

## AGENDA



**Date:** January 2, 2026

The regular meeting of the Dallas Police and Fire Pension System Board of Trustees will be held at **8:30 a.m. on Thursday, January 8, 2026, in the Second Floor Board Room at 4100 Harry Hines Boulevard, Dallas, Texas, via online Zoom meeting for audio and visual <https://us02web.zoom.us/j/87016110261> (Meeting ID: 870 1611 0261), or participants may join the meeting audio via telephone by calling 1-719-359-4580.** Items of the following agenda will be presented to the Board:

**A. MOMENT OF SILENCE**

**B. APPROVAL OF MINUTES**

Regular meeting of December 11, 2025

**C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION**

**1. Actuarial Services Contract**

**2. Executive Director Approved Pension Ministerial Actions**

**3. Board approval of Trustee Education and Travel**

**4. Portfolio Update**

**5. Investment Advisory Committee Reappointments**

**6. Deferred Retirement Option Plan (DROP) Policy**

**7. Hardship Request – 2025-2H**

**8. Supplemental Pay**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.071 of the Texas Government Code.

**9. Clarion Portfolio Update**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.072 of the Texas Government Code.

**10. Benefit Overpayment Notification**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.071 of the Texas Government Code.

- 11. Legal issues - In accordance with Section 551.071 of the Texas Government Code, the Board will meet in executive session to seek and receive the advice of its attorneys about pending or contemplated litigation or any other legal matter in which the duty of the attorneys to DPFP and the Board under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with Texas Open Meeting laws.**
  - a. DPFP v. City of Dallas**
  - b. Dallas Police Retired Officers Association v. DPFP**
- 12. Executive Director Performance Evaluation**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.074 of the Texas Government Code.

#### **D. BRIEFING ITEMS**

- 1. Public Comment**
- 2. Executive Director's Report**
  - a. Associations' newsletters**
    - NCPERS Monitor (January 2026)**
  - b. Open Records**

The term "possible action" in the wording of any Agenda item contained herein serves as notice that the Board may, as permitted by the Texas Government Code, Section 551, in its discretion, dispose of any item by any action in the following non-exclusive list: approval, disapproval, deferral, table, take no action, and receive and file. At the discretion of the Board, items on this agenda may be considered at times other than in the order indicated in this agenda.

At any point during the consideration of the above items, the Board may go into Closed Executive Session as per Texas Government Code, Section 551.071 for consultation with attorneys, Section 551.072 for real estate matters, Section 551.074 for personnel matters, Section 551.076 for deliberation regarding security devices or security audits, and Section 551.078 for review of medical records.



## MOMENT OF SILENCE

**In memory of our Members and Pensioners who recently passed away**

NAME	ACTIVE/ RETIRED	DEPARTMENT	DATE OF DEATH
Ellis F. McGaha	Retired	Fire	Dec. 5, 2025
Samuel F. Cochran	Retired	Fire	Dec. 9, 2025
Hensley C. Wilson	Retired	Fire	Dec. 9, 2025
Raymond F. Taylor	Retired	Fire	Dec. 10, 2025
Norman A. Ellis	Retired	Fire	Dec. 13, 2025
Christopher L. Dike	Retired	Fire	Dec. 18, 2025
Jerald D. Calame	Retired	Police	Dec. 21, 2025

*Regular Board Meeting –Thursday, January 8, 2026*

**Dallas Police and Fire Pension System**  
**Thursday, December 11, 2025**  
**8:30 a.m.**  
**4100 Harry Hines Blvd., Suite 100**  
**Second Floor Board Room**  
**Dallas, TX**

Regular meeting, Michael Taglienti, Chairman, presiding:

**ROLL CALL**

**Board Members**

Present at 8:34 a.m. Michael Taglienti, Tom Tull, Tina Hernandez Patterson, Matthew Shomer, Joe Colonna, Anthony Scavuzzo, David Kelly, Scott Letier, Yvette Duenas, Robert Walters, Steve Idoux

Absent None

**Staff**

Kelly Gottschalk, Josh Mond, Brenda Barnes, Ryan Wagner, Kyle Schmit, Divyesh Shah, Luis Solorzano Trejo, John Holt, Nien Nguyen, Milissa Romero

Virtual Cynthia J. Thomas, Aubrey Rosalez, Kaitlyn Gensler, Sasha Sigman, Trish Wiley, Tayla Gunn, Malaya Samuel, Eboni Smith, Lydia LoSasso

**Others**

Leandro Festino, Colin Kowalski, Ben Mesches, Tony Speck, Blaine Touchstone, Glenn Stone, David Elliston, Tammy Ellzey, Paul Ellzey, Harold Holland, Robert Russ, Stephen Hargrove, Brandon Terry, Carroll Clore, Jason Randolph, Armando Vidal, Jose Santos, Boux Bland, Tom Moore, Andrew Acord, John Fairbairn, Michael Fairbairn, Brian Harvey, Adam Hernandez, Dallas Sims, Eric Crile, Ron Acker, Josh Shipp, Joel Ralston, Julian Almaguer, Nicholas Hilton, Arland D. Donald, William Tabor, Jaime Castro, Patty Belew, Armando Salinas, Bill Richardson, Richard Attar, Wesley Williams, James Parnell, Chris Peterson, Ivan Solis, Nicholas Martin, Dale Erves, Zachary Knetzer, Phillip Elliot, David Detamble, David Dunlap, Erik Masonheimer, Jeff Patterson, Lingburge Williams, Kevin Middleton, Larry Williams, Michael Watson, Richard Connors, Paul Martinez, Brandon Green, Ricky Looney, Jerod Anslem, Ben Smith, Matt Turnell, Rudy Barron, Mitch Little, Jesse Aguirre, Aaron Anderson, Forrest Fuxan, Francisco Amaro, Isaias Vasquez, Robert Snell, Holly Lantz, Michael Sullivan, Rudy Gonzales, Cynthia Parker-Ferguson, Jim Morin, Andrew Sanchez, Fernando Gallegos, Jack Ireland, Devyani Chhetri, Brittni Moncrease, Bob Hawman, Suzanne Zieman, Kathy Stewart, Luke Tinker, David Gains, Lori Brown, Kevin Stewart, Marc Gustafson, Michael Brown

**Regular Board Meeting  
Thursday, December 11, 2025**

Virtual

John McKinney, Nicholas Palmer, Ken Haben, Jeff Williams, Joe Ebisa, Trevor Lowman, Chris Dobson, Nick Merrick, David DeTamble, Adam Hernandez, Chris Willeford, Mike Spiotta, Michael Chinchilla, B. J. Watkins, Jim McDade, Nate Weinstein Osmosis, Chris Laurama, DeWayne McCarthy, Brandon Terry, Nic Tapia, Sean Pease, Aria Jones, Daniel Salazar, Ken Sprecher, Cydney Walker, Tamara Aronstein

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The Regular meeting was called to order at 8:34 a.m.

\* \* \* \* \*

**A. MOMENT OF SILENCE**

The Board observed a moment of silence in memory of active police officer Ryan M. Fritts, retired police officer Crystal A. Soma, active firefighter Jason L. Parker, and retired firefighters Jerry R. Lambert, Clark D. Warren, Frank B. Allen, K. J. Sutcliffe.

No motion was made.

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**B. APPROVAL OF MINUTES**

Regular meeting of November 13, 2025

After discussion, Mr. Shomer made a motion to approve the minutes of the Regular meetings of November 13, 2025. Mr. Kelly seconded the motion, which was unanimously approved by the Board.

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**C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION**

**1. Quarterly Financial Reports**

The Chief Financial Officer presented the third quarter 2025 financial statements.

No motion was made

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**Regular Board Meeting**  
**Thursday, December 11, 2025**

**2. Executive Director Approved Pension Ministerial Actions**

The Executive Director reported on the December pension ministerial actions.

No motion was made.

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**3. Board Approval of Trustee Education and Travel**

The Board and staff discussed future Trustee education. There was no future Trustee travel or education scheduled.

No motion was made.

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**4. Portfolio Update**

Staff briefed the Board on recent events and current developments with respect to the investment portfolio.

No motion was made.

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**5. Public Equity Portfolio Review**

Leandro Festino, Managing Principal and Collin Kowalski, Senior Investment Analyst of Meketa Investment Group and the Investment staff provided an overview of DPFP Public Equity portfolio construction, with a focus on the small cap equity allocation and the global construction of the portfolio.

After discussion, Mr. Tull made a motion to approve the proposed Public Equity Structure document. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

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**6. Third Quarter 2025 Investment Performance Analysis**

Leandro Festino, Managing Principal and Collin Kowalski, Senior Investment Analyst of Meketa Investment Group reviewed the Third Quarter 2025 Investment Performance Analysis.

No motion was made.

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**Regular Board Meeting  
Thursday, December 11, 2025**

**7. Second Quarter 2025 Private Markets Review**

Staff presented the Second Quarter 2025 Private Markets Review report.

No motion was made.

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**8. Hardship Request – 2025-2H**

The Executive Director reviewed the Hardship Request 2025-2H and will bring back for the Board's consideration at a future Board meeting.

No motion was made.

\* \* \* \* \*

**9. Legal issues - In accordance with Section 551.071 of the Texas Government Code, the Board will meet in executive session to seek and receive the advice of its attorneys about pending or contemplated litigation or any other legal matter in which the duty of the attorneys to DPFP and the Board under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with Texas Open Meeting laws.**

- a. DPFP v. City of Dallas**
- b. Dallas Police Retired Officers Association v. DPFP**

The Board went into closed executive session – Legal at 12:21 p.m.

The meeting reopened at 1:38 p.m.

The Board and staff discussed legal issues.

After discussion, Mr. Walters made a motion to direct the Executive Director to execute the settlement agreement with the City of Dallas provided to the Board and perform the matters contemplated thereby. Mr. Idoux seconded the motion which was approved by the following vote:

For: Mr. Colonna, Mr. Idoux, Mr. Kelly, Mr. Letier, Mr. Tull, Mr. Walters  
Opposed: Ms. Duenas, Ms. Hernandez Patterson, Mr. Shomer, Mr. Scavuzzo, Mr. Taglienti

\* \* \* \* \*

**Regular Board Meeting  
Thursday, December 11, 2025**

**D. BRIEFING ITEMS**

**1. Public Comment**

Prior to commencing items for Board discussion and deliberation, the Board received public comments during the open forum.

\* \* \* \* \*

**2. Executive Director's Report**

- a. Associations' newsletters**
  - NCPERS Monitor (December 2025)
  - TEXPERS Pension Observer – Vol. 4, 2025
- b. Open Records**
- c. 2026 Board Meeting Schedule**
- d. Employee Service Award**

The Executive Director's report was presented.

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Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Walters and a second by Mr. Idoux, the meeting was adjourned at 1:43 p.m.

**ATTEST:**

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Kelly Gottschalk,  
Secretary

Michael Taglienti,  
Chairman

**Regular Board Meeting  
Thursday, December 11, 2025**

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## DISCUSSION SHEET

### ITEM #C1

**Topic:** **Actuarial Services Contract**

**Discussion:** DPFP's contract with its actuary, The Segal Group Inc. (Segal) expired December 31, 2025.

In a 2015 presentation, staff provided the Board with information on the terms of DPFP contracts with major professional service providers. In the presentation, staff stated that the intention was to conduct a competitive selection process for specific service providers every five years, unless the Board explicitly waives or extends the requirement. Actuarial services was included as a major professional service provider.

Segal has provided actuarial services to DPFP since 2016. In 2021, the Board discussed the importance of having Segal as the actuary through the Section 2.025 funding process, since Segal had served as the actuary during the 2017 plan changes. The Board approved a motion to renew the contract with Segal and to waive the requirements to conduct a competitive selection process until December 31, 2025.

Settling the funding issues and the City's request to rework the 2024 (1-1-2025) actuarial valuations and GASB reports have delayed the issuance of a request for proposal for actuarial services. When a new

*Regular Board Meeting – Thursday, January 8, 2026*

## DISCUSSION SHEET

### ITEM #C1

(continued)

actuarial firm is hired, months of work are required to set up the plan provisions in the actuary's system and replicate the prior actuarial valuation. Beginning the process to change actuarial firms now will delay the issuance of the 1-1-2026 actuarial valuations and the 2025 financial information. Segal is best positioned to interpret the funding agreement for the first year.

Segal has proposed a contract renewal expiring on December 31, 2026, at the same fee as in 2025 for the ongoing actuarial deliverables, with a small increase in the hourly rate for ad hoc services.

#### Staff

#### Recommendation:

**Authorize** the Executive Director to renew the contract with The Segal Group, Inc for one additional year and **direct** staff to conduct a competitive selection process at the end of the term of this contract.



## DISCUSSION SHEET

### ITEM #C2

**Topic:** **Executive Director Approved Pension Ministerial Actions**

**Discussion:** The Executive Director approved ministerial membership actions according to the Retirement and Payments Approval Policy. Membership actions approved are summarized in the provided report.

*Regular Board Meeting – Thursday, January 8, 2026*

2026 01 08 Board Meeting - REGULAR AGENDA 2026 01

Membership Actions -2026

	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Refunds	9												9
DROP - Join	0												0
Estate Payments	3												3
Survivor Benefits	2												2
Retirements	7												7
Alternate Payees	1												1
Spouse Wed After Retirement	0												0
Service Purchases	0												0
Earnings Test	0												0

Membership Actions -2025

	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Refunds	38	27	16	15	10	13	12	21	13	4	18	11	198
DROP - Join	2	2	0	0	0	0	0	0	0	4	1	0	9
Estate Payments	6	7	8	9	3	4	3	9	6	9	4	4	72
Survivor Benefits	4	11	4	9	3	4	1	5	3	7	3	2	56
Retirements	7	10	8	9	10	7	11	13	8	9	9	5	106
Alternate Payees	0	0	2	1	2	1	2	1	2	4	1	0	16
Spouse Wed After Retirement	0	0	0	1	0	0	0	0	0	0	0	0	1
Service Purchases	1	1	0	0	2	2	1	1	2	1	1	2	14
Earnings Test	0	0	0	0	0	0	11	0	0	0	0	0	11

Membership Actions -2024

	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Refunds	23	22	21	26	16	21	13	19	37	18	20	32	268
DROP - Join	1	1	2	0	5	1	1	1	0	1	0	0	13
Estate Payments	2	1	3	5	3	1	4	5	10	7	7	9	57
Survivor Benefits	4	6	3	8	5	4	6	5	3	4	5	3	56
Retirements	10	10	16	9	13	10	9	11	7	5	8	6	114
Alternate Payees	2	0	2	1	1	1	0	0	0	1	0	0	8
Spouse Wed After Retirement	0	0	0	0	0	0	0	0	1	0	0	0	1
Service Purchases	0	2	0	1	7	2	1	2	1	2	5	1	24
Earnings Test*	0	0	0	0	0	0	10	0	0	0	0	0	10

Membership Actions -2023

	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Refunds	26	19	12	13	17	14	23	13	57	53	18	21	286
DROP - Join	3	3	0	2	2	2	0	0	3	0	3	0	18
Estate Payments	0	5	7	5	1	2	4	92	5	3	5	9	138
Survivor Benefits	1	6	8	6	4	3	5	6	6	2	3	6	56
Retirements	12	16	11	14	11	12	10	13	10	17	6	12	144
Alternate Payees	0	2	1	0	2	3	1	3	2	0	0	1	15
Spouse Wed After Retirement	1	0	0	0	0	0	0	0	1	1	1	0	4
Service Purchases	2	0	0	1	0	2	0	1	0	0	2	0	8
Earnings Test	0	0	0	0	0	9	0	0	0	0	0	0	9

Data is based on Agenda/Executive Approval Date

Service purchases include Military, DROP Revocation, and Previously Withdrawn Contributions

The increase in Refunds in September 2023 and October 2023 is due to the Refund Project

87 of the Estate Payments in August 2023 are approvals for the Pending Death Project



## DISCUSSION SHEET

### ITEM #C3

**Topic:** **Board Approval of Trustee Education and Travel**

**Discussion:** Per the Education and Travel Policy and Procedure, planned Trustee education and travel requires Board approval prior to attendance.

Attached is a listing of requested future education and travel noting approval status.

*Regular Board Meeting – Thursday, January 8, 2026*

**Future Education and Travel  
Regular Board Meeting – January 8, 2026**

REQUESTED APPROVED

1. **Conference:** **NCPERS 2026 Legislative Conference & Policy Day**  
**Dates:** January 25 – 28, 2026  
**Location:** Washington, DC  
**Est Cost:** \$670
  
2. **Conference:** **NCPERS Communications & Member Services Summit**  
**Dates:** March 2 – 4, 2026  
**Location:** San Diego, CA  
**Est Cost:** \$800



## DISCUSSION SHEET

### ITEM #C4

**Topic:** **Portfolio Update**

**Discussion:** Investment Staff will brief the Board on recent events and current developments with respect to the investment portfolio.

*Regular Board Meeting – Thursday, January 8, 2026*



## DISCUSSION SHEET

### ITEM #C5

**Topic:**

**Investment Advisory Committee Reappointments**

**Discussion:**

The Investment Policy stipulates that members of the Investment Advisory Committee shall serve two-year terms (Sec. 5.B.1.e). The Investment Advisory Committee terms for Ryan Bailey and Rakesh Dahiya expired in December 2025. Staff will confirm their willingness to continue serving on the Committee.

**Recommendation:**

Staff **recommends** reappointing Ryan Bailey and Rakesh Dahiya to serve on the Investment Advisory Committee for two-year terms ending 12/31/27.

	<b>Investment Advisory Committee (IAC)</b>	<b>Terms Expire</b>
Board Member #1	Tom Tull, Chair	12/31/2026
Board Member #2	Tina Hernandez Patterson	09/11/2027
Board Member #3	Tony Scavuzzo	12/31/2026
External #1	Ryan Bailey	12/31/2025
External #2	Rakesh Dahiya	12/31/2025
External #3	Ken Haben	12/31/2026
External #4	Jamil McNeal	12/31/2026
External #5	Gene Needles	12/31/2026
External #6	Ken Shoji	12/31/2026
External #7	Michael Brown	09/11/2027



## DISCUSSION SHEET

### ITEM #C6

**Topic:**

**Deferred Retirement Option Plan (DROP) Policy**

**Discussion:**

Staff is proposing a number of changes to the DROP Policy reflecting items that require updating or otherwise changes that are needed that have been noted by staff over time. In addition, staff will discuss possible changes relating to hardship requirements.

*Regular Board Meeting – Thursday, January 8, 2026*



D A L L A S  
**POLICE & FIRE**  
PENSION SYSTEM



**DEFERRED RETIREMENT OPTION PLAN  
POLICY  
(DROP)**

| As Amended Through ~~March 14, 2024~~January 8, 2026

## **DEFERRED RETIREMENT OPTION PLAN POLICY**

| As Amended Through **March 14, 2024**January 8, 2026

### **Table of Contents**

<b>A. Purpose.....</b>	<b>1</b>
<b>B. Definitions .....</b>	<b>1</b>
<b>C. Entry into DROP .....</b>	<b>2</b>
<b>D. DROP Revocation .....</b>	<b>3</b>
<b>E. Annuitization of DROP Accounts.....</b>	<b>5</b>
<b>F. Designation of Beneficiaries .....</b>	<b>8</b>
<b>G. Hardships .....</b>	<b>9</b>
<b>H. 100% Joint and Survivor Benefit .....</b>	<b>11</b>
<b>I. Commencement of Retirement Benefit.....</b>	<b>12</b>
<b>J. Effective Date.....</b>	<b>12</b>



## **DEFERRED RETIREMENT OPTION PLAN POLICY**

**Adopted December 10, 1992**  
**Amended through ~~March 14, 2024~~January 8, 2026**

### **A. PURPOSE**

1. This policy provides rules governing the Deferred Retirement Option Plan of the Dallas Police and Fire Pension System (“DPFP”), as contemplated by Section 6.14 of Article 6243a-1 of Revised Statutes (the “Plan”) and the Supplemental Pension Plan for the Police and Fire Departments of the City of Dallas, Texas (the “Supplemental Plan”) where applicable. It is intended that DROP and the terms of this policy allow for the continued qualification of the Plan under Section 401 of the Internal Revenue Code (“Code”).
2. Any reference in this policy to a provision of the Plan shall also be considered a reference to the comparable provision of the Supplemental Plan if the applicant is a member of the Supplemental Plan.
3. The Executive Director may, if necessary, develop written procedures to implement this policy.
4. This policy may be amended at any time by the Board of Trustees (“Board”), consistent with the terms of the Plan.
5. Any capitalized terms not defined in this policy shall have the meaning ascribed to them in the Plan.

### **B. DEFINITIONS**

1. **DROP** - The program whereby a Member while still in Active Service may elect to have an amount equal to the pension benefit that the Member would otherwise be eligible to receive be credited to a notional account on the Member’s behalf. A Member, as of his or her intended date of participation in DROP, must be eligible to retire and receive an immediate pension benefit. ~~An election to enter DROP is irrevocable except for the one time revocation window for certain Members that is described in Section D.~~
2. **DROP Account** - The notional account of a Member, retiree, beneficiary or Alternate Payee created pursuant to Section 6.14 of the Plan which existed or exists prior to any annuitization required under the Plan and in conformity with this policy.



Deferred Retirement Option Plan Policy  
 As amended through March 14, 2024January 8, 2026  
 Page 2 of 12

## B. DEFINITIONS (continued)

3. **DROP Annuitant** – The holder of a DROP Annuity.
4. **DROP Annuity** – The series of equal payments created when a DROP Account is annuitized as required under the Plan and in conformity with this policy.

## C. ENTRY INTO DROP

1. The application of any Member applying for DROP participation will be placed on the agenda for a Board meeting as soon as administratively practicable following the date the application is received for consideration and approval.
2. If the Board approves a DROP application, the application will become effective as of the first day of the month in which the Board approves the application.
3. At the time of entry into DROP, the Member irrevocably sets the benefit he or she will receive at the time of his or her retirement with the Member's pension benefit calculated as of the effective date of entering DROP. While on Active Service, these benefit amounts that the Member would have otherwise received if he or she would have retired on his or her effective date of DROP participation will be credited to the DROP Account.
4. Once a Member has elected to participate in DROP, that election is irrevocable.
5. A Group B Member who obtains a rank that is higher than the highest Civil Service Rank for the City of Dallas after the effective date of his or her participation in DROP will not participate in the Supplemental Plan.
6. As of the effective date of his or her participation in DROP, the Member will no longer be entitled to obtain additional Pension Service by repaying previously withdrawn contributions or paying for any Pension Service that could have been purchased under the Plan prior to DROP entry. However, a Member who is entitled, under Section 5.08 of the Plan, to purchase credit for Pension Service for any period he or she was on a military leave of absence may still purchase that Pension Service after entering DROP so long as the required contributions are made no later than the time provided by the Uniformed Services Employment and Reemployment Rights Act ("USERRA") but no adjustment to the Member's DROP account will occur as a result of any service purchase subsequent to the Member's entry into DROP.
7. The Board shall interpret the Plan and this policy to ensure that Members' rights are fully protected as required by USERRA.



Deferred Retirement Option Plan Policy  
 As amended through March 14, 2024January 8, 2026  
 Page 3 of 12

## **D. DROP REVOCATION**

### **EXPIRED**

1. ~~A Member who was a DROP participant on or before June 1, 2017, has a one time opportunity to revoke his or her DROP election. The revocation must be made before the earlier of February 28, 2018, or the date that the Member terminates Active Service. The revocation must be made by filing with the Executive Director a completed DROP revocation election form that has been approved by the Executive Director.~~
2. ~~A DROP revocation eliminates the balance in a Member's DROP Account. The Member's benefit will then be established at the earlier of when the Member either (a) reenters DROP or (b) retires with DPFP, and will be calculated at that time under the Plan based upon the Member's total Pension Service and historic Computation Pay (highest 36 consecutive months for Pension Service prior to September 1, 2017 and highest 60 consecutive months for Pension Service on or after September 1, 2017.)~~
3. ~~Any revocation of DROP participation described in this Section shall be for the entire period that the Member participated in DROP. No partial revocation of DROP participation shall be accepted.~~
4. ~~No Member shall be entitled to revoke his or her DROP participation if any amount has been transferred out of such Member's DROP Account, except for any transfers related to corrections to DROP Accounts.~~
5. ~~A Member will be credited with Pension Service for all or a portion (one half) of the period relating to the revoked DROP participation if the Member who revoked the DROP participation purchases such Pension Service in an amount equal to the sum of: (a) the Member contributions that would have been made if the Member had not been a DROP participant during such period of DROP participation and (b) interest on such Member contributions, calculated on the contributions for the period from the dates the contributions would have been made if the Member had not been a DROP participant through the date of purchase. Interest will be calculated (a) through February 28, 2018 at the monthly rate of change of the U.S. City Average All Items Consumer Price Index (unadjusted) for All Urban Wage Earners and Clerical Workers for the applicable periods and (b) after February 28, 2018 at the interest rate used from time to time in DPFP's actuarial rate of return assumptions, compounded annually. Periods where the monthly rate of change was negative shall be computed as zero interest for such periods. DPFP staff shall be authorized to establish procedures for implementing the interest calculation required in this Section.~~



Deferred Retirement Option Plan Policy  
 As amended through March 14, 2024 January 8, 2026  
 Page 4 of 12

**D. DROP REVOCATION (continued)**

6. A Member may purchase Pension Service relating to the period of revoked DROP participation in increments of one half of his or her total Pension Service during DROP participation. If a Member elects to purchase one half of his or her total Pension Service available to be purchased following the DROP revocation, (a) a Member may not elect to purchase Pension Service relating to specific time periods during his or her DROP participation and (b) the amount of the Member contributions for purposes of such purchase will be one half of the total amount required to be paid pursuant to Section D.5. above.
7. If a Member elects to purchase one half of his or her Pension Service available to be purchased following the DROP revocation, the Member may subsequently purchase the remaining one half of the Pension Service available, but must complete such purchase prior to any election to reenter DROP or terminating Active Service. The amount to be paid for the remaining Pension Service to be purchased will be calculated pursuant to subsections 4 and 5 above, with interest continuing to accrue on the portion that has not yet been paid at the rate used from time to time in DPFP's actuarial rate of return assumptions, compounded annually, calculated from the date of the original Pension Service purchase through the date of the purchase of the remaining Pension Service.
8. Only full payment will be accepted for the amount of any Pension Service elected to be purchased under this Section. No partial payment will be accepted. Direct rollovers from other tax qualified plans or similar employer plans, including governmental Section 401(k) (including the City of Dallas 401(k) Retirement Savings Plan) and 457(b) deferred compensation plans and Section 403(b) annuity arrangements will be accepted for payment to the extent such plans permit such rollovers. Payment is not permitted from the Member's DROP account.
9. For the purposes of calculating a Member's pension benefit in the case where a Member purchases only one half of the total Pension Service available for the period relating to a DROP revocation, the purchased Pension Service attributable to time prior to September 1, 2017 shall be equal to the product of: (a) the amount of Pension Service purchased, multiplied by (b) a fraction of which the numerator equals the Pension Service available for purchase representing periods prior to September 1, 2017, and the denominator equals the total Pension Service available for purchase in connection with the DROP revocation.
10. All DROP revocation election forms must be received by DPFP in proper order by February 28, 2018 and will be considered effective as of September 6, 2017 after approval by DPFP staff that the form is in proper order. Approval of the Board shall not be required for a DROP revocation to become effective.



Deferred Retirement Option Plan Policy  
 As amended through March 14, 2024January 8, 2026  
 Page 5 of 12

## **E. ANNUITIZATION OF DROP ACCOUNTS**

### **1. Methodology**

DPFP staff, with the assistance of DPFP's Qualified Actuary, shall determine the annuitization of all DROP Accounts as required by the Plan and consistent with this policy.

### **2. Interest Rates**

To reflect the accrual of interest over the annuitization period of a DROP Annuity as required under the Plan, the accrual of interest for all DROP Annuities shall be calculated utilizing an interest rate based on the published United States Department of Commerce Daily Treasury Yield Curve Rates ("Treasury Rates") for durations between 5 and 30 years, rounded to two decimal places. If an annuitization period for a DROP Annuity is between the years for which Treasury Rates are established, then a straight-line linear interpolation shall be used to determine the interest rate. The interest rates for purposes of this subsection E.2. will be set on the first business day of each quarter (January, April, July and October) and will be based upon the average of the Treasury Rates as published on the 15<sup>th</sup> day of the three prior months, or the next business day after the 15<sup>th</sup> day of a month if the 15<sup>th</sup> day falls upon a day when rates are not published. Based upon advice from DPFP's Qualified Actuary upon implementation of this policy, interest rates to be used in calculating DROP Annuities with an annuitization period that exceeds thirty years will be the Treasury Rate published for the 30-year duration as Treasury Rates beyond thirty years do not exist.

### **3. Mortality Table**

The Board shall, based upon the recommendation of DPFP's Qualified Actuary, adopt a mortality table to be utilized in determining life expectancy for purposes of calculating DROP Annuities. The mortality table shall be based on the healthy annuitant mortality tables used in the most current actuarial valuation and blended in a manner to approximate the male/female ratio of holders of DROP accounts and DROP annuities. ~~The Board will review this table and male/female blended ratio upon the earlier of (i) the conclusion of any actuarial experience study performed by DPFP's Qualified Actuary or (ii) any change to mortality assumptions in DPFP's annual actuarial valuation. Actual ages used in calculating life expectancy will be rounded to two decimals. The life expectancy will be rounded to the nearest whole year.~~



Deferred Retirement Option Plan Policy  
 As amended through March 14, 2024January 8, 2026  
 Page 6 of 12

## **E. ANNUITIZATION OF DROP ACCOUNTS (continued)**

### **4. Initial Annuitization of Non-Member's DROP Accounts**

- a. The first payment of DROP Annuities after annuitization of all DROP Accounts in existence on or after September 1, 2017, except those DROP Accounts of Members, shall commence the last business day of the month in which this policy is adopted, or as soon as practicable thereafter.
- b. The initial annuitization of all non-Member DROP Accounts existing on September 1, 2017 will be calculated and implemented on the basis of a monthly annuity. DPFP staff will send notices to the holders of such DROP Annuities to inform them that they have sixty (60) days from the date of such notice to make a one-time election to have the monthly DROP Annuity converted to an annual annuity. If a DROP Annuitant makes such an election, the monthly DROP Annuity payments will cease as soon as administratively practicable, and the first payment of the annual DROP Annuity will begin 12 months after the last monthly payment made to the DROP Annuitant.
- c. For purposes of the initial annuitization described in this subsection E.4., any DROP Account which is held by a non-Member at any time on or after September 1, 2017, but prior to the initial annuitization pursuant to subsection E.4.a. above, shall ~~(i) be adjusted to reflect any distributions to such non-Member after September 1, 2017, but prior to the initial annuitization and (ii)~~ accrue interest for the period from September 1, 2017 through the date of initial annuitization at the same rate as the interest rate applicable pursuant to subsection E.2. in the calculation of the initial DROP Annuity.
- d. Annuitization of any non-Member DROP Account under this subsection E.4. will be based on the age of the holder of such DROP Account as of the first day of the month when the annuitization of DROP Accounts under this subsection E.4. occurs. In the case of a DROP Account which is held by a trust, such DROP Account will be annuitized using the age of the oldest beneficiary of the trust.

### **5. Annuitization of Member DROP Accounts**

- a. The DROP Annuity for a Member shall be calculated based upon the Member's age and DROP Account balance on the effective date of the Member's retirement. The interest rate applicable to the calculation of the Member's DROP Annuity will be the interest rate in effect under subsection E.2. during the month the Member terminates Active Service. Payment of the DROP Annuity shall commence effective as of the first day of the month in which the Member's retirement commences.



Deferred Retirement Option Plan Policy  
 As amended through March 14, 2024January 8, 2026  
 Page 7 of 12

## **E. ANNUITIZATION OF DROP ACCOUNTS (continued)**

### **5. Annuitization of Member DROP Accounts (continued)**

- b. Each Member as part of the retirement process shall be given the opportunity to elect either a monthly or annual DROP Annuity. If no election is made, the Member will be deemed to have elected a monthly DROP Annuity. Any DROP Annuitant who is receiving an annual DROP Annuity will have a one-time opportunity to convert this to a monthly DROP Annuity.

### **6. Annuitization of Alternate Payee's Account**

The DROP Annuity for any Alternate Payee receiving a portion of a Member's DROP Account through a Qualified Domestic Relations Order after the date of this policy shall commence on the earlier of (i) the date the Member's DROP Annuity commences or (ii) the first day of the month the Alternate Payee reaches age 58. Calculation of the DROP Annuity of an Alternate Payee will be based on the age of the Alternate Payee and the interest rate in effect under subsection E.2 upon commencement of the DROP Annuity.

### **7. Annuitization and Payments to Beneficiaries**

- a. Upon the death of a Member, the DROP Account of such Member shall be transferred to the Member's beneficiary(ies) pursuant to Section F of this policy. Such transferred account shall be annuitized as promptly as administratively practicable utilizing the interest rate in effect under subsection E.2. and the age of the beneficiary at the time of the Member's death in calculating the beneficiary's DROP Annuity.
- b. Upon the death of a DROP Annuitant, the remaining DROP Annuity shall be paid to the beneficiary designated by such DROP Annuitant and shall be divided if there are multiple beneficiaries as designated by the DROP Annuitant pursuant to Section F of this policy. DPFP shall only be responsible for payments to beneficiaries after DPFP has actual knowledge of the death of a DROP annuitant.

### **8. Revised Annuity in the Event of an Unforeseeable Financial Hardship Distribution**

If any DROP Annuitant shall receive a distribution pursuant to Section G hereof, the DROP Annuity of such DROP Annuitant shall be re-annuitized through a calculation using (a) the interest rate utilized in the calculation of the original DROP Annuity, (b) the present value of the DROP Annuity on the date of the unforeseeable financial hardship distribution as calculated by DPFP's Qualified Actuary, and (c) the remaining number of months in the life expectancy utilized in the calculation of the original DROP Annuity.



Deferred Retirement Option Plan Policy  
 As amended through March 14, 2024January 8, 2026  
 Page 8 of 12

## **E. ANNUITIZATION OF DROP ACCOUNTS (continued)**

### **9. Annuitization Procedure in the Event of a Rehiring**

If a DROP Annuitant is rehired and becomes a Member, such person's DROP Annuity will cease (the "Ceased DROP Annuity") effective upon the DROP Annuitant resuming Active Service. When the DROP Annuitant leaves Active Service, the Ceased DROP Annuity will be re-annuitized and recommence based upon the original interest rate and the remaining number of years in the existing DROP Annuity. If the DROP Annuitant shall be eligible under the Plan for additional credits to a DROP Account (the "Additional DROP Account") after recommencing Active Service, then upon the DROP Annuitant leaving Active Service, any amount in the Additional DROP Account shall be annuitized pursuant to subsection E.5.

## **F. DESIGNATION OF BENEFICIARIES**

1. A DROP participant will have the opportunity to designate a primary beneficiary (or primary beneficiaries) and a contingent beneficiary (or contingent beneficiaries) of his or her DROP Account either when filing the application for DROP participation, or thereafter, on a beneficiary form provided by DPFP for this purpose. A DROP Annuitant who receives a DROP Annuity will have the opportunity to designate a primary beneficiary (or primary beneficiaries) and a contingent beneficiary (or contingent beneficiaries) of his or her DROP Annuity upon or after receipt by the DROP Annuitant of notice that they are entitled to a DROP Annuity. The named beneficiary must be a living person at the time of the filing of the beneficiary form. No trusts may be named as a beneficiary, except for a trust established for a child who is entitled to benefits pursuant to Section 6.06 (n)(1) of the Plan ("Special Needs Trust"). Existing trusts which have a DROP Account as of the date of this policy will be permitted and will be annuitized pursuant to Section E.4. and the age of the oldest beneficiary of the trust will be utilized for purposes of the annuitization. Special Needs Trusts will be annuitized based upon the age of the child.
2. In the case of a holder of DROP Annuity who dies where no living person is named as a beneficiary, the remaining DROP Annuity will be paid to the deceased DROP Annuitant's estate. In the case of a Member who dies with a DROP Account where no living person is named as a beneficiary, the DROP Account will be annuitized based upon the life of the youngest heir to the deceased Member's estate and the resulting DROP Annuity will be paid to the estate.
3. Beneficiaries of a Member's DROP Account are not limited to the Qualified Survivors. Upon request, DPFP will divide a deceased participant's DROP Account or DROP Annuity among the designated beneficiaries at the time of the DROP participant's death.



Deferred Retirement Option Plan Policy  
 As amended through March 14, 2024January 8, 2026  
 Page 9 of 12

## **F. DESIGNATION OF BENEFICIARIES (continued)**

4. Upon the death of a DROP participant, the DROP participant's DROP Account or DROP Annuity shall become the property of the surviving spouse unless either (i) the surviving spouse has specifically waived his or her right to such funds or (ii) the surviving spouse's marriage to the DROP participant occurred after January 14, 2016 and the participant had already joined DROP and named a beneficiary other than the surviving spouse who was not the participant's spouse at the time of the beneficiary election, and will be transferred to the name of the surviving spouse or such other named beneficiary or beneficiaries. DROP Annuities shall be paid to the designated beneficiaries in accordance with the last beneficiary form on file in the DPFP administrative office upon that office's receipt of sufficient evidence of the DROP participant's death.

## **G. HARDSHIPS**

1. Pursuant to the Plan, a DROP Annuitant may apply for a lump sum distribution relating to his or her DROP Annuity in the event that the DROP Annuitant experiences a financial hardship that was not reasonably foreseeable. To qualify for an unforeseeable financial hardship distribution, a DROP Annuitant (or the estate of a DROP Annuitant in the case of subsection G.2.e.) must demonstrate that:
  - a. a severe financial hardship exists at the time of the application (i.e., not one that may occur sometime in the future);
  - b. the hardship cannot be relieved through any other financial means (i.e., compensation from insurance or other sources, monthly annuity benefits, or liquidation of personal assets) unless using those other sources would also cause a financial hardship; and
  - c. the amount requested in the application is reasonably related to and no greater than necessary to relieve the financial hardship.
2. The Board shall only recognize the following circumstances as an unforeseeable financial hardship that is eligible for a lump sum distribution:
  - a. the need to repair damage to a DROP Annuitant's primary residence not covered by insurance as the result of a natural disaster or significant event (i.e., fire, flood, hurricane, earthquake, etc.);
  - b. the need to make significant changes to a DROP Annuitant's primary residence not covered by insurance because of medical necessity;



Deferred Retirement Option Plan Policy  
 As amended through March 14, 2024January 8, 2026  
 Page 10 of 12

## **G. HARDSHIPS (continued)**

- c. the need to pay for medical expenses of the DROP Annuitant, a DROP Annuitant's spouse, or a dependent child or relative of the DROP Annuitant as described under Code section 152(c) and (d), including non-refundable deductibles, as well as for the cost of prescription drug medication;
- d. the need to pay for the funeral expenses of a parent, child, grandchild or spouse of the DROP Annuitant, including reasonable travel and housing costs for the DROP Annuitant, their spouse, parent, child or grandchild;
- e. the need of the estate of a DROP Annuitant to pay for the medical expenses or the funeral expenses of the Retiree Annuitant; or
- f. other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the DROP Annuitant.

3. DPFP staff will develop procedures relating to the application for an unforeseeable financial hardship distribution, which will include, at a minimum, a notarized statement by the applicant relating to the requirements for eligibility and documentation sufficient to demonstrate such eligibility. Following submission of the required financial hardship distribution application, the notarized statement, and other required documentation as stated in the application form, DPFP staff shall review the materials and inform the DROP Annuitant within thirty (30) days whether any additional information or documentation is required or requested. Once all required and/or requested documentation has been submitted, the Retiree Annuitant shall be informed within thirty (30) days if (i) the DROP Annuitant is eligible for an unforeseeable financial hardship distribution or (ii) the matter has been referred to the Board for consideration at the next regular meeting. After an unforeseeable financial hardship distribution has been made to a DROP Annuitant, a DROP Annuitant may not request an additional unforeseeable financial hardship distribution for ninety (90) days from the date of distribution of any amount under this Section.

4. The Executive Director shall have the authority to approve an application for an unforeseeable financial hardship distribution. The Executive Director shall submit to the Board for final action by the Board any recommended denial, in whole or in part, of any request for an unforeseeable financial hardship distribution. Determinations of the Board and the Executive Director on applications for unforeseeable financial hardship distributions are final and binding. Once an unforeseeable financial hardship distribution has been approved by either the Executive Director or the Board, payment of the distribution shall be made to the DROP Annuitant as soon as administratively practicable.



Deferred Retirement Option Plan Policy  
 As amended through March 14, 2024January 8, 2026  
 Page 11 of 12

## G. HARDSHIPS (continued)

5. For the purposes of this Section G, the term “dependent” shall mean any person who is claimed by a DROP Annuitant as a dependent on the Retiree Annuitant’s federal income tax return in any year for which a distribution is sought under this Section G.
- ~~6. Distributions under this Section G shall only be available for persons who (a) entered DROP prior to June 1, 2017 and (b) who have not revoked a DROP election under Section D. of this policy.~~
- ~~7.6.~~ No claims for hardship distributions will be accepted for any circumstances which give rise to the hardship where such circumstances occurred more than six months (nine months in the case of a filing by the estate of a DROP Annuitant pursuant to subsection G.2.e.) prior to the date of filing of the application pursuant to subsection G.3.

## H. 100% Joint and Survivor Benefit

1. Coterminous with entry into DROP, a Member shall have the right to make the election provided for under Section 6.063(a)(1) of the Plan and such an election will not be subject to the requirement set forth in Section 6.063(e) of the Plan.
2. Subsequent to a Member’s entry into DROP, if the Member has not made the election provided for in Section H.1., the Member shall have the right to make the election provided for under Section 6.063(a)(1) and such an election will be subject to the requirement set forth in Section 6.063(e). If a Member shall die ~~while on Active Service~~ within one year after making the election under this Section H.2., then the Member’s DROP Account shall be increased by the reduced benefit amount which is contemplated by Section 6.063(e) to be paid to the surviving spouse.
3. If a Member makes an election under either Section H.1. or H.2., the amount credited to the Member’s DROP balance will be adjusted accordingly.
4. If a Member should remarry while on Active Service after making an election under Section H.1 or H.2, then the Member’s benefit shall be recalculated and adjusted based upon the age of the new spouse, effective as of the date of marriage as if the Member had made a new election under Section 6.063(a)(1); provided however, that (i) if the Member had made the election pursuant to Section H.1., the Member shall not be subject to the requirement set forth in Section 6.063(e) for such remarriage and recalculation and (ii) if the Member had the election pursuant to Section H.2., the one year requirement under Section 6.063(e) shall be deemed to have commenced upon the original election.



Deferred Retirement Option Plan Policy  
As amended through March 14, 2024January 8, 2026  
Page 12 of 12

#### **H. 100% Joint and Survivor Benefit (continued)**

5. Members who are in DROP as of the effective date of this Policy shall be afforded the opportunity through the first to occur of (i) their retirement date or (ii) October 31, 2018 to make the election provided for in Section H.1 and after October 31, 2018, such Members shall be entitled to make the election provided for in Section H.2.
6. Nothing in this DROP Policy shall affect or impair the right of a Member to make the election provided for in Section 6.063(a) upon or after the Member's retirement if the Member shall not make the election provided for in this Section H, provided, however, that any election made by a Member of Pensioner after their entry into DROP, notwithstanding any other provision of Section 6.063, shall be subject to the provisions of Section 6.063(e).

#### **I. COMMENCEMENT OF RETIREMENT BENEFIT**

For any Member retiring and commencing receipt of their monthly retirement benefit, other than Members who have participated in DROP for ten years or more and are subject to the limitation set forth in the last sentence of Section 6.14(c) (a "10 Year Limitation DROP participant"), such Member's retirement benefit shall commence on the first day of the month such Member's retirement becomes effective. For any 10 Year Limitation DROP participant, such Member's monthly retirement benefit shall commence on the effective date of such Member's retirement.

#### **J. EFFECTIVE DATE**

APPROVED on March 14, 2024January 8, 2026, by the Board of Trustees of the Dallas Police and Fire Pension System.

/s/ Nicholas A. Merrick

Nicholas Merrick  
Michael Taglienti  
Chairman

ATTEST:

/s/ Kelly Gottschalk

Kelly Gottschalk  
Secretary





## DISCUSSION SHEET

### ITEM #C7

**Topic:** **Hardship Request – 2025-2H**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.078 of the Texas Government Code.

**Discussion:** Article 6243a-1 Section 6.14(e-3)(2) allows a lump-sum distribution from the DROP account in the event of a financial hardship that is not reasonably foreseeable. Section 6.14(e-4) required the Board to adopt rules related to hardship distributions. The Board's rules are contained in Section G of the DROP Policy.

A DROP Annuitant submitted an application for a lump sum distribution from the DROP balance in accordance with the DROP policy. The DROP Policy requires that:

- a. severe financial hardship exists at the time of the application (i.e., not one that may occur sometime in the future);
- b. the hardship cannot be relieved through any other financial means (i.e., compensation from insurance or other sources, monthly annuity benefits, or liquidation of personal assets) unless using those other sources would also cause a financial hardship; and

*Regular Board Meeting – Thursday, January 8, 2026*

## DISCUSSION SHEET

### ITEM #C7 (continued)

- c. the amount requested in the application is reasonably related to and no greater than necessary to relieve the financial hardship.
- d. the hardship must relate to a circumstance authorized by the Board Policy or other similar extraordinary circumstances.

#### Staff

**Recommendation:** To be **provided** at the meeting.



D A L L A S  
**POLICE & FIRE**  
PENSION SYSTEM



## DROP Hardship

*January 8, 2026*  
Board Meeting

# Hardship Policy

1. Pursuant to the Plan, a DROP Annuitant may apply for a lump sum distribution relating to his or her DROP Annuity in the event that the DROP Annuitant experiences a financial hardship that was not reasonably foreseeable. To qualify for an unforeseeable financial hardship distribution, a DROP Annuitant (or the estate of a DROP Annuitant in the case of subsection G.2.e.) must demonstrate that:
  - a. a severe financial hardship exists at the time of the application (i.e., not one that may occur sometime in the future);
  - b. the hardship cannot be relieved through any other financial means (i.e., compensation from insurance or other sources, monthly annuity benefits, or liquidation of personal assets) unless using those other sources would also cause a financial hardship; and
  - c. the amount requested in the application is reasonably related to and no greater than necessary to relieve the financial hardship.

# Hardship Policy - Circumstances

2. The Board shall only recognize the following circumstances as an unforeseeable financial hardship that is eligible for a lump sum distribution:
  - a. the need to repair damage to a DROP Annuitant's primary residence not covered by insurance as the result of a natural disaster or significant event (i.e., fire, flood, hurricane, earthquake, etc.);
  - b. the need to make significant changes to a DROP Annuitant's primary residence not covered by insurance because of medical necessity;
  - c. the need to pay for medical expenses of the DROP Annuitant, a DROP Annuitant's spouse, or a dependent child or relative of the DROP Annuitant as described under Code section 152(c) and (d), including non-refundable deductibles, as well as for the cost of prescription drug medication;

# Hardship Policy – Circumstances Continued

- d. the need to pay for the funeral expenses of a parent, child, grandchild or spouse of the DROP Annuitant, including reasonable travel and housing costs for the DROP Annuitant, their spouse, parent, child or grandchild;
- e. the need of the estate of a DROP Annuitant to pay for the medical expenses or the funeral expenses of the Retiree Annuitant; or
- f. other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the DROP Annuitant

# Request Summary

## Summary of Hardship Request

Loss of business & wages due to government contracting changes. Hardship distribution is needed to “cover basic living expenses until they can secure stable employment and rebuild financial security.”

\$85,000

Note: The requestor does not have a DPFP pension benefit, only a DROP annuity. The amount requested represents approximately 39 months of DROP annuity payments.

# Board Questions

## Questions for the Board:

- 1) Is the loss of the contracts and wages unforeseeable?
- 2) Does the loss of income fit into the intention of the circumstances allowed by the policy under other circumstances, which reads: “other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the DROP Annuitant”?
- 3) Is the request for a hardship that may exist in the future or does one exist now?
- 4) Is the amount requested reasonably related to and no greater than necessary to relieve the financial hardship?

If the Board finds that the request meets the policy criteria, staff will determine the financial need in accordance with the Board's direction.



Date: November 4, 2025

To: Dallas Police & Fire Pension Board of Directors

Subject: Hardship Distribution Request - \$80,000

Dear Board Members,

I am writing to request a hardship distribution of \$80,000 from my Dallas Police & Fire Pension account due to severe financial hardship caused by circumstances beyond my control.

Government decisions that ended contractor assignments and froze federal funding have drastically reduced my work hours and income. My weekly income has dropped below \$1,000, and I no longer have a dual household income. This reduction has forced me to deplete my personal savings just to maintain my basic living expenses.

Based on my current financial situation, my monthly income was approximately \$6,142, while my essential monthly expenses total about \$9,145, resulting in a monthly deficit of over \$3,000. These expenses include mortgage, insurance, utilities, groceries, transportation, and medical costs, necessary obligations that cannot be further reduced without severe hardship.

Under my existing pension plan, I will receive monthly payments over a 20-year period or until my account is depleted. I am requesting that \$80,000, representing roughly six years of my vested funds, be released now to provide temporary financial support and allow me to meet essential living costs while I work to rebuild a steady income. I understand this will shorten the length of my payments, but I believe it is the only way to maintain financial stability during this period.

I appreciate your time and consideration of my request. I am happy to provide additional documentation or clarification regarding my financial situation if needed.

Sincerely,



## Kimberly Boone

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**From:** [REDACTED]  
**Sent:** Tuesday, December 2, 2025 10:45 PM  
**To:** Kimberly Boone  
**Cc:** [REDACTED]  
**Subject:** Re: [External] 6 Monthly Household Statements - 2 of 3  
**Attachments:** W2 - 2023.jpg; W2 - 2024.png; 2022 Personal Taxes.pdf; [REDACTED] XXX-XX-[REDACTED]-2024-03-17-161529.pdf

### Dallas Police & Fire Pension Board of Directors Subject: Hardship Distribution Request – \$85,000

Dear Board of Directors,

I am requesting consideration for a hardship distribution due to severe financial hardship caused by circumstances beyond my control. My income and the income generated through the business operations have been significantly reduced because of sudden contract disruptions and the freeze of federal and government funding.

**Clarification of** [REDACTED] **and** [REDACTED]

I, [REDACTED], serve as a Business Consultant for [REDACTED], a division of [REDACTED]. In this role, I provided HR consulting and business support services to federal and local government entities.

[REDACTED] is the staffing division of [REDACTED]. This division is responsible for supplying qualified personnel to our government and private-sector clients and supporting their staffing and acquisition needs across multiple departments.

While [REDACTED] delivers HR advisory services, [REDACTED] provides direct staffing and talent acquisition services. Both divisions depend on active government contracts and assignments to generate revenue.

### Description of the Event That Caused the Unforeseen Hardship

Recently, we experienced an immediate and unexpected layoff of our full staff with no advance notice. This action eliminated all incoming business revenue and depleted all remaining operational funds for payroll. None of our employees, including myself, were backfilled or returned to work after the layoffs.

To make matters worse, all government contract assignments connected to our business were suddenly frozen. With no active projects and no alternative income sources, I have been left without the financial means to meet essential living expenses.

### Reason for Request

Due to the complete loss of income caused by these unforeseen events, I am requesting a hardship distribution of \$85,000 to cover basic living expenses until I can secure stable employment and rebuild my financial stability.

I understand that this request may shorten the duration of my long-term payout period, and I accept this impact given the severity of my current situation.

Thank you for your time and consideration.

Sincerely,

[REDACTED]

On Tue, Nov 18, 2025 at 4:45 PM Kimberly Boone <[kimberlyb@dpfp.org](mailto:kimberlyb@dpfp.org)> wrote:

[REDACTED]

To proceed with the Hardship Request, we will need some additional information. Please provide the following:

- W-2 forms for tax years 2022, 2023, and 2024
- Income tax returns for 2022 and 2023
- Clarification regarding the relationship between [REDACTED] and [REDACTED]  
[REDACTED]
- A description of the event that resulted in the reasonably unforeseen hardship

Thank you in advance for your prompt attention to this matter. If you have any questions, please let us know.

Sincerely,

*Kimberly L. Boone*

Retirement Counselor

Dallas Police & Fire Pension System

Answers to DPFP staff follow-up questions received from the hardship applicant on December 10, 2025.

- Have you received any official notice from the government regarding the cancellation or suspension of your contracts? We were informed that there were going to be layoffs and a hiring freeze. All project funds appear to have been frozen. As a direct result of this suspension, layoffs occur during that period.
- Have you submitted an unemployment claim? If so, were you approved, and what is the approved benefit amount? If your claim was denied, please provide the denial notice. No, I did not apply for unemployment benefits at that time, as I anticipated securing employment.
- Please provide a breakdown of how you calculated the total monthly expenses of \$9,000.

Breakdown for Requested Amount:

1. Monthly Household Expenses

- Average monthly living expenses (housing, utilities, food, insurance, transportation, etc.): \$8,500
- Duration covered: 8 months
- Subtotal:  $\$8,500 \times 8 = \$68,000$

2. Vehicle Repairs (Transmission)

- Estimated transmission repair/replacement costs: \$2,000 - \$5,000

3. Contingency for Unforeseen Expenses

- Medical, household maintenance, or other unexpected costs: \$5,500

4. Employment Transition Buffer

- Additional funds to sustain household until full-time employment is secured: \$6,500

- Please provide a detailed calculation showing how you arrived at the requested amount of \$85,000.

Upon reviewing my financials, I noted that I initially had at least eight months of emergency savings before my employment began to slow down. I calculated my monthly living expenses, along with potential additional costs that could arise during the layoff period. The requested amount is intended to sustain my household until I am able to secure full-time employment again. However, unforeseen circumstances have already begun to impact my finances. My vehicle now requires transmission repairs, as indicated by the engine light, which adds an unexpected burden to my household budget. Life inevitably presents challenges, and these expenses are taking a significant toll.

Therefore, the request for \$85,000 is made to ensure that I can remain current on all household needs and obligations while navigating this transitional period.

- Have there been any changes to your employment since submitting your hardship application? No, I am still unemployed. I've been actively applying to several companies and recently completed both a background check and drug screening this past Monday. One of the companies is currently awaiting funding to begin a project with FEMA, which has delayed the start of employment.



## DISCUSSION SHEET

### ITEM #C8

**Topic:** **Supplemental Pay**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.071 of the Texas Government Code.

**Discussion:** Staff will (i) review how the supplemental pay components called for in the funding agreement with the City of Dallas work and (ii) request Board action regarding approval of the supplemental pay components and interpretation of the language concerning these components.

*Regular Board Meeting – Thursday, January 8, 2026*



## DISCUSSION SHEET

### ITEM #C9

**Topic:** **Clarion Portfolio Update**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.072 of the Texas Government Code.

**Attendees:** Bohdy Hedgcock, Managing Director (virtual)  
Kevin McCabe, Senior Associate (virtual)

**Discussion:** Clarion will provide an update on DPFP's interest in CCH Lamar, an investment in the Cedars neighborhood of Dallas. Clarion was engaged in October 2015 to take over the investment management of DPFP's interest in several Dallas area real estate assets, including CCH Lamar.



## DISCUSSION SHEET

### ITEM #C10

**Topic:** **Benefits Overpayment Notification**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.071 of the Texas Government Code.

**Discussion:** Through an unrelated review process, staff discovered one member who has been receiving an overpayment of their monthly benefit payment since 2021. Section 802.1024 of the Government Code requires DPFP to recover the overpayments. The Correction of Errors in Benefits Payment Policy requires the Board to be notified of all errors above \$10,000, to approve repayments that exceed \$10,000, and to approve repayments that will exceed one year.

Staff will brief the Board on Section 802.1024 of the Government Code, the cause and magnitude of the overpayment, and will propose a plan of recovery for the Board's consideration.

**Staff**

**Recommendation:** **Authorize** the Executive Director to recover the overpayment through a repayment plan consistent with the requirements of Section 802.1024 of the Texas Government Code.

**Texas Government Code:**

**Sec. 802.1024. CORRECTION OF ERRORS.** (a) Except as provided by Subsection (b), if an error in the records of a public retirement system results in a person receiving more or less money than the person is entitled to receive under this subtitle, the retirement system shall correct the error and so far as practicable adjust any future payments so that the actuarial equivalent of the benefit to which the person is entitled is paid. If no future payments are due, the retirement system may recover the overpayment in any manner that would be permitted for the collection of any other debt.

(a-1) On discovery of an error described by Subsection (a), the public retirement system shall as soon as practicable, but not later than the 90th day after the date of discovery, give written notice of the error to the person receiving an incorrect amount of money. The notice must include:

(1) the amount of the correction in overpayment or underpayment;

(2) how the amount of the correction was calculated;

(3) a brief explanation of the reason for the correction;

(4) a statement that the notice recipient may file a written complaint with the retirement system if the recipient does not agree with the correction;

(5) instructions for filing a written complaint; and

(6) a payment plan option if no future payments are due.

(a-2) Except as provided by this subsection and Section 802.1025, the public retirement system shall begin to adjust future payments or, if no future payments are due, institute recovery of an overpayment of benefits under Subsection (a) not later than the 90th day after the date the notice required by Subsection (a-1) is delivered by certified mail, return receipt requested. If the system does not receive a signed receipt

evidencing delivery of the notice on or before the 30th day after the date the notice is mailed, the system shall mail the notice a second time by certified mail, return receipt requested. Except as provided by Section 802.1025, not later than the 90th day after the date the second notice is mailed, the system shall begin to adjust future payments or, if no future payments are due, institute recovery of an overpayment of benefits.

(b) Except as provided by Subsection (c), a public retirement system:

(1) may correct the overpayment of benefits to a person entitled to receive payments from the system by the method described by Subsection (a) only for an overpayment made during the three years preceding the date the system discovers or discovered the overpayment;

(2) may not recover from the recipient any overpayment made more than three years before the discovery of the overpayment; and

(3) may not recover an overpayment if the system did not adjust future payments or, if no future payments are due, institute recovery of the overpayment within the time prescribed by Subsection (a-2) or Section 802.1025.

(c) Subsection (b) does not apply to an overpayment a reasonable person should know the person is not entitled to receive.



D A L L A S  
**POLICE & FIRE**  
PENSION SYSTEM



**CORRECTION OF ERRORS  
IN  
BENEFIT PAYMENTS POLICY**

Amended Through February 13, 2020

## **DALLAS POLICE AND FIRE PENSION SYSTEM**

### **CORRECTION OF ERRORS IN BENEFIT PAYMENTS POLICY**

Adopted February 14, 2019

As Amended Through February 13, 2020

**Supersedes the Recapture of Overpayments Policy  
as amended through February 13, 2004**

#### **A. Purpose**

In order to preserve the financial integrity of DPFP and comply with the Board's fiduciary duty, IRS rules and regulations governing overpayment and underpayment of benefit payments known as the Employee Plans Compliance Resolution System (EPCRS) and Section 802.1024 of the Texas Government Code, it is the Board's policy to investigate any overpayment or underpayment promptly and diligently and to recover the overpayment or pay the underpayment in a timely manner. The purpose of this Policy is to provide guidelines and a process for evaluation and collection or payment of overpaid and underpaid benefits made to members and beneficiaries (collectively "Members," for purposes of this Policy).

#### **B. Benefit Underpayments**

When a wrongful underpayment of benefits has been identified, the following guidelines and procedures shall be followed:

##### **1. Board Notification**

The Executive Director shall report any underpayment in excess of \$10,000 to the Board at the next regularly scheduled Board meeting.

##### **2. Investigation**

When an underpayment of benefits is identified, the Executive Director shall investigate the facts and circumstances surrounding the underpayment.

##### **3. Resolution**

a. Staff shall notify the affected Member of the underpaid benefit in writing and DPFP shall pay any underpaid benefits as soon as reasonably possible.

###### **b. Interest**

i. DPFP shall include interest in its repayment only if the underpayment of benefits is not paid within the same fiscal year in which the error was made.



Correction of Errors in Benefit Payments Policy  
As Amended Through February 13, 2020  
Page 2 of 4

**B. Benefit Underpayments (continued)**

- ii. Interest shall be calculated using the actuarially assumed rate of return in effect during the time the underpayment occurred. Interest shall accrue from the date(s) of the underpayment and shall cease accruing from the earlier of (i) the date of payment or (ii) thirty days after the time notice is given to the party entitled to the payment at the last known address in the records of DPFP.
- iii. Interest shall not be paid if not required by EPCRS.

**C. Benefit Overpayments**

1. Notification

The Executive Director shall report any overpayments in excess of \$10,000 to the Board at the next regularly scheduled Board meeting. The Executive Director shall report back to the Board on the progress of the investigation and collection of the overpayment within six months if payment in full including interest, if any, is not achieved.

2. Investigation

When an overpayment of benefits is identified, the Executive Director shall immediately investigate the facts and circumstances surrounding the overpayment.

3. Collection

a. Overpayment of Benefits Exceeding \$10,000 – Approval by the Board

- i. Resolution of an overpayment of benefits that exceeds \$10,000 should result in immediate full payment of the entire amount, plus interest, whenever feasible. For purposes of this Policy, full repayment may include an installment repayment plan for the full amount owed, including interest at the actuarially assumed rate. A resolution on these terms does not need Board approval, except for repayment plans exceeding one year which do require Board approval.



Correction of Errors in Benefit Payments Policy  
As Amended Through February 13, 2020  
Page 3 of 4

**C. Benefit Overpayments (continued)**

- ii. Any resolution of an overpayment of benefits exceeding \$10,000 that does not result in full payment of the entire amount, plus interest, must be approved by the Board.
- b. Overpayment of Benefits of \$10,000 or Less – Approval by the Executive Director
  - i. Resolution of an overpayment of benefits of \$10,000 or less should result in immediate full payment of the entire amount, plus interest, whenever feasible. For purposes of this Policy, full repayment may include an installment repayment plan for the full amount owed, including interest at the actuarially assumed rate.
  - ii. Subject to the procedures and objectives in this Policy, the Executive Director shall have sole discretion to resolve any overpayment of benefits of \$10,000 or less.
- c. The Board and Executive Director shall use reasonable efforts to resolve an overpayment of benefits. Reasonable efforts include consideration of the facts and circumstances, IRS guidelines for correction of Plan errors and costs and benefits of collection efforts. The plan sponsor has indicated to the Board that it has no statutory authority to make additional payments to DPFP to cover any overpayments.
- d. Interest
  - i. DPFP shall charge the Member interest only if the overpayment of benefits is not fully paid within the same fiscal year in which the error was made.
  - ii. Interest is assessed from the date(s) of the overpayment to the date the overpayment is resolved. “Resolved,” for purposes of including interest for overpayment, means the date when DPFP collects or begins collecting any overpayment.
  - iii. Interest shall be calculated using the actuarially assumed rate in effect during the time the overpayment occurred through the time when the overpayment of benefits is resolved.



Correction of Errors in Benefit Payments Policy  
As Amended Through February 13, 2020  
Page 4 of 4

**C. Benefit Overpayments (continued)**

e. General Rules on Recovery of Overpayments

- i. Future payments due to a Qualifying Survivor or an Estate and/or a DROP annuity beneficiary will be reduced to recover the overpayment whenever possible.
- ii. If there is more than one Qualified Survivor or Beneficiary receiving the future payment, the recovery of overpayment will be applied on a pro-rata basis.
- iii. The Executive Director may choose to not pursue collections of overpayments that are below the EPCRS de minimis level of \$100.

**D. Procedures**

The Executive Director may develop written procedures to implement this policy.

APPROVED on February 13, 2020 the Board of Trustees of the Dallas Police and Fire Pension System.



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William Quinn  
Chairman

Attested:



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Kelly Gottschalk  
Secretary





## DISCUSSION SHEET

### ITEM #C11

**Topic:**

**Legal issues - In accordance with Section 551.071 of the Texas Government Code, the Board will meet in executive session to seek and receive the advice of its attorneys about pending or contemplated litigation or any other legal matter in which the duty of the attorneys to DPFP and the Board under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with Texas Open Meeting laws.**

- a. DPFP v. City of Dallas
- b. Dallas Police Retiree Association v. DPFP

**Discussion:**

Counsel will brief the Board on these issues.



## DISCUSSION SHEET

### ITEM #C12

**Topic:** **Executive Director Performance Evaluation**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.074 of the Texas Government Code.

**Discussion:** The Board will meet with the Executive Director to review performance and provide recommendations concerning yearly objectives, goals, and performance.



## DISCUSSION SHEET

### ITEM #D1

**Topic:** **Public Comment**

**Discussion:** Comments from the public will be received by the Board.

*Regular Board Meeting – Thursday, January 8, 2026*



## DISCUSSION SHEET

### ITEM #D2

**Topic:** **Executive Director's Report**

- a. Associations' newsletters
  - [NCPERS Monitor \(January 2026\)](#)
- b. Open Records

**Discussion:** The Executive Director will brief the Board regarding the above information.