

July 9, 2024

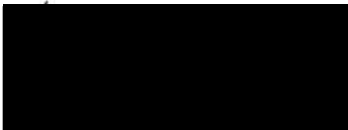
State Pension Review Board
P.O. Box 13498
Austin, TX 78711-3498

RE: PRB notification of the Art. 6243a-1. Pension System For Police Officers And Firefighters In Certain Cities

In accordance with Article 6243a-1, Section 3.01 (j-10), this letter certifies that the information provided to the Pension Review Board is accurate and based on realistic assumptions.

Sincerely,

/s/ Kelly Gottschalk



Kelly Gottschalk
Executive Director

PRB-200 Regular Plan - 2024



TEXAS PENSION
REVIEW BOARD

P.O. Box 13498, Austin, TX 78711 | Phone: (800) 213-9425 or (512) 463-1736 | Fax: (512) 463-1882 | Email: prb@prb.texas.gov

BENEFITS AND MEMBERSHIP REPORT **PRB-200**

RETIREMENT SYSTEM PROFILE

<u>Dallas Police and Fire Pension System</u>	<u>214-638-3863</u>
System Name	Phone Number
<u>Kelly Gottschalk</u>	<u>kellyg@dpfp.org</u>
Report Contact Name (Please Print)	E-mail Address

BACKGROUND INFORMATION

<u>HB 4034 effective 9-1-2023</u>	
Last Plan Amendment Date	
<u> </u>	
Vesting Period	
<u> </u>	
Normal Eligibility Requirements (Age + Service)	
<u> </u>	
Early Retirement Eligibility Requirements (Age + Service)	
<u> </u>	
DROP Eligibility Requirements (Age + Service)	
<u> </u>	
Minimum Benefit	Maximum Benefit
<u> </u>	<u> </u>

FORMULAS AND BENEFITS

Normal Retirement Benefit Formula
Service-Related Disability Benefit Formula
Service-Related Survivor Benefit Formula
Nonservice-Related Disability Benefit Formula
Nonservice-Related Survivor Benefit Formula

MEMBERSHIP REPORT

Effective Date	<u>1/1/2024</u>
Active Members	<u>5132</u>
Retirees and Beneficiaries	<u>5233</u>
Terminated	<u>257</u>
Total Members	<u>10,622</u>

CERTIFICATION

I hereby certify that the information provided above is complete and accurate and that I am duly authorized by the pension system to complete this form.

Note: For e-mail submissions, by typing your name on the signature line below you are signing this document.

<u> </u> /s/ Kelly Gottschalk	<u>Kelly Gottschalk</u>
Authorizing Signature	Printed Name
<u>7-9-24</u>	
Date	

Section 4: Actuarial Valuation Basis

Exhibit II: Summary of plan provisions

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan year	January 1 through December 31
Plan status	Ongoing

Members whose participation began before March 1, 2011

Normal retirement

Benefit earned prior to September 1, 2017:

Age Requirement: 50

Service Requirement: 5

Amount: Greater of 3.0% of Average Computation Pay times years of Pension Service (maximum 96.0%) and \$2,200 per month. The \$2,200 per month minimum benefit is prorated if the Member retires with less than 20 years of service.

Average Computation Pay: 36 consecutive months that reflect the highest civil service rank held by a member, plus Educational Incentive Pay, Longevity Pay and City Service Incentive Pay

Benefit earned beginning September 1, 2017:

Age Requirement: 58

Service Requirement: 5

Amount: Greater of 2.5% of Average Computation Pay times years of Pension Service (maximum 90.0%) and \$2,200 per month. The \$2,200 per month minimum benefit is prorated if the Member retires with less than 20 years of service.

Average Computation Pay: 60 consecutive months that reflect the highest civil service rank held by a member, plus Educational Incentive Pay, Longevity Pay and City Service Incentive Pay

Section 4: Actuarial Valuation Basis

20 and out reduced retirement

If eligible as of September 1, 2017:

Age Requirement: None

Service Requirement: 20 years

Amount: 20 & Out Multiplier times 36-month (Table 1 Benefit) or 60-month (Table 2 Benefit) Average Computation Pay times years of Pension Service

Benefit Accrued Before September 1, 2017 20 & Out Table 1		Benefit Accrued Beginning September 1, 2017 20 & Out Table 2	
Age	20 & Multiplier	Age	20 & Multiplier
45 & under	2.00%	53 & under	2.00%
46	2.25%	54	2.10%
47	2.50%	55	2.20%
48	2.75%	56	2.30%
49	2.75%	57	2.40%
50 & above	3.00%	58 & above	2.50%

If not eligible as of September 1, 2017:

Age Requirement: None

Service Requirement: 20 years

Amount: 20 & Out Multiplier times 60-month Average Computation Pay times years of Pension Service

20 & Out Table 2	
Age	20 & Multiplier
53 & under	2.00%
54	2.10%
55	2.20%
56	2.30%
57	2.40%
58 & above	2.50%

Section 4: Actuarial Valuation Basis

Early retirement	<p><i>If at least age 45 as of September 1, 2017 and less than age 50:</i></p> <p>Age Requirement: 45 Service Requirement: 5</p> <p>Amount: Normal pension accrued prior to September 1, 2017 plus the benefit accrued based on the 20 & Out Table 2 for service beginning September 1, 2017, reduced by 2/3 of 1% for each whole month by which the benefit commencement date precedes age 50.</p>
Non-service-connected disability	<p>Eligibility: Injury or illness (lasting more than 90 days) not related to or incurred while in the performance of the member's job, preventing the member from performing their departmental duties.</p> <p>Amount: 3% of Average Computation Pay for service earned prior to September 1, 2017 and the applicable benefit multiplier from 20 & Out Table 2 times Average Computation Pay for service earned beginning September 1, 2017</p>
Service-connected disability	<p>Eligibility: Injury or illness (lasting more than 90 days) obtained while on duty in the performance of the member's job.</p> <p>Amount: 3% of Average Computation Pay for service earned prior to September 1, 2017 and the applicable benefit multiplier from 20 & Out Table 2 times Average Computation Pay for service earned beginning September 1, 2017; if the member has less than 20 years of service, the benefit will be calculated as if they had 20 years at the time of disability.</p>
Benefit supplement	<p>Age Requirement: 55 Service Requirement: 20 years, waived if member is receiving a service-connected disability</p> <p>Amount: 3% of the total monthly benefit (including any applicable COLA's) payable to the Member when the Member attains age 55. The benefit supplement shall not be less than \$75 per month.</p> <p>Beginning September 1, 2017, only those annuitants and their survivors already receiving the supplement will be eligible to maintain their current supplement, which will not change ongoing; no additional retirees will be eligible for the supplement.</p>
Termination benefit	<p><i>With less than five years of pension service:</i> Upon request, the member's contributions will be returned without interest</p> <p><i>With at least five years of pension service:</i> The member may either withdraw contributions or leave contributions in the Plan and receive a monthly benefit to commence no earlier than the member's earliest eligibility for retirement benefits. Retirement benefit is equal to the accrued benefit as of the date of termination.</p>
Pre-retirement death benefit	<p><i>While in active service:</i> The greater of 50% of the Member's accrued benefit or a benefit based on 20 years of service. The benefit may not exceed 45% of Average Computation Pay.</p> <p><i>After leaving active service, with fewer than five years:</i> A lump sum benefit equal to the return of member contributions without interest</p> <p><i>After leaving active service, with at least five years:</i> 50% of the Member's accrued benefit, with no early retirement reduction, or a refund of member contributions</p>

Section 4: Actuarial Valuation Basis

Post-retirement death benefit	50% or 100% of the pension the Member was receiving at the time of their death, depending on the form of joint and survivor annuity chosen; if there are no qualifying survivors, no further benefits will be paid
Qualified surviving children benefit	50% of the pension the Member was receiving at the time of their death, divided equally among the children, paid until the youngest child is 19 years old or for life if the child becomes disabled prior to age 23
Minimum survivor benefit	\$1,100 per month, not to exceed the actual amount the Member was receiving upon their death. If there are no Qualified Surviving Children, the minimum benefit to a spouse who is a Qualified Survivor shall be \$1,200 per month. If the Member had less than 20 years of Pension Service, the minimum benefit will be prorated based on actual years of Pension Service.
Special survivor benefit	<p>Eligibility: Upon leaving active service or joining DROP: a) the Member was at least 55 years old with at least 20 years of pension service, or b) the sum of the Member's age plus Pension Service was at least 78; and Has no Qualified Surviving Children or disabled children currently eligible for survivor benefits; and Whose Qualified Surviving Spouse is at least 55 years old. The Qualified Surviving Spouse does not have to be 55 years old at the time of the Member's death.</p> <p>Amount: Once all the eligibility conditions are met, the amount the Qualified Surviving Spouse will receive increases from 50% of the Member's pension benefit to a percentage of the Member's pension benefit based on the Member's applicable benefit multiplier times the number of years of Pension Service the Member worked.</p>
Survivor benefit if no qualified surviving spouse	A lump sum that is the actuarial equivalent of 120 monthly payments of the greater of: 50% of the Member's pension benefit at the time of their death, or a benefit based on 20 years of the Member's service.
DROP	<p>Eligibility: Members in active service who are retirement eligible may elect to enter the Deferred Retirement Option Plan (DROP).</p> <p>Distribution: The DROP account balance will be paid over the expected future lifetime of annuitants.</p> <p>Interest: Based on United States Department of Commerce Daily Treasury Yield Curve Rates for durations between 5 and 30 years; interest rate is based on the expected lifetime of the members at the time they retire. Interest is only paid on DROP account balances as of September 1, 2017.</p>

Section 4: Actuarial Valuation Basis

Members whose Participation Began on or After March 1, 2011

Normal retirement	<p>Age Requirement: 58 Service Requirement: 5 Amount: 2.5% of Average Computation Pay for each year of Pension Service, maximum 90% The minimum monthly benefit is \$110 times the number of years of Pension Service at retirement, but not greater than \$2,200. Average Computation Pay: Average Computation Pay uses the 60 consecutive months that reflects the highest civil service rank held by a member plus Educational Incentive Pay plus Longevity Pay plus City Service Incentive Pay.</p>																
Early retirement	<p>Age Requirement: 53 Service Requirement: 5 Amount: Normal pension accrued, reduced by 2/3 of 1% for each whole month by which the benefit commencement date precedes the normal retirement date.</p>																
20 and out reduced retirement	<p>Age Requirement: None Service Requirement: 20 years Amount: 20 & Out Multiplier times Average Computation Pay times years of Pension Service</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;">20 & Out Table 2</th> </tr> <tr> <th style="text-align: center;">Age</th> <th style="text-align: center;">20 & Multiplier</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">53 & under</td> <td style="text-align: center;">2.00%</td> </tr> <tr> <td style="text-align: center;">54</td> <td style="text-align: center;">2.10%</td> </tr> <tr> <td style="text-align: center;">55</td> <td style="text-align: center;">2.20%</td> </tr> <tr> <td style="text-align: center;">56</td> <td style="text-align: center;">2.30%</td> </tr> <tr> <td style="text-align: center;">57</td> <td style="text-align: center;">2.40%</td> </tr> <tr> <td style="text-align: center;">58 & above</td> <td style="text-align: center;">2.50%</td> </tr> </tbody> </table>	20 & Out Table 2		Age	20 & Multiplier	53 & under	2.00%	54	2.10%	55	2.20%	56	2.30%	57	2.40%	58 & above	2.50%
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Section 4: Actuarial Valuation Basis

	<p>Amount: The greater of 50% of Average Computation Pay and the Member's accrued benefit; if the member has less than 20 years of service, the benefit will be calculated as if they had 20 years of service at the time of disability.</p>
Termination benefit	<p><i>With less than five years of pension service:</i> Upon request, the member's contributions will be returned without interest</p> <p><i>With at least five years of pension service:</i> The member may either withdraw contributions or leave contributions in the Plan and receive a monthly benefit to commence no earlier than the member's earliest eligibility for retirement benefits. Retirement benefit is equal to the accrued benefit as of the date of termination.</p>
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All Members

Cost of living

The Board may grant an ad hoc COLA based on the actual market return over the prior five years less 5%, not to exceed 4% of the base benefit, if, after granting a COLA, the funded ratio on a market value of assets basis is no less than 70%.

Member contributions

13.5% of computation pay for all members

City contributions

The City will contribute 34.5% of computation payroll each year. However, in no case shall the City's total contribution amount be less than: \$5,173,000 for the biweekly pay periods beginning with the first biweekly pay period that begins after September 1, 2017 and ends on the last day of the first biweekly pay period that ends after December 31, 2017; \$5,344,000 for the following 26 pay periods; \$5,571,000 for the following 26 pay periods; \$5,724,000 for the following 26 pay periods; \$5,882,000 for the following 26 pay periods; \$6,043,000 for the following 26 pay periods; \$5,812,000 for the following 26 pay periods; and \$6,024,000 for the following 26 pay periods. An additional 1/26th of \$13 Million will be paid biweekly beginning with the first biweekly pay period that begins after September 1, 2017 and ending with the last biweekly pay period that ends after December 31, 2024.

Forms of benefits

50% or 100% Joint and Survivor Pension