirement, you must be receiving benefits by Sept. 30 of the preceding year. All **Orange** benefits for Tier I are under the Guaranteed 2% COLA.

Conditional Ad Hoc - The Conditional Ad Hoc COLA became effective Jan. 1, 2008 and applies only to **Blue** service benefits. The Conditional Ad Hoc COLA is compounded on the gross payment at a percentage based upon the amortization period required to pay-off the unfunded actuarial liability of the Fund as follows:

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

In the third quarter of 2007, all retirees and survivors receiving a pension benefit and vested active and vested inactive members, were provided a one-time option to choose between the current Guaranteed COLA or transition to the Conditional Ad Hoc COLA. All employees not vested as of Dec. 31, 2007, new employees and re-hires after Dec. 31, 2007, were automatically enrolled under the Conditional Ad Hoc COLA. This COLA election was effective with the Jan. 1, 2008 COLA.

An ordinance amendment on Oct. 23, 2012 allowed general, police and some fire members who were in the Conditional Ad Hoc COLA for **Blue** benefit service to make an election to stay on the Conditional Ad Hoc or move to the Guaranteed 2% for their **Blue** benefit service. This COLA election was effective with the Jan. 1, 2014 COLA. Fire members covered under the April 2010 Collective Bargaining Agreement who were under the Conditional Ad Hoc COLA, were later allowed to elect to go back to the Guaranteed 2% COLA, effective with the Jan. 1, 2016 COLA.

Orange benefit service for Tier I members was set by the Oct. 23, 2012 ordinance at the Guaranteed 2% COLA for all **Orange** service for police and general members. Fire members were added to this with the Oct. 14, 2014 ordinance amendment.

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.

(See COLA Examples on next page)

Guaranteed COLA Example I (Police and General Members):

Employee:	Holly Day	
Retirement Date:	July 1, 2014	
Monthly Pension Benefit:	**Blue** – $2,000.00	**Orange** – $500.00 (Total $2,500.00)
COLA:	**Blue** – Guaranteed 2%	**Orange** – Guaranteed 2%

Beginning Jan. 1, 2015, Ms. Day will receive a cost-of-living adjustment of $50.00 payable monthly. On Jan. 1, 2016, Ms. Day will again receive a cost-of-living adjustment of $50.00, for a COLA total of $100.00 payable monthly. The table below shows Ms. Day's monthly cost-of-living adjustments during the first five years of retirement.

Year	Blue COLA	Orange COLA	Total COLA	New Monthly Payment
2014	Beginning year	Beginning year	$0	$2,500.00
2015	$40.00	$10.00	$50.00	$2,550.00
2016	$40.00	$10.00	$50.00	$2,600.00
2017	$40.00	$10.00	$50.00	$2,650.00
2018	$40.00	$10.00	$50.00	$2,700.00
2019	$40.00	$10.00	$50.00	$2,750.00

Guaranteed COLA Example II (Police and General Members):

Employee:	Jack Pott	
Retirement Date:	Nov. 1, 2014	
Monthly Pension Benefit:	**Blue** – $2,000.00	**Orange** – $500.00 (Total $2,500.00)
COLA:	**Blue** – Guaranteed 2%	**Orange** – Guaranteed 2%

Since Mr. Pott retired on Nov. 1, 2014, which falls after the Sept. 30, 2014 deadline, he must wait one full year before he will be eligible to receive his COLA. Therefore, beginning Jan. 1, 2016, Mr. Pott will receive a cost-of-living adjustment of $50.00 payable monthly. On Jan. 1, 2017, Mr. Pott will again receive a cost-of-living adjustment of $50.00, for a COLA total of $100.00 payable monthly. The table below shows Mr. Pott's monthly cost-of-living adjustments during the first five years of retirement.

Year	Blue COLA	Orange COLA	Total COLA	New Monthly Payment
2014	Beginning year	Beginning year	$0	$2,500.00
2015	Not eligible	Not eligible	$0	$2,500.00
2016	$40.00	$10.00	$50.00	$2,550.00
2017	$40.00	$10.00	$50.00	$2,600.00
2018	$40.00	$10.00	$50.00	$2,650.00
2019	$40.00	$10.00	$50.00	$2,700.00

Guaranteed COLA After DROP Example:

Employee:	Duane Pipe
DROP Entry Date (also Retirement Date):	May 1, 2014
Monthly Pension Benefit:	**Blue** – $2,000.00
	Orange – $500.00 (Total $2,500.00)
COLA:	**Blue** – Guaranteed 2%
	Orange – Guaranteed 2%

Mr. Pipe's COLA was effective Jan. 1, 2015. Mr. Pipe will receive a cost-of-living adjustment of $50.00 payable monthly. On Jan. 1, 2016, Mr. Pipe will again receive a cost-of-living adjustment of $50.00, for a COLA total of $100.00 payable monthly. The table below shows Mr. Pipe's monthly cost-of-living adjustments over the five years of retirement or DROP period.

Year	Blue COLA	Orange COLA	Total COLA	New Monthly Payment
2014	Beginning year	Beginning year	$0	$2,500.00
2015	$40.00	$10.00	$50.00	$2,550.00
2016	$40.00	$10.00	$50.00	$2,600.00
2017	$40.00	$10.00	$50.00	$2,650.00
2018	$40.00	$10.00	$50.00	$2,700.00
2019	$40.00	$10.00	$50.00	$2,750.00

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

(See Ad Hoc/Guaranteed COLA Example on next page)

Ad Hoc/Guaranteed COLA Example (Police and General Members):

Employee:	Kay Bull	
Retirement Date:	April 1, 2014	
Monthly Pension Benefit:	**Blue** – $2,000.00	**Orange** – $500.00 (Total $2,500.00)
COLA:	**Blue** – Ad Hoc	**Orange** – Guaranteed 2%

Ms. Bull retired in April 2014 so she would first be eligible for a COLA in 2015. Assume that a 2% Ad Hoc COLA was given Jan. 1, 2015, so Ms. Bull will receive a cost-of-living adjustment of $50.00 ($40.00 **Blue** Ad Hoc plus $10.00 **Orange** Guaranteed 2%) payable monthly. Assume that no Ad Hoc COLA was given in 2016, 2017, 2018 or 2019, where only the 2% COLA of $10.00 was applicable each month. The table below shows Ms. Bull's monthly cost-of-living adjustments during the first five years of retirement with an assumed Ad Hoc COLA in only 2015.

Year	Blue COLA	Orange COLA	Total COLA	New Monthly Payment
2014	Beginning year	Beginning year	$0	$2,500.00
2015	$40.00	$10.00	$50.00	$2,550.00
2016	$0	$10.00	$10.00	$2,560.00
2017	$0	$10.00	$10.00	$2,570.00
2018	$0	$10.00	$10.00	$2,580.00
2019	$0	$10.00	$10.00	$2,590.00

Ad Hoc COLA Example (Police and General Members):

Employee:	Kenya Dewitt
Retirement Date:	Sept. 1, 2011
Monthly Pension Benefit:	**Blue** – $2,500.00 (retired before **Orange** service started)
COLA:	**Blue** – Ad Hoc

Since Ms. Dewitt retired on Sept. 1, 2011, she will only have a **Blue** service benefit. Assume that an Ad Hoc COLA of 3% was awarded for Jan. 1, 2012, so Ms. Dewitt will receive a cost-of-living adjustment of $75.00 payable monthly. Assume no Ad Hoc COLA was given in 2013 or 2014. Again assume that a 2% Ad Hoc COLA was given Jan. 1, 2015, so Ms. Dewitt will receive a compound cost-of-living adjustment of $51.50, for a COLA total of $126.50 payable monthly. The table below shows Ms. Dewitt's monthly cost-of-living adjustments during the first five years of retirement with an assumed Ad Hoc COLA in only 2012 and 2015.

Year	Blue COLA	Total COLA	New Monthly Payment
2011	Beginning year	$0	$2,500.00
2012	$75.00	$75.00	$2,575.00
2013	$0	$0	$2,575.00
2014	$0	$0	$2,575.00
2015	$51.50	$51.50	$2,626.50
2016	$0	$0	$2,626.50

Section 6.2 Health and Dental Insurance

Medical insurance, life insurance and accumulated leave payoffs are handled by 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 Fund cannot answer your questions regarding these matters.

Section 6.3 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.

Section 6.4 Marriage After Retirement

If you married after retirement, then within six months of completing your second-year wedding anniversary, you must elect to receive a reduced monthly pension benefit in order for your surviving spouse to receive a monthly pension for life equal to 75% of your reduced monthly pension. Please contact a Member Services Specialist for calculations.

Section 6.5 Divorce/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 50% 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 find yourself in the process of a divorce, please contact your Member Services Specialist and 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. Your attorney may also find this information helpful during the process. This legal document must be accepted by both the court granting your divorce and the Retirement Fund once it is complete. We will need a copy of the entire Judgment of Divorce.

Child Support

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

Section 6.6 Return to Work After Retirement

If you are returning to work with an employer other than the City of Fort Worth, this will not affect your retirement. If you return to work with the City of Fort Worth, you must contact your Member Services Specialist prior to returning to work and coordinate your return-to-work date. Your monthly pension checks will be stopped if you return to work for the city in a regular position or part-time position of 1080 hours or more per year (half time). Your retirement will reflect a break in service for the period of time that you were drawing a pension and you will begin to accrue service once again upon rehire, unless you retired under the DROP program. If you retired in the DROP program, no additional service or change in final average compensation will be calculated since you elected to freeze those when you joined the DROP.

When you leave employment again, your retirement will be recalculated to consider any additional service, leave that would be converted to service and your final average compensation (high 3 or high 5). You will need to re-apply for retirement.

Section 6.7 Survivor Benefits

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

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

- **Surviving Spouse:** If you died while an active employee, the person to whom you were married to at least one year prior to your death.
- **Dependent Children:** Your unmarried children under the age of 18.
- **Dependent Parents:** Must be qualified as dependent as defined by the Administrative Rules.
- **Designated Beneficiary:** The person you named at retirement with a specified percent of benefit by reducing your pension.

How Survivor Benefits are Paid
See the section "Reaching the Goal – Retirement, Beneficiary Options" to see the type of eligible beneficiaries and percent of benefits.

Survivor Benefits Without Eligible Dependents
If you leave no eligible pension beneficiaries upon your death, your refund beneficiary will receive a return of your total employee contributions plus interest at a rate of 5.25% annually, reduced by any benefit payments paid to you during your retirement. If you do not have a beneficiary on file with the Retirement Fund, then the refund of your remaining contributions will be paid to your estate upon receipt of one 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.

Pension and refund beneficiaries must apply for the benefit (forms for surviving beneficiaries are available on our website) and will also need a certified copy of the members' death certificate, copy of your marriage license (if you are the surviving spouse), copy of your driver's license/government-issued photo identification card, copy of your Social Security card and a copy of your birth certificate.

Please note that pension beneficiaries who were on the city's health insurance will need to contact the city's Human Resources Department at 817-392-2897.

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 18 or death.
- Payments to dependent parent(s) cease upon death of the dependent parent(s).
- Payments to a designated beneficiary cease upon death of that person.

Section 6.8 Death Benefit

The City of Fort Worth provides a death/burial benefit of $5,000.00 for retirees who retired after Dec. 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 beneficiary(ies) on file with the Retirement Fund. If you do not have a beneficiary on file with the Retirement Fund then the Death Benefit will be paid to your estate upon receipt of one 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 Election for Death Benefits Form is available on the Fund's website at www.fwretirement.org. Please return the original completed form to the Retirement Fund.

Extra

Section 7.1 Applying for Survivor Benefits

Survivor Benefits
If you are a surviving spouse, dependent child, dependent parent or beneficiary requesting survivor benefits, you must contact the Retirement Fund 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 photo identification card
- 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 Fund and follow the procedures established by the Board before any benefits will be paid. Prior to submitting your application, you must contact the Retirement Fund 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 Wednesday of every month. In order for the Retirement Fund to provide the Board with necessary information in a timely manner, all paperwork must be received by the tenth of the month preceding your benefit commencement date. (Example: If you want to begin receiving benefits on July 1, all your paperwork must be submitted to the Retirement Fund by June 10.)

(See Retirement Fund Contact Information on next page)

Section 7.2 Retirement Fund Contact Information

Fort Worth Employees' Retirement Fund
3801 Hulen Street, Suite 101, Fort Worth, Texas 76107
Phone: **817-632-8900,** Fax: 817-632-8910
Hours of Operation: Monday through Friday, 7:30 a.m. to 5:30 p.m.
Website: www.fwretirement.org General E-mail: ask@fwretirement.org

	Name	Title	Phone	E-mail
Member Services	Jennifer Sierra (Se habla español)	Member Services Specialist (Covering Members A - G)	817-632-8902	Jennifer.Sierra@ fwretirement.org
	Melissa McDougall	Member Services Specialist (Covering Members H - P)	817-632-8903	Melissa.McDougall@ fwretirement.org
	Carla Perez	Member Services Specialist (Covering Members Q - Z)	817-632-8907	Carla.Perez@ fwretirement.org
		Member Services Assistant (Death Benefits & Refunds)	817-632-8901	
Executive Team	Joelle Mevi	Executive Director/ Chief Investment Officer	817-632-8900	Joelle.Mevi@ fwretirement.org
	Wanda Valentine	Deputy Director of Benefits & Administration	817-632-8905	Wanda.Valentine@ fwretirement.org
	Robert Hulme	Deputy Director of Investments & Operations	817-632-8918	Robert.Hulme@ fwretirement.org
	Tom Gonnella	General Counsel	817-632-8900	Tom.Gonella@ fwretirement.org
Benefits	Mary Kay Glass	Communications/ Publications Specialist	817-632-8906	MaryKay.Glass@ fwretirement.org
	Mary Beth Lane	Pension Administration System Analyst	817-632-8904	Mary_Beth.Lane@ fwretirement.org
	Tennie Cole	Administrative Assistant	817-632-8900	Tennie.Cole@ fwretirement.org
	Wynona Gulley	Administrative Assistant	817-632-8900	Wynona.Gulley@ fwretirement.org
Investments/Operations	Trisha Thomason	Business Systems Administrator	817-632-8913	Trisha.Thomason@ fwretirement.org
	Bryan Hedrick	Investment Officer	817-632-8916	Bryan.Hedrick@ fwretirement.org
	Jacob Bowland	Investment Analyst	817-632-8915	Jacob.Bowland@ fwretirement.org
	Karen Epp	Senior Accountant	817-632-8912	Karen.Epp@ fwretirement.org
	Christian Wetshi-Lunula	Accountant	817-632-8911	Christian.Wetshi@ fwretirement.org
	Rebecca Earley (Se habla español)	Operations Assistant	817-632-8914	Rebecca.Earley@ fwretirement.org
	Annette Connor	Executive/Legal Assistant	817-632-8908	Annette.Connor@ fwretirement.org

Section 7.3 Online Access to FWERF Member Portal

For online access to your retirement plan information anytime, create a free account at www.fwretirement.org.

1. Visit www.fwretirement.org and click on the link to the Member Portal.
2. Click "Register."
3. Complete the online form and click the link e-mailed to you to activate your account.
4. Log in and start using the FWERF Member Portal.

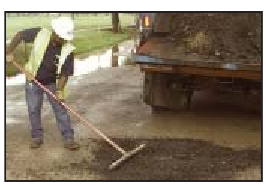
Detailed instructions for registration and how to use the Member Portal can be found on our website at www.fwretirement.org, under Publications/Additional.

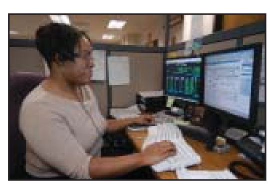
Section 7.4 Administrative Rules

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, or under Benefits/Administrative Rules.

You may also examine a copy of Vernon's Texas Revised Civil Statutes, Article 6243i on-line at http://www.statutes.legis.state.tx.us or the Retirement Ordinance at http://www.amlegal.com/library/tx/ftworth.shtml. 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.



The Fort Worth Employees' Retirement Fund is dedicated to providing promised retirement benefits and exceptional services while sustaining our members' trust

FORT WORTH EMPLOYEES' RETIREMENT FUND

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