

# **A G E N D A**

A regular meeting of the Board of Trustees of the Waxahachie Firemen's Relief and Retirement (FR&R) Fund to be held at Waxahachie Fire Station No. 1, 407 Water Street, Waxahachie, Texas, on ***Monday, February 5, 2024 at 8:30 a.m.***

BOARD MEMBERS: Gary Myers, Chairman  
Scott Safford, Vice Chairman  
Jeff Aycock, Secretary  
Chris Wright, Mayor Pro Tem  
Gail Turner, Assistant Finance Director  
Lee Statham  
Phillip Young

1. Call to Order
2. ***Public Comments:*** Persons may address the Waxahachie Firemen's Relief and Retirement (FR&R) Fund on any issues. This is the appropriate time for citizens to address the Board on any concern whether on this agenda or not. In accordance with the State of Texas Open Meetings Act, the Board may not comment or deliberate such statements during this period, except as authorized by Section 551.042, Texas Government Code.

3. Consent Agenda

All matters listed under Item 3, Consent Agenda, are considered to be routine by the Board Members and will be enacted by one motion. Approval of the Consent Agenda authorizes the Chairman to execute all matters necessary to implement each item. Any item may be removed from the Consent Agenda for separate discussion and consideration by any Board Member.

- a. Minutes of the regular Firemen's Relief & Retirement Fund meeting of January 8, 2024
  - b. Annuity checks for FR&R Retirees and other disbursements for the month of March 2024
4. Discuss and consider Dwight Banks Retirement Benefits
5. Discuss and consider Bryce McLeod Refund of Contributions
6. Discuss and consider Refund of Contributions for Collin Yeaman
7. Discuss and consider correction of Refund of Contributions for Latham Roden
8. Discuss and consider Don't Tax Our Fallen Public Heroes Act
9. Discuss Plan Administrator search
10. Discuss a plan to alleviate spiking in the retirement benefits
11. Set next meeting date and time of Firemen's Relief and Retirement Fund Board

## 12. Adjourn

The Board reserves the right to go into Executive Session as authorized by Section 551.071(2) of the Texas Government Code, for the purpose of seeking confidential legal advice from legal counsel on any agenda item listed herein. This meeting location is wheelchair-accessible. Parking for mobility-impaired persons is available. Any request for sign interpretive services must be made forty-eight hours ahead of the meeting. To make arrangements, call the City Secretary at 469-309-4006 or (TDD) 1-800-RELAY TX

### ***Notice of Potential Quorum***

***One or more members of the Waxahachie City Council may be present at this meeting.***

***No action will be taken by the City Council at this meeting.***

Firemen's Relief and Retirement  
January 8, 2024

(3a)

A regular meeting of the Board of Trustees of the Waxahachie Firemen's Relief and Retirement (FR&R) Fund was held at Waxahachie Fire Station No. 1, 407 Water Street, Waxahachie, Texas, on Monday, January 8, 2024 at 8:30 a.m.

Members Present: Gary Myers, Chairman  
Matt Dorsey, Vice Chairman  
Scott Safford, Secretary  
Chris Wright, Mayor Pro Tem  
Gail Turner, Assistant Finance Director  
Lee Statham  
Phillip Young

**1. Call to Order**

Chairman Gary Myers called the meeting to order.

**2. Public Comments**

None

**3. Canvass votes for FR&R Firefighter Board Members**

Chairman Myers canvassed votes for the FR&R Firefighter Board Member position as follows:

71 eligible to vote  
64 votes received

<u>Nominee</u>	<u>Votes Received</u>
Jeff Aycock	38 votes
Matt Dorsey	26 votes

The Board accepted the votes as presented.

**4. Administer Oath of Office to Firefighter Board Members**

Chairman Myers administered the Oath of Office to Firefighter Board Member Jeff Aycock

**5. Reorganize the Board**

**Action:**

*Mr. Lee Statham moved to appoint Gary Myers as Chairman, Scott Safford as Vice Chairman, and Jeff Aycock as Secretary. Motion was seconded by Mayor Pro Tem Chris Wright and carried unanimously (7-0).*

**6. Consent Agenda**

- a. Minutes of the regular Firemen's Relief & Retirement Fund meeting of December 11, 2023

(3a)

- b. Annuity checks for FR&R Retirees and other disbursements for the month of February 2024

**Action:**

*Lee Statham moved to approve all items on the Consent Agenda as presented. Motion was seconded by Vice Chairman Scott Safford and carried unanimously (7-0).*

- 7. Consider invoice from AndCo Consulting for consulting services and performance evaluation**

**Action:**

*Lee Statham moved to approve payment in the amount of \$7,500 to AndCo Consulting for consulting services and performance evaluation October, November, and December 2023. Motion was seconded by Vice Chairman Scott Safford and carried unanimously (7-0).*

- 8. Discuss and consider placement of quarterly AndCo Consulting invoice on the consent agenda**

**Action:**

*Lee Statham moved to include a quarterly invoice in the amount of \$7,500 from AndCo Consulting for consulting services and performance evaluation on the January, April, July, and October consent agendas until further notice. Motion was seconded by Vice Chairman Scott Safford and carried unanimously (7-0).*

- 9. Review and approve a refund of contributions to Alex Adams**

**Action:**

*Phillip Young moved to approve a refund of contributions to Alex Adams in the amount of \$23,976.44. Motion was seconded by Lee Statham and carried unanimously (7-0).*

- 10. Discuss and consider Don't Take Our Fallen Public Safety Heroes Act, IRS code 104(a)6**

Chairman Myers presented Item 10 and noted he is working with Chuck Campbell in regards to preparing an official opinion on the matter.

- 11. Discuss and consider TEXPERS education opportunity**

Chairman Myers shared details in regards to the TEXPERS Beginners & Advanced Training to be held on Wednesday, April 6<sup>th</sup> and 7<sup>th</sup> at Hyatt Regency in Dallas.

- 12. Hear update on Annual Audit**

Chairman Myers presented Item 12 and noted all documents have been sent to the auditors and the final audit is expected to be received in late February.

- 13. Set next meeting date and time of Firemen's Relief and Retirement Fund Board**

(3a)

The Firemen's Relief and Retirement Board set their next meeting for Monday, February 5, 2024 at 8:30 a.m. at Waxahachie Fire Station No. 1.

**14. Adjourn**

There being no further business, the meeting adjourned at 8:55 a.m.

Respectfully submitted,

Jami Bonner  
Assistant City Secretary

(3b)

## MEMORANDUM

TO: FR&R Board Members  
FROM: Amber Villarreal, City Secretary  
DATE: Monday, February 5, 2024  
SUBJECT: Approve Annuity Payments for the Month of March 2024 for Retirees/Beneficiaries as Presented

Alexander	Donald
Alexander	Jeffery
Bennett	Don
Bratcher	Billy
Carrington	Paul
Chenault	John
Cobb	Sharon
Crecelius	Dennis
Creed	Lori
Crow	Len
Evans	Karen
Fuller	Donald
Gilley	Dorothy
Hamilton	Denise
Hamilton	Steven
Irvin	James
Johnston	Randy
Junkin	Pam
Kuykendall	Terry
Lewis	Sammy
Maeker	David
Martin	J
Morgan	Alán
Muirhead	Randal
Nunn	Carol
Ogletree	Billy
Potter	Randall
Rodgers	John
Rust	Paul
Skipper	Terry
Slay	Mike
Sport	Jeffery
Sykes	Jerry
Tillery	Daryl Anne
Turner	John Olin
Turner	Sharon
Warren	Lisa
Williams	Sidney
Wilson	Darla

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<b>TOTAL</b>	<b>\$106,846.30</b>
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**Bonner, Jami**

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**From:** Myers, Gary  
**Sent:** Wednesday, January 24, 2024 2:23 PM  
**To:** Bonner, Jami  
**Subject:** FW: Spiking of the FR&R Funds

Jami,  
Please copy this email in to our agenda under the Spiking item.

Battalion Chief Gary Myers

*Improvise and Overcome*

**From:** PRB <PRB@prb.state.tx.us>  
**Sent:** Tuesday, January 23, 2024 3:40 PM  
**To:** Myers, Gary <GMyers@waxahachiefire.org>  
**Cc:** Safford, Scott <SSafford@waxahachiefire.org>  
**Subject:** RE: Spiking of the FR&R Funds

Good Afternoon,

The Pension Review Board is unable to provide a legal opinion on the matters you have addressed as they are outside of our purview and the PRB does not provide legal advice to outside entities. Generally, employee and employer contributions are based off the same definition of compensation that is stated in your plan document, unless the plan document specifically provides separate definitions of compensation for the two contribution types. We would recommend contacting your legal advisor on whether pay from these emergency situations fits into the definition of compensation based on your current plan document.

We received an inquiry about a similar situation over a year ago from Laredo Fire asking about a similar situation due to emergency deployments because of the COVID outbreak. You might try reaching out to Jaime Jasso with Laredo Fire (phone: (956) 717-8018; email: [jaime.jasso@laredofire.com](mailto:jaime.jasso@laredofire.com)) to see if he can provide any insight on how they handled their similar situation.

[The Texas Comptroller's Office](#) also has some information on overtime pay and might be another resource you could try reaching out to about this issue.

Please let us know if you have any additional questions that we may be able to assist with.

Thank you,

**Texas Pension Review Board**

[prb.texas.gov](http://prb.texas.gov) | [prb@prb.texas.gov](mailto:prb@prb.texas.gov) | P.O. Box 13498 | Austin, TX 78711-3498 | P 512-463-1736

**From:** Myers, Gary <[GMyers@waxahachiefire.org](mailto:GMyers@waxahachiefire.org)>  
**Sent:** Friday, January 19, 2024 3:06 PM  
**To:** PRB <[PRB@prb.state.tx.us](mailto:PRB@prb.state.tx.us)>



(110)

Cc: Myers, Gary <[GMyers@waxahachiefire.org](mailto:GMyers@waxahachiefire.org)>; Safford, Scott <[SSafford@waxahachiefire.org](mailto:SSafford@waxahachiefire.org)>

Subject: Spiking of the FR&R Funds

Pension Review Board

In the last several years TIFMAS, TEMAT, Task Force, and the Texas Forestry Service have requested deployment of firefighter in emergency situations. These deployments and the back fill overtime the deployment may cause may increase a firefighter salary by \$10,000 to \$50,000. If this spiking of a firefighter's salary happens in the years used to calculate his retirement then his benefits may be artificially increased. The State of Texas reimburses the City for all cost associated with the deployment and the back fill overtime pay. Many of the Firefighter's Retirement Funds are creating policy that excludes the deployment and the back fill overtime pay from either the benefit formula and or from contributions to the fund.

The Waxahachie Firefighter's Relief and Retirement Fund is concern about this spiking issue.

When I read the TLFFRA statute 2021 version Section 29(a)

(a) Each person who is a member of a retirement system as a current fire department employee shall make contributions to the system. Except as provided by Subsection (d) of this section, a contribution required under this subsection is computed on the employee's periodic compensation at a rate determined by majority vote of the employees of the department who are members, at an election by secret ballot at which at least 50 percent of those employees vote. Except as provided by Section 30 of this Act, the payroll officer of the municipality or other political subdivision shall deduct the contributions required under this subsection each payroll period and submit them to the retirement system.

(b) A municipality or other political subdivision that has employees who are participating members of a retirement system shall make contributions to the system each payroll period. Except as provided by Subsection (d) of this section; contributions required under this subsection are computed on the total compensation paid to the employees who are participating members of the system. A municipality or other political subdivision is required to make contributions under this subsection at the same rate paid by employees or 12 percent, whichever is the smaller rate. The governing body of a municipality or other political subdivision by ordinance may adopt a rate of employer contributions that is greater than the rate required by this subsection.

I can make an argument that the employee's contribution may be excluded because the deployment pay and back fill pay are not a periodic payment but an exception. Therefore I could exclude the deployment and back fill pay from his benefit calculation and prevent the spiking of our retirement plan.

I have a question about excluding the employer's contribution since it is based on total compensation paid to the employee. Does the PRB agree that the deployment and back fill pay may be excluded from the employers contributions or does the PRB believe the employer should make contribution o the deployment and back fill pay. It will not cost the employer any addition monies either way since the State of Texas is reimbursing the City for the cost.

I propose a policy that will exclude a firefighter's deployment overtime and back fill overtime pay from contributions and benefit calculations. This would keep a firefighter's regular pay regardless if it is paid by the City or the State for both the contributions and benefit calculations.

May I also exclude the City's contribution on the firefighter's deployment overtime and back fill overtime?

Or

May I accept the City's contribution on the firefighter's deployment overtime and back fill overtime while excluding the firefighter?



(10)

Thank you for your assistance on this matter.

Chairman Gary Myers  
407 Water Street  
Waxahachie, Texas 75165  
469-309-4204

*Improvise and Overcome*

**Contributions****Section 29.**

(a) Each person who is a member of a retirement system as a current fire department employee shall make contributions to the system. Except as provided by Subsection (d) of this section, a contribution required under this subsection is computed on the employee's periodic compensation at a rate determined by majority vote of the employees of the department who are members, at an election by secret ballot at which at least 50 percent of those employees vote. Except as provided by Section 30 of this Act, the payroll officer of the municipality or other political subdivision shall deduct the contributions required under this subsection each payroll period and submit them to the retirement system.

(b) A municipality or other political subdivision that has employees who are participating members of a retirement system shall make contributions to the system each payroll period. Except as provided by Subsection (d) of this section; contributions required under this subsection are computed on the total compensation paid to the employees who are participating members of the system. A municipality or other political subdivision is required to make contributions under this subsection at the same rate paid by employees or 12 percent, whichever is the smaller rate. The governing body of a municipality or other political subdivision by ordinance may adopt a rate of employer contributions that is greater than the rate required by this subsection.

(c) Contributions by a municipality or other political subdivision determined under Subsection (b) or (d) of this section are payable each payroll period to the retirement system.

(d) Contributions required under Subsections (a) and (b) of this section are computed on the average compensation of all employees of the department for the preceding year, if this method of computation is adopted by majority vote of the employees of the department who are members, at an election by secret ballot at which at least 50 percent of the participating members vote, and is also adopted by ordinance of the governing body of the municipality or other political subdivision. The average compensation of department employees shall be computed for each 12-month period as determined by the board of trustees.

(e) Each person who is a member of a retirement system as a current fire department volunteer shall contribute to the system an annual amount determined by majority vote by secret ballot of the volunteers of the department who are participating members of the retirement system. A municipality may at any time make the member contributions required under this subsection on behalf of its volunteers and any other contributions the municipality chooses to make to the retirement system.

(f) Payment of member contributions required under this Act are conditions of employment and participation in the retirement system to which the contributions are due.

(g) Except as otherwise provided under Section 7 of this Act, a member of a retirement system may withdraw all of the member's accumulated contributions to the system if the member terminates

described in this Section A.1 of the Plan. The Service purchase must be made within one year of employment with the Longview Fire Department. The Board's actuary will determine the amount of the Service credited under the Plan given the amount of the transferred contributions. Such determination will be made on an individual basis, based on the actuarial assumptions, plan provisions and any other relevant information needed by the actuary at the time of the transfer of contributions, and will be designed to be cost-neutral to this Fund. The actuary's cost to make the determination will be evenly split between the Fund and the firefighter.

2. **"Highest Average Monthly Salary"** means Average Biweekly Pay multiplied by 2.167.

3. **"Average Biweekly Pay"** means, for each member who was paid in each biweekly pay period in the applicable period described below, the average of the member's biweekly total pay. "Total pay" includes regular, longevity, specialty, call back, step up and overtime pay, but **excludes** lump sum distributions for unused sick leave, comp time or vacation and also **excludes** specialty team deployment call back pay; call back pay earned after August 21, 2018 while serving under contract with another agency (TEMAT, Task Force, Texas forest service, TIFMAS, etc.). The inclusion or exclusion of any element of pay not explicitly described above will be determined by the Board in its sole discretion. The period over which Average Biweekly Pay is determined will be either:

- (a) in the case of a member who had been credited with 20 years or more of Service under the Fund as of January 22, 2013, the consecutive 78 biweekly pay periods with the Department during which his total biweekly pay was highest, or
- (b) in the case of a member who had less than 20 years of Service under the Fund on or before January 22, 2013, the consecutive 130 biweekly pay periods with the Department during which his total biweekly pay was highest.

If a member's pay has been offset (reduced) by worker's compensation benefits, then pay shall also include the amount of money by which his pay was offset (reduced) as required by Vernon's Texas Statutes Annotated, Labor Code, Title V, §504.051(c) or any successor provision of like import.

If at the time of death or disability the member has been paid for less than 78 biweekly pay periods or 130 biweekly pay periods, as applicable, his Average Biweekly Pay will be computed as though he had been employed for the 78 biweekly pay periods or 130 biweekly pay periods immediately preceding his death or disability. 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,



6. If a member dies while an active member and after being eligible for a Service Retirement Benefit, such member's Qualified Surviving Spouse or designated beneficiary may elect this alternate form of benefit called the "Reverse DROP" under the same conditions and restrictions as the member could have.

#### **I. QUALIFIED DOMESTIC RELATIONS ORDERS**

Any member whose benefits may be affected by a domestic relations order must submit a Qualified Domestic Relations Order (QDRO) to the chairman of the Board or the Plan Administrator. Such QDRO shall comply with Chapter 804 of the Texas Government Code, as amended, and related regulations. All QDROs are subject to Board approval. Any expenses incurred by the Board to confirm compliance with the Texas Government Code, as amended, and related regulations, including legal fees, shall be paid by the member or the affected spouse if requested by the Board.

#### **J. RETURN OF EMPLOYEE'S OWN CONTRIBUTIONS**

If An employee of the Department terminates his Service and he is not entitled to a benefit as described above, he will receive an amount equal to the excess of his own contributions to the Fund over the amount of benefits which he had previously received from the Fund. A member who retires or who terminates employment with the Department may elect at the time of his termination from active Service, to receive the excess of his own contributions to the Fund over the amount of benefits which he has previously received. However, if an individual makes such an election, he will forfeit his right to all other benefits which he otherwise would have been entitled to receive. The amount refunded shall not include any interest accumulated on account of the member's contributions.

#### **K. CONTRIBUTIONS**

1. Effective December 29 2016, each employee of the Department who is a Tier 1 member will make contributions of 17.00% of his total pay (regular, longevity, specialty, regular call back, step up and overtime pay, but excludes lump sum distributions for unused sick leave, comp time or vacation) and also **excludes** specialty team deployment call back pay; call back pay earned after August 21, 2018 while serving under contract with another agency (TEMAT, Task Force, Texas forest service, TIFMAS, etc.). If a firefighter's pay has been offset (reduced) by worker's compensation benefits, then pay shall also include the amount by which his pay was offset (reduced) as required by Section 504.051(c) of the Texas Labor Code.
2. Effective January 1, 2016, each employee of the Department who is a Tier 2 member will make contributions of 15.00% of his total pay (regular, longevity,

Longview

(10)

specialty, call back, step up and overtime pay, but excludes lump sum distributions for unused sick leave, comp time or vacation) and also **excludes** specialty team deployment call back pay; call back pay earned after August 21, 2018 while serving under contract with another agency (TEMAT, Task Force, Texas forest service, TIFMAS, etc.). If a firefighter's pay has been offset (reduced) by worker's compensation benefits, then pay shall also include the amount by which his pay was offset (reduced) as required by Section 504.051(c) of the Texas Labor Code.

3. Effective the first pay period of October 2018 the City of Longview will make contributions of 19.00% of the total pay of each employee of the Department (regular, longevity, specialty, call back, step up and overtime pay, but excludes lump sum distributions for unused sick leave, comp time or vacation) and also **excludes** specialty team deployment call back pay; call back pay earned after August 21, 2018 while serving under contract with another agency (TEMAT, Task Force, Texas forest service, TIFMAS, etc.). If an employee's pay is offset (reduced) by worker's compensation benefits, then pay shall also include the amount by which his pay was offset (reduced) as required by Section 504.051(c) of the Texas Labor Code.

#### **L. FEDERAL TAX QUALIFICATION**

1. The Fund is intended to qualify under Section 401(a) of the Internal Revenue Code (the "Code") and is for the exclusive benefit of the members and their survivors. No part of the corpus or income of the Fund may ever be assigned, attached, garnished, seized, taken, subjected to, used for, or diverted to, any purpose other than the benefit of members, retirees and their survivors. The preceding sentence shall not prevent the division of a member's benefits, and the payment to an Alternate Payee of any part of such benefits under a court order that has been determined by the Board, in accordance with Chapter 8.04 of the Government Code of Texas, to be a qualified domestic relations order.
2. A member may not accrue a benefit under this Fund in excess of the benefit limits applicable to the Fund under Section 415 of the Code. The Board shall reduce the amount of any benefit that exceeds those limits by the amount of the excess. If the total benefits under this Fund and the benefits and contributions to which any member is entitled under any other qualified plans maintained by the City of Longview would otherwise exceed the applicable limits under Section 415 of the Code, the benefits the member would otherwise receive from the Fund shall be reduced to the extent necessary to enable the benefits from the Fund to comply with Section 415 of the Code.
3. Any member or eligible beneficiary who is entitled to receive any distribution that is an eligible rollover distribution is entitled to have that distribution transferred directly to another eligible retirement plan of the member's or eligible



## I. ACTIVE PAID FIREFIGHTERS WITH NO VOLUNTEER SERVICE

### A. BASIS FOR DETERMINING RETIREMENT BENEFIT

The amount of income payable upon retirement will depend upon the firefighter's age when he retires and upon his number of years of "Service" and "Highest 60-Month Average Salary" as described below.

1. **"Service"** will be equal to the firefighter's number of years and months of continuous employment. For the period prior to April 1, 1979, the number of years of continuous employment will be determined from the records of the Fire Department of the City of Conroe, Texas. The number of years of continuous employment after April 1, 1979 will include the period of uninterrupted employment after that date with the Fire Department of the City of Conroe, Texas, or with any predecessor department provided that funds are transferred in accordance with the provisions of TLFFRA. If a firefighter's service is terminated after April 1, 1979, 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 firefighter's service provided he returns to active employment prior to the expiration of his leave except that if he withdraws his contributions from the Firemen's Relief and Retirement Fund, City of Conroe, Texas he will be treated in the same manner as though his service had been terminated 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 Conroe, shall be deemed continuous employment.

A newly employed firefighter of the Conroe Fire Department who previously was a participant in a fund governed by the Texas Local Fire Fighters' Retirement Act (TLFFRA) may purchase additional credited "Service" with any part or all of the contributions refunded by the previous TLFFRA fund when the Board can not or decides not to authorize membership and previous fire department service as per Section 9(f) and Section (11)(a) of TLFFRA. No additional contributions will be required by the City of Conroe by a service purchase as described in this Section I(A)(1) of the plan. The service purchase must be made within one year of employment with the Conroe Fire Department. The Board's actuary will determine the amount of the service credited under the plan given the amount of the transferred contributions. Such determination will be made on an individual basis, based on the actuarial assumptions, plan provisions and any other relevant information needed by the actuary at the time of the transfer of contributions, and will be designed to be cost-neutral to this fund. The actuary's cost to make the determination will be evenly split between the Board and the firefighter.

2. **"Highest 60-Month Average Salary"** will be equal to average biweekly pay multiplied by 2.167. Average biweekly pay is the average of the firefighter's total pay excluding (a) lump sum distributions or terminal pay for unused leave or (b) excess deployment pay for the 130 biweekly pay periods (five years) out of the last 208 biweekly pay periods (eight years) with the department during which his total biweekly pay was highest. Unused leave includes unused sick leave, unused



Conroe

(10)

vacation, unused holidays, unused compensation time and any other type of unused leave. Excess deployment pay means deployment pay received by a firefighter during a pay period that is in excess of the amount of total pay that the firefighter would have received during such period in the normal course of employment. Deployment pay means amounts received for a pay period beginning on or after the July 8, 2022 for the performance of disaster response services outside of the City of Conroe, including, without limitation, in response to a hurricane, wildfire, or other natural disaster, whether or not under contract with another federal, state or local agency (such as the Texas Emergency Management Assistance Team, Texas Task Force, Texas A&M Forest Service, Texas Intrastate Fire Mutual Aid System, etc). If a firefighter's total pay has been offset (reduced) by Workers' Compensation benefits, then total pay shall also include the amount by which the total pay 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 2022, the 401(a)(17) limitation is \$305,000.

If at the time of death or disability the firefighter has been paid for less than 130 biweekly pay periods, his average salary will be computed as though he had been employed for the 130 biweekly pay periods immediately preceding his death or disability. For the period prior to his employment the firefighter 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 firefighters retiring after October 31, 1992 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 October 31, 1992 according to the provisions of the plan effective July 5, 1990.

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% 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 firefighters retiring with at least 15 years of service at age 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.



Conroe

(16)

at the time of the remarriage an amount equal to the excess, if any, of two times the firefighter's Accumulated Contributions over the amount of payments which have been made on behalf of the firefighter, spouse and children will be paid to his spouse in a lump sum payment.

8. All persons claiming spouses' death benefits must certify by February 1 of each year, in a form and manner acceptable to the Board, that said spouse has not remarried since the death of the participant, and is not married as of the time of said declaration. The failure to provide such certification as set out herein shall be grounds for discontinuance of benefits.

#### **F. INTEREST ACCUMULATION ON FIREFIGHTER'S OWN CONTRIBUTIONS**

Interest at an annual rate will be credited every December 31<sup>st</sup> on each firefighter's contribution balance as of the previous December 31<sup>st</sup> (if any), but only if such firefighter is in active service with the department on the date such service is credited. The annual rate is equal to the lesser of (a) the rate on a 12 month United States Treasury Bill on the last business day of the previous year, plus 1.0%, or (b) 9.0%.

#### **G. RETURN OF FIREFIGHTER'S OWN CONTRIBUTIONS**

If a firefighter terminates his service and is not entitled to a benefit as described above, he will receive an amount equal to the excess of his own contributions to the fund (including any interest that has been credited to his contribution balance in accordance with Section I(F) above as of the date of termination of service) over the amount of benefits which he has previously received from the fund. A firefighter who is eligible to receive a benefit as described above and whose service is terminated may alternatively elect to receive, at the time of his termination, the excess of his own contributions to the fund (including any interest that has been credited to his contribution balance in accordance with Section I(F) above as of the date of termination of service) 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.

#### **H. CONTRIBUTIONS**

1. Effective October 1, 2021, Conroe paid firefighters will make contributions of 15.5% of total pay. Total pay includes all elements of pay except for (a) lump sum distributions or terminal pay for unused leave and (b) excess deployment pay, as described in Section I.A.2. Unused leave includes unused sick leave, unused vacation, unused holidays, unused compensation time and any other type of unused leave. If a firefighter's total pay has been offset (reduced) by Workers' Compensation benefits, then total pay shall also include the amount by which the total pay was offset (reduced) as required by the Texas Labor Code. The firefighter contribution rate may be changed by vote of the firefighters in accordance with Section 29 of TLFFRA.
2. The City of Conroe will make contributions equal to a percentage of total pay for each firefighter. Total pay includes all elements of pay except for (a) lump sum distributions or terminal pay for unused leave and (b) excess deployment pay, as described in Section I.A.2. Unused leave includes unused sick leave, unused vacation, unused holidays, unused compensation time and any other type of

unused leave. If a firefighter's total pay has been offset (reduced) by Workers' Compensation benefits, then total pay shall also include the amount by which the total pay was offset (reduced) as required by the Texas Labor Code. The city contribution rate is set by, and subject to change by, ordinance, subject to the minimum rate in Section 29 of TLFFRA. The contribution rate is currently 15% of the total compensation paid to those employees of the fire department who are eligible and participating in the Fund.

## **II. ACTIVE FIREFIGHTERS WITH BOTH PAID AND VOLUNTEER SERVICE**

### **A. ELIGIBILITY FOR BENEFITS**

A firefighter who has accrued both paid and volunteer service will become eligible for service retirement, disability retirement or death benefits under the same conditions that a paid firefighter would become eligible, with the exception that the service requirement be fulfilled with a combination of paid and volunteer service, where the volunteer service was earned prior to September 1, 2000. A volunteer firefighter accepted as a member of the fire department will be credited with a year of service for each calendar year of service earned prior to September 1, 2000 in which the firefighter attended at least 25% of the fires and 40% of the drills which occurred.

### **B. AMOUNT OF SERVICE RETIREMENT BENEFITS**

A firefighter with both paid and volunteer service who qualifies for a service retirement benefit will receive a monthly retirement income equal to the sum of:

1. The service retirement benefit for paid firefighters described in Section I(B)(2) above, multiplied by the ratio of (a) to (b) where (a) is equal to the firefighter's years and months of paid service (not to exceed 20 years of service), and (b) is equal to 20 years of service;

plus

2. For volunteer service, \$110.00 multiplied by the ratio of (a) to (b), where (a) is equal to the firefighter's years and months of volunteer service earned prior to September 1, 2000 (not to exceed 20 years of service), and (b) is equal to 20 years of service.

### **C. AMOUNT OF DISABILITY RETIREMENT BENEFIT**

A paid firefighter with both paid and volunteer service (where volunteer service was earned prior to September 1, 2000) who qualifies for a disability retirement benefit will receive the disability benefit for paid firefighters described in Section I(C) above.

### **D. VESTED TERMINATION BENEFIT**

If a firefighter with both paid and volunteer service, where volunteer service was earned prior to September 1, 2000, has completed at least a total of 20 years of paid service and volunteer service but has not attained the age of 55 at the time of termination of his service, he will be entitled to receive a deferred retirement income

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## **Section 1 Definitions**

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

- 1.01 "Accumulated Contributions" shall mean the sum of all contributions made pursuant to Section 8.01 credited to the Fund. A Member's Accumulated Contributions shall not include or be credited with interest from the Fund.
- 1.02 "Act" shall mean the Texas Local Fire Fighters Retirement Act, Vernon's Annotated Civil Statutes, Article 6243e.
- 1.03 "Board" or "Trustees" shall mean the Board of Trustees of the Lubbock Fire Pension Fund. The Board of Trustees shall be the plan administrator.
- 1.04 "City" shall mean the City of Lubbock, a political subdivision established within the state of Texas.
- 1.05 "Code" shall mean the Internal Revenue Code of 1986 as amended from time to time.
- 1.06 "Compensation" shall mean all regular and periodic biweekly pay by reason of employment including regular and longevity pay and pay received during a period of sick leave or vacation. Compensation shall not include the following for purposes of determining the "Final 48-Month Average Salary" or contributions pursuant to Section 8:
  - a. Any lump sum payment from the City, including but not limited to a lump sum payment of termination pay for unused leave including sick leave, vacation pay, holiday pay or comp-time covering periods for which salary, compensation or benefits are paid;
  - b. Any reimbursement pay;
  - c. Effective on or after March 30, 1996, car allowances;
  - d. Effective on and after November 1, 1997, clothing allowances;
  - e. Compensation in excess of the limitations of Code §401(a)(17). In determining benefit accruals in plan years beginning after December 31, 2001, the annual compensation limit for determination periods before January 1, 2002, shall be \$200,000. For Plan Years beginning on or after January 1, 2002, Compensation in excess of \$200,000 shall be disregarded for all purposes. Such amount shall be adjusted by the Commissioner for increases in the cost-of-living in accordance with Code §401(a)(17)(B). The cost-of-living adjustment in effect for a calendar year applies to any determination period beginning with or within such calendar year. If a determination period consists of fewer than twelve (12) months, the \$200,000 annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period and the denominator of which is twelve (12); and
  - f. Effective for plan years beginning on or after January 1, 2001, "Compensation" shall include elective amount that are not included in the gross income of the Member under Code §132(f)(4).



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Effective April 11, 2020, for purposes of determining the Final 48-Month Average Salary as defined in Section 1.11, "Compensation" shall not include compensation classified by the City as "Call-Back Overtime Pay." Call-Back Overtime Pay shall be included in "Compensation" for purposes of determining all contributions required by Section 8. The City's designation of Call-Back Overtime Pay shall be effective for all purposes of the Fund.

For years beginning after December 31, 2008: (i) an individual receiving a differential wage payment, as defined by Code §3401(h)(2), is treated as an employee of the employer making the payment; and (ii) the differential wage payment is treated as Compensation.

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.

- 1.07 "Date of Retirement" shall be the effective date of an application made to the fund administrator to commence payment of a retirement benefit, provided the application is made within the period set forth herein. The Date of Retirement is the date elections are made by the Member for options in accordance with the provisions of the Plan.

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

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

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

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

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

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

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

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

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

**6.05 Child's Benefit:**

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



- Deployment overtime pay, including deployment backfill overtime pay, associated with specialty team deployments is excluded from a Member's Compensation.

The following provisions are applicable to all Members of the Plan on the effective date of the Plan as set forth above and to those who enter the Department thereafter. In no event, however, will the Service Retirement Benefit of a Member who was hired before September 1, 2021 be less than the accrued benefit calculated under the terms of the Plan in effect as of August 31, 2021 taking into account the Member's Highest Average Salary and Credited Service as of that date.

When appropriate, the masculine gender shall include the feminine and vice versa.

#### A. Definitions

The following terms used in this document shall have the meanings stated below, or under TLFFRA, unless a different meaning is clearly required by the context:

1. "Affiliated Employer": shall mean an employer which is a member of the same controlled group of corporations within the meaning of Section 414(b) of the Code, which is a trade or business (whether or not incorporated) that is under common control (within the meaning of Section 414(c) of the Code), which is a member of an affiliated service group (within the meaning of Section 414(m) of the Code) with the City or which is within any arrangement described in Section 414(o) of the Code. All Affiliated Employers, including the City, shall be aggregated and treated as a single employer as provided for under the rules of the Code as applied to a governmental plan. However, only those individuals who are eligible for membership in the Plan and are enrolled as Members of the Plan are entitled to benefits under the Plan.
2. "Board": shall mean the Board of Trustees of the Wichita Falls Firemen's Relief and Retirement Fund. The Board of Trustees shall be the Plan administrator.
3. "City": shall mean the City of Wichita Falls, Texas.
4. "Code": shall mean the Internal Revenue Code of 1986, as amended.
5. "Compensation": shall mean a Member's total bi-weekly pay, including regular, longevity and overtime pay, and pay received during a period of sick leave or vacation, but excluding lump sum distributions for unused sick leave and/or unused vacation time, pay classified by the City or Department as "merit" pay, clothing allowances, and car allowances. Effective for pay periods beginning on or after August 29, 2020, a Member's deployment overtime pay, including deployment backfill overtime pay associated with specialty team deployments (e.g., TIFMAS, Texas Forest Service, Task Force, Strike Teams, IMT, etc.), shall be excluded from the Member's Compensation for purposes of the Plan, including, but not limited to, Sections A.9 and I. For the avoidance of doubt, the

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amounts excluded due to deployment overtime and deployment backfill overtime shall include only the amount of such special compensation received that, when added to the Member's regular pay and other compensation for services for the City, exceeds 212 hours in a 28-day pay period. All compensation earned for services up to 212 hours in a 28-day period and all overtime for services that are not associated with special deployment will continue to be included in the Member's Compensation.

6. "Credited Service": shall mean the period of employment, covered by the Plan, during which a Member pays into, and keeps on deposit in the Plan, the contributions required by the Plan. Credited Service will be calculated in completed months.

Credited Service shall include periods during which a Member received a Disability Retirement Benefit from the Plan, but Credited Service granted during a period of disability shall not cause a Member's total Credited Service to exceed twenty (20) years.

Credited Service shall also include periods of leave from covered employment by reason of service in the armed forces of the United States during a war or national emergency but only if such service is required to be included by reason of the provisions of TLFFRA or as a condition of qualification under the Code.

If a Member's service is terminated, 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 a leave of absence will not terminate a Member's service provided he returns to active employment prior to the expiration of his leave of absence. However, if the Member withdraws his contributions from the Plan he will be treated in the same manner as though his service had been terminated 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 shall be deemed continuous employment.

7. "Department": shall mean the City of Wichita Falls, Texas Fire Department.
8. "DROP Eligibility Date": shall mean the later of (i) the date the Member meets the eligibility requirements specified in Section E.4.a., or (ii) the date two years prior to the date the Member actually retires under the Plan.
9. "Highest Average Salary": shall mean the Member's average Compensation over the one hundred and thirty (130) consecutive pay periods during the Member's period of Service covered by the Plan, which produces the highest average, multiplied by 2.167.

If a Member retires under the Deferred Retired Option Plan (DROP), the above definition shall be applied as if the Member had separated from service on his DROP Eligibility Date.



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**Debra Jones**

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Fax: 903-734-2873

January 9, 2024

Gary Myers

Waxahachie Firemen's Pension

This proposal is an outline of services that I will provide for your Fund.

### **OBJECTIVE**

Organize and monitor the monthly business of the Fund and keep the Fund in compliance with the Texas Pension Review Board.

### **SCOPE OF SERVICES**

- Maintain electronic filing of both active and retired members,
- Process salary and contribution information and verify deposits,
- Monitor expenses of the Fund,
- Monitor financial activity with the Fund's consultant,
- Prepare and post agendas and minutes for monthly board meetings,
- Prepare calculations of new benefits and refunds,
- Monitor monthly payments of all benefits,
- Consult with future retirees regarding questions and concerns,
- Organize and conduct orientation for new members as needed,
- Travel at least twice per year to Waxahachie,
- Assist with the Fund's Annual Financial Audit,
- Prepare for future Actuarial Valuations,
- Prepare and submit all quarterly and annual reports needed to stay in compliance with the Pension Review Board,

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- Prepare and distribute yearly Member Statements according to TLFFRA requirements,
- Assist the Board in registration and travel arrangements for conference as needed,
- Maintain records of conference attendance for each Board member and report to the Pension Review Board

I will attend Educational Conferences for both TLFFRA and TEXPERS, as well as any other local or national conference the Board would like me to attend, to comply with the Texas Pension Review Board standards on education.

### **COSTS AND PROFESSIONAL FEES**

The fee to provide administration for the Fund will be \$1200.00 per month.

Additional costs would include a portion of any registration, hotel, and travel expenses for conference attendance. I will follow the guidelines of the Internal Revenue Service when billing per diem for conferences. Each conference that I attend will be divided between all the Funds that I represent regardless of Board attendance. Should I be requested to attend a conference other than TEXPERS or TLFFRA, the cost of all expenses for that conference will be billed solely to the requesting Fund.

This contract will remain in effect for 1 year, beginning the 1<sup>st</sup> of the month following the month of Board approval or such date as agreed upon by myself and the Board.

Please do not hesitate to call me with any questions.

I look forward to being able to work with you and your Board.

Sincerely,

*Debra Jones*