



**AMARILLO FIREMEN'S
RELIEF AND RETIREMENT FUND**

BENEFITS GUIDE

**AS OF
JUNE 2025**



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INTRODUCTION AND GOVERNING LAW

The Amarillo Firemen's Relief and Retirement Fund (the "Fund" or "Plan") is a defined benefit plan that was created to provide retirement benefits to the employees of the Amarillo Fire Department (the "Department"). The Fund was created under Article 6243e, Vernon's Texas Civil Statutes, which may also be referred to as the Texas Local Firefighters Retirement Act ("TLFFRA" or the "Act"). The Fund is governed by the terms of the Act and the plan document, as it may be amended from time to time (the "Plan Document"), adopted by the Board of Trustees (the "Board"). The Fund is also a qualified retirement plan under Section 401(a) of the Internal Revenue Code and is subject to certain tax laws that apply to such plans.

This Benefits Guide is intended to be an overview of the benefits provided under the Fund, including the general eligibility requirements and key terms of such benefits. This Benefits Guide has been written in non-technical terms to help you understand your benefits and assist you in making your retirement decisions, but it is not intended to address all applicable laws and rules or how such laws and rules may apply in specific situations. If there is any conflict or question of interpretation between this Benefits Guide and the Act or the Plan Document, the Act and the Plan Document, as applicable, will control. Capitalized terms not defined in this Benefits Guide will have the meaning set forth in the Plan Document or Act, as applicable.

If you have any questions about your rights or benefits under the Fund or the information provided in this Benefits Guide, please visit the Fund's website or contact the Fund Administrator through one of the methods below.

Mailing Address: P.O. Box 1971, Amarillo, TX 79105

Phone: 806-378-3040

Email: afrrf@amarillo.gov

Website: <https://afrrf.com/>

SECTION I - MEMBERSHIP AND SERVICE CREDIT

All fire suppression employees of the Department, including all personnel certified by the State of Texas as a firefighter, become Members of the Fund as a condition of employment. Once you become a Member, you will remain a Member of the Fund until your service with the Department terminates.

You will earn "Service Credit" in the Fund for each payroll period in which you are employed by the Department and make the required contributions to the Fund (including during a paid leave of absence). In general, you will not earn Service Credit during an unpaid leave of absence unless the leave of absence relates to your military service.

SECTION - II CONTRIBUTIONS

As a Member of the Fund, you will contribute 14% of your Compensation to the Fund each pay period. The City will deduct these contributions from your paycheck and pay the contributions to the Fund on your behalf. Compensation means any (1) regular, longevity, overtime, incentive, and assignment pay, (2) periodic pay for sick leave and vacation, and (3) Eligible Comp Time (comp time with the Department not exceeding 120 hours). However, Compensation does not include (i) any lump-sum distribution or payment for unused sick leave or vacation or (ii) pay for unscheduled overtime in excess of 300 hours in any calendar year beginning on or after January 1, 2023.

All contributions that you make to the Fund will be considered your accumulated contributions, but your accumulated contributions will not be held in a separate account for you. Instead, they will become part of the overall assets of the Fund.

In addition, the City contributes an amount equal to 20.82% of each Firefighter's Compensation to the Fund each pay period. City contributions paid to the Fund become part of the overall assets of the Fund and are not attributable to any individual Member.

SECTION III - RETIREMENT BENEFITS

At retirement, you will be eligible to receive a monthly retirement annuity benefit that is payable for your lifetime. The amount of your benefit will be based on your age, Service Credit, and Highest Average Salary at retirement.

The Fund offers multiple types and forms of benefits for members to choose from, each of which is described in more detail in this section.

A. Types of Service Retirement Benefits

The Normal Service Retirement Benefit is the default monthly retirement annuity provided by the Fund. To be eligible for a Normal Service Retirement Benefit, you must be 50 years old and have accrued at least 20 years of Service Credit.



For purposes of the Plan, Highest Average Salary means your average Compensation over the sixty consecutive month period of your Service which produces the highest average.

If you have not yet met the requirements to receive a Normal Service Retirement Benefit, you may be eligible for an Early Service Retirement Benefit or Vested Termination Benefit.

<u>Type of Benefit</u>	<u>Eligibility</u>	<u>Formula for Monthly Benefit</u>
Early Service Retirement Benefit	45 Years Old and 20 Years of Service Credit	$3.45\% \times \text{Highest Average Salary} \times \text{Years of Service Credit} \times \text{Early Retirement Factor}^*$
Vested Termination Benefit **	At least 10 Years of Service Credit & accumulated contributions remain in Fund	$3.45\% \times \text{Highest Average Salary} \times \text{Years of Service Credit} \times \text{Vested Percentage}^{***}$

* The Early Retirement Factor is a percentage that is based on your age when you begin receiving the Early Service Retirement Benefit. See the Plan for more details regarding the early retirement factor.

** The Vested Termination Benefit does not become payable until the date you would have attained age 50 with 20 years of Service Credit had you remained in continuous Service with the Department. If you terminate with at least 20 years of Service Credit, you may elect to receive the Early Service Retirement Benefit (described above) commencing at age 45.

*** The Vested Percentage is a percentage that is based on your years of Service with the Department as of your termination date. See the Plan for more details regarding the vested percentage.

B. Forms of Benefit Available at Retirement

Standard Form of Benefit: Joint and 66 2/3% Surviving Spouse Annuity

Under any of the Service Retirement Benefits described in [Section III\(A\)](#) above, the standard form of benefit payable is a joint and 66 2/3% Surviving Spouse annuity (“Standard Benefit”).

The Standard Benefit provides you with a monthly retirement benefit for life and after your death, provides a monthly retirement benefit to your Surviving Spouse equal to 66 2/3% of the benefit that was being paid to you immediately prior to your death. (See [Section V\(A\)](#) for more information regarding Death Benefits.)

Instead of receiving the Standard Benefit, at retirement, you may elect to convert your Standard Benefit into one of the optional forms of benefit described below. Note that your election of any of the following optional forms of benefit is an irrevocable election and cannot be changed.

Option 1: Joint and 100% Surviving Spouse Annuity

The joint and 100% spouse annuity provides you with a monthly retirement benefit for life that is **decreased** by 5%, but, after your death, your Surviving Spouse will receive a monthly benefit equal to 100% of the benefit that was being paid to you immediately prior to your death.

Option 2: 15-Year Certain and Life Thereafter

The 15-year certain benefit option provides a monthly retirement benefit that is **increased** by 4% to you and your Designated Beneficiary for a total of 15 years. If you die within 15 years after the date the benefit commences, your Designated Beneficiary will continue to receive the same benefit for the remainder of the 15-year period. If you die after being retired for 15 years, your Designated Beneficiary will not be entitled to any payments after your death. If you are married at retirement, spousal consent is required to select this benefit.

Option 3: Straight Life Annuity

The straight life annuity provides a monthly retirement benefit that is **increased** by 12% for as long as you live and does not include a survivor benefit. Upon your death, all benefits cease. If you are married at retirement, spousal consent is required to select this benefit.

Option 4: Pop-Up

The “pop-up” option provides a **decreased** monthly retirement benefit for as long as you and your Spouse are alive. The amount of the decreased benefit is determined by applying a factor to your Service Retirement Benefit based on your age and the age of your Spouse at the time the benefit starts. If your Spouse dies before you, your benefit will “pop-up” or increase to the amount you would have received if you had elected a straight life annuity described above. If you die before your Spouse, your Spouse will receive 66 2/3% of the benefit being paid to you immediately prior to your death for the remainder of their life.

C. Optional Joint and 100% Pre-Retirement Benefit

If you are eligible to receive a Normal Service Retirement Benefit (Age 50 with 20 years of Service Credit), you can elect the Joint and 100% Pre-Retirement Death Benefit while you are still and active Firefighter. If you die prior to retiring from the Department, this option allows your Surviving Spouse to receive 100% of the benefit you would have received had you retired on the date of your death. At your retirement, you will receive a slightly lower Standard Benefit. Note that your election of this benefit can be revoked before your retirement. See the Plan Document for more information regarding the optional Joint and 100% Pre-Retirement Death Benefit.

D. Deferred Option Retirement Program (DROP)

You may elect to receive a benefit under the DROP, which is a reduced monthly Normal Service Retirement Benefit or optional form of benefit *plus* a lump-sum benefit, as opposed to only a monthly Normal Service Retirement Benefit or optional form of benefit. The purpose of the DROP is to provide financial planning flexibility to you upon retirement. Your election to participate in the DROP is voluntary. However, once you elect to participate in DROP, the election is irrevocable and cannot be changed.

i. Eligibility and Participation in DROP

You will be eligible to participate in the DROP for any period of Service with the Department after you attain age 53 and at least 23 years of Service Credit. At retirement, you will select a DROP Effective Date that is no more than two years (24 months) earlier than the date you *actually retire* from the Department. **However, your DROP Effective Date cannot be a date prior to the date you become eligible for the DROP (i.e., attain age 53 with 23 years of Service Credit).** The period between your DROP Effective Date and the date you actually retire is called the “DROP Period.”

Because your DROP Effective Date cannot be a date prior to the date you attained age 53 and with 23 years of Service Credit and the maximum DROP Period is two years, **you must remain in Service with the Department until you are 55 years old with 25 years of Service Credit, to elect the maximum two-year DROP.**

Example A:

On January 1, 2026, Member A turns age 54 and on the same day retires with 24 years of Service Credit. Member A initially became eligible for the DROP on January 1, 2025, when he attained age 53 with 23 years of Service Credit. Member A can elect up to a one-year DROP with a DROP Effective Date as early as January 1, 2025.

Example B:

On April 1, 2026, Member B turns age 55 and on the same day retires with 25 years of Service Credit. Member B initially became eligible for the DROP on April 1, 2024, when he attained age 53 with 23 years of Service Credit. Member B can elect up to a two-year DROP with a DROP Effective Date as early as April 1, 2024.

Example C:

On August 1, 2026, Member C turns age 57 and on the same day retires with 27 years of Service Credit. Member C initially became eligible for the DROP on August 1, 2022, when he attained age 53 with 23 years of Service Credit. However, because Member C is only allowed to take a maximum DROP of two years, Member C can elect up to a two-year DROP with a DROP Effective Date as early as August 1, 2024.

ii. Amounts Payable under DROP

Monthly Retirement Benefit. At your retirement from the Department, you will receive a monthly retirement benefit that is equal to the amount of the Normal Service Retirement Benefit (or optional form of benefit) that you would have received if you had retired on your DROP Effective Date.

Lump-Sum Drop Payment. In addition, a DROP account will be established and maintained in the records of the Fund for your benefit ("DROP Account"). Your DROP Account will be credited with an amount equal to (a) your Normal Service Retirement Benefit calculated as of your DROP Effective Date multiplied by the number of months in your DROP Period and (b) the contributions you made to the Fund during your DROP Period.

You must withdraw the entire balance of your DROP Account within 36 months after your date of termination in no more than five installments.

iii. Survivor Election

Note that if your death occurs while you are in active Service but after you became eligible to participate in the DROP, your Surviving Spouse may be eligible to participate in the DROP in lieu of receiving a death benefit as described in Section V. If elected, your Surviving Spouse would choose a DROP Effective Date as if you retired on the date of your death. Your Surviving Spouse would be eligible to receive (i) a monthly retirement benefit equal to 66 2/3% of the monthly retirement benefit that you would have received under the DROP and (ii) a lump-sum DROP Payment. Please contact the Fund if you have any questions regarding DROP survivor elections.

SECTION IV - DISABILITY RETIREMENT

A. General

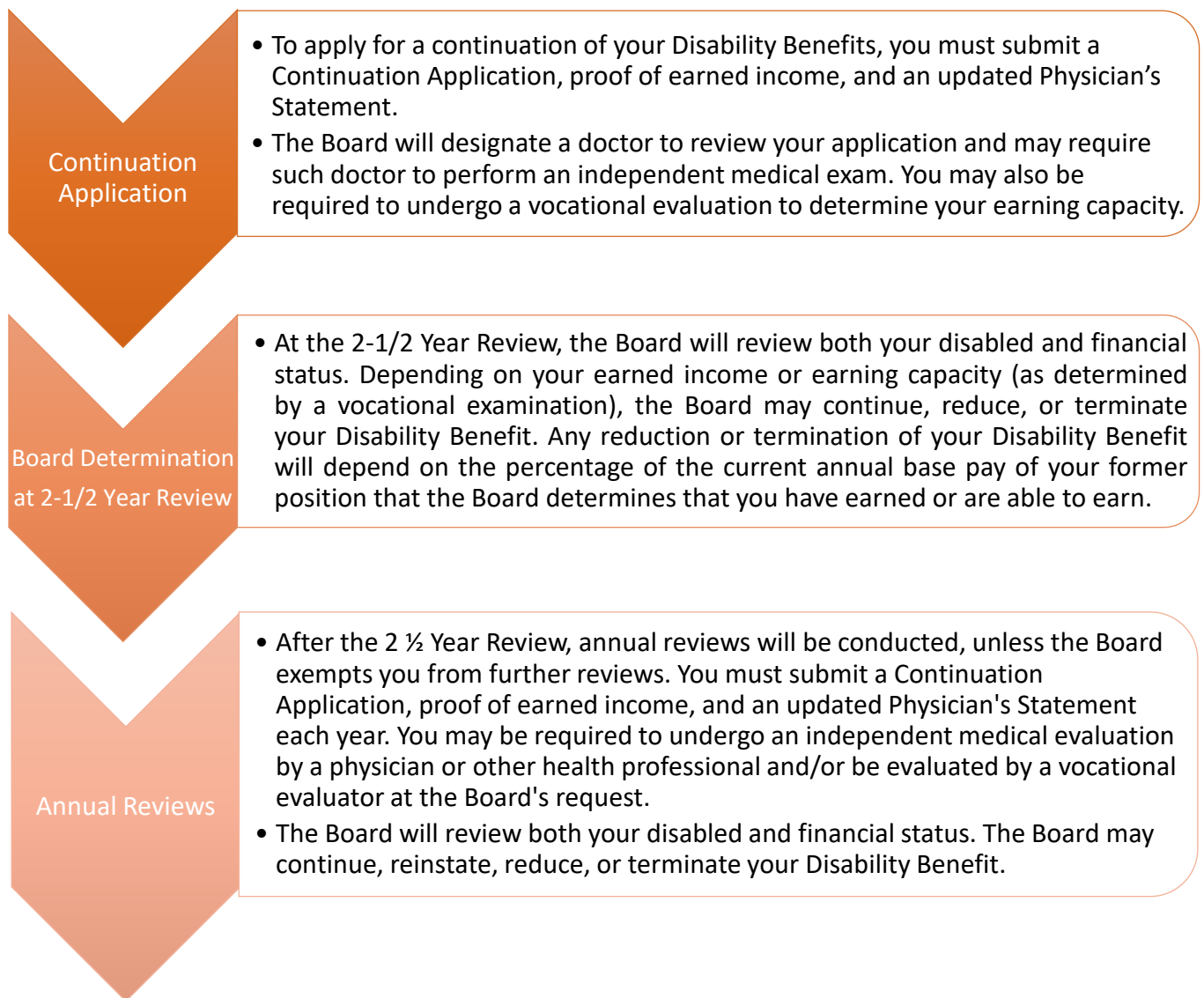
If you are disabled while you are in active Service with the Department, you may be eligible to retire and receive a Disability Benefit. If you qualify for disability retirement, the amount of the Disability Benefit payable to you will depend on (i) whether your disability occurred while on-duty (Duty-Related Disability Benefit) or off-duty (Off-Duty Disability Benefit) and (ii) your years

of Service Credit at the time you become disabled. The Board will determine whether the Disability Benefit payable to you is a Duty-Related Disability Benefit or Off-Duty Disability Benefit.

Note that if you receive an Off-Duty Disability Benefit and are also receiving a workers' compensation benefit from an employer other than the City, your Disability Benefit will be reduced by the amount of the workers' compensation benefit.

B. Disability Retirement Eligibility and Timeline





C. Disability Benefit Appeals

If the Board denies your Initial Application for Disability Benefits or reduces or terminates your Disability Benefit, you may appeal to the Board within 20 days of receiving notice of the Board's decision. After receiving an adverse decision regarding your appeal from the Board, you may appeal to the State Office of Administrative Hearings ("SOAH"). Please see the Fund's Disability Policy for more details regarding Disability Benefit appeals and contact the Fund if you have questions regarding the disability retirement application process.

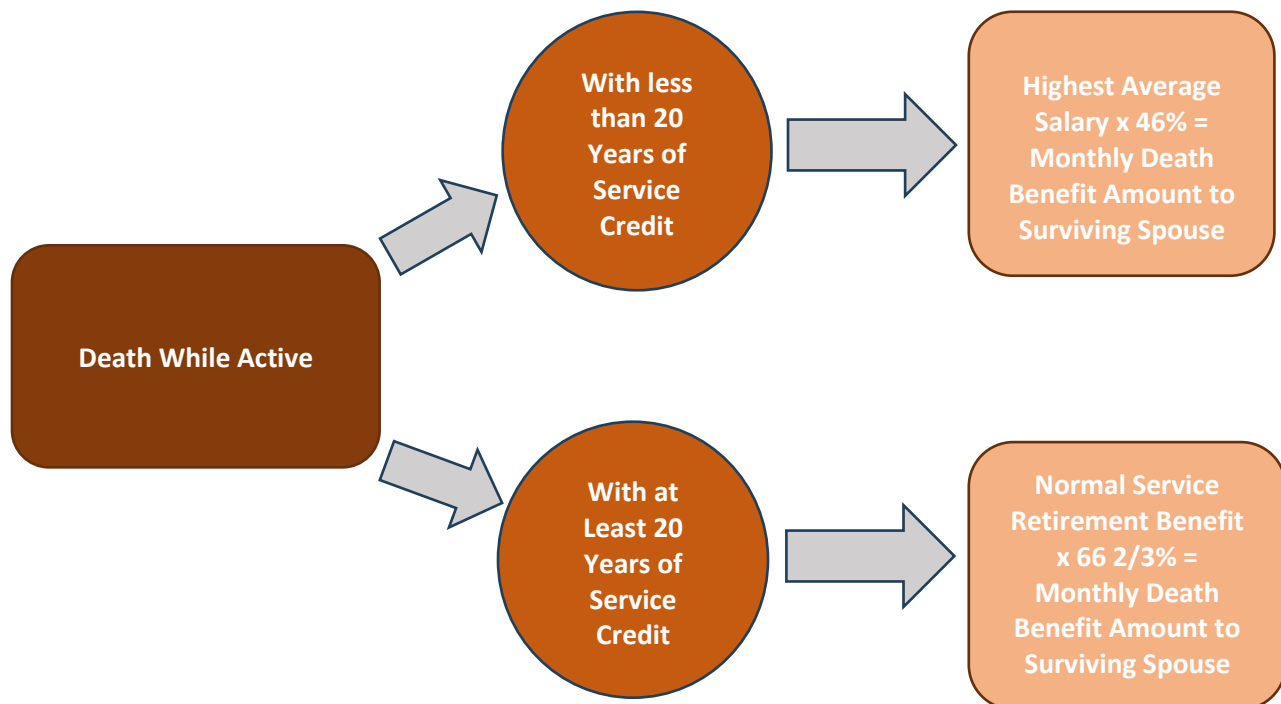
SECTION V - SURVIVOR (DEATH) BENEFITS

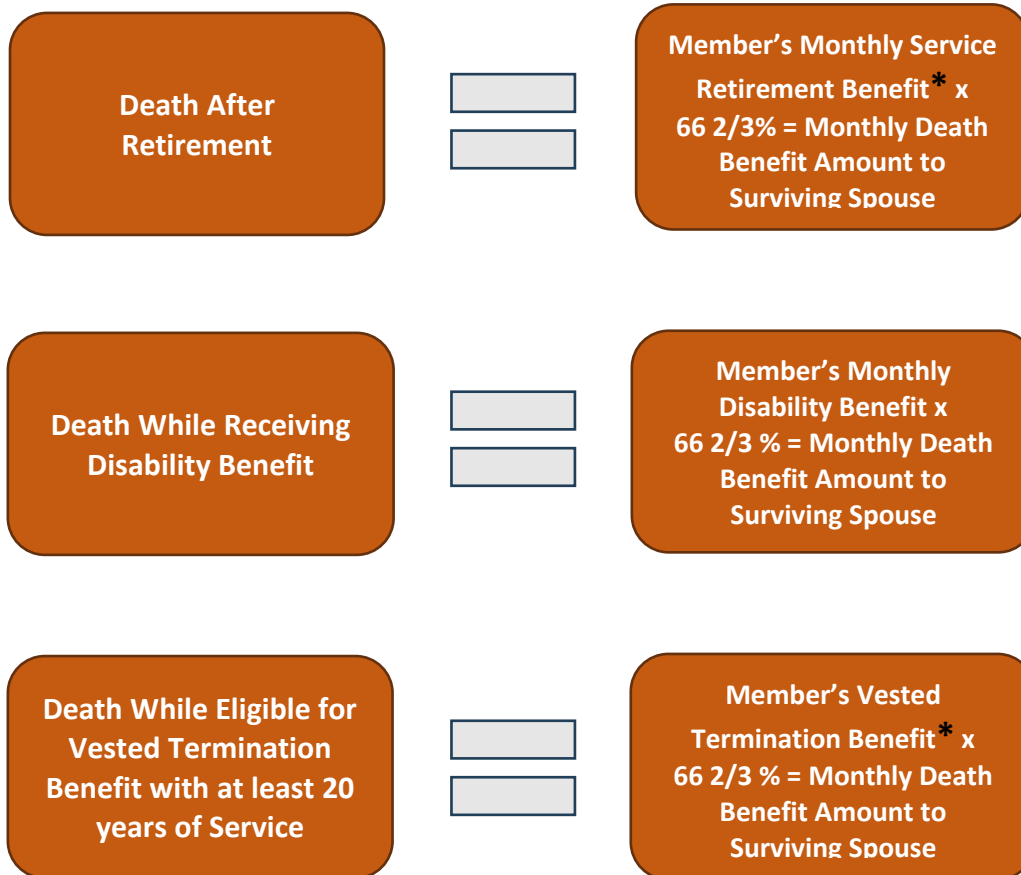
After your death, your survivor may be entitled to receive a death benefit from the Fund. Note that your marital status and Children will impact who is considered your “survivor” for purposes of paying benefits under the Fund.

A. Death Benefits to a Surviving Spouse

If you are married at the time of your death, your Surviving Spouse will be your “survivor” and be eligible for a monthly retirement benefit payable for the remainder of his or her life. The amount of the benefit depends on your years of Service and whether you were in active Service at your death or retired.

For purposes of the Fund, your Spouse is the person to whom you are legally married under the Texas Family Code or other applicable state law. Note that in order for an informal marriage (or “common law marriage”) to be recognized under the Fund, you must submit a declaration of informal marriage recorded with the state of Texas to the Fund. To be considered a Surviving Spouse, you and your Spouse must have been married at the time of your retirement or termination from the Department, as applicable.





* **Election of Optional Form of Benefit:** If a member elected an optional form of benefit under Section III(B), the benefit payable to the surviving spouse will be determined in accordance with such election.

B. Additional Lump-Sum Death Benefit

In addition to the monthly retirement benefit payable to your Surviving Spouse upon your death, your Surviving Spouse will also be entitled to a \$10,000 lump-sum death benefit. If you have no Surviving Spouse at your death, the lump-sum death benefit will be payable to your Designated Beneficiary. If you have no Surviving Spouse or Designated Beneficiary, the lump-sum death benefit will be payable to your estate.

C. Death Benefits to Children

If you have one or more Children at the time of your death, your Children may be eligible for a monthly retirement benefit for a period of time. To be eligible for a Children's benefit, a Child must be unmarried and either:

- the Child is under the age of 18;
- the Child is between the age of 18 and 25 and is a full-time student; or
- the Child is 17 years of age or older and is totally disabled as a result of physical or mental illness.

i. With a Surviving Spouse

If you have one or more Children **and** a Surviving Spouse at your death, a monthly benefit will be payable to each of your Children in an amount equal to \$335 per month until he/she is no longer eligible.

ii. Without a Surviving Spouse

If you have one or more Children but no Surviving Spouse at your death, a monthly benefit will be payable to each of your Children in an amount equal to \$670 per month. However, if the sum of the monthly benefits payable to all of your Children is greater than the amount that would have been payable to your Surviving Spouse (as described above), the monthly benefit payable to each of your Children will be reduced on a pro-rata basis so that the sum of each Child's benefit is equal to the benefit your Surviving Spouse would have been paid.

D. Death Benefits to Dependent Parents and Estates

If no Surviving Spouse or Child is entitled to a death benefit, a monthly benefit of \$100 will be paid to your dependent parents. If no Surviving Spouse, Child, or dependent parent is entitled to a death benefit, an amount equal to the excess of your accumulated contributions to the Fund over the amount of benefit payments which you have already received from the Fund, if any, will be paid to your estate.

SECTION VI - TERMINATION OF EMPLOYMENT/WITHDRAWAL OF CONTRIBUTIONS

If you terminate employment and are not eligible for a Service Retirement Benefit as described in Section III, you may elect to receive an amount equal to your accumulated contributions to the Fund over the amount of benefit payments which you have already received from the Fund, if any.

You may also elect to receive a return of your accumulated contributions at your retirement or termination. However, you will forfeit your right to receive any benefits that you otherwise would have been eligible to receive.

SECTION VII - PLAN ADMINISTRATION

A. Board

The Board is responsible for the governance of the Fund and may make rules and perform any activities necessary for the efficient administration of the Fund. The Board is a seven-member board composed of the mayor or the mayor's designated representative, the City treasurer, three members of the Fund, and two people who reside in Texas and are not officers or employees of the City.

B. Administrative Staff

The Board has delegated its responsibility for the day-to-day administrative and operational functions of the Fund to certain staff members of the Finance Department of the City of Amarillo ("Plan Administrator") who are overseen by the Board. Administrative staff is available to prepare benefits estimates or answer any questions you may have about retirement and your benefits under the Fund. Any questions regarding the Fund should be directed to afrrf@amarillo.gov.

C. Benefit Appeals Process

Section 22 of TLFFRA provides for an appeals process if you disagree with a determination by the Fund or Board as it relates to your eligibility or amount of a benefit. You must file notice of an appeal to the Board within 20 days the Board's decision and file a copy of the notice with the State Pension Review Board ("PRB"). The PRB will refer your appeal to the State Office of Administrative Hearings ("SOAH").

Note that the Fund's Disability Policy sets forth a process for internal appeals before you can submit an appeal to SOAH.