



Houston Firefighters' Relief and Retirement Fund

Investing for Firefighters and Their Families®

2018 SPD Pension Benefits Policies and Procedures Changes

NOTE: "Statute" refers to Texas Civil Statute Art 6243e.2(1)

- 1.00 **Membership** - (Reference Statute Sec. 13) - **Changed 9/15/20**
- 3.00 **DROP** (Reference Statute Sec. 5) - **Changed 10/19/21**
- 5.00 **Disability Definitions/Procedures** - (Reference Statute Sec. 6) – **Changed 5/21/19 and 12/15/21**
- 6.00 **Procedures for Death and Survivor Benefits, excluding DROP death benefits governed by Section 3.07 of this Policy** - (Reference Statute Sec 7) – **Changed 3/20/18, 1/15/19 and 1/17/23**
- 8.00 **Policy Governing Re-entry into the Fund** - **Changed 10/19/21**
- 13.00 **Deductions** – **Changed 4/17/18**

1.00 **Membership - (Reference Statute Sec 13)**

Changed 9/15/20

1.05 Pursuant to powers granted to it under sections 2(p) and 13(a) of the Statute the Board automatically accepts as members of the Fund (except for applicants for reentry into the Fund) each person who has completed all conditions for membership, including an application for membership in the Fund, and has been sworn in as a full-time, fully paid, active, classified member of the Houston Fire Department prior to attaining age 36. All new members to the Fund and their corresponding pension entrance date shall be noted in the next Pension Benefits Committee meeting following their swearing in ceremony.

3.00 **Deferred Retirement Option Plan ("DROP")**

3.05 C **Deleted 10/19/21**

C. If a member who participates in DROP terminates his or her employment with the Fire Department and is subsequently re-hired as a firefighter, he or she will not be entitled to a retirement pension during such period of re-hire. In addition, he or she may only re-join the Fund subject to all of the terms and conditions of his or her DROP election. This means that such re-hire will not accrue any additional pension service or compensation for retirement pension purposes and such re-hire shall be subject to the 13-year maximum participation limitation as outlined in Section 3.04.

5.00 **Disability Definitions/Procedures - (Reference to Section 6 of the Statute)**

Changed 12/14/21

5.04 D. By December 31st of each calendar year the Fund shall randomly select three (3) disability benefit recipients under the age of 65 for re-evaluation of such benefit to the extent allowed under the Statute. Such randomly chosen disability benefit recipients shall not include (i) any recipient who had originally been awarded a disability benefit within the preceding two calendar years, or (ii) any recipient who had been chosen for re-evaluation within the preceding two calendar years. Notwithstanding the foregoing, nothing in this policy shall deprive the Board of its authority under section 9 of the Statute to require a disability benefit recipient to undergo a reexamination at any time.

Changed 5/21/19

5.11 At any time after a determination by the Pension Benefits Committee, but prior to a determination by the Board on an appeal to the Board, an applicant may re-apply and submit additional information which was not previously presented to the Pension Benefits Committee for consideration. A noticed appeal to the Board may be abated for the purpose of permitting a re-application with additional information. If an applicant re-applies, but additional information is not provided to the Committee, the Pension Benefits Committee will affirm its prior determination. If additional information is submitted to the Committee, it shall consider this and all prior information. Upon any appeal to the Board, however the Board shall consider only such information as was provided to the Committee.

6.00 Procedures for Death and Survivor Benefits, excluding DROP death benefits, governed by Section 3.07 of this Policy (Reference to Section 7 of the Statute)

Changed 3/20/18

6.01 Survivor(s) eligible for payment under this section must request and apply for such payment by completing forms required by and available through the Fund in addition to providing the marriage and/or birth certificate(s) necessary to verify eligibility.

6.02 No death benefit will be processed for payment without a death certificate or a pending death certificate certifying the death of the member. In instances where payment is made through a trustee or to an estate, verifiable proof of trusteeship or status as representative of the estate must also be provided or be on file.

Changed 1/15/19

6.05 B. An individual who is over 18 years of age and applying for a benefit as a disabled child as defined in section 1(5) of the Statute shall be ineligible for such benefit unless the applicant was dependent upon the deceased member prior to the member's death and such applicant provides satisfactory evidence to the Board that for the member's federal income tax return filed in the year immediately preceding the death of the member, the member claimed the applicant as a dependent on such return. The Fund may require any further evidence it deems necessary to determine that the applicant's dependence upon the member continued until the member's date of death. Such evidence may include, but is not limited to, a sworn statement from the applicant.

Changed 1/17/23

6.06 To be eligible for benefits as an eligible spouse pursuant to an informal marriage the proof of such informal marriage must be in the following form:

(a) a signed declaration of informal marriage form, identifying the date such informal marriage began and filed with the county clerk as provided for in the Texas Family Code 2.402 and provided to the Fund prior to the death of the member,

(b) a final and non-appealable order issued by a Texas court of competent jurisdiction, obtained and filed with the Fund prior to the death of the member, that an informal marriage existed under the Texas Family Code and provides the date such informal marriage began., or

(c) a copy of the member's and applicant's last federal income tax returns filed with the IRS while the member was still alive (along with proof of the date of such filing) indicating the member and applicant reported identical home addresses and were either married filing jointly or married filing separately. A return filed with the IRS (i.) prior to the three year period immediately preceding the date of the member's death, or (ii.) on behalf of the member after the member's death does not satisfy the requirements of this subsection.

If an applicant offers proof of informal marriage pursuant to subsection 6.06(c) then the first date of marriage shall be deemed to be December 31st of the earliest year for which federal income tax returns are provided comporting with the requirements of that subsection.

An applicant for benefits as an eligible spouse pursuant to an informal marriage is not eligible to receive any benefits as an eligible spouse which have already been paid (including any DROP, PROP, or monthly pension payments) to other eligible survivors or beneficiaries prior to the submission of such applicant's completed application including the required proof of informal marriage as described above.

An applicant for benefits as an eligible spouse pursuant to an informal marriage is ineligible for such benefit unless the applicant completes the proper application and provides supporting documentation as required by the Fund by the later of:

- A. March 3, 2023; or
- B. forty-five (45) after the date of the member's death.

8.00 Policy Governing Re-entry into the Fund

Revised 10/19/21

8.05 If a firefighter is reinstated or re-employed in classified service with the Fire Department, regardless of whether such reinstatement is pursuant to a court order, following such firefighter's retirement and commencement of monthly pension payments, then all pension payments to or on account of such firefighter shall be suspended, regardless of whether or not the firefighter is reinstated as an active member of the Fund. Furthermore, such firefighter shall have no right or interest in the amounts so suspended.

8.06 If a firefighter is re-employed in classified service with the Fire Department, following such firefighter's retirement and commencement of monthly pension payments, pursuant to a Court Order mandating re-employment by the City of Houston, such firefighter may be readmitted to the Fund, subject to the conditions and requirements set forth in Sections 8.01, 8.05, and 8.07 of this policy and in accordance with rules set forth below. Any such firefighter readmitted to the Fund is not eligible to participate in DROP, and such firefighter's service benefits or benefits payable to such firefighter's beneficiaries shall be computed as follows:

The firefighter's final monthly pension benefit (or the survivors' benefit) payable upon retirement (or death), shall be computed in two pieces, which when added together shall constitute the firefighter's monthly pension benefit, or refund of contribution as applicable, at the time (s) he again retires. The first benefit piece shall be computed by applying the pre-retirement service credits to the benefit formula in effect on the firefighter's initial date of retirement. The second benefit piece shall be computed by applying the service credits earned following reinstatement to the benefit formula in effect on the firefighter's subsequent retirement date. Provided, however, that both pre-retirement and post reinstatement compensation may be considered in determining the "average monthly salary".

8.07 If a firefighter is re-employed in classified service with the Fire Department pursuant to court order mandating re-employment following such firefighter's participation in DROP and retirement and commencement of monthly pension payments, then such firefighter's re-entry shall be strictly limited by the conditions of DROP. This means that such re-hire will not accrue any additional pension service or compensation for retirement pension purposes and such re-hire shall be subject to the 13-year maximum participation limitation.

8.08 If a firefighter retired with a service or deferred pension benefit is re-employed in classified service with the Fire Department following retirement and commencement of monthly pension payments, whether such firefighter ever participated in DROP, and such re-employment is not made pursuant to a court order mandating re-employment, such firefighter shall not be reinstated as an active member of the Fund. Such firefighter shall not accrue additional service, average monthly compensation shall not be recomputed, and the applicable benefit formula shall be that formula in effect at the time that the firefighter initially terminated active membership in the Fund and active service with the Fire Department, or the DROP effective date, whichever is applicable. All monthly pension payments to or because such firefighter shall be suspended effective as of the date of re-employment, and such firefighter shall have no right or interest in the amounts so suspended. Monthly pension payments, or as

applicable, survivor benefits shall recommence, when such firefighter again terminates classified service with the Fire Department.

8.09 Notwithstanding the foregoing or any other provision of these policies, if a firefighter is re-employed in classified service with the Fire Department, whether or not pursuant to a court order, and such firefighter had previously applied for disability benefits with the Fund, whether such benefits were granted or denied, then such firefighter is ineligible to be reinstated as an active member of the Fund. Such firefighter shall not accrue additional service, average monthly compensation shall not be recomputed, and the applicable benefit formula shall be that formula in effect at the time that the firefighter initially terminated active membership in the Fund and active service with the Fire Department, or the DROP effective date, whichever is applicable. All monthly pension payments to or because such firefighter shall be suspended effective as of the date of re-employment, and such firefighter shall have no right or interest in the amounts so suspended.

13.00 **Deductions**

Changed 4/17/18

13.02 The deduction purposes approved by the Board are as follows: federal income tax, City of Houston provided health, dental, vision, and life insurance, Local #341 sponsored supplemental life, dental, and vision insurance, Relative Assistance Fund, Hospital Fund, Houston Fire Museum membership dues, Dennis W. Holder Scholarship Fund, HFD Honor Guard and HFD Pipe and Drums. It is further recognized that the Fund is required by law to withhold Internal Revenue Service levies and child support through Qualified Domestic Relations Orders.