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LUFKIN FIREMEN'S RELIEF AND RETIREMENT FUND

MAY 18 1987

Plan Effective January 21, 1987

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

**FIREMEN'S PENSION
COMMISSION**

The participating members of the Lufkin Firemen's Relief and Retirement Fund held a secret ballot as required under Section F of the Law on January 19, 20 and 21, 1987 with fifty-two (52) of the sixty (60) participating members (87% of the total) voting in the election. The number voting in favor of the changes described below was thirty-one (31) which represents a majority of the fifty-two (52) voting participating members of the fund.

The following changes are applicable to all members of the firefighter's pension fund on the effective date of the change 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 firefighter's age when he retires and upon his number of years of "Service" and his "Highest 60-Month Average Salary" as described below.

1. "Service" will be equal to the period of time during which a firefighter pays into and keeps on deposit in the fund the contributions required by this plan and those periods during which the firefighter received a disability retirement benefit from this fund. For the period prior to August 1, 1987, 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. If a firefighter'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 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 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.

David Cochran

Periods of leave of absence, determined by the policy of the City of Lufkin, shall be deemed continuous employment.

2. "Highest 60-Month Average Salary" will be equal to the average of the firefighter's total pay (including regular, longevity and overtime pay and excluding lump sum distributions for unused sick leave or vacation) for the 60 calendar months of service with the department during which his total pay was highest.

If at the time of death or disability the firefighter has 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 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.

B. SERVICE RETIREMENT BENEFIT

1. Eligibility for Service Retirement Benefit - A firefighter will be eligible for a service retirement benefit after he meets both of the following requirements:
 - a. attainment of age 50 and
 - b. completion of 20 years of service.
2. Amount of Service Retirement Benefit - A firefighter 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 57.50% of his "Highest 60-Month Average Salary;"

plus
 - b. an additional service benefit in an amount equal to \$54.00 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 completed in excess of whole years.
3. Minimum Benefit - A firefighter who was active in the department on October 24, 1984 and who qualifies for a service retirement benefit will be guaranteed a minimum monthly benefit equal to the sum of:
 - a. a standard monthly benefit equal to 59.50% of the average monthly salary determined over the 60 months immediately preceding October 24, 1984:

plus

- b. an additional service benefit in an amount equal to \$45.00 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 the number of months completed in excess of whole years. This benefit is applicable only to service accrued prior to October 24, 1984.

The exact minimum monthly benefit payable to each firefighter who is active on October 24, 1984 is listed in (I) below.

C. DISABILITY RETIREMENT BENEFIT

1. Eligibility for Disability Retirement Benefit - An active firefighter will qualify for a disability benefit if he becomes disabled from 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 firefighter 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 1 and 1/2 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 firefighter's regular salary including vacation and sick leave pay has ceased as the result of his disability and will continue thereafter as long as the firefighter remains alive and is eligible under (C)(1) above. It will equal the sum of:
 - a. a standard monthly benefit equal to 57.50% of his "Highest 60-Month Average Salary" as computed through the last full month in which the firefighter received a salary;

plus

 - b. an additional service benefit in an amount equal to \$54.00 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 completed in excess of whole years.
3. Minimum Benefit - A firefighter who was active in the department on October 24, 1984 and who qualifies for a disability retirement benefit will be guaranteed a minimum monthly benefit equal to the sum of:
 - a. a standard monthly benefit equal to 59.50% of the average monthly salary determined over the 60 months immediately preceding October 24, 1984;

plus

- b. an additional service benefit in an amount equal to \$45.00 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 the number of months completed in excess of whole years. This benefit is applicable only to service accrued prior to October 24, 1984.

The exact minimum monthly benefit payable to each firefighter who is active on October 24, 1984 is listed in (I) below.

4. 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 firefighter's disability benefits subject to the following constraints:

- a. During the first 1 and 1/2 years the board of trustees may terminate the firefighter's disability benefit if the firefighter recovers to the extent that he is able to perform the duties of his job as a firefighter.
- b. After the disabled firefighter has received disability benefits from the fund for at least 1 and 1/2 years, the board of trustees may terminate the firefighter's disability benefit if the firefighter has recovered to the extent that he is able to perform the duties of a job outside the fire department and he is able to earn at least as much money in his new job as he would have as a member of the fire department.
- c. After the disabled firefighter has received disability benefits from the fund for at least 1 and 1/2 years, the board of trustees may review the situation of the disabled firefighter to determine the status of his disability. If the firefighter has recovered to the extent that he is able to perform the duties of a job outside the fire department, but he is not able to earn as much money in his new job as he would have as a member of the fire department, then the board of trustees may, at their discretion,
 - i) continue to pay a full disability benefit to the disabled firefighter; or
 - ii) elect to pay the disabled firefighter a partial disability benefit equal to one-half (1/2) of the original disability benefit.
- d. The board of trustees shall have the power to reinstate any disability benefit which has been previously termi-

nated or reduced provided the disabled firefighter's condition has worsened due to the same cause for which he was originally disabled.

5. Recovery from Disability

- a. Prior to completion of 20 years of service, if a disabled firefighter recovers to the extent that his disability allowance 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 firefighter'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. After both attainment of age 50 and completion of 20 years of service a full disability allowance will be paid if the firefighter recovers to the extent that his disability allowance would otherwise be terminated or reduced.
- c. After the completion of 20 years of service but prior to the attainment of age 50 the disability allowance may be terminated or reduced if the firefighter recovers in accordance with the terms of Section (C)(4) above. However, the firefighter will be entitled to receive a monthly benefit equal to the full disability benefit he was receiving prior to recovery, with payments beginning at the end of the month in which he attains age 50.

D. VESTED TERMINATION BENEFIT

1. If a firefighter has completed at least 20 years of service but has not attained the age of 50 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 50 in an amount equal to the retirement benefit in (B) above, determined as if he had retired on the day he terminated employment. This benefit is payable only to firefighters who terminate employment on or after January 21, 1987. To be entitled to receive this vested termination benefit, the firefighter is not required to make additional contributions between his date of termination of employment and the date he begins receiving benefits.
2. If a firefighter terminated employment before October 24, 1984, after having completed 20 years of service but prior to attaining age 50, he is entitled to the following benefit commencing at the end of the month in which he attains age 50:
 - a. a standard monthly benefit equal to 59.50% of his "Highest 60-Month Average Salary;"

plus

- b. an additional service benefit in an amount equal to \$45.00 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 completed in excess of whole years.

E. DEATH BENEFITS

- 1. The firefighter's spouse 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 firefighter's death occurred while he was an employee of the fire department, a standard death benefit equal to 38.33% of his "Highest 60-Month Average Salary;"
 - b. if the firefighter's death occurred after service retirement and service retirement was effective after January 21, 1987, a standard death benefit equal to 38.33% of his "Highest 60-Month Average Salary;"
 - c. if the firefighter's death occurred after disability retirement and disability retirement was effective after January 21, 1987, a standard death benefit equal to 38.33% of his "Highest 60-Month Average Salary;"

or

- d. if the firefighter's death occurred after termination of employment with 20 or more years of service and termination of employment was effective after January 21, 1987, a standard death benefit equal to 38.33% of his "Highest 60-Month Average Salary;"

plus

- e. an additional death benefit equal to two-thirds of any additional service benefit that the firefighter was receiving or was entitled to receive had he retired on his date of death.

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

- 2. Minimum Death Benefits - The spouse of a firefighter who was active in the department on October 24, 1984 will receive a minimum 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 firefighter's death occurred while he was an employee of the fire department, a standard death benefit equal to 39.67% of the average monthly salary determined over the 60 months immediately preceding October 24, 1984;
- b. if the firefighter's death occurred after service retirement and service retirement was effective after October 24, 1984, a standard death benefit equal to 39.67% of the average monthly salary determined over the 60 months immediately preceding October 24, 1984;
- c. if the firefighter's death occurred after disability retirement and disability retirement was effective after October 24, 1984, a standard death benefit equal to 39.67% of the average monthly salary determined over the 60 months preceding October 24, 1984;

or

- d. if the firefighter's death occurred after termination of employment with 20 or more years of service and termination of employment was effective after October 24, 1984, a standard death benefit equal to 39.67% of the average salary determined over the 60 months immediately preceding October 24, 1984;

plus

- e. an additional death benefit in an amount equal to \$30.00 per month for each year of service in excess of 20 years of service. A partial year of service will be given partial credit based on the number of months completed in excess of whole years. This benefit is applicable only to service accrued prior to October 24, 1984.

The exact minimum monthly benefit payable on behalf of each firefighter who is active on October 24, 1984 is listed in (I) below.

- 3. Except for those children's benefits listed in (F) below, the child's benefit payable upon the death of a firefighter who began receiving service or disability retirement benefits or who terminated employment with 20 or more years of service prior to January 21, 1987 is as follows:
 - a. each unmarried child will receive a monthly benefit of 7.53% of the firefighter's "Highest 60-Month Average Salary" until age 18;
 - b. if the spouse dies or remarries after being entitled to her allowance or if there is no spouse, each unmarried child will receive a monthly benefit of 15.06% of the firefighter's "Highest 60-Month Average Salary" until age 18.

4. The child's benefit payable upon the death of a firefighter who was employed in the department on January 21, 1987 or who enters the department after January 21, 1987 is as follows:

- a. each unmarried child will receive a monthly benefit of 7.67% of the firefighter's "Highest 60-Month Average Salary" until age 18;
- b. if the spouse dies or remarries after being entitled to her allowance or if there is no spouse each unmarried child will receive a monthly benefit of 15.34% of the firefighter's "Highest 60-Month Average Salary" until age 18.

The benefits described in (3) and (4) above are payable from age 18 to age 22 as long as the child remains a full-time student between these ages, or after age 17 and for as long as the child remains totally disabled if the child becomes totally disabled as a result of a physical or mental illness, injury or retardation.

For purposes of the benefits described in (3) and (4) above, a child shall be defined as the unmarried, dependent offspring, either natural-born or adopted, of a Lufkin firefighter.

5. If no spouse or child is entitled to a benefit under (1), (2), (3) or (4) above at the time of the firefighter's death, the amount the spouse would have received will be paid to the firefighter's dependent parents.
6. The sum of all benefits being paid or payable at any point in time shall not exceed:
 - a. for a retired firefighter, the amount of service or disability retirement benefit the firefighter was receiving;
 - b. for a firefighter who was not retired but was eligible for service retirement benefit at his time of death, the service retirement benefit the firefighter would have received had he retired on his date of death; and
 - c. for a firefighter who was not retired and was not eligible for service retirement at his time of death, the disability retirement benefit the firefighter would have received had he become disabled on his date of death.

If the sum of all benefits payable on behalf of the firefighter'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.

7. If no spouse, child or dependent parent is entitled to an allowance under (1), (2), (3), (4) or (5) above, an amount equal to the excess, if any, of the firefighter's own contributions (without interest) over the amount of payments which have been made to the firefighter will be paid to his estate.
8. If the firefighter's spouse remarries, no further payments will be made to his spouse 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 firefighter's own contributions (without interest) 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.
9. The spouses' benefits for firefighters who retired prior to January 21, 1987 have been determined and are listed in (F) below. The spouses' benefits have been increased in accordance with the increase granted to all retired firefighters and spouses receiving benefits on January 21, 1987.

F. INCREASED BENEFITS TO RETIRED FIREFIGHTERS AND SPOUSES

Those firefighters and spouses who began receiving benefits before January 21, 1987 and who are currently receiving benefits shall have their benefits increased to the amounts specified below with first increased benefits to be paid on February 1, 1987.

<u>Name</u>	<u>Current Monthly Benefit</u>	<u>Increased Monthly Benefit</u>	<u>Spouses' Monthly Death Benefit</u>
Charles L. Campbell	\$ 25.00	\$ 28.75	\$ 19.16
Grady Campbell	25.00	28.75	19.16
John D. Clark	996.50	1,145.98	764.05
Mary Gordon	16.66	19.16	N/A
Gerry Haverland	789.57	908.01	605.38

Thetus J. Hawkins	\$ 16.66	\$ 19.16	\$ N/A
Helen Herrington	16.66	19.16	N/A
J. V. Lazarine	728.27	837.51	558.34
Ora Lee McPherson	273.33	314.33	N/A
John E. Pyle	210.00	241.50	161.00
Jewel E. Rogers	848.18	975.41	650.27
K. D. Russell	828.06	952.27	634.90
Henry D. Selman	25.00	28.75	19.16
Cleo Shotwell	90.39	103.95	N/A
Annie Steenson	16.66	19.16	N/A

The spouse is entitled to receive this death benefit only if she was married to the firefighter prior to his date of retirement.

G. RETURN OF FIREFIGHTER'S OWN CONTRIBUTIONS

If a firefighter 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 has previously received from the fund. A firefighter who retires or whose service is terminated may elect to receive, at the time of his retirement or termination, the excess of his own 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 accumulated on account of the firefighter's contributions.

H. CONTRIBUTIONS

1. Each Lufkin firefighter will make contributions of 9.00% of his total pay (including regular, longevity and overtime pay and excluding lump sum distributions for unused sick leave or vacation).
2. The City of Lufkin will make contributions of 9.00% of each firefighter's total pay (including regular, longevity and overtime pay and excluding lump sum distributions for unused sick leave or vacation).

I. MINIMUM BENEFITS

The following are minimum benefits applicable for service retirement, disability and death, respectively. The minimums for service retirement and disability retirement are identical.

<u>Name</u>	<u>Minimum Service and Disability Retirement Benefit</u>	<u>Minimum Death Benefit</u>
Allen, Billy D.	\$ 758.26	\$ 505.55
Rasham, Bobby Joe	1,148.30	765.60
Brazeil, Thomas F. Jr.	830.05	553.42
Brown, Jeffrey K.	786.33	524.26
Brown, Murry B.	1,068.35	712.29
Carrell, Roy E.	1,517.19	1,011.53
Carrington, Thomas A.	746.45	497.67
Chastain, Owen T.	768.27	512.22
Clark, John D.	897.15	598.15
Corley, Wade	724.64	483.13
Daniels, Paul H.	883.82	589.26
Dunman, David A.	1,382.31	921.60
Dunn, J. L.	892.39	594.97
Farmer, George C.	761.09	507.43
Gibson, Michael L.	1,012.23	674.88
Grumbles, Charlie E.	763.47	509.03
Halsell, Joe C.	780.90	520.64
Harris, Leonard W.	933.95	622.69
Havard, Lewis C.	929.23	619.54
Haygood, O. T. Jr.	836.27	557.56
Hendrickson, Steve	726.19	484.17
Hilliard, Carroll	762.09	508.10
Hines, Roy Lee	936.65	624.49
Holst, Grover E.	1,027.48	685.05
Howland, C. Stephen	880.21	586.85
Jackson, William E.	758.33	505.60
Jones, William C.	864.02	576.06
Leftwich, James T.	799.60	533.11
Lewis, Randy	725.69	483.84
Lovett, Gerald R.	923.77	615.90
Madden, James A.	942.59	628.45
Mayfield, Colin D.	1,055.57	703.77
Mott, James E.	1,392.41	928.33
Mullins, John E.	900.72	600.53
Nelson, Robert G.	773.25	515.54
Nichols, Douglas L.	919.11	612.79
Norton, Dennis B.	1,088.95	726.02
Parker, Joseph G.	757.24	504.87
Puryear, Buel W.	1,336.47	891.04
Reynolds, James R.	1,049.53	699.74

Saxton, Robert R.	\$ 896.15	\$ 597.48
Segrest, Charles D.	955.66	637.16
Selman, Charles D.	1,446.74	964.56
Smith, Garland J.	761.57	507.76
Stephens, Billy A.	1,823.45	1,215.71
Strickland, James H.	756.20	504.18
Thompson, C. C.	749.49	499.70
Tucker, I. J.	743.74	495.87
Vardeman, Danny R.	778.06	518.75
Verner, Gerald. E.	982.10	654.79
Ward, Emmett M.	786.27	524.23
Wilkerson, William D.	806.96	538.02
Williams, Elmo H.	1,327.10	884.79
Williams, Mark E.	801.23	534.20
Wilson, C. W.	719.75	479.87
Womack, Donald R.	860.82	573.93
Wright, Steven A.	833.49	555.71
Wynne, Travis E.	974.88	649.97

J. These changes will become effective January 21, 1987 (except for the retiree increases in (F) above).

Board of Trustees
Lufkin Firemen's Relief and
Retirement Fund