

**Travis County Emergency Services District No. 6
Firefighters' Relief and Retirement Fund**

Amended and Restated—Effective February 20, 2023

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT NO. 6 FIREFIGHTERS' RELIEF AND RETIREMENT FUND

WHEREAS, the Travis County Emergency Services District No. 6 Firefighters' Relief and Retirement Fund (the "Fund" or "Plan") was established for the benefit of the firefighters employed by the Travis County Emergency Services District No. 6 (the "District") and their beneficiaries in order to provide them with certain retirement, disability and survivor benefits, originally effective March 1, 2008, pursuant to the Texas Local Fire Fighter's Retirement Act (the "Act"), and as most recently restated February 17, 2022;

WHEREAS, the Board of Trustees of the Fund (the "Board") desires to restate the terms of the Fund to (1) reduce the minimum age requirement for a Normal Retirement Benefit from age 53 to age 52 and make conforming changes to other types of benefits provided under the Plan, (2) reduce the period for determining the Highest Average Monthly Pay from sixty (60) months to forty-eight (48) months, (3) make conforming changes to the terms of the DROP as a result of the lower normal retirement age specified under (1) above, and (4) update the Plan document for recent changes in applicable law and other clerical changes;

WHEREAS, Section 7.1 of the Plan Document (as defined below) provides that the Board may amend the terms of the Fund and the Plan Document in accordance with Section 7 of the Act;

WHEREAS, pursuant to Section 7(b) of the Act, (1) the Fund's actuary has approved the changes reflected in this restatement, and (2) a majority of the participating members of the Fund have approved the changes reflected in this restatement through an election held from February 16, 2023 to February 20, 2023, by secret ballot in which at least 50% of the participating members of the Fund did vote; and

WHEREAS, the Board approved the changes, at its meeting of February 16, 2023, to be effective immediately, contingent on the results of the member vote.

NOW, THEREFORE, effective February 20, 2023, except as otherwise provided herein, the terms of the Fund and this Plan Document are hereby amended and restated in their entirety as follows:

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Article I. Purpose

The Travis County Emergency Services District No. 6 Firefighters' Relief and Retirement Fund (the "Fund") and associated trust was established, originally effective March 1, 2008, pursuant to Section 3(e) and Section 4 of the Texas Local Fire Fighter's Retirement Act (Article 6243e, Vernon's Texas Civil Statutes, as amended) for the purpose of providing firefighters employed by the Travis County Emergency Services District No. 6 (the "District") and their beneficiaries with certain retirement, disability, and survivor benefits. All assets contributed to the Fund will be held in trust, separate from the assets of the District, and maintained and administered by the Board of Trustees of the Fund (the "Board") for the exclusive purpose and benefit of all members, retirees, and beneficiaries of the Fund. The Fund is a defined benefit plan that is intended to be qualified under Section 401(a) of the Code, with an associated trust exempt from federal income taxes under Section 501(a) of the Code.

The Fund is most recently amended and restated, effective February 20, 2023, except as otherwise provided herein.

Article II. General Provisions

Sec. 2.1. Definitions

"Act" means the Texas Local Fire Fighter's Retirement Act (Article 6243e, Vernon's Texas Civil Statutes, as amended).

"Benefit" means a Normal Retirement Benefit, Partial Retirement Benefit, Disability Retirement Benefit, and/or Death Benefit, as applicable.

"Board" means the Board of Trustees of the Fund.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Compensation" shall mean all wages, within the meaning of Code Section 3401(a), and all other compensation for which the District is required to furnish an Employee a written statement (i.e. a Form W-2) under Code Sections 6041(d), 6051(a)(3), and 6052, including, without limitation, wages for standard overtime pay earned by firefighters employed by the District, but excluding: (1) lump sum payments upon termination of employment for unused sick and vacation pay, (2) payments in addition to an Employee's base pay that are due to overtime other than standard overtime pay and "step-up" service, and (3) incentive pay provided to an Employee as a result of a certain degree status or classification. Payments for "step-up" service are payments in addition to an Employee's base pay for a period of temporary service during which the Employee is performing duties of a higher classification than the Employee's standard classification at the time of such service. For purposes of the Fund, "standard overtime pay" is the nine (9) hours of overtime for each twenty-one (21) day work period that is regularly scheduled for firefighters who are actively on duty, as determined by the Fire Department. "Compensation" shall also include any amounts not included as Compensation as described above due to the fact that such amounts were subject to

compensation reduction elections under Sections 125, 132(f), 401(k), 403(b), and or 457(b) of the Code.

“Credited Service” shall mean service credited under the Fund pursuant to Section 5.2(a) of the Plan Document.

“Death Benefit” means the benefit described in Section 6.5 of the Plan Document.

“Dependent Child or Children” means a child (including an adopted child) of a Member or Retiree who is (1) under the age of 18 or (2) under the age of 25 and a full-time student. The determination as to whether an individual is a “full-time student” shall be at the sole and absolute discretion of the Board. Any payment due to a Dependent Child shall be made to the legal guardian of such Dependent Child, subject to and accordance with applicable law, or, if properly designated in writing in accordance with the procedures required by the Fund, a Qualifying Trust.

“Disability Retirement Benefit” means the benefit described in Section 6.4 of the Plan Document.

“District” shall mean the Travis County Emergency Services District No. 6.

“DROP” shall mean the Deferred Retirement Option Program described in Section 6.2 of the Plan Document and may either be a One-Year DROP, Two-Year DROP or a Three-Year DROP, as elected by the Member.

“DROP Account” shall mean the bookkeeping account established for a Member who elects to participate in the DROP to which amounts are credited as described in Section 6.2(c)(3) of the Plan Document.

“DROP Date” shall mean the date that is: (1) in the case of a Member who elects to participate in the One-Year DROP, up to 12 months prior to the date upon which the Member retires from service with the Fire Department, (2) in the case of a Member who elects to participate in the Two-Year DROP, up to 24 months prior to the date upon which a Member retires from service with the Fire Department or (3) in the case of a Member who elects to participate in the Three-Year DROP, up to 36 months prior to the date upon which a Member retires from service with the Fire Department.

“Eligible Beneficiary” means a Surviving Spouse or, if no Surviving Spouse exists on the date of death of a Member or Retiree, any Dependent Child or Children. If more than one Dependent Child exists on the date of death of a Member or Retiree, any Benefit payable or withdrawal of accumulated contributions shall be split equally among such Dependent Children. In the event that an individual who is a Dependent Child as of a given date of death subsequently loses his or her status as a Dependent Child, such individual shall no longer be entitled to a Benefit under the Fund, and any remaining Dependent Child or Children will be entitled to such individual’s Benefit, to be split equally in the event more than one Dependent Child exists on the date the individual loses such status as a Dependent Child.

“Employee” shall mean a full-time employee of the District who is an active firefighter or regularly performs firefighter-related services for the Fire Department as determined under Section 2(2) of the Act.

“Fire Department” shall mean the fire department of the District.

“Fund” shall mean the Travis County Emergency Services District No. 6 Firefighters’ Relief and Retirement Fund.

“Highest Average Monthly Pay” means the monthly average of Compensation of a Member based on the forty-eight (48) consecutive months of service with the Fire Department which yields the highest such monthly average.

“Member” means an individual eligible to participate in the Fund pursuant to Section 5.1.

“Normal Retirement Benefit” means the benefit described in Section 6.1 of the Plan Document.

“One-Year DROP” means the DROP described under Section 6.2(b)(1) which provides for a maximum DROP accumulation period of twelve (12) months.

“Partial Retirement Benefit” shall mean the benefit provided in Section 6.3 of the Plan Document.

“Plan Document” means this document, as it may be amended from time to time.

“Qualified Domestic Relations Order” has the meaning provided by Section 804.001(4) of the Texas Government Code.

“Qualifying Trust” means a trust established under applicable state law for the sole benefit of a Dependent Child that a Member or Retiree designates as the recipient of the payment of any Benefit payable from the Fund to a Dependent Child. A trust having multiple beneficiaries will not be a Qualifying Trust.

“Surviving Spouse” means an individual who is the spouse of a Member or Retiree through a formal marriage recognized by the State of Texas and who is married to a Member or Retiree on the date of death and remains unmarried following such date of death.

“Retiree” means Member who is currently receiving a Normal Retirement Benefit, Partial Retirement Benefit, or Disability Retirement Benefit under the Fund.

“RMD Age” means the applicable age triggering required minimum distributions as provided under Code Section 401(a)(9), as it may be amended from time to time.

“Three-Year DROP” means the DROP described under Section 6.2(b)(3) which provides for a maximum DROP accumulation period of thirty-six (36) months.

“Two-Year DROP” means the DROP described under Section 6.2(b)(2) which provides for a maximum DROP accumulation period of twenty-four (24) months.

Sec. 2.2. Actuarial Assumptions

If the amount of any Benefit is to be determined on the basis of actuarial assumptions that are not otherwise specifically set forth for that purpose in the Act or this Plan Document, the actuarial assumptions to be used are those earnings and mortality assumptions being used on the date of the determination by the Fund’s actuary and approved by the Board. The actuarial assumptions being used at any particular time shall be attached as an addendum to a copy of this Plan Document and treated for all purposes as a part of this Plan Document. The actuarial assumptions may be changed by the Board pursuant to Section 7.1 if approved by the Fund’s actuary, but a change in actuarial assumptions may not result in any decrease in Benefits accrued as of the effective date of the change.

Sec. 2.3. Incorporation of the Act

The Act is part of and hereby incorporated into this Plan Document. To the extent any provision of this Plan Document conflicts with the terms of the Act, other than as otherwise permitted under the terms of the Act or with respect to a defined term, the provision of the Act shall control.

Sec. 2.4. Number and Gender

Wherever appropriate in this Plan Document, words used in the singular will be considered to include the plural, and words used in the plural will be considered to include the singular. The masculine gender, where appearing in the Plan Document, will be deemed to include the feminine gender where appropriate, and vice versa.

Sec. 2.5. Section References

Any section reference used in this Plan Document shall refer to the applicable section of this Plan Document, unless otherwise indicated.

Article III. Administration

Sec. 3.1. Board of Trustees

(a) Composition. The composition of the Board, and the selection of individuals to serve on the Board, shall be in accordance with Section 19 of the Act.

(b) Powers and Duties. The Board shall have the power and duties set forth in Section 18 of the Act and shall have all other powers and duties necessary to effectuate the purpose and administration of the Fund to the extent consistent with the Act and applicable law.

Sec. 3.2. Professional Consultants and Advisors

In accordance with the applicable provisions of the Act, the Fund may hire an attorney (Section 22A of the Act), an actuary (Section 23 of the Act), a certified public accountant (Section 24 of the Act), a custodian (Section 18(f) of the Act) and an investment manager (Section 28 of the Act) or any other consultant or advisor that it deems prudent to hire in assistance with the administration of the Fund.

Sec. 3.3. Payment of Administrative and Professional Services Fees and Expenses

The Fund shall only incur and pay administrative and professional fees and expenses that are reasonable and necessary to the administration and operations of the Fund and otherwise in accordance with Section 25 of the Act.

Article IV. Contributions

Sec. 4.1. Contributions Held in Trust

All assets contributed to the Fund will be held in trust, separate from the assets of the District, and maintained and administered by the Board for the exclusive purpose and benefit of all Members, Retirees, and beneficiaries of the Fund. At no time before the termination of the Fund and the satisfaction of all liabilities with respect to Members, Retirees and their beneficiaries shall any part of the principal or interest of the assets of the Fund be used for or diverted to purposes other than the exclusive benefit of Members, Retirees and their beneficiaries.

Sec. 4.2. Member Contributions

The required contribution rate for each Member of the Fund who is a current Employee shall be twenty percent (20.0%) of a Member's Compensation.

Sec. 4.3. Refund of Member Contributions

(a) If a Member terminates service with the District and is not entitled to a Benefit, the Member may withdraw all of his accumulated contributions made to the Fund pursuant to Section 4.2, without any adjustment for interest or other investment performance. No partial withdrawal of Member contributions is permitted. A Member who withdraws his accumulated contributions shall forfeit all Credited Service and participation in the Fund relating to such contributions, and to the extent such Member subsequently becomes eligible for a Benefit, the Member shall not be entitled to the portion of the Benefit relating to the withdrawn contributions, unless such Member has repurchased the forfeited Credited Service in accordance with Section 5.2(c).

(b) If a Member who is eligible for a refund of Member contributions pursuant to Section 4.3(a) dies prior to withdrawing such accumulated contributions, the Member's Eligible Beneficiary, or the Member's estate if there is no Eligible Beneficiary, shall be entitled to withdraw such contributions.

Sec. 4.4. District Contributions

The District is required to make contributions to the Fund on a payroll basis at a contribution rate equal to the Member's contribution rate in effect pursuant to Section 4.2, but not to exceed nineteen and two-tenths percent (19.2%) of the Compensation of all Members who are required to make a contribution pursuant to Section 4.2. Notwithstanding the above, the District may make additional contributions to the Fund in whatever amount the District may determine in its sole discretion.

Sec. 4.5. Investment of Assets

Assets of the Fund shall be invested in accordance with Section 27 of the Act.

Article V. Membership

Sec. 5.1. Eligibility for Membership in Fund

An individual who is an Employee shall become a Member if the individual is younger than 36 years old on the date that the individual begins employment with the Fire Department. An individual who is an Employee is eligible to be a Member if the individual is older than 36 years old on the date that the individual begins employment with the Fire Department only if (1) the individual first became a firefighter at an age younger than 36, (2) the Board through order authorizes membership in the Fund for such individual and (3) the individual affirmatively elects to be a Member and passes the physical examination as provided in Section 9(e) of the Act. A Member who first became a firefighter after the age of 36 is not eligible for membership in the Fund.

Sec. 5.2. Service Credit

(a) A Member who is an Employee shall receive Credited Service under the Fund for service for which the Member makes a contribution pursuant to Section 4.2 in accordance with Section 10(a) of the Act, calculated in years and completed months. For purposes of clarity, Credited Service will not be granted for any month during which a Member does not make a contribution to the Fund, including, without limitation, a month during which a Member is on an unpaid leave of absence from the Fire Department.

(b) Notwithstanding Section 5.2(a), each Member who is an active Employee as of November 1, 2008, shall receive Credited Service under the Fund for each month of service as an Employee with the Fire Department that was performed prior to March 1, 2008. The requirements for the purchase of Credited Service pursuant to Section 5.2(c) shall not apply to the Credited Service acquired pursuant to this Section 5.2(b).

(c) A Member who was previously employed by the Fire Department and forfeited Credited Service under the Fund through the withdrawal of accumulated Member contributions pursuant to Section 4.3 may re-purchase the Credited Service previously forfeited pursuant to the requirements of Section 11 of the Act upon re-employment with the Fire Department and accompanying membership in the Fund, but only if (1) the Member is re-employed by the Fire Department within five years of the

date of termination of employment with the Fire Department in connection with which the Member withdrew his contributions and (2) such repurchase occurs within two years of the date of such re-employment by the Fire Department.

(d) A Member who has service with another fire department subject to the Act prior to the date such Member first becomes an Employee with the Fire Department, including a Member who was older than age 36 when such individual joined the Fire Department, but otherwise became a Member as provided in Section 5.1 above, may purchase Credited Service for prior service with another fire department pursuant to the requirements of Section 11 of the Act, but only if such purchase occurs within two years of the date of employment by the Fire Department and accompanying membership in the Fund.

(e) Credit for service during leaves of absence for military service shall be made in accordance with Section 10(c) of the Act and Section 8.4 of this Plan Document, and otherwise consistent with the requirements of the Uniformed Services Employment and Re-employment Rights Act of 1994, as amended (“USERRA”). The impact of a leave of absence other than for military service on Credited Service shall be in accordance with Section 10(d) of the Act.

Article VI. Benefits

Sec. 6.1. Normal Retirement Benefit

(a) Eligibility. A Member who has been credited with 20 years of Credited Service as provided in Section 5.2 is eligible to receive a Normal Retirement Benefit upon the later to occur of: (1) the Member’s termination of service with the Fire Department or (2) the attainment of age 52.

(b) Amount of Benefit. The amount of the Normal Retirement Benefit under the Fund is a monthly payment equal to the following, calculated as of the date that the Member is entitled to receive the Normal Retirement Benefit:

Credited Service up to 20 years X Highest Average Monthly Pay X 3.4%

plus

Credited Service in excess of 20 years and up to 30 years X Highest Average Monthly Pay X 2.2%

plus

Credited Service in excess of 30 years X Highest Average Monthly Pay X 1.0%.

(c) Death of Retiree or Member.

(1) Upon the death of a Retiree who is receiving monthly payments of the Normal Retirement Benefit at the time of death, the Retiree’s Eligible

Beneficiary (if any) shall be eligible to receive a reduced Normal Retirement Benefit in an amount equal to two-thirds of the amount of the Member's monthly Normal Retirement Benefit payment as calculated in Section 6.1(b) beginning the first day of the month following the month in which the Member dies.

(2) Upon the death of a Member who is eligible for the Normal Retirement Benefit at the time of death and had attained age 52 at the time of death, the Member's Eligible Beneficiary (if any) shall be eligible to receive a reduced Normal Retirement Benefit in an amount equal to two-thirds of the amount of the Member's monthly Normal Retirement Benefit payment as calculated in Section 6.1(b) beginning the first day of the month following the month in which the Member dies.

(3) Upon the death of a Member who would be eligible for the Normal Retirement Benefit at the time of death, but for the fact that the Member had not attained age 52, the Member's Eligible Beneficiary (if any) shall be eligible to receive a reduced Normal Retirement Benefit in an amount equal to two-thirds of the amount of the Member's monthly Normal Retirement Benefit payment as calculated in Section 6.1(b) beginning the first day of the month following the month in which the Member would have attained age 52. Prior to the date upon which the Eligible Beneficiary would be eligible to receive a Benefit under this Section 6.1(c)(3), the Eligible Beneficiary will be entitled to a Death Benefit pursuant to Section 6.5.

(4) Any benefit being paid to an individual pursuant to this Section 6.1(c) shall cease upon the death of the individual or the date on which the individual is no longer an Eligible Beneficiary, whichever occurs first.

Sec. 6.2. Deferred Retirement Option Program

(a) Alternate Form of Benefit. The Member may elect, at the time of retirement, to have his retirement benefit calculated under, and distributed in the form of benefit provided under, the DROP as set forth in this Section 6.2 as an alternate to Section 6.1. To the extent a Member satisfies the eligibility requirements set forth in Section 6.2(b) below, as applicable, a Member may elect a One-Year DROP, a Two-Year DROP or a Three-Year DROP.

(b) Eligibility for the DROP.

(1) One-Year DROP. A Member will be eligible to elect to receive his retirement benefit under the One-Year DROP if his retirement occurs on or after the date he has met both of the following requirements: (i) attainment of age fifty-two (52); and (ii) completion of twenty (20) years of Credited Service.

(2) Two-Year DROP. A Member will be eligible to elect to receive his retirement benefit under the Two-Year DROP if his retirement occurs on or after the date he has met both of the following requirements: (i) attainment of age fifty-three (53); and (ii) completion of twenty (20) years of Credited Service.

(3) Three-Year DROP. A Member will be eligible to elect to receive his retirement benefit under the Three-Year DROP if his retirement occurs on or after the date he has met both of the following requirements: (i) attainment of age fifty-five (55); and (ii) completion of twenty-two (22) years of Credited Service.

(c) The DROP Benefit.

(1) Under the DROP, the eligible Member may elect to have his retirement benefit provided as (i) a monthly benefit, calculated as if he had retired on his DROP Date and (ii) an amount available through a DROP Account. Under no circumstances may an election to receive benefits under the DROP be revoked once distribution of the monthly benefit under the DROP or all or a portion of the DROP Account has commenced.

(2) The monthly benefit of a Member who elects to receive his retirement benefit under the DROP will be based on his Highest Average Monthly Pay and Credited Service as of his DROP Date and calculated utilizing the Normal Retirement Benefit formula under the Plan Document in effect on his DROP Date.

(3) In addition to his monthly benefit, a Member who retires under the DROP will be eligible to receive as part of his retirement benefit, a payment equal to the Member's DROP Account. Upon the Member's election of the DROP, the DROP Account will be established in the Member's name and credited with the sum of:

(i) The Member's monthly benefit under the DROP calculated as of his DROP Date as described in Section 6.2(c)(2), *multiplied* by the number of full months between the DROP Date and the Member's actual date of retirement from the Fire Department (such period may not exceed 12 months for a One-Year DROP, 24 months for a Two-Year DROP or 36 months for a Three-Year DROP); and

(ii) The amount of contributions that the Member made to the Fund pursuant to Section 4.2 between his DROP Date and his actual date of retirement from the Fire Department.

(d) Distribution of DROP Account.

(1) The Member's DROP Account may be distributed at any time after the Member retires in the form of (i) a single lump-sum payment; (ii) installments; or (iii) any other form that is elected by the Member and approved by the Board, provided that the method of distribution satisfies the requires of Code Section 401(a)(9). Notwithstanding the previous sentence, if a Member has not received a lump-sum distribution of his DROP Account prior to reaching the RMD Age, or a Member who elected to receive the distribution of

his DROP Account in installment payments has not received the full balance of his DROP Account prior to reaching the RMD Age, the remaining balance of the Member's DROP Account will be distributed in a manner that satisfies the requirements of Code Section 401(a)(9).

(2) If a Member dies prior to receiving the entire balance of his DROP Account, the Member's Eligible Beneficiary, or the Member's estate if there is no Eligible Beneficiary, may receive a distribution of the Member's remaining DROP Account in accordance with this Section 6.2(d); provided, however, such distribution will be performed in a manner that satisfies the requirements of Code Section 401(a)(9).

(e) No Crediting or Accrual of Interest. The initial calculation of a Member's DROP Account will not include a crediting of interest for the period between the DROP Date and the Member's actual date of retirement, and the DROP Account will not accrue or be credited with interest at any time, even if the distribution of the DROP Account does not occur immediately after the Member retires and amounts in the DROP Account remain in the Fund.

Sec. 6.3. Partial Retirement Benefit

(a) Eligibility. A Member who has been credited with at least 10 years of Credited Service and has terminated employment with the Fire Department is eligible to receive a Partial Retirement Benefit upon the later to occur of: (1) the date upon which the Member would have been credited with 20 years of Credited Service under the Fund if the Member would have remained in continuous employment with the Fire Department since the date of such Member's most recent termination of employment with the Fire Department or (2) the attainment of age 52.

(b) Amount of Benefit. The amount of the Partial Retirement Benefit under the Fund is a monthly payment equal to the following, calculated as of the date that the Member is entitled to receive the Partial Retirement Benefit:

Credited Service up to 20 years X Highest Average Monthly Pay X 3.4%

plus

Credited Service in excess of 20 years and up to 30 years X Highest Average Monthly Pay X 2.2%

plus

Credited Service in excess of 30 years X Highest Average Monthly Pay X 1.0%.

(c) Death of Retiree or Member.

(1) Upon the death of a Retiree who is receiving monthly payments of the Partial Retirement Benefit at the time of death, the Retiree's Eligible

Beneficiary (if any) shall be eligible to receive a reduced Partial Retirement Benefit in an amount equal to two-thirds of the amount of the Member's monthly Partial Retirement Benefit payment as calculated in Section 6.3(b) beginning the first day of the month following the month in which the Member dies.

(2) Upon the death of a Member who has been credited with at least 10 years of Credited Service and would have been eligible for the Partial Retirement Benefit upon the later of the dates set forth in Section 6.3(a), the Member's Eligible Beneficiary (if any) shall be eligible to receive a reduced Partial Retirement Benefit in an amount equal to two-thirds of the amount of the Member's monthly Partial Retirement Benefit payment as calculated in Section 6.3(b) beginning the first day of the month following the month in which the Member would have been eligible to receive the Partial Retirement Benefit. Prior to the date upon which the Eligible Beneficiary would be eligible to receive a benefit under this Section 6.3(c)(2), the Eligible Beneficiary will be entitled to a Death Benefit pursuant to Section 6.5.

(3) Any benefit being paid to an individual pursuant to this Section 6.3(c) shall cease upon the death of the individual or the date on which the individual is no longer an Eligible Beneficiary, whichever occurs first.

Sec. 6.4. Disability Retirement Benefits

(a) Eligibility for a Disability Retirement Benefit: An active Member will qualify for a Disability Retirement Benefit if, prior to satisfying the requirements for a Normal Service Retirement, the Member is unable, as a result of a physical or mental condition (and whether or not such condition arose in the course of performing duties for the Fire Department), to perform the duties of (1) his present position with the Fire Department or (2) a position offered to him in the Fire Department providing the Member with pay that is greater than or equal to the pay the disabled Member would have received in his present position with the Fire Department.

(b) Commencement of a Disability Retirement Benefit: The Disability Retirement Benefit will commence after (1) the Member has ceased receiving any Compensation or any vacation pay from the District, and (2) the Board has determined that the Member satisfies the eligibility requirements set forth in Section 6.4(a). In the process of making its determination, the Board may require that the Member provide proof of his eligibility or submit to being evaluated by a physician or other professional who is licensed in the field of practice relevant to the disability as selected by the Board. Once a Disability Retirement Benefit has commenced, such benefits will continue for two and ½ years and will terminate at such time unless the Member has applied for the continuance of such benefits in accordance with Section 6.4(d)(2) below.

(c) Amount of the Disability Retirement Benefit: The Member's Disability Retirement Benefit under the Fund is a monthly payment equal to the following, calculated as of the date that the Member is entitled to receive the Disability Retirement Benefit, but utilizing no less than twenty (20) years of Credited Service:

Credited Service of 20 years X Highest Average Monthly Pay X 3.4%

plus

Credited Service in excess of 20 years and up to 30 years X Highest Average Monthly Pay X 2.2%

plus

Credited Service in excess of 30 years X Highest Average Monthly Pay X 1.0%.

(d) Termination, Continuance, or Reinstatement of a Disability Retirement Benefit: The Board shall have the power to continue, terminate, or reinstate a Member's Disability Retirement Benefit as follows:

(1) During the first two and one-half (2-1/2) years in which a Disability Retirement Benefit is paid, the Board may periodically review the situation of the disabled Member to determine the status of his disability. The Board may terminate the Member's Benefit during such period if the Board determines that the Member is able to perform the duties of (i) his position with the Fire Department that he held immediately prior to becoming disabled or (ii) a position offered to him in the Fire Department providing the Member with pay that is greater than or equal to the pay the disabled Member would have received in his position with the Fire Department that he held immediately prior to becoming disabled, including the duties of any position the Member has been offered in the Fire Department pursuant to the Americans with Disabilities Act.

(2) After the Member has received a Disability Retirement Benefit from the Fund for two and one-half (2-1/2) years, the Member must affirmatively apply for a continuation of the Disability Retirement Benefit each year in the manner and in the form determined by the Board. Such application by the Member must be submitted to the Board at least one hundred-twenty (120) days prior to the date on which the Member desires the continuation of the Disability Retirement Benefit to take effect and must include, at a minimum, (i) a true and correct copy of the Member's most recently filed federal income tax return and (ii) proof of current employment, if any. Upon receiving a completed application from the Member, (i) the Board shall continue the Member's Disability Retirement Benefit at the same amount if the Board determines that the Member is unable to perform the duties of any occupation for which he is reasonably suited by education, training, or experience or (ii) the Board may, at its sole discretion, continue all or a portion of the Member's Disability Retirement Benefit if the Board determines that, although the Member is able to perform the duties of any occupation for which he is reasonably suited by education, training, or experience, he would be unable to earn at least as much money in his new occupation as he would have earned in the position at the Fire Department that he held immediately prior to becoming disabled. In any event, any benefit being

paid to a Member pursuant to this Section 6.4 shall cease upon the death of the Member.

(3) The Board shall have the power to reinstate, on a prospective basis only, any Disability Retirement Benefit which has been previously terminated or reduced, provided the Member completes an application for continuance of benefits and otherwise satisfies the eligibility requirements for such continuance as set forth in Section 6.4(d)(2).

(4) The Board may, within its sole discretion, modify or waive the requirement under Section 6.4(d)(2) that a Member affirmatively apply for a continuation of the Disability Retirement Benefit each year, provided, that such requirement shall automatically cease on the date upon which the Member would have been eligible for a Normal Retirement Benefit if the Member would have remained in continuous employment with the Fire Department since the date the Member's Disability Retirement Benefit commenced.

(e) Death of Retiree or Member.

(1) Upon the death of a Retiree who is receiving monthly payments of the Disability Retirement Benefit at the time of death, the Retiree's Eligible Beneficiary (if any) shall be eligible to receive a reduced Disability Retirement Benefit in an amount equal to two-thirds of the amount of the Member's monthly Disability Retirement Benefit payment as calculated in Section 6.4(c) beginning the first day of the month following the month in which the Member dies.

(2) Any benefit being paid to an individual pursuant to this Section 6.4(e) shall cease upon the death of the individual or the date on which the individual is no longer an Eligible Beneficiary, whichever occurs first.

Sec. 6.5. Death Benefits

(a) Eligibility. In the event of the death of a Member while an active Employee of the Fire Department, the Member's Eligible Beneficiary (if any) will be eligible for a monthly benefit as provided in this Section 6.5, except that no Death Benefit shall be payable pursuant to this Section 6.5 in the event that an Eligible Beneficiary of a deceased Member or Retiree (as applicable) is eligible to receive a Benefit pursuant to Sections 6.1, 6.2, 6.3, or 6.4, upon the death of the Member or Retiree, in which case the provisions of those sections will apply to any Benefit due to an Eligible Beneficiary. The death of a Member does not have to occur while in the performance of duties as a firefighter for an Eligible Beneficiary to be eligible for a Death Benefit.

(b) Death Benefit for Surviving Spouse. In the event of the death of an active Member, a Surviving Spouse who is eligible for a Death Benefit under this Section 6.5 shall receive a monthly benefit calculated as of the Member's date of death in accordance with the following formula, provided that the Credited Service utilized in applying such

formula shall not be less than twenty (20) years, whether or not the Member had twenty years of Credited Service as of his date of death:

Credited Service of 20 years X Highest Average Monthly Pay X 2.267%

plus

Credited Service in excess of 20 years and up to 30 years X Highest Average Monthly Pay X 1.47%

plus

Credited Service in excess of 30 years X Highest Average Monthly Pay X 0.667%.

The Death Benefit payable to an individual who is a Surviving Spouse shall continue until the earliest of (1) the date such individual no longer qualifies as a Surviving Spouse or (2) the date of death of the Surviving Spouse.

(c) Death Benefit for Dependent Child. In the event of the death of an active Member, a Dependent Child who is eligible for a Death Benefit under this Section 6.5 shall receive a monthly benefit equal to (1) if the Member has a Surviving Spouse, 7.47% of a Member's Highest Average Monthly Pay as of the Member's date of death or (2) if the Member has no Surviving Spouse or if the Member's Surviving Spouse dies prior to the date the Dependent Child no longer qualifies as a Dependent Child, the Death Benefit for the Surviving Spouse as determined under Section 6.5(b) above. The Death Benefit payable to an individual who is a Dependent Child shall continue until the earliest of (1) the date such individual no longer qualifies as a Dependent Child or (2) the date of death of the Dependent Child.

Sec. 6.6. Vested Rights of Members

(a) A Member shall be vested in all Member contributions made pursuant to Section 4.2 at the time of such contribution.

(b) A Member shall be and remain unvested in any accrued Normal Retirement Benefit and any accrued Partial Retirement Benefit until such time that the Member has satisfied the applicable service requirements set forth in Sections 6.1(a) or 6.3(a) respectively.

(c) A Member shall remain unvested in his Disability Retirement Benefit under the Fund until such time as the Member has been determined to be disabled by the Board in accordance with the Act, and a Member or his Eligible Beneficiary shall remain unvested in any Death Benefit until the death of a Member.

(d) Upon the termination of service with the Fire Department by the Member, any unvested Benefit shall be forfeited. In addition, a Member shall forfeit any Normal Retirement Benefit or Partial Retirement Benefit in the event such Member terminates service prior to satisfying the applicable service requirement and withdraws all

accumulated contributions pursuant to Section 4.3 subsequent to satisfying the service requirement, but prior to satisfying the age requirement.

Sec. 6.7. Distribution of Benefits

Distribution of benefits provided under the Fund will be subject to the completion and submission of an application for Benefits to the Fund and administrative procedures established by the Fund for the provision of Benefits. In accordance with Section 402(l)(2) of the Code and Section 328 of the SECURE 2.0 Act of 2022, an eligible Member may elect for a portion of Benefit distributions to be paid to an eligible health insurance provider for insurance premiums that provide health coverage for such Member and his or her spouse and dependents and have such amounts excluded from gross income up to \$3,000 or other limit established under federal law. Any program implementing a direct payment to an eligible health insurance provider will be approved at the sole discretion of the Board and be in accordance with applicable federal law.

Article VII. Amendment and Termination of Fund

Sec. 7.1. Amendment

The terms of the Fund and this Plan Document may be amended in accordance with Section 7 of the Act.

Sec. 7.2. Termination

This Fund may only be terminated in accordance with the Act. In accordance with Section 8.1(e), the retirement benefit earned by a Member shall become nonforfeitable upon a termination of the Fund. Upon a termination of the Fund, each Member shall be entitled to a distribution that is no less than the greater of (a) the present value of the Member's accrued monthly Normal Retirement Benefit, calculated using the Fund's actuarial equivalence assumptions as set forth in Appendix A hereto, or (b) the total amount of the Member's accumulated contributions made pursuant to Section 4.2. For purposes of calculating the present value of the Member's accrued monthly Normal Retirement Benefit upon a termination of the Fund, the Member's Highest Average Monthly Pay shall be based only on the Member's Compensation during months of service with the Fire Department since January 1, 2009, even if the number of such months of service is otherwise less than forty-eight months. If, upon a termination of the Fund, the total value of the Fund's assets is greater than the aggregate present value of all Members' accrued Normal Retirement Benefits (as calculated under this Section 7.2), in no event shall any excess Fund assets revert to the District. Such excess amounts shall be allocated proportionally among the Members of the Fund, with each Member to receive an amount of such excess proportional to the present value of the Member's accrued Normal Retirement Benefit (as calculated under this Section 7.2) relative to the aggregate present value of all Members' accrued Normal Retirement Benefits (as calculated under Section 7.2).

Article VIII. Treatment Under Federal and State Law

Sec. 8.1. Qualification Under Federal Tax Law

(a) **Qualified Plan.** The Fund and the assets held in trust thereunder are intended to qualify under Section 401 of the Code, be exempt from federal income taxes under Section 501(a) of the Code, and conform at all times to applicable requirements of law, regulations, and orders of duly constituted federal governmental authorities. Accordingly, if any provision of this Article or Plan Document is subject to more than one construction, one of which will permit the qualification of the Fund, that construction that will permit the Fund to qualify and conform will prevail.

(b) **Code Section 415 Limits.** A Member or beneficiary of a Member of the Fund may not accrue a Benefit, 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 defined benefit plan maintained by the District that employs the member 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 to comply with Section 415 of the Code.

(c) **Required Minimum Distributions.** All distributions under the Fund shall at all times comply with and conform to Section 8.3 and all other requirements of Section 401(a)(9) of the Code and Treasury Regulations §§1.401(a)(9)-1 through 1.401(a)(9)-9 (the “401(a)(9) Requirements”). Any distribution required under the incidental death benefits requirements of Code Section 401(a) shall be treated as a distribution required by the 401(a)(9) Requirements. The provisions of this Section 8.1(c) and Section 8.3 shall override any distribution options inconsistent with the 401(a)(9) Requirements.

(d) **Direct Rollovers.** 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 Beneficiary's choice on providing direction to the Fund regarding that transfer in accordance with procedures established by the Board. For purposes of this Section 8.1(d), the following terms shall be defined as provided below:

(1) An “eligible rollover distribution” is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee’s Eligible Beneficiary, or for a specified period of ten years or more; any amount that is distributed on account of hardship or unforeseeable emergency; any distribution to the extent such distribution is required under Code section 401(a)(9); the portion of any distribution that is not includable in gross income (determined without regard to

the exclusion for net unrealized appreciation with respect to employer securities described in Code section 402(e)(4)); and other amounts determined to not be eligible rollover distributions under applicable law, including the Code and regulations issued pursuant to the Code (see, e.g., Regulation § 1.402(c)-2, Q&A-4).

(2) An “eligible retirement plan” is an individual retirement account described in Code section 408(a), an individual retirement annuity (other than an endowment contract) described in Code section 408(b) that accepts the distributee’s eligible rollover distribution, a qualified retirement plan described in section 401(a) or section 403(a) of the Code, a tax sheltered annuity plan described in section 403(b) of the Code, and an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. The definition of eligible retirement plan shall also apply in the case of a distribution to an Eligible Beneficiary, or to a spouse or former spouse who is the alternate payee under a qualified domestic relation order, as defined in section 414(p) of the Code; provided, however, if the distributee is an Eligible Beneficiary of a deceased Member who is not a Surviving Spouse, a direct rollover is only available to an individual retirement account described in Code section 408(a) or an individual retirement annuity (other than an endowment contract) described in Code section 408(b) that has been established on behalf of the beneficiary as an inherited IRA (within the meaning of Code section 408(d)(3)(C)) and is subject to the requirements of Code section 401(a)(9).

(3) A “distributee” includes a Member, the Eligible Beneficiary of a deceased Member to the extent permitted in Code Section 402(c)(11), and a Member’s spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code section 414(p).

(4) A “direct rollover” is a payment by the Plan to the eligible retirement plan specified by the distributee. The Fund shall be responsible for providing, within a reasonable period of time prior to making an eligible rollover distribution, an explanation to a Member of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.

(e) Normal Retirement Age. The normal retirement age for a Member shall be the attainment of age 52 and the completion of 20 years of service. The retirement benefit earned by a Member shall become nonforfeitable upon attainment of normal retirement age. In addition, the retirement benefit earned by a Member shall become nonforfeitable, to the extent funded (if not already nonforfeitable), upon the termination or partial termination of the Fund or the complete discontinuance of contributions from the District to the Fund.

(f) Forfeitures. Amounts representing forfeited nonvested benefits of terminated members may not be used to increase benefits payable from the Fund but may be used to reduce contributions for future plan years.

(g) Code Section 401(a)(17) Limits. The total Compensation taken into account for any purpose for any Member of the Fund may not exceed that annual compensation limit under Code Section 401(a)(17), as shall be periodically adjusted in accordance with guidelines provided by the United States Secretary of the Treasury. For 2023, such annual compensation limit is \$330,000.

(h) Fund Implementation. The Board shall implement this Fund in a manner that preserves the tax qualification of the Fund under the Code and may amend this Plan Document or adopt any rule, policy or procedure to the extent necessary to retain tax qualification.

Sec. 8.2. Exemption of Benefits from Judicial Process, Assignment or Alienation

(a) Without limiting Section 5 of the Act, all assets held in trust under the Fund, and all rights and all accrued and accruing Benefits of any Member, may not be (1) held, seized, taken, subjected to, or detained or levied on by virtue of any execution, attachment, garnishment, injunction, or other writ, order, or decree, or any process or proceedings issued from or by any court for the payment or satisfaction, in whole or in part, of any debt, damage, claim, demands, or judgment against any Member entitled to Benefits, or (2) assigned or otherwise alienated.

(b) A Benefit under the Fund is subject to division pursuant to the terms of a Qualified Domestic Relations Order. Through adoption of this Plan, the Board elects to be subject to Chapter 804, Subchapter A and C, of the Texas Government Code (“Chapter 804”), pursuant to Section 804.002 of the Texas Government Code. Consistent with the requirements of such Chapter 804, the Board shall determine the qualifications of a domestic relations order according to a uniform, consistent procedure approved by the Board. The total benefit payable under a Qualified Domestic Relations Order may not actuarially exceed the benefits to which a party to the Qualified Domestic Relations Order would be entitled in the absence of the Qualified Domestic Relations Order.

(c) The preceding provisions of this Section shall not preclude the withholding of Federal taxes from pension benefits, the recovery by the Board of overpayments of benefits previously made to any person, the direct deposit of benefit payments to an account in a bank, savings and loan association or credit union (provided such arrangement is not an alienation), or, pursuant to any policy adopted by the Board and uniformly applied to any voluntary arrangement for the withholding and direct payment of health care or life insurance premiums or similar payments from his or her monthly benefit payments. An attachment, garnishment, levy, execution or other legal process is not considered a voluntary arrangement.

Sec. 8.3. Minimum Distribution Rules

(a) General. All distributions required under this Section will be determined and made in accordance with the Treasury regulations under Section 401(a)(9) of the Code. To the extent applicable to the Plan and consistent with Section 401(a)(9) of the Code and the related Regulations, the following provisions will apply.

(b) Time and Manner of Distribution.

(1) Required Beginning Date. The Member's entire interest under the Fund will be distributed, or begin to be distributed, to the Member no later than the Member's required beginning date. A Member's required beginning date shall be April 1 of the year after the later of the year in which the Member leaves active service with the Fire Department or the year in which the Member attains the RMD Age.

(2) Death of Member Before Distributions Begin. If the Member dies before distributions begin, the Member's entire interest will be distributed, or begin to be distributed, no later than as follows:

(i) If the Member's Surviving Spouse is the Member's sole designated beneficiary, then, distributions to the Surviving Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Member died, or by December 31 of the calendar year in which the Member would have attained the RMD Age, if later.

(ii) If the Member's Surviving Spouse is not the Member's sole designated beneficiary, then, distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Member died.

(iii) If there is no designated beneficiary as of September 30 of the year following the year of the Member's death, the Member's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

(iv) If the Member's Surviving Spouse is the Member's sole designated beneficiary and the Surviving Spouse dies after the Member but before distributions to the Surviving Spouse begin, this Section 8.3(b)(2), other than Section 8.3(b)(2)(i), will apply as if the Surviving Spouse were the Member.

For purposes of this Section 8.3(b)(2) and Section 8.3(e), distributions are considered to begin on the Member's required beginning date (or, if Section 8.3(b)(2)(iv) applies, the date distributions are required to begin to the Surviving Spouse under Section 8.3(b)(2)(i)). If annuity payments irrevocably commence to

the Member before the Member's required beginning date (or to the Member's Surviving Spouse before the date distributions are required to begin to the Surviving Spouse under Section 8.3(b)(2)(i)), the date distributions are considered to begin is the date distributions actually commence.

(3) Form of Distribution. Unless the Member's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year, distributions will be made in accordance with Sections 8.3(c), (d), and (e). If the Member's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the Treasury regulations. Any part of the Member's interest which is in the form of an individual account described in Section 414(k) of the Code will be distributed in a manner satisfying the requirements of Section 401(a)(9) of the Code and the Treasury regulations that apply to individual accounts.

(c) Determination of Amount to be Distributed Each Year.

(1) General Annuity Requirements. If the Member's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:

(i) the annuity distributions will be paid in periodic payments made at intervals not longer than one year;

(ii) the distribution period will be over a life (or lives) or over a period certain not longer than the period described in Section 8.3(d) and (e);

(iii) once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;

(iv) payments will either be non-increasing or increase only as follows:

(A) by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;

(B) to the extent of the reduction in the amount of the Member's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period described in Section 8.3(d) dies or is no longer the Member's beneficiary pursuant to a qualified domestic relations order within the meaning of Section 414(p) of the Code;

(C) to provide cash refunds of employee contributions upon the Member's death; or

(D) to pay increased benefits that result from a Plan amendment.

(2) Amount Required to be Distributed by Required Beginning Date.

The amount that must be distributed on or before the Member's required beginning date (or, if the Member dies before distributions begin, the date distributions are required to begin under Sections 8.3(b)(2)(i) or (ii)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Member's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Member's required beginning date.

(3) Additional Accruals After First Distribution Calendar Year. Any additional benefits accruing to the Member in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

(d) Requirements For Annuity Distributions That Commence During Member's Lifetime.

(1) Joint Life Annuities Where the Designated Beneficiary Is Not the Member's Spouse. If the Member's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Member and a nonspouse beneficiary, annuity payments to be made on or after the Member's required beginning date to the designated beneficiary after the Member's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Member using the table set forth in Q&A-2 of Section 1.401(a)(9)-6T of the Treasury regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the Member and a nonspouse beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain.

(2) Period Certain Annuities. Unless the Member's spouse is the sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Member's lifetime may not exceed the applicable distribution period for the Member under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Member reaches

age 70, the applicable distribution period for the Member is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations plus the excess of 70 over the age of the Member as of the Member's birthday in the year that contains the annuity starting date. If the Member's spouse is the Member's sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Member's applicable distribution period, as determined under this Section 8.3(d)(2), or the joint life and last survivor expectancy of the Member and the Member's spouse as determined under the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations, using the Member's and spouse's attained ages as of the Member's and spouse's birthdays in the calendar year that contains the annuity starting date.

(e) Requirements For Minimum Distributions Where Member Dies Before Date Distributions Begin.

(1) Member Survived by Designated Beneficiary. Except as provided in this Plan Document, if the Member dies before the date distribution of his or her interest begins and there is a designated beneficiary, the Member's entire interest will be distributed, beginning no later than the time described in Section 8.3(b)(1) or (2), over the life of the designated beneficiary or over a period certain not exceeding:

(i) unless the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the Member's death; or

(ii) if the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.

(2) No Designated Beneficiary. If the Member dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Member's death, distribution of the Member's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

(3) Death of Surviving Spouse Before Distributions to Surviving Spouse Begin. If the Member dies before the date distribution of his or her interest begins, the Member's Surviving Spouse is the Member's sole designated beneficiary, and the Surviving Spouse dies before distributions to the Surviving Spouse begin, this Section 8.3(e) will apply as if the Surviving Spouse were the Member, except that the time by which distributions must begin will be determined without regard to Section 8.3(b)(1).

(f) Definitions.

(1) Designated Beneficiary. The individual who is the Eligible Beneficiary under Section 2.1 and is the designated beneficiary under Section 401(a)(9) of the Code and Section 1.401(a)(9)-1, Q&A-4, of the Treasury regulations.

(2) Distribution calendar year. A calendar year for which a minimum distribution is required. For distributions beginning before the Member's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Member's required beginning date. For distributions beginning after the Member's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to Section 8.3(b)(2).

(3) Life Expectancy. Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury regulations.

Sec. 8.4. HEART Act

(a) Definitions. For purposes of this Section 8.4, the following terms shall be defined as provided below:

(1) Differential Wage Payment. The term “Differential Wage Payments” means any payment as defined in Code §3401(h) which is made by the District for a pay period after December 31, 2008 (a) to a Member with respect to any period during which a Member is performing Qualified Military Service; and (b) represents all or a portion of the Compensation such Member would have received from the District if the individual was performing services for the District.

(2) Qualified Military Service. The term “Qualified Military Service” means any service in the uniformed services (as defined in chapter 43 of title 38, United States Code) by any Member if such Member is entitled to USERRA Reemployment Rights under such chapter with respect to such service.

(3) USERRA Reemployment Rights. The term “USERRA Reemployment Rights” means the rights and benefits to which a Member covered under USERRA is entitled upon his or her return from Qualified Military Service. A Member will not be entitled to USERRA Reemployment Rights if (a) such Member did not provide advance notice of his or her military service to the District; or (b) such individual had more than five years of cumulative Qualified Military Service measured from his or her date of hire to his or her date of return to employment with the District.

(b) Death Benefits.

(1) Deemed Reemployment Date. A Member who dies on or after January 1, 2007 while performing Qualified Military Service (an “Eligible Deceased Member”) will be deemed (a) to have resumed employment with the District as of the day preceding the date of his or her death (the “Deemed Reemployment Date” for purposes of this Section); and (b) to have terminated service on the date of his or her death.

(2) Additional Benefits. To the extent the Plan provides for any benefits that are contingent upon the Member’s death, then an Eligible Deceased Member will be provided with such benefits. Such benefits must be provided to all similarly-situated such individuals in a uniform, non-discriminatory manner.

(3) Credited Service. An Eligible Deceased Member shall receive Credited Service for purposes of attaining eligibility to receive the benefits provided in Sections 6.1(a) and 6.3(a), but shall not receive Credited Service for purposes of the calculation of the benefits provided in Sections 6.1(b) and 6.3(b).

(c) Differential Wage Payments.

(1) Employee Status. Effective January 1, 2009, an individual receiving Differential Wage Payments from the District will be treated as an Employee of the District and will receive Credited Service for purposes of attaining eligibility to receive the benefits under Sections 6.1(a) and 6.3(a), but will not receive Credited Service for purposes of the calculation of benefits under Sections 6.2(a) and 6.3(b).

(2) Compensation. The term “Compensation” as used in the Plan Document will not include any amounts paid by the District as a Differential Wage Payment, and Differential Wage Payments shall not be used in calculating any Benefit to which a Member is or may become entitled.

Sec. 8.5. Tax Withholding

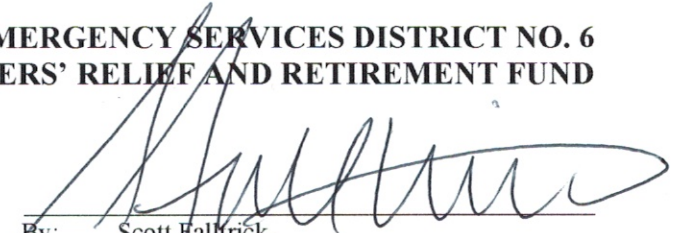
The Fund shall have the right to withhold from any amount payable hereunder any federal, state and local taxes in order for the Fund to satisfy any withholding tax obligation it may have under any applicable law or regulation.

Sec. 8.6. Plan Merger

The Board may consider the merger of another plan which is subject to the Act into the Fund if allowed under applicable law.

APPROVED, at a meeting of the Board of Trustees of the Fund on February 16, 2023 to be effective February 20, 2023.

**TRAVIS COUNTY EMERGENCY SERVICES DISTRICT NO. 6
FIREFIGHTERS' RELIEF AND RETIREMENT FUND**


By: Scott Fallick,
Chairman, Board of Trustees

Appendix A

Actuarial Assumptions

Effective as of February 20, 2023, the Fund's actuarial equivalence assumptions shall be:

- Mortality based on the PubS-2010 (public safety employees) total database mortality table for retired males, projected for mortality improvement to 2030 issuing projection scale MP-2019, and interest at 6.5 percent per annum.
- Notwithstanding any other Plan provisions to the contrary, the interest rate assumption to be used for purposes adjusting any benefit or limitation under §415(b)(2)(B), (C), or (D) of the Code and to satisfy the requirements of Code Section 417(e) shall be 5 percent, except as may be otherwise required under those Code sections.
- Notwithstanding any other Plan provisions to the contrary, the applicable mortality table used for purposes of adjusting any benefit or limitation under §415(b)(2)(B), (C), or (D) of the Code and the applicable mortality table used to satisfy the requirements of §417(e) of the Code (if and as such requests are applicable) is the table prescribed in Revenue Ruling 2001-62 (GAR '94).