

AUG 1 1978

LUFKIN FIREMEN'S RELIEF AND RETIREMENT FUND

Notification to Firemen's Pension Commissioner,
Mr. Hal H. Hood, of Benefit and Eligibility
Requirement Changes Permitted Under Section 7F
of the Firemen's Relief and Retirement Law

The participating members of the Lufkin Firemen's Relief and Retirement Fund held a secret ballot as required under Section 7F of the Law on July 10, 1978. Twenty-nine (29) members voted in favor of the changes described below and nineteen (19) members voted against these changes. The number voting in favor represents a majority of the fifty-one (51) participating members of the Fund.

The following changes are applicable to all members of the firemen's pension fund on the effective date of the change and to those who enter the Department thereafter.

I. ACTIVE PAID FIREMEN

A. Basis For Determining Retirement Benefit - The amount of income payable upon retirement will depend upon the fireman's age when he retires and upon his number of years of "Service" and his "Final 60-Month Average Salary" as described below:

1. "Service" will be equal to the fireman's number of years of continuous employment. For the period prior to August 1, 1978, the number of years of continuous employment will be determined from the records of the Fire Department of the City of Lufkin, Texas. The number of years of continuous employment after August 1, 1978 will include the period of uninterrupted employment after that date with the Fire Department of the City of Lufkin, Texas or with any predecessor department provided that funds are transferred in accordance with the provisions of the Texas Firemen's Relief and Retirement Law, as amended. If a fireman's service is terminated after August 1, 1978, 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 will not terminate a fireman'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 Lufkin, 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 Lufkin, shall be deemed continuous employment.

2. "Final 60-Month Average Salary" will be equal to the average of the fireman's total pay (including regular, longevity and overtime pay) for the last 60 calendar months immediately preceding the date of his service retirement, date of his disability retirement, date of his death if it occurs while he is an employee of the fire department or the date of his termination of employment with 20 or more years of service. If at the time of death or disability, the fireman had less than 60 months of service, his average salary will be computed as though he had been employed for the previous 60 months. For the period prior to his employment the fireman 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.

B. Service Retirement Benefit

1. Eligibility for Service Retirement Benefit - A fireman will be eligible for a service retirement benefit after he meets both of the following requirements:

(a) must be at least age 55 years

and

(b) must have completed at least 20 years of service.

2. Amount of Service Retirement Income - A fireman who qualifies for a service retirement benefit will receive a monthly retirement income equal to the sum of:

(a) a standard monthly benefit equal to 55% of his "Final 60-Month Average Salary,"

plus

(b) an additional service benefit in an amount equal to \$25.50 per month for each year of service in excess of 20 years of service that is not subject to a maximum amount.

C. Disability Retirement Benefit

1. Eligibility for Disability Retirement Benefit - An active fireman will qualify for a disability benefit if he becomes disabled for any cause whatsoever for either physical or mental reasons before he meets the requirements to qualify for a service retirement benefit as described in (B)(1) above. The fireman need only be disabled to the extent of being unable to perform the duties of his occupation to be entitled to benefits for the first two and one-half 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. Amount of Disability Retirement Benefit - The disability benefit will commence after the fireman's regular salary has ceased as the result of his disability and will continue thereafter as long as the fireman remains alive and is eligible under (C)(1) above. It will equal the sum of:
 - (a) a standard monthly benefit equal to 55% of his "Final 60-Month Average Salary" as computed through the last full month in which the fireman received a salary,

plus
 - (b) an additional service benefit in an amount equal to \$25.50 per month for each year of service in excess of 20 years of service that is not subject to a maximum amount.
3. Recovery From Disability - If a disabled fireman, who had less than 20 years of service at date of disability retirement ceases to be eligible under (C)(1) above and does not return to the employ of the fire department, an amount equal to the excess, if any, of the fireman'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. A disabled fireman, who had 20 or more years of service at date of disability retirement, will become eligible for the vested termination benefits described in (D) below if he ceases to be eligible for disability benefits under (C)(1) above and does not return to the employ of the fire department.

D. Vested Termination Benefit

1. If a fireman has completed at least 20 years of service but has not attained the age of 55 years at the time of termination of his service, he will be entitled to receive a deferred retirement income commencing at the end of the month in which he attains age 55 in an amount equal to the retirement benefit in (B) above, determined as if he retired on the day he terminated employment. This benefit is payable only to firemen who terminate employment on or after August 1, 1978.

To be entitled to receive this vested termination benefit, the fireman is not required to make additional contributions between his date of termination of employment and the date he begins receiving benefits.

2. If a fireman terminated employment before August 1, 1978, after having completed 20 years of service but prior to attaining age 55, he is entitled to the following benefit commencing at the end of the month in which he attains age 55:

(a) a standard monthly benefit equal to one-half (1/2) of his "Final 60-Month Average Salary" subject to a maximum amount of \$200.00 per month,

plus

(b) an additional service benefit in an amount equal to \$5.00 per month for each year of service in excess of 20 years of service that is not subject to a maximum amount.

E. Death Benefits

1. The fireman's widow will receive a monthly benefit for as long as she is alive and does not remarry under the conditions and in the amounts described below:

(a) if the fireman's death occurred after August 1, 1978 while he was an employee of the fire department, a standard death benefit equal to 36.67% of the fireman's "Final 60-Month Average Salary;"

or

(b) if the fireman's death occurred after service retirement and service retirement was effective after August 1, 1978, a standard death benefit equal to 36.67% of the fireman's "Final 60-Month Average Salary;"

or

(c) if the fireman's death occurred after disability retirement and disability retirement was effective after August 1, 1978, a standard death benefit equal to 36.67% of the fireman's "Final 60-Month Average Salary;"

or

(d) if the fireman's death occurred after termination of employment with 20 or more years of service and termination of employment was effective after August 1, 1978, a standard death benefit equal to 36.67% of the fireman's "Final 60-Month Average Salary;"

plus

(e) an additional death benefit equal to two-thirds (2/3) of any additional service benefit that the fireman was receiving or was entitled to receive had he retired on his date of death.

In order for a retired or terminated fireman's widow to qualify for the benefit above, she must have been married to the fireman before his retirement or termination of service.

2. Children's benefits upon the death of a fireman who began receiving service retirement benefits, disability retirement benefits or who terminated employment with 20 or more years of service prior to August 1, 1978 are:
 - (a) each unmarried child will receive \$20.00 per month until age 18;
 - (b) if the widow dies or remarries after being entitled to her allowance or if there is no widow, each unmarried child will receive \$40.00 per month until age 18.
3. Children's benefits upon the death of a fireman who was employed in the department on August 1, 1978 or who enters the department after August 1, 1978 are:
 - (a) each unmarried child will receive a monthly benefit of 7.33% of the fireman's "Final 60-Month Average Salary" until age 18;
 - (b) if the widow dies or remarries after being entitled to her allowance or if there is no widow, each unmarried child will receive a monthly benefit of 14.67% of the fireman's "Final 60-Month Average Salary" until age 18.

The benefits described in (2)(a), (2)(b), (3)(a) and (3)(b) are payable from age 18 to age 22 so long as the child remains a full-time student between these ages, or after age 17 if the child is totally disabled as a result of a physical or mental illness, injury or retardation for as long as the child remains totally disabled.

4. If no widow or child is entitled to a benefit under (1), (2) or (3) above at the time of the fireman's death, the amount the widow would have received will be paid to the fireman's dependent parents.
5. The sum of all benefits being paid at any point in time under (1), (2), (3) or (4) above shall not exceed the amount of service or disability retirement benefit the fireman was receiving. If the fireman was not retired but was eligible for service retirement at the time of his death, the maximum benefits payable under (1), (2), (3) or (4) above shall not exceed the service retirement benefit the fireman would have received had he retired on his date of death. If the fireman was not retired and was not eligible for service retirement at the time of his death, the maximum benefit payable under (1), (2), (3) or (4) above shall not exceed the disability retirement benefit the fireman would have received had he retired on his date of death.
6. If no widow, child or dependent parent is entitled to an allowance under (1), (2), (3) or (4) above, the amount of the fireman's own contributions (without interest) will be paid to his estate.

7. If the fireman's widow remarries, no further payments will be made to his widow after the date of her remarriage and if no children's benefits are being paid at the time of the remarriage, an amount equal to the excess, if any, of the fireman's own contributions (without interest) over the amount of payments which have been made on behalf of the widow and children will be paid to his widow in lump-sum payment.

8. Widows' benefits for firemen who retired prior to August 1, 1978 have been determined in the following manner and are listed in Section III below:

(a) an amount equal to one-third (1/3) of the "Final 60-Month Average Salary" used in computing the fireman's retirement benefit subject to the maximum standard benefit in effect at the date of retirement,

plus

(b) an amount equal to two-thirds (2/3) of any additional seniority benefit the fireman is receiving.

F. Return Of Fireman's Own Contributions - If a fireman terminates his service and he is not entitled to a benefit as described above, he will receive the amount of contributions which he has made. A fireman who retires or whose service is terminated may elect to receive at the time of his retirement or termination the amount of his own contributions but, if he makes such an election, he will forfeit his right to all benefits which he would have otherwise been entitled to receive. The amount refunded shall not include any interest accumulated on account of the fireman's contributions.

G. Contributions

1. Lufkin paid firemen will make contributions of 8% of pay.
2. The City of Lufkin will make contributions of 8% of pay for each paid fireman.

II. ACTIVE VOLUNTEER FIREMEN

A. Eligibility For Benefits - A volunteer fireman will become eligible for service retirement, disability retirement or death benefits under the same conditions that a paid fireman would become eligible. These requirements are stipulated in Section I above.

B. Amount Of Service Retirement Or Disability Retirement Benefits - A volunteer fireman who qualifies for a service retirement or disability retirement benefit will receive \$25.00 per month.

C. Vested Termination Benefit

If a volunteer fireman has completed at least 20 years of service but has not attained the age of 55 years at the time of termination of his service, he will be entitled to receive a deferred retirement income commencing at the end of the month in which he attains age 55.

To be entitled to receive this vested termination benefit, the volunteer fireman is not required to make additional contributions between his date of termination of service and the date he begins receiving benefits.

D. Death Benefits

The widow of a volunteer fireman will receive a monthly benefit for as long as she is alive and does not remarry. The amount of this benefit will be two-thirds (2/3) the amount the volunteer fireman was receiving if he had already retired or two-thirds (2/3) of the amount he would have received if he was eligible to retire on the date of his death.

In order for a retired or terminated fireman's widow to qualify for the benefit above, she must have been married to the fireman before his retirement or termination of service.

E. Contributions

1. A Lufkin volunteer fireman will make contributions of \$30.00 per year for as long as he is an active volunteer in the service of the department.
2. The City of Lufkin will make contributions of \$30.00 per year per active volunteer fireman.

III. RETIRED FIREMEN AND WIDOWS

Those firemen and widows who began receiving benefits before August 1, 1978 and are currently receiving benefits are listed below:

<u>Retired Firemen</u>	<u>Current Monthly Benefit</u>	<u>Widow's Monthly Death Benefit</u>
Grady Campbell	\$ 25.00	--*
Chester Herrington	25.00	\$16.67
Harry Kerr	100.00	--*
Henry D. Selman	25.00	16.67

* No Widow

<u>Firemen's Widows</u>	<u>Current Monthly Benefit</u>	<u>Widow's Monthly Death Benefit</u>
Mrs. Jack Gorden	\$ 16.66	N/A
Mrs. Thetus Hawkins	16.66	N/A
Mrs. D. C. McPherson	273.33	N/A
Mrs. Cleo Shotwell	90.39	N/A
Mrs. Annie Steenson	16.66	N/A
Mrs. Weickershiemer	16.66	N/A

The changes in benefits as described in Sections I and II above will become effective August 1, 1978. The changes in contributions as described in I(G) above will become effective October 1, 1978.

Ed H. Wilkins *Vice Chairman*

Charles Lue *Trustee*

Charles D. Selman *Trustee*
 Board of Trustees
 Lufkin Firemen's Relief and
 Retirement Fund

Royal D. Anderson *Signatures*