

**LUBBOCK FIRE PENSION FUND**

***Plan Effective December 1, 2005 and Amended Effective October 18, 2006  
and January 17, 2007***

The participating members of the Lubbock Fire Pension Fund held an election by secret ballot as required under Section 7 of Article 6243e, Vernon's Texas Civil Statutes, which may be cited as the Texas Local Fire Fighters' Retirement Act (TLFFRA). The election was held on October 12-14, 2005 with two hundred and thirty-one (231) of the two hundred and seventy-eight (278) participating members (83% of the total) voting in the election (TLFFRA requires at least 50% of the participating members must vote in the election). The additions or changes considered in the election are described in the "Ballot for Firefighter Election" dated October 7, 2005. The number of members voting on each addition or change that received a majority vote of those voting on the addition or change is shown below:

Addition or Change	Section(s) of Plan Affected by Addition or Change	Number Voting On Addition Or Change		
		Votes in Favor	Votes Against	Total Votes
Amendment 1	F(2)(b)	173	58	231
Amendment 2	F(2)(d)	127	104	231

The Board of Trustees met on November 16, 2005 and approved the changes elected by the members as described above. As required under TLFFRA, the Plan's Actuary, who is either a Member of the American Academy of Actuaries or a Fellow of the Society of Actuaries, has reviewed and approved the changes described in these amendments. The changes are effective December 1, 2005. The Board of Trustees met on October 18, 2006 and approved the amendments described in Section A(4) and A(5) to be effective October 18, 2006. The Board of Trustees met on January 17, 2007 and approved the amendment described in Section L(7) to be effective January 17, 2007.

The following provisions are applicable to all members of the pension fund on the effective date of the plan and to those who enter the department thereafter. When appropriate, the masculine gender shall include the feminine and vice versa.

**A. BASIS FOR DETERMINING RETIREMENT BENEFIT**

The amount of income payable upon retirement will depend upon the member's age when he retires and upon his number of years of "Service" and his "Final 48-Month Average Salary" as described below.

1. **“Service”** will be equal to the period of time during which a member pays into and keeps on deposit in the fund contributions required by this plan. For the period prior to December 29, 1977, the number of years and months of continuous employment will be determined from the records of the fire department of the City of Lubbock, Texas. The number of years and months of continuous employment after December 29, 1977 will include the period of uninterrupted employment after that date with the fire department of the City of Lubbock, Texas. If a member terminated service covered by the Fund after December 29, 1977, he will be treated in the same manner as a new employee if he is later reemployed.

Absence from the active service of the department by reason of leave of absence, including a leave of absence due to active military service by a participant reservist called to duty during national emergencies, will not terminate a member’s service covered by the Fund provided he returns to active employment prior to the expiration of his leave except that if he withdraws his contributions from the Fire Pension Fund, City of Lubbock, Texas he will be treated in the same manner as though he had terminated service covered by the Fund even though he returns to active employment prior to the expiration of his leave.

Periods of leave of absence, determined by the policy of the City of Lubbock, shall be deemed continuous employment. During periods of suspension from the fire department with no pay, if such period is for two biweekly pay periods or less, then continuous service will be credited for such period. If the period suspended with no pay is for more than two biweekly pay periods, then no service credit will be credited for the entire suspended period.

2. **“Final 48-Month Average Salary”** will be equal to the monthly average of compensation for the last 104 completed consecutive biweekly pay periods during which the member received compensation. “Compensation” shall include all regular and periodic biweekly pay except for 1) any lump sum distribution from the city, including but not limited to a lump sum distribution of termination pay for unused sick leave, vacation, holiday or comp-time; 2) car allowances on or after March 30, 1996; 3) clothing allowances on or after November 1, 1997; and 4) any reimbursement pay. The Board will have the authority to make an interpretation regarding whether special pay items from the city should be included in “Compensation”. If a member's “Compensation” has been offset (reduced) by Workmen's Compensation benefits, then “Compensation” shall also include the amount by which the “Compensation” was offset (reduced) as required by the Texas Labor Code.

In accordance with the Internal Revenue Code (IRC), the annual total pay used in determining the “Highest 60-Month Average Salary” will be limited by the IRC 401(a)(17) limitations. For 2008, the 401(a)(17) limitation is \$230,000.

If the member had been suspended or demoted during his last 104 completed consecutive biweekly pay periods, he may choose to replace the biweekly pay periods which occurred during his suspension or demotion with an equal number of consecutive biweekly pay periods, beginning with the 105th pay period preceding the retirement date.

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

3. ***“Maximum Service Retirement Benefit”*** - Service retirement benefits for members retiring after November 30, 1991 are subject to a maximum amount of the greater of a) the maximum benefit permitted by Section 415 of the Internal Revenue Code (IRC), or b) the vested accrued benefit as of November 30, 1991, according to the provisions of the plan effective October 23, 1989.

The benefits subject to the Section 415 limits must be adjusted if the payments are made in a form other than a life annuity or a qualified joint and survivor benefit. Solely for purposes of determining the maximum benefit, the adjustments for optional forms of payments other than a life annuity or a qualified joint and survivor benefit will be the greater adjustment based on either an interest rate of 8.5% and the UP-1994 male mortality table with no age adjustment or projection or an interest rate of 5% and the IRC specified gender neutral 1994 GAR mortality table projected to 2002.

The maximum benefit permitted by Section 415 of the IRC is the sum of the maximum employer financed benefit and the employee financed benefit. The maximum employer financed benefit is \$185,000 in 2008 for members retiring with at least 15 years of service at ages 65 and younger. The \$185,000 limit is adjusted for older ages at retirement based on an interest rate of 5% and the IRC specified gender neutral 1994 GAR mortality table projected to 2002. The \$185,000 limit is adjusted annually, on a rounded basis per IRC rules, for changes in the Consumer Price Index.

The employee financed benefit is the monthly benefit annuitized from the employee's after-tax accumulated contributions. Solely for purposes of determining the maximum benefit, the conversion of the employee after-tax accumulated contributions to a life annuity will be based on the interest rate on 30-year Treasury securities as specified by the IRC using a plan year stability period and a look back month of the fourth calendar month preceding the first day of the

stability period. The mortality used in the employee contribution conversion will be the IRC specified gender neutral 1994 GAR mortality table projected to 2002.

If a member has filed an irrevocable election to receive benefits under a Retroactive Deferred Retirement Option Plan (RETRO DROP), then the maximum benefit will be determined as of the end of the month in which the member terminates service covered by the Fund. Solely for the purpose of determining a maximum benefit, the total amount available for a lump sum distribution from either a RETRO DROP or PLSO election will be converted to an actuarially equivalent annual benefit based on the greater adjustment of an interest rate of 8.5% and the UP-1994 male mortality table with no age adjustment or projection or the applicable Section 417(e) interest rate and the IRC specified gender neutral 1994 GAR mortality table projected to 2002. This actuarially equivalent annual benefit will be added to the annual equivalent of the monthly benefit the member will receive after retirement. This combined amount will be subject to the maximum benefit limitations described above in this subsection.

If the United States Congress and/or the Internal Revenue Service later amend laws and regulations pertaining to Section 415 in order to permit higher service retirement benefits, then for any retired member who had previously had a benefit reduced because of Section 415 benefit limitations, the plan will be amended again to cause the Board to recalculate the retired member's benefit to be the smaller of (a) the unreduced benefit based on the plan's service retirement benefit formula in effect on the date the member retired, or (b) the maximum permissible benefit calculated under revised Section 415 laws and regulations. The Board shall pay the retired member in a single payment an amount equal to the difference between the adjusted higher monthly benefit and the reduced benefit for the number of months the member has received the reduced benefit.

4. **“Member”** - Employee of the Lubbock Fire Department, if such employee is younger than 36 years of age on the date the individual is certified under Civil Service or by the Board of Trustees as eligible for membership in the fund. Member shall include any other employee or leased employee of the city who performs emergency, medical, or fire department-related services as determined by the Board of Trustees in their discretion. Member shall also include any employee, leased employee, or former employee of the city who, as determined by the Board of Trustees, has not terminated service covered by the Fund. The meaning of the term Member, or any other term, shall be determined by the Board of Trustees in its sole power and discretion. The Board of Trustees shall have the power and discretion to construe the terms of the Fund and determine all questions arising in connection with the administration, interpretation and application of the terms of the Fund. Any such determination shall be binding and conclusive on all persons and the city.

5. ***“Terminates Service Covered by the Fund”*** – To terminate service covered by the Fund a member shall be required to terminate employment from the Fire Department and from any position of employment with the city in an emergency, medical, or fire department-related capacity. The Board of Trustees in its sole discretion will determine whether any position of employment with the city is in an emergency, medical, or fire department-related capacity. The Board of Trustees shall have the sole power and discretion to determine if a member has terminated service covered by the Fund and shall determine all questions arising in connection with the interpretation of whether a member has terminated service covered by the Fund. Any such determination shall be binding and conclusive upon all persons and the city. The Board of Trustees will not be bound by the actions of the city in its determination of whether a member has terminated service covered by the Fund.
6. ***“Accumulated Contributions”*** shall mean the sum of all amounts deducted from the total pay of a member and credited as a contribution to the fund. A member’s accumulated contributions shall not include or earn interest from the fund.

**B. *SERVICE RETIREMENT BENEFIT***

1. ***Eligibility for Normal Service Retirement Benefit*** - A member will be eligible for a normal service retirement benefit when he terminates service covered by the Fund after he meets both of the following requirements:
  - a. attainment of age 50 and
  - b. completion of 20 years of service.
2. ***Amount of Normal Service Retirement Benefit*** - A member who qualifies for a normal service retirement benefit will receive a monthly retirement benefit equal to the sum of:
  - a. a standard benefit equal to 68.92% of his “Final 48-Month Average Salary”

*plus*
  - b. an additional benefit in an amount equal to \$335.05 per month for each whole year of service in excess of 20 years of service. A partial year of service will be given partial credit based on number of months and days completed in excess of whole years.

The monthly retirement benefit will not be less than the firefighter’s vested accrued monthly benefit determined as of October 31, 2003 based on the plan provisions effective December 1, 2001. This vested accrued monthly benefit meets the minimum vested accrued benefit requirement of Section 7(e) of TLFFRA. The vested accrued monthly benefit as of October 31, 2003 is equal to

70.02% of “Final 48-Month Average Salary” calculated as of October 31, 2003 plus \$335.05 multiplied by years and months of service in excess of 20 years determined as of October 31, 2003.

The monthly retirement benefit cannot exceed the “Maximum Service Retirement Benefit.”

3. ***Eligibility for Early Service Retirement Benefit*** - A member will be eligible for an early service retirement benefit when the member terminates service covered by the Fund with 20 or more years of service payable immediately following retirement in accordance with Section B(5). A member electing early service retirement may also elect one of the options described in Section B(6). A vested terminated member with more than 20 years of service is eligible to elect early service retirement at any time after the date of employment termination.
4. ***Amount of Early Service Retirement Benefit*** - A member who qualifies for an early service retirement benefit will receive a monthly early service retirement benefit equal to the smaller of (a) the “Maximum Service Retirement Benefit”, or (b) a percentage of the accrued benefit payable at age 50 where the percentage is based on his early retirement age in completed years and months at date of early retirement. The percentages of accrued benefit are shown in Table 1 at the end of the plan document.

The accrued benefit payable at age 50 is the amount determined in Section B(2) or Section D based on his “Final 48-Month Average Salary” and service (years, months and days) at the date the member terminates service covered by the Fund. The accrued benefit is subject to the minimum vested accrued monthly benefit determined as of October 31, 2003 as described in Sections B(2) and D.

5. ***Payment of Benefits*** - Monthly benefits described in Section B(2), B(4) and B(7) will begin on the last day of the calendar month following the month in which the member terminates service covered by the Fund (or elects commencement of the Early Service Retirement Benefit). In addition, for the month in which the member terminates service covered by the Fund, a partial monthly retirement benefit will also be paid. This partial benefit is equal to the monthly benefit described above multiplied by the number of days from the date the member terminates service covered by the Fund to the date on the last day of the month divided by the total number of days in the month.
6. ***Options at Retirement:***
  - a. A normal service retiree, early service retiree, retiree electing RETRO DROP or the Partial Lump Sum Option (PLSO) or vested terminated member when benefits commence may convert the retirement benefits payable to the member and the member’s spouse to an actuarially equivalent retirement benefit option.

The benefit options and the adjustments that would need to be made to the Normal Service Retirement Benefit (Joint and Two-Thirds to Surviving Spouse) are shown below.

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

The adjustments are determined on an actuarially equivalent basis using an interest rate of 8.5% and the UP-1994 Mortality Tables with no age adjustment or projection and assuming that the member will be male and at an average age of 51 at retirement with a spouse two years younger.

Election of the options above will be subject to the following rules:

- i. Once an option has been elected at retirement, the option cannot be changed following retirement.
- ii. Spousal consent will be required for all of the options listed above.
- iii. Both members who are married and unmarried at retirement will be able to elect the Straight Life option.

- iv. These options will not be available for election by disabled retirees, surviving beneficiaries of members or surviving spouses of vested terminated members.
  - v. Members who terminate service covered by the Fund with a vested termination benefit (and do not elect a refund of contributions) may elect these options at the date the benefit payments begin. The applicable adjustment will be determined based on the adjustment percentages in effect on the date the benefit payments begin.
  - vi. If the member elects the RETRO DROP, the adjustment will be applied to the benefit at the RETRO DROP benefit calculation date and will be reflected in the benefits that accumulate in the lump sum.
  - vii. If the member elects the PLSO, the adjustment will be made as described in Section B(7).
- b. ***Designation of Non-Spouse Beneficiary*** - A member may elect to designate a non-spouse beneficiary who would be entitled to the same benefit as a surviving spouse under either the standard benefit, Joint and Two-Thirds Survivor Benefit, or an elected option described in Section B(6)(a) above. If a married member elects a non-spouse beneficiary, no benefits will be payable to the spouse. Election of a non-spouse beneficiary will be subject to the following rules:
- i. If the member is married, spousal consent will be required to elect a non-spouse beneficiary.
  - ii. Once a non-spouse beneficiary is elected at retirement, the beneficiary cannot be changed following retirement.
  - iii. If the designated non-spouse beneficiary is more than five years younger than the member, a reduction factor (in addition to any adjustment factor applied for an optional form of benefit from Section B(6)(a) of the plan) would be applied to the benefit otherwise payable. The reduction factor will be determined by the plan's actuary using an interest rate of 8.5% and the UP-1994 Mortality Table with no age adjustments or projections and based on the member's, spouse's and beneficiary's actual ages at retirement.
  - iv. These options will not be available for disabled retirees or for surviving beneficiaries of members who die prior to retirement.
  - v. Members who terminate service covered by the Fund with a vested termination benefit (and do not elect a refund of contributions) may elect



a non-spouse beneficiary at the date the benefit payments begin. If a single vested terminated member dies before receiving a monthly benefit, no monthly benefit will be paid to a beneficiary.

- vi. The election of a non-spouse beneficiary is subject to IRC Section 401(a)(9) and Regulations promulgated thereunder.

7. ***Partial Lump Sum Option (PLSO)*** - A member eligible for normal service retirement (age 50 with at least 20 years of service) can elect at termination of service covered by the Fund (retirement) the PLSO which will provide the member with a PLSO lump sum amount and a PLSO monthly benefit. A member can elect either the PLSO or the RETRO DROP/Early RETRO DROP option, but not both. The member will elect the number of months to be included in the lump sum from 1 to 36. The PLSO lump sum amount will be determined to equal the number of months elected multiplied by either (1) the Normal Service Retirement monthly benefit if the member elects either Normal Service Retirement or any Joint and Survivor option as described in Section B(7)(a) below or (2) the Straight Life option monthly benefit if the member elects the Straight Life option as described in Section B(7)(b) below.

- a. For a Joint and Survivor Option - If a member elects any Joint and Survivor option (either the Normal Service Retirement Benefit [Joint and Two-Thirds to Surviving Spouse] or any other Joint and Survivor option described in Section B(6)(a)), then the monthly benefit will be first determined in the Normal Service Retirement form before any adjustment is made for one of the other Joint and Survivor options. The PLSO lump sum amount is determined by multiplying the Normal Service Retirement monthly benefit by the number of elected months.

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

If the member elects any Joint and Survivor option described in Section B(6)(a), then an adjusted PLSO monthly benefit can be determined by changing the reduced PLSO Normal Service Retirement monthly benefit

based on the applicable “Adjustment to Benefit Otherwise Payable” shown in Section B(6)(a).

- b. For a Straight Life Option - If a member elects the Straight Life option at retirement as described in Section B(6)(a), the monthly benefit will be first determined as the Normal Service Retirement Benefit form (Joint and Two-Thirds to Surviving Spouse) and then increased by the Straight Life adjustment as described in Section B(6)(a) in order to determine the Straight Life option monthly benefit. The PLSO lump sum amount is determined by multiplying the Straight Life option monthly benefit by the number of elected months.

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

- c. To the extent permissible under federal tax laws, payment of the amount determined in Section B(7)(a) or B(7)(b) can be made in one of the following two forms:
    - i. a lump sum distribution of the total amount payable at the end of the first full calendar month after a Benefit Distribution Form has been received and accepted by the fund's administrator, or
    - ii. a maximum of five payments as needed by the member electing the PLSO within 36 months of the member's date of termination of employment.
8. ***Eligibility for Participation In Retroactive Deferred Retirement Option Plan (RETRO DROP)*** - A member can elect at termination of service covered by the Fund a RETRO DROP benefit calculation date, but the RETRO DROP benefit calculation date can be no earlier than:
- a. 24 months prior to the date of termination of service covered by the Fund, and
  - b. date of attainment of age 51 and completion of 21 years of service.

9. ***Amount of RETRO DROP Benefit*** - A member who qualifies for and elects the RETRO DROP will receive the following amounts described as (a) and (b):

- a. a monthly retirement benefit equal to the amount determined in Section B(2) as of the RETRO DROP benefit calculation date and based on the plan provisions in effect on the RETRO DROP benefit calculation date. The benefit will include any adjustment to reflect an election pursuant to the options described in Section B(6). The monthly benefit will not include any ad hoc retiree benefit increases provided between the RETRO DROP benefit calculation date and the date the member terminates service covered by the Fund. Only those applicable ad hoc benefit increases provided after termination of service covered by the Fund will be applicable. The monthly payments will be deferred to begin on the last day of the calendar month following the month in which the member terminates service covered by the Fund.

*plus*

- b. an amount determined on the last day of the calendar month in which the member terminates service covered by the Fund equal to:
  - i. the difference between (1) and (2), where (1) is the amount of the member's accumulated contributions as of the date of termination of service covered by the Fund and (2) is the amount of the member's accumulated contributions as of the RETRO DROP benefit calculation date; plus
  - ii. the total of the monthly retirement benefits described in Section B(9)(a) for the partial month including the RETRO DROP benefit calculation date and for each completed month thereafter through the first day of the month following the member's date of termination of service covered by the Fund. These monthly benefits will not include any ad hoc retiree benefit increases provided between the RETRO DROP benefit calculation date and the date of termination of service covered by the Fund.
- c. The total amounts payable in Section B(9) cannot exceed the "Maximum Service Retirement Benefit".
- d. To the extent permissible under federal tax laws, payment of the amount determined in Section B(9)(b) can be made in one of the following two forms:
  - i. a lump sum distribution of the total amount payable at the end of the first full calendar month after a Benefit Distribution Form has been received and accepted by the fund's administrator, or

- ii. a maximum of five payments as needed by the RETRO DROP participant within 36 months of the participant's date of termination of service covered by the Fund.

10. **Early RETRO DROP Participation** - A member can elect at termination of service covered by the Fund an early RETRO DROP benefit calculation date, but the early RETRO DROP benefit calculation date can be no earlier than:

- a. 24 months prior to the first day of the month following the date of termination of service covered by the Fund, and
- b. date of attainment of age 50 and completion of 20 years of service.

For a qualified member who elects the early RETRO DROP, the benefit described in Section B(9)(a) and B(9)(b)(ii) will be multiplied by a reduction factor based on the age and completed years and months of service at the RETRO DROP benefit calculation date. The reduction factors are described below:

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

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

11. **General rules for RETRO DROP and Early RETRO DROP participation:**

- a. A member can elect either the RETRO DROP/Early RETRO DROP option or the Partial Lump Sum option, but not both.
- b. A member's election to participate in RETRO DROP is irrevocable.
- c. The RETRO DROP benefit calculation date will always be on the last day of a biweekly pay period.
- d. The monthly benefit determined in Section B(9)(a) as of the RETRO DROP Benefit Calculation Date will be based on the member's "Final 48-Month

Average Salary” and the member’s service as of the RETRO DROP Benefit Calculation Date.

- e. A member’s election to participate must be in writing on an election form prepared by the Board of Trustees.
- f. A RETRO DROP participant can elect to receive his or her form of benefit distribution by filing a completed Benefit Distribution Form with the fund’s administrator. A RETRO DROP participant can amend the Benefit Distribution Form at any time.
- g. Should a RETRO DROP participant fail to file a Benefit Distribution Form with the fund’s administrator by the time he or she attains age seventy and one-half (70-1/2), such RETRO DROP participant will be deemed to have elected to receive his or her RETRO DROP lump sum benefit in the form of annual payments over three years.
- h. Any filing of a Benefit Distribution Form, whether an original filing or an amendment to an earlier filing, will not take effect until the end of the first full calendar month after it has been received and accepted by the fund’s administrator. Therefore, no benefit distribution can be made until the end of the first full calendar month after a Benefit Distribution Form has been received and accepted by the fund’s administrator.
- i. A member who elects the RETRO DROP will not be eligible for a Disability Retirement Benefit.
- j. If a member who elects the RETRO DROP dies after termination of employment but before the RETRO DROP lump sum amount described in Section B(9)(b) above has been completely paid to the member, then the member’s surviving spouse, or estate if there is no surviving spouse, will receive the remaining portion of the RETRO DROP lump sum payment. The surviving spouse must have been married to the member at the time of the member’s termination of service covered by the Fund to be eligible to receive this payment.

An additional death benefit equal to two-thirds (or in accordance with an optional form election described in Section B(6)) of the monthly retirement benefit described in Section B(9)(a) will be paid to the member’s surviving spouse with payments beginning on the last day of the calendar month in which the member dies. The surviving spouse is eligible for this benefit if married to the member at the time of the member’s termination of service covered by the Fund. If there is no surviving spouse, then the member’s eligible child or children will receive the benefit described in Section E(6) of the plan. If there is no eligible spouse and no eligible child, then the amount

the spouse would have received will be payable to the member's dependent parent.

If there is no eligible spouse, eligible child or dependent parent, an amount will be paid to his estate equal to the excess, if any, of the member's contributions (without interest) to the fund as of the RETRO DROP benefit calculation date over (i) the amount of the payment described in Section B(9)(b)(ii), and (ii) the amount of any payments made on behalf of the member which have been made to the member, eligible spouse, beneficiary, eligible child or dependent parent.

- k. A member electing to participate in RETRO DROP will not be eligible to receive the Normal or Early Service Retirement Benefit described in Sections B(1), B(2), B(3) and B(4).

### C. ***DISABILITY RETIREMENT BENEFIT***

1. ***Eligibility for Disability Retirement Benefit*** - An active member will qualify for a disability benefit if he becomes disabled from any cause whatsoever for either physical or mental reasons. The member need only be disabled to the extent of being unable to perform the duties of a position offered to him in the fire department providing the member with pay that is greater than or equal to the pay the disabled member would have been receiving had his disability not occurred and he continued in his former position with the fire department to be entitled to benefits for the first 2 and ½ years; thereafter, he must be unable to perform the duties of any occupation for which he is reasonably suited by education, training and experience.
2. ***Proof of Disability*** - The board of trustees, before approving or continuing payment of any disability retirement income, shall require satisfactory proof of disability. In this regard, the board of trustees may, as a condition to such approval, require that such member or disability retiree submit the results of a medical examination by a duly licensed physician, selected by the board of trustees, at the expense of such member or disability retiree.

During the first 2 and ½ years of disability eligibility, if the medical opinion offered to the board is that the member applying for disability retirement or the disability retiree could perform the duties of a job in the fire department (see Section C(1) above) if he were to have medical treatment, medication, surgery or any other medical procedure recommended by a physician, then the board will have the authority to deny the disability benefit if the member or disability retiree chooses not to have such treatment, medication, surgery or procedure.

After the first 2 and ½ years of disability eligibility, if the medical opinion offered to the board is that the disability retiree could perform the duties of a job that he

was reasonably suited by education, training and experience if he were to have medical treatment, medication, surgery or any other medical procedure recommended by a physician, then the board will have the authority to deny the disability benefit if the disability retiree chooses not to have such treatment, medication, surgery or procedure.

After the commencement of disability retirement payments, the board of trustees may require additional financial data or medical examinations if such appears advisable in the interest of the fund, and such an examination can be required at the end of every thirty months.

3. ***Total and Permanent Disability*** - The Board of Trustees will determine if a member with more than 20 years of service but not yet age 50 at the time the disability retirement benefit commences has a disability that is a total and permanent disability. A total and permanent disability will be defined as a disability that leaves a member so severely impaired, physically or mentally, that he cannot perform any substantial gainful work. The impairment must be expected to last at least 12 months or to result in death. This determination will be made by the Board of Trustees based on medical evidence, vocational rehabilitation evidence, evidence regarding the member's eligibility for Social Security disability benefits, and other evidence considered relevant by the Board. The member will be required to cooperate fully with the Board in providing the Board any evidence requested. In the event the member does not cooperate fully with the Board, the Board shall have the authority to suspend payments of the monthly disability benefits until the evidence that has been requested by the Board has been provided.
4. ***Payment and Amount of Disability Retirement Benefit*** - The disability benefit will commence after the member's regular salary, including any leave pay paid in regular biweekly payments, has ceased as the result of the disability and will continue thereafter as long as the member remains alive and is eligible under Section C(1) above; provided, however, that if the retiring member receives a lump sum of accumulated leave pay from the City of Lubbock, the disability retirement benefit will not commence until a period of time has elapsed equal to the period of time that would have passed had the member received the accumulated leave pay in regular biweekly payments instead of a lump sum. If the member forfeits any leave to which he is entitled, the disability retirement benefit will not commence until a period of time has elapsed equal to the period of time that would have passed had the member not forfeited the leave.

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

month divided by the total number of days in the month of benefit commencement. The first full monthly disability benefit will commence on the last day of the calendar month following the month containing the date of benefit commencement.

- a. For members with less than 20 years of service at the time the disability retirement benefit commences, the monthly disability benefit will equal a standard benefit of 68.92% of his “Final 48-Month Average Salary”.
- b. For members with at least 20 years of service but are not yet age 50 at the time the disability benefit commences and the member has been determined to be “totally and permanently disabled” as defined in Section C(3), then the monthly disability benefit will equal the sum of:
  - i. a standard benefit equal to 68.92% of his “Final 48-Month Average Salary”

*plus*

- ii. an additional benefit in an amount equal to \$335.05 per month for each whole year of service in excess of 20 years of service. A partial year of service will be given partial credit based on number of months and days completed in excess of whole years.
- c. For members with at least 20 years of service but are not yet age 50 at the time the disability benefit commences and the member has not been determined to be "totally and permanently disabled" as defined in Section C(3), the monthly disability benefit will equal a standard benefit of 68.92% of his “Final 48-Month Average Salary”.
- d. For members at least age 50 with at least 20 years of service at the time the disability retirement benefit commences, the monthly disability benefit will equal the sum of:
  - i. a standard benefit equal to 68.92% of his “Final 48-Month Average Salary”

*plus*

- ii. an additional benefit in an amount equal to \$335.05 per month for each whole year of service in excess of 20 years of service. A partial year of service will be given partial credit based on number of months and days completed in excess of whole years.



5. ***Termination, Reduction or Reinstatement of Disability Benefit*** - The board of trustees shall have the power to continue, to terminate, to reduce or to reinstate a member's disability benefits subject to the following constraints:
- a. During the first 2 and ½ years the board of trustees may terminate the member's disability benefit if the member recovers to the extent that he is able to perform the duties of a position offered to him in the fire department providing the member with pay that is greater than or equal to the pay the disabled member would have been receiving had his disability not occurred and he continued in his former position with the fire department.
  - b. After the disabled member has received disability benefits from the fund for at least 2 and ½ years, the board of trustees may terminate the member's disability benefit if the member has recovered to the extent that he is able to perform the duties of a job outside the fire department and the monthly compensation he is earning or is able to earn from one or more jobs equals or exceeds his monthly disability benefit. All members receiving monthly disability retirement benefits on December 20, 1993 will be covered by this provision regardless of the plan under which they were disabled.
  - c. The board of trustees shall have the power to reinstate any disability benefit which has been previously terminated or reduced provided the disabled member's condition has worsened due to the same cause for which he was originally disabled.
6. ***Minimum Benefits Payable following Termination or Reduction of Disability Benefit***
- a. If a disabled member who had less than 10 years of service recovers to the extent that his disability benefit is terminated and he does not return to the employ of the fire department, then an amount equal to the excess, if any, of the member's own contributions (without interest) over the amount of payments which have been made on his behalf will be paid to him in a lump sum payment.
  - b. For a disabled member who had at least 10 years of service, a vested termination benefit described in Section D below, payable beginning at the member's normal retirement age as defined below, will be paid if the member's disability benefit is terminated or if greater than the disability benefit.
  - c. If a disabled member has attained age 50 and had completed 20 years of service, a vested termination benefit described in Section D below, payable immediately, will be paid if the member's disability benefit is terminated or if greater than the disability benefit.

7. **Re-employment** - If a member who becomes disabled returns to employment in the fire department, then the member must work at least 24 months after being re-employed in order to accrue additional "Service" from his date of re-employment and become entitled to plan benefits on his date of employment determined based on the plan in effect on such date. If he terminates service covered by the Fund in less than 24 months following re-employment, then he would accrue additional "Service" from his date of re-employment, but the monthly benefit he is entitled to would be calculated based on the plan in effect on the date of his previous termination of service covered by the Fund with a disability benefit.

**D. VESTED TERMINATION BENEFIT**

If a member has completed at least 10 years of service but has not attained normal retirement age at the time of termination of service covered by the Fund while this plan is in effect, the member will receive a deferred monthly retirement benefit commencing at the end of the month in which he attains his normal retirement age. A member's normal retirement age is the age at which the member will be at least age 50 and would have had at least 20 years of service had he not terminated service covered by the Fund.

The amount of the member's vested accrued monthly retirement benefit will be equal to a percentage of the normal service retirement benefit in Section B(2) above, determined as if he had retired on the day he terminated service covered by the Fund, according to the following schedule. As described in Section B(2), the normal service retirement benefit will not be less than the firefighter's vested accrued monthly benefit as of October 31, 2003. The resulting normal service retirement benefit will then be multiplied by the percentage vested described below.

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

The member's percentage vested will be based on completed years, months and days at his date of termination of service covered by the Fund. It will be determined by

interpolation between the Percentage Vested for the Completed Years of Service and the Percentage Vested for the Completed Years of Service plus one year.

To be entitled to receive this vested termination benefit, the member is required to leave his accumulated contributions in the fund but is not required to make additional contributions between his date of termination of service covered by the Fund and the date he begins receiving benefits (date of retirement).

Upon the date of retirement when monthly benefit payments begin, the member may elect an optional form of payment or a non-spouse beneficiary as described in Section B(6). A vested terminated member with less than 20 years of service is not eligible to elect the monthly Early Service Retirement Benefit described in Section B(4). A vested terminated member with more than 20 years of service is eligible to elect the monthly Early Service Retirement Benefit described in Section B(4) at any time after the date of termination of service covered by the Fund. For the vested terminated member with more than 20 years of service who elects Early Service Retirement, the Section B(4) monthly Early Service Retirement Benefit is equal to the vested accrued monthly retirement benefit determined in Section D above adjusted by the early retirement percentages shown in Table 1 at the end of the plan document. A vested terminated member will be eligible for the lump sum death benefit described in Section E(1) below.

#### **E. *DEATH BENEFITS***

1. Upon the death of an active member, a vested terminated member or a retired member, a lump sum payment of \$10,000 will be paid when termination of service covered by the Fund is on or after December 1, 2001, or a lump sum payment of \$5,000 will be paid when termination of service covered by the Fund was before December 1, 2001. It will be paid to the beneficiary designated by the member. However, no lump sum will be paid if the deceased member had previously elected to receive at termination of service covered by the Fund or retirement the lump sum cash benefit described in Section G below.
2. Upon the death of an active, single member who is eligible for a service retirement benefit under Section B(1) above, a death benefit equal to the excess of two times the member's accumulated contributions to the fund over the amount of benefits which the member has previously received from the fund will be paid to the beneficiary designated by the member. This benefit is payable in lieu of any payment on behalf of the deceased member under Section H below.
3. The member's spouse will receive a monthly benefit that is payable for life according to the terms of Section E(4) below and according to the conditions and in the amounts described below provided the member did not elect one of the optional forms of retirement described in Section B(6).

- a. if the member's death occurred while this plan is in effect while he was an employee of the fire department prior to attaining both age 50 and at least 20 years of service, a standard death benefit equal to 45.95% of his "Final 48-Month Average Salary" plus an additional death benefit equal to two-thirds of any additional service benefit that the member was entitled to receive had he retired on his date of death;

*or*

- b. if the member's death occurred while this plan is in effect while he was an employee of the fire department after attaining age 50 with at least 20 years of service, a standard death benefit equal to 68.92% of his "Final 48-Month Average Salary" plus an additional death benefit equal to 100% of any additional service benefit that the member was entitled to receive had he retired on his date of death with the combined amount reduced by the Joint and 100% to Surviving Spouse "Adjustment to Benefit Otherwise Payable" shown in Section B(6);

*or*

- c. if the member's death occurred after normal service retirement and normal service retirement was effective while this plan is in effect, a death benefit equal to two-thirds of the service retirement benefit the member was receiving at the date of death;

*or*

- d. if the member's death occurred after disability retirement and disability retirement was effective while this plan is in effect, a death benefit equal to two-thirds of the disability retirement benefit the member was receiving at the date of death;

*or*

- e. if the member's death occurred after early service retirement and early service retirement was effective while this plan is in effect, a death benefit equal to two-thirds of the early service retirement benefit the member was receiving at the date of death;

*or*

- f. if the member's death occurred after termination of service covered by the Fund while this plan is in effect with 10 or more years of service and the member did not elect a refund of contributions, a standard death benefit equal to two-thirds of the vested terminated benefit described in Section D above that

the member was receiving or would have received at the member's normal retirement age.

If the member's death occurred following normal service or early service retirement or following benefit commencement of a vested terminated member, and the member elected at retirement one of the options described in Section B(6), then a death benefit is payable in accordance with the option selected at retirement.

In order for a retired or terminated member's spouse to qualify for the benefit above, the surviving spouse must have been married to the member at the time of the first to occur of the date of retirement or termination of service covered by the Fund.

4. The spouse's benefit will commence according to the member's retirement status at the date of death as follows:
  - a. If the member was retired at the date of death, the spouse will receive a payment equal to the benefit the member had been receiving that is payable at the end of the month in which the death occurred; thereafter, the spouse will receive the full monthly death benefit described in Section E(3) adjusted for any optional form of retirement the member elected at retirement under Section B(6).
  - b. If the member was retired at the date of death and there is no eligible spouse, the member's estate will receive a payment equal to the benefit the member had been receiving that is payable at the end of the month in which death occurs; thereafter no additional monthly payments will be made.
  - c. If the member dies while in active service with the department, the spouse will receive a pro-rata portion of the monthly death benefit based on the member's date of death payable at the end of the month in which the death occurred; thereafter the spouse will receive the full monthly death benefit described in Section E(3).
5. The child's benefit payable upon the death of an active member if death occurred while this plan is in effect is as follows:
  - a. if a surviving spouse is also receiving a benefit, each eligible child will receive a monthly benefit of 9.19% of the member's "Final 48-Month Average Salary" until age 19;
  - b. if no surviving spouse is receiving a benefit, and there is only one eligible child, that child will receive a monthly benefit of 45.95% of the member's "Final 48-Month Average Salary" until age 19;

- c. if no surviving spouse is receiving a benefit, and there is more than one eligible child, the monthly benefit of 45.95% of the member's "Final 48-Month Average Salary" will be prorated equally among the eligible surviving children.
6. The child's benefit payable upon the death of a vested terminated (entitled to a deferred benefit), service retired or disability retired member if death occurred while this plan is in effect is as follows:
  - a. if a surviving spouse is also receiving a benefit, each eligible child will receive a monthly benefit of 13.33% of the monthly benefit that the member was receiving or entitled to receive at date of death until age 19;
  - b. if no surviving spouse is receiving a benefit, and there is only one eligible child, that child will receive a monthly benefit of two thirds of the monthly benefit that the member was receiving or entitled to receive at date of death until age 19;
  - c. if no surviving spouse is receiving a benefit, and there is more than one eligible child, the monthly benefit of two thirds of the monthly benefit that the member was receiving or entitled to receive at date of death will be prorated equally among the eligible surviving children.

The benefits described above in Sections E(5) and E(6) are payable from age 19 to age 25 as long as the child remains a full-time student between these ages. Children of members who died before March 30, 1996 will also be eligible to receive benefits from age 19 to age 25 as long as the child remains a full-time student between these ages. If the child becomes totally disabled as a result of a physical or mental illness, injury or retardation, the benefits described above are payable after age 18 and for as long as the child remains totally disabled.

An eligible child shall be defined as the unmarried, dependent offspring, either natural-born or adopted, of a Lubbock member. In order for a natural-born child to be eligible to receive a death benefit under this section, the child's date of birth must be no later than 10 months following the first to occur of the date the member retires or terminates service covered by the Fund with a vested benefit, or the member's date of death if the member died while in active service with the department. In order for an adopted child to be eligible to receive a death benefit under this section, the child must have been adopted prior to the first to occur of the date the member retires, dies or terminates service covered by the Fund with a vested benefit.

7. If no spouse or child is entitled to a benefit under Section E(3), E(5) or E(6) above at the time of the member's death, the amount the spouse would have received will be paid to the member's dependent parent. A member's parent is considered a dependent if the parent was claimed as a dependent on the member's Internal Revenue Code tax filing.

8. If no child is entitled to a benefit under Section E(5) or E(6) above, a surviving spouse may elect to receive a payment equal to the excess of the member's contributions to the fund over the amount of benefits which have been paid on behalf of the member; however, if the surviving spouse makes such an election, she will thereby forfeit her right to the spouse's monthly benefit described under Section E(3) above. The amount refunded shall not include any interest accumulated on account of the member's contributions.
9. The sum of all survivors' benefits to be paid at the time of the member's death shall not exceed:
  - a. for a retired member, the amount of service or disability retirement benefit the member was receiving;
  - b. for a member who was not retired but was eligible for service retirement at his time of death, the service retirement benefit the member would have received had he retired on his date of death; and
  - c. for a member who was not retired and was not eligible for service retirement at his time of death, the disability retirement benefit the member would have received had he become disabled on his date of death.

If the sum of all benefits payable on behalf of the member's spouse and children would otherwise exceed the limits set forth above, then the benefit attributable to the spouse and each child shall be reduced by the same percentage so that the sum of the reduced benefits equals the applicable limit. If the benefit for the spouse or one or more of the children should subsequently be terminated then the benefits for the remaining beneficiaries shall be recalculated to provide the full benefits specified in this plan or a larger pro-rata share of those benefits if the sum of the benefits still exceeds the above-mentioned limit.

10. If no spouse, child or dependent parent is entitled to an allowance under Section E(3), E(5), E(6) or E(7) above, an amount equal to the excess, if any, of the member's own contributions (without interest) over the amount of payments which have been made on behalf of the member to the member, spouse, beneficiary, child or dependent parent will be paid to his estate.

**F. *INCREASED BENEFITS TO RETIRED MEMBERS, SPOUSES AND CHILDREN***

1. ***Retiree Increase Effective January 1, 2002*** - The following increases in the monthly benefits as described below will be provided for service and disability retired members, surviving spouses, surviving children and vested terminated members currently receiving a benefit or entitled to receive a monthly benefit in

the future. These increases will be payable effective January 1, 2002 with the first increased benefit payable at the end of January 2002.

A minimum monthly benefit of \$1,066.00 will be applicable for service and disability retirees, surviving spouses and vested terminated members receiving or entitled to receive a monthly benefit from the fund where the date the initial benefit began or the date of termination of service covered by the Fund is prior to December 1, 2001. The minimum monthly benefit is not applicable for surviving children or non-spouse beneficiaries.

Date of Initial Benefit Payment	Retired Members and Vested Terminated Members	Spouses of Deceased Members	Children of Deceased Members	
			With Spouse Receiving Benefit	Without Spouse Receiving Benefit
Prior to December 1, 2001	\$47.00	\$31.33	\$6.27	\$31.33
	<b>Minimum Monthly Benefit</b>			
Prior to December 1, 2001	\$1,066.00	\$1,066.00	N/A	N/A

For members electing the RETRO DROP, the monthly benefit increase will be provided if the actual date of retirement (date of termination of service covered by the Fund) is prior to December 1, 2001. For surviving spouses and/or surviving children, the monthly benefit increase will be provided if the date of the initial benefit payment is the earlier of the date the retiree began receiving benefits or the date the surviving spouse and/or children began receiving benefits. For vested terminated members, the monthly benefit increase will be provided if the date of termination of service covered by the Fund is before December 1, 2001.

2. **Future Increases** - Future retiree benefit increases will be based on the financial condition of the fund as determined by the fund's actuary in future actuarial valuations. The procedure for providing future retiree increases is not a vested right by any current retiree or beneficiary or by any member who becomes eligible for a benefit after November 1, 1997. This plan provision, which is applicable for both current and future retirees, can be removed from the plan or changed in the future by election of the members and approval by the Board of Trustees and the fund's actuary. The procedure for determining future retiree increases is as follows:
  - a. If the fund's actuary determines (after all necessary actuarial assumption changes, method changes, adjustments, etc., have been made to the existing plan provisions) that the financial condition of the fund can allow benefit improvements to be made to the plan, the maximum number of years that the amortization period of the unfunded actuarial accrued liability can be increased for benefit improvements of any type will be determined.



- b. A retiree monthly benefit increase will be provided so that the retiree increase causes the amortization period to increase by 33% of the maximum number of years the actuary determines that the amortization period can be increased. The actuary will have the discretion to use “rounded” numbers to determine the amount of the monthly benefit increase. The actuary will determine the amount of the retiree increase in the same format as shown above in Section F(1).
- c. Of the total funding determined on the above stated basis to be available for retiree benefit raises, 15% of the total funding allocated to pensioners shall be used to increase the minimum monthly pension benefit. The Board may choose to use a higher percentage for this purpose if it sees fit. The minimum monthly pension benefit shall not be an amount greater than one-half of the monthly base pay of a recruit member on the Lubbock Fire Department as that base pay exists on the effective date of the Plan. If the 15% allocation causes the minimum monthly pension benefit to be higher than one-half of the monthly base pay of a recruit member, that allocation shall be reduced. The minimum monthly benefit will not be applicable for surviving children or non-spouse beneficiaries.
- d. Benefit formula increases for active members will be provided so that they cause the amortization period to increase by 67% of the maximum number of years the actuary determines that the amortization period can be increased. The benefit formula increases will be divided 50% to the retirement, disability and death benefits based on the multiplier of the “Final 48-Month Average Salary” and 50% to the retirement, disability and death benefits based on the additional benefit for years of service in excess of 20 years.

**G. *LUMP SUM OPTIONAL CASH BENEFIT AT RETIREMENT***

After termination of service covered by the Fund and upon commencement of retirement benefits at age 50 or later, a member may elect to receive a cash payment in lieu of the lump sum death benefit provided under Section E(1) above. The cash payment will be in addition to the retired member’s first retirement check and will be equal to the amount specified in the following schedule based upon the member’s age at the date of commencement of retirement benefits and the date of termination of service covered by the Fund:

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

#### H. ***RETURN OF MEMBER'S OWN CONTRIBUTIONS***

If a member terminates service covered by the Fund and he is not entitled to a benefit as described above, he will receive an amount equal to the excess of his accumulated contributions to the fund over the amount of benefits which he has previously received from the fund. A member who retires or terminates service covered by the Fund may elect to receive, at the time of his retirement or termination, the excess of his accumulated contributions to the fund over the amount of benefits which he has previously received from the fund; however, if he makes such an election, he will forfeit his right to all benefits which he otherwise would have been entitled to receive. The amount refunded shall not include any interest on the member's contributions.

## **I. CONTRIBUTIONS**

1. Each Lubbock member will make contributions of 12.43% of his compensation. "Compensation" shall include all regular and periodic biweekly pay except for 1) any lump sum distribution from the city, including but not limited to a lump sum distribution of termination pay for unused sick leave, vacation, holiday or comp-time; 2) car allowances on or after March 30, 1996; 3) clothing allowances on or after November 1, 1997; and 4) any reimbursement pay. The Board will have the authority to make an interpretation regarding whether special pay items from the city should be included in "Compensation". If a member's "Compensation" has been offset (reduced) by Workers' Compensation benefits, then "Compensation" shall also include the amount by which the "Compensation" was offset (reduced) as required by the Texas Labor Code. The member contribution rate may be changed by vote of the firefighters in accordance with Section 29 of TLFRA.
2. The City of Lubbock will make contributions of a percentage of each member's compensation. "Compensation" shall include all regular and periodic biweekly pay except for 1) any lump sum distribution from the city, including but not limited to a lump sum distribution of termination pay for unused sick leave, vacation, holiday or comp-time; 2) car allowances on or after March 30, 1996; 3) clothing allowances on or after November 1, 1997; and 4) any reimbursement pay. The Board will have the authority to make an interpretation regarding whether special pay items from the city should be included in "Compensation". If a member's "Compensation" has been offset (reduced) by Workers' Compensation benefits, then "Compensation" shall also include the amount by which the "Compensation" was offset (reduced) as required by the Texas Labor Code. By a long-standing practice, this percentage will be equal to the member contribution rate times the ratio of city contributions to non-member city employee contributions, where the contributions are those made to Texas Municipal Retirement System and Social Security for non-member city employees. The city contribution rate is annually determined as a part of the city's budget.

## **J. PAYMENTS TO FORMER SPOUSES AND OTHER ALTERNATE PAYEES**

Notwithstanding the anti-alienation limits of Section 5 of the Texas Local Fire Fighters' Retirement Act (TLFFRA), withdrawn Employee Contributions, Retirement Benefits, Disability Benefits and Death Benefits under the Plan may be paid to a former spouse or other alternate payee under the terms of a domestic relations order, but only if the Trustee determines that the order constitutes a Qualified Domestic Relations Order within the meaning of Chapter 804 of the Texas Government Code (referred to here as a "QDRO"). The Trustee shall make such determination under the Policies Regarding Domestic Relations Orders and Qualified Domestic Relations Orders adopted by the Trustee. Benefit payments shall be made to alternate payees only when and to the extent permitted by the QDRO. The amount of any withdrawn employee contribution or benefit payment under the Plan made to an alternate payee under a QDRO shall reduce and offset the amount otherwise payable to the Participant or other beneficiary

under the provisions of the Plan. If a portion of a withdrawn employee contribution or benefit payment under the Plan exceeds the amount awarded by the QDRO, such excess portion will be distributed in accordance with the Plan provisions. Upon the death of an alternate payee under a QDRO, the interest of the alternate payee in the benefits under the Plan shall cease, and thereafter, remaining Plan benefits shall be paid as if the QDRO had not existed.

## **K. TRANSFERS OF ELIGIBLE ROLLOVER DISTRIBUTIONS**

1. This section applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the plan to the contrary that would otherwise limit a distributee's election under this section, a distributee may elect, at the time and in the manner prescribed by the plan administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

### **2. Definitions**

a. *Eligible rollover distribution:* An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Internal Revenue Code (IRC) and the portion of any distribution that is not includible in gross income.

Effective for Plan Years beginning after December 31, 1998, any hardship distributions described in IRC Section 401(k)(2)(B)(i)(IV) are not eligible rollover distributions.

b. *Eligible retirement plan:* An eligible retirement plan is an individual retirement account described in IRC Section 408(a), an individual retirement annuity described in IRC Section 408(b), an annuity plan described in IRC Section 403(a), or a qualified trust described in IRC Section 401(a), that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

c. *Distributee:* A distributee includes a member or former member. In addition, the member's or former member's surviving spouse and the member's or former member's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 804.003 of Title 8 of

the Texas Government Code, are distributees with regard to the interest of the spouse or former spouse.

- d. *Direct rollover:* A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.
- e. This section shall apply to distributions made after December 31, 2001:

An eligible retirement plan shall also mean an annuity contract described in Section 403(b) of the IRC and an eligible plan under Section 457(b) of the IRC which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse, or former spouse who is the alternate payee under a qualified domestic relation order, as defined in Section 414(p) of the IRC.

A portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be paid only to an individual retirement account or annuity described in Section 408(a) or (b) of the IRC, or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the IRC that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

### 3. *Mandatory Distribution*

Effective March 28, 2005, if the amount of an eligible rollover distribution is greater than \$1,000 and is not being distributed to a surviving spouse, beneficiary or alternate payee under a QDRO, then the amount to be distributed may not be distributed without the participant's written consent. Such consent shall include specific participant direction to the plan administrator to either (i) pay the amount in a direct trustee to trustee transfer to an eligible plan by the participant or (ii) pay the amount (less applicable federal income tax withholding) directly to the participant.

## L. *BENEFIT DISTRIBUTIONS AND FEDERAL REQUIREMENTS*

- 1. The provisions of Internal Revenue Code (IRC) Section 401(a)(9) are hereby incorporated in the Plan by reference. All distributions of benefits shall satisfy the minimum distribution requirements of such Section 401(a)(9). For plan years beginning prior to January 1, 2001, life expectancy shall not be recalculated. The minimum required distribution of death benefits shall be determined under the

exception to the five-year rule in Section 401(a)(9)(B)(iii) and (iv) of the IRC. For plan years beginning on or after January 1, 2001, the plan will apply the minimum distribution requirements of IRC Section 401(a)(9) in accordance with the regulations under IRC Section 401(a)(9) that were proposed in January 2001. With respect to distributions under the Plan made in calendar years beginning on or after January 1, 2001, the Plan will apply the minimum distribution requirement of Section 401(a)(9) of the IRC in accordance with the Regulations under Section 401(a)(9) that were proposed in January 2001, notwithstanding any provision of the Plan to the contrary. This Amendment shall continue in effect until the end of the last calendar year beginning before the effective date of final Regulations under Section 401(a)(9) or such other date specified in guidance published by the Internal Revenue Service.

2. Notwithstanding any provision of this Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the IRC.
3. The provisions of IRC Section 415 are hereby incorporated in the Plan by reference. If a member participates in this Plan and in any other plan maintained by the City of Lubbock which also is subject to the limitations of such Section 415, the benefits of the member under this Plan shall be reduced if and only to the extent necessary for the combined benefits under all such plans for the member to not exceed the limitations of Section 415 and only after taking into consideration any such reduction of the benefits of the member provided for under any other such plan. For limitation years beginning after December 31, 1999, no limitation shall apply with regard to a defined benefit plan fraction and a defined contribution plan fraction.
4. The plan year and the limitation year shall be the calendar year.
5. The annual compensation of each employee taken into account under the Plan for any year shall not exceed the limitations of IRC Section 401(a)(17) or the adjusted limit published by the Secretary of the Treasury. The annual compensation of each member taken into account in determining the member's benefits under the Plan for plan years beginning on or after January 1, 1989, and before January 1, 1994, shall not exceed: \$200,000 for plan years beginning before January 1, 1990; and \$200,000 (as adjusted by the Commissioner of Internal Revenue at the same time and in the same manner as under IRC Section 415(b)) for plan years beginning on or after January 1, 1990, and before January 1, 1994. The annual compensation of each member taken into account in determining the member's benefits under the Plan for plan years beginning on or after January 1, 1994, shall not exceed \$150,000 (as adjusted by the Commissioner of Internal Revenue for increases in the cost-of-living in accordance with IRC Section 401(a)(17)(B)). For plan years beginning on or after January 1, 1989, and before January 1, 1997, in determining the compensation of a member for purposes of the limitations set forth in the

preceding sentences, the rules of IRC Section 414(q)(6) shall apply, except in applying such rules, the term “family” shall include only the spouse of the member and any lineal descendants of the member who have not attained age 19 before the close of the year. If, as a result of the application of such rules the applicable annual compensation limitation is exceeded for a year, then the limitation shall be prorated among the affected individuals in proportion to each such individual’s compensation for the year prior to the application of this limitation. A cost of living adjustment by the Commissioner of Internal Revenue for a calendar year applies to any period, not exceeding 12 months, over which compensation is determined (determination period) beginning in such calendar year. If a determination period consists of fewer than 12 months, the annual compensation limit for such short determination period will be multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is 12. Effective for Plan Years beginning after December 31, 1996, any provision of the Plan which requires family aggregation of a participant and a family member shall no longer be effective. Effective for Plan Years beginning on or after January 1, 2001, “Compensation” shall include elective amounts that are not included in the gross income of the Employee under IRC Section 132(f)(4).

The annual compensation of each participant taken into account in determining benefit accruals in any plan year beginning after December 31, 2001, shall not exceed \$200,000. Annual compensation means compensation during the plan year or such other consecutive 12-month period over which compensation is otherwise determined under the plan (the determination period). For purposes of determining benefit accruals in a plan year beginning after December 31, 2001, compensation for any prior determination period shall be limited to \$200,000. The \$200,000 limit on annual compensation shall be adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the IRC. The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year. For 2008, the compensation limit is \$230,000.

6. For the purposes of calculating actuarially equivalent benefits, the following assumptions shall be used for all plan participants unless other factors are specified in the Plan:

Mortality: UP 1994 Male Mortality Table, with no age adjustments or projections.

Interest: Eight and one-half percent per annum, compounded annually.

7. Notwithstanding Section 5 of the Texas Local Fire Fighters’ Retirement Act, a member or beneficiary may elect to direct the fund to directly pay deductions from distributions to a provider of accident or health insurance or qualified long-term care insurance.

**IN WITNESS WHEREOF**, this instrument has been executed this \_\_\_\_\_ day of \_\_\_\_\_, 2008, to be effective December 1, 2005 and amended effective October 18, 2006 and January 17, 2007.

**TRUSTEES OF THE LUBBOCK FIRE PENSION FUND**

\_\_\_\_\_  
Trustee

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Trustee

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TABLE 1

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

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

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

Table 2

**For Members Electing the PLSO Option  
With Either the Normal Service Retirement Form or Any Section B(6)(a) Joint and Survivor Option**

**Effective November 1, 2003**

Age At Retirement	Percentage of Normal Service Retirement Monthly Benefit Based on Number of Months Elected for PLSO Lump Sum											
	1 Month	2 Months	3 Months	4 Months	5 Months	6 Months	7 Months	8 Months	9 Months	10 Months	11 Months	12 Months
50	0.992617	0.985233	0.977850	0.970467	0.963083	0.955700	0.948317	0.940933	0.933550	0.926167	0.918783	0.911400
51	0.992567	0.985133	0.977700	0.970267	0.962833	0.955400	0.947967	0.940533	0.933100	0.925667	0.918233	0.910800
52	0.992517	0.985033	0.977550	0.970067	0.962583	0.955100	0.947617	0.940133	0.932650	0.925167	0.917683	0.910200
53	0.992467	0.984933	0.977400	0.969867	0.962333	0.954800	0.947267	0.939733	0.932200	0.924667	0.917133	0.909600
54	0.992408	0.984817	0.977225	0.969633	0.962042	0.954450	0.946858	0.939267	0.931675	0.924083	0.916492	0.908900
55	0.992350	0.984700	0.977050	0.969400	0.961750	0.954100	0.946450	0.938800	0.931150	0.923500	0.915850	0.908200
56	0.992283	0.984567	0.976850	0.969133	0.961417	0.953700	0.945983	0.938267	0.930550	0.922833	0.915117	0.907400
57	0.992217	0.984433	0.976650	0.968867	0.961083	0.953300	0.945517	0.937733	0.929950	0.922167	0.914383	0.906600
58	0.992142	0.984283	0.976425	0.968567	0.960708	0.952850	0.944992	0.937133	0.929275	0.921417	0.913558	0.905700
59	0.992058	0.984117	0.976175	0.968233	0.960292	0.952350	0.944408	0.936467	0.928525	0.920583	0.912642	0.904700
60	0.991967	0.983933	0.975900	0.967867	0.959833	0.951800	0.943767	0.935733	0.927700	0.919667	0.911633	0.903600
61	0.991875	0.983750	0.975625	0.967500	0.959375	0.951250	0.943125	0.935000	0.926875	0.918750	0.910625	0.902500
62	0.991775	0.983550	0.975325	0.967100	0.958875	0.950650	0.942425	0.934200	0.925975	0.917750	0.909525	0.901300
63	0.991658	0.983317	0.974975	0.966633	0.958292	0.949950	0.941608	0.933267	0.924925	0.916583	0.908242	0.899900
64	0.991542	0.983083	0.974625	0.966167	0.957708	0.949250	0.940792	0.932333	0.923875	0.915417	0.906958	0.898500
65	0.991417	0.982833	0.974250	0.965667	0.957083	0.948500	0.939917	0.931333	0.922750	0.914167	0.905583	0.897000

  

Age At Retirement	Percentage of Normal Service Retirement Monthly Benefit Based on Number of Months Elected for PLSO Lump Sum											
	13 Months	14 Months	15 Months	16 Months	17 Months	18 Months	19 Months	20 Months	21 Months	22 Months	23 Months	24 Months
50	0.904008	0.896617	0.889225	0.881833	0.874442	0.867050	0.859658	0.852267	0.844875	0.837483	0.830092	0.822700
51	0.903375	0.895950	0.888525	0.881100	0.873675	0.866250	0.858825	0.851400	0.843975	0.836550	0.829125	0.821700
52	0.902725	0.895250	0.887775	0.880300	0.872825	0.865350	0.857875	0.850400	0.842925	0.835450	0.827975	0.820500
53	0.902067	0.894533	0.887000	0.879467	0.871933	0.864400	0.856867	0.849333	0.841800	0.834267	0.826733	0.819200
54	0.901317	0.893733	0.886150	0.878567	0.870983	0.863400	0.855817	0.848233	0.840650	0.833067	0.825483	0.817900
55	0.900550	0.892900	0.885250	0.877600	0.869950	0.862300	0.854650	0.847000	0.839350	0.831700	0.824050	0.816400
56	0.899692	0.891983	0.884275	0.876567	0.868858	0.861150	0.853442	0.845733	0.838025	0.830317	0.822608	0.814900
57	0.898817	0.891033	0.883250	0.875467	0.867683	0.859900	0.852117	0.844333	0.836550	0.828767	0.820983	0.813200
58	0.897833	0.889967	0.882100	0.874233	0.866367	0.858500	0.850633	0.842767	0.834900	0.827033	0.819167	0.811300
59	0.896758	0.888817	0.880875	0.872933	0.864992	0.857050	0.849108	0.841167	0.833225	0.825283	0.817342	0.809400
60	0.895567	0.887533	0.879500	0.871467	0.863433	0.855400	0.847367	0.839333	0.831300	0.823267	0.815233	0.807200
61	0.894375	0.886250	0.878125	0.870000	0.861875	0.853750	0.845625	0.837500	0.829375	0.821250	0.813125	0.805000
62	0.893067	0.884833	0.876600	0.868367	0.860133	0.851900	0.843667	0.835433	0.827200	0.818967	0.810733	0.802500
63	0.891567	0.883233	0.874900	0.866567	0.858233	0.849900	0.841567	0.833233	0.824900	0.816567	0.808233	0.799900
64	0.890050	0.881600	0.873150	0.864700	0.856250	0.847800	0.839350	0.830900	0.822450	0.814000	0.805550	0.797100
65	0.888425	0.879850	0.871275	0.862700	0.854125	0.845550	0.836975	0.828400	0.819825	0.811250	0.802675	0.794100

  

Age At Retirement	Percentage of Normal Service Retirement Monthly Benefit Based on Number of Months Elected for PLSO Lump Sum											
	25 Months	26 Months	27 Months	28 Months	29 Months	30 Months	31 Months	32 Months	33 Months	34 Months	35 Months	36 Months
50	0.815317	0.807933	0.800550	0.793167	0.785783	0.778400	0.771017	0.763633	0.756250	0.748867	0.741483	0.734100
51	0.814267	0.806833	0.799400	0.791967	0.784533	0.777100	0.769667	0.762233	0.754800	0.747367	0.739933	0.732500
52	0.813017	0.805533	0.798050	0.790567	0.783083	0.775600	0.768117	0.760633	0.753150	0.745667	0.738183	0.730700
53	0.811675	0.804150	0.796625	0.789100	0.781575	0.774050	0.766525	0.759000	0.751475	0.743950	0.736425	0.728900
54	0.810308	0.802717	0.795125	0.787533	0.779942	0.772350	0.764758	0.757167	0.749575	0.741983	0.734392	0.726800
55	0.808758	0.801117	0.793475	0.785833	0.778192	0.770550	0.762908	0.755267	0.747625	0.739983	0.732342	0.724700
56	0.807183	0.799467	0.791750	0.784033	0.776317	0.768600	0.760883	0.753167	0.745450	0.737733	0.730017	0.722300
57	0.805408	0.797617	0.789825	0.782033	0.774242	0.766450	0.758658	0.750867	0.743075	0.735283	0.727492	0.719700
58	0.803442	0.795583	0.787725	0.779867	0.772008	0.764150	0.756292	0.748433	0.740575	0.732717	0.724858	0.717000
59	0.801450	0.793500	0.785550	0.777600	0.769650	0.761700	0.753750	0.745800	0.737850	0.729900	0.721950	0.714000
60	0.799175	0.791150	0.783125	0.775100	0.767075	0.759050	0.751025	0.743000	0.734975	0.726950	0.718925	0.710900
61	0.796867	0.788733	0.780600	0.772467	0.764333	0.756200	0.748067	0.739933	0.731800	0.723667	0.715533	0.707400
62	0.794275	0.786050	0.777825	0.769600	0.761375	0.753150	0.744925	0.736700	0.728475	0.720250	0.712025	0.703800
63	0.791558	0.783217	0.774875	0.766533	0.758192	0.749850	0.741508	0.733167	0.724825	0.716483	0.708142	0.699800
64	0.788642	0.780183	0.771725	0.763267	0.754808	0.746350	0.737892	0.729433	0.720975	0.712517	0.704058	0.695600
65	0.785517	0.776933	0.768350	0.759767	0.751183	0.742600	0.734017	0.725433	0.716850	0.708267	0.699683	0.691100

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

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

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

Table 3

For Members Electing the PLSO Option  
With the Straight Life Option

Effective November 1, 2003

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

  

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

  

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

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

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

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