



July 9, 2024

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

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

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

Sincerely,

/s/ Kelly Gottschalk



Kelly Gottschalk  
Executive Director

PRB-200 Supplemental Plan - 2024

**BENEFITS AND MEMBERSHIP REPORT** **PRB-200**

**RETIREMENT SYSTEM PROFILE**

Dallas Police & Fire Pension System - Supplemental Plan System Name	214-638-3863 Phone Number
Kelly Gottschalk Report Contact Name (Please Print)	kellyg@dpfp.org E-mail Address

**BACKGROUND INFORMATION**

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

**FORMULAS AND BENEFITS**

Normal Retirement Benefit Formula <div style="border: 1px solid black; height: 40px; width: 100%;"></div>
Service-Related Disability Benefit Formula <div style="border: 1px solid black; height: 40px; width: 100%;"></div>
Service-Related Survivor Benefit Formula <div style="border: 1px solid black; height: 40px; width: 100%;"></div>
Nonservice-Related Disability Benefit Formula <div style="border: 1px solid black; height: 40px; width: 100%;"></div>
Nonservice-Related Survivor Benefit Formula <div style="border: 1px solid black; height: 40px; width: 100%;"></div>

**MEMBERSHIP REPORT**

Effective Date .....	1/1/2024
Active Members .....	56
Retirees and Beneficiaries .....	152
Terminated .....	1
Total Members .....	209

**CERTIFICATION**

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

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

[Redacted] /s/ Kelly Gottschalk  
 Authorizing Signature

7-24  
 Date

Kelly Gottschalk  
 Printed Name

## Section 4: Actuarial Valuation Basis

### Exhibit 2: Summary of plan provisions

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

#### Plan year

January 1 through December 31

#### Plan status

Ongoing

### Members whose participation began before March 1, 2011

#### Normal retirement

##### Benefit earned prior to September 1, 2017

Age Requirement 50

Service Requirement 5

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

Average Supplemental Computation Pay Highest 36 consecutive months of Supplemental Computation Pay

##### Benefit earned beginning September 1, 2017

Age Requirement 58

Service Requirement 5

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

Average Supplemental Computation Pay Highest 60 consecutive months of Supplemental Computation Pay

## Section 4: Actuarial Valuation Basis

### 20 and out reduced retirement

If eligible as of September 1, 2017

Age Requirement None

Service Requirement 20 years

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

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

If not eligible as of September 1, 2017

Age Requirement None

Service Requirement 20 years

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

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

## Section 4: Actuarial Valuation Basis

58 & above      2.50%

### Early retirement

If at least age 45 as of September 1, 2017 and less than age 50

Age Requirement      45

Service Requirement      5

Amount      Normal pension accrued prior to September 1, 2017 plus the benefit accrued based on the 20 & Out Table 2 for service beginning September 1, 2017, reduced by 2/3 of 1% for each whole month by which the benefit commencement date precedes age 50.

### Non-service-connected disability

Eligibility      Injury or illness (lasting more than 90 days) not related to or incurred while in the performance of the member's job, preventing the member from performing their departmental duties.

Amount      3% of Average Supplemental Computation Pay for service earned prior to September 1, 2017 and the applicable benefit multiplier from 20 & Out Table 2 times Average Supplemental Computation Pay for service earned beginning September 1, 2017.

### Service-connected disability

Eligibility      Injury or illness (lasting more than 90 days) obtained while on duty in the performance of the member's job.

Amount      3% of Average Supplemental Computation Pay for service earned prior to September 1, 2017 and the applicable benefit multiplier from 20 & Out Table 2 times Average Supplemental Computation Pay for service earned beginning September 1, 2017; if the member has less than 20 years of service, the benefit will be calculated as if they had 20 years at the time of disability.

### Benefit supplement

Age Requirement      55

Service Requirement      20 years, waived if member is receiving a service-connected disability

Amount      3% of the total monthly benefit (including any applicable COLA's) payable to the Member when the Member attains age 55. The benefit supplement shall not be less than \$75 per month.

Beginning September 1, 2017, only those annuitants and their survivors already receiving the supplement will be eligible to maintain their current supplement, which will not change ongoing; no additional retirees will be eligible for the supplement.

## Section 4: Actuarial Valuation Basis

### Termination Benefit

**With less than five years of pension service** Upon request, the member's contributions will be returned without interest.

**With at least five years of pension service** The member may either withdraw contributions or leave contributions in the Plan and receive a monthly benefit to commence no earlier than the member's earliest eligibility for retirement benefits. Retirement benefit is equal to the accrued benefit as of the date of termination.

### Pre-retirement death benefit

**While in active service** The greater of 50% of the Member's accrued benefit or a benefit based on 20 years of service. The benefit may not exceed 45% of Average Supplemental Computation Pay.

**After leaving active service, with fewer than five years** A lump sum benefit equal to the return of member contributions without interest.

**After leaving active service, with at least five years** 50% of the Member's accrued benefit, with no early retirement reduction, or a refund of member contributions.

### Post-retirement death benefit

50% or 100% of the pension the Member was receiving at the time of their death, depending on the form of joint and survivor annuity chosen; if there are no qualifying survivors, no further benefits will be paid.

### Qualified surviving children benefit

50% of the pension the Member was receiving at the time of their death, divided equally among the children, paid until the youngest child is 19 years old or for life if the child becomes disabled prior to age 23

### Minimum survivor benefit

\$1,100 per month, not to exceed the actual amount the Member was receiving upon their death. If there are no Qualified Surviving Children, the minimum benefit to a spouse who is a Qualified Survivor shall be \$1,200 per month. If the Member had less than 20 years of Pension Service, the minimum benefit will be prorated based on actual years of Pension Service.

### Special survivor benefit

**Eligibility** Upon leaving active service or joining DROP: a) the Member was at least 55 years old with at least 20 years of pension service, or b) the sum of the Member's age plus Pension Service was at least 78; and  
Has no Qualified Surviving Children or disabled children currently eligible for survivor benefits; and

## Section 4: Actuarial Valuation Basis

Whose Qualified Surviving Spouse is at least 55 years old. The Qualified Surviving Spouse does not have to be 55 years old at the time of the Member's death.

**Amount** Once all the eligibility conditions are met, the amount the Qualified Surviving Spouse will receive increases from 50% of the Member's pension benefit to a percentage of the Member's pension benefit based on the Member's applicable benefit multiplier times the number of years of Pension Service the Member worked.

### **Survivor benefit if no qualified surviving spouse**

A lump sum that is the actuarial equivalent of 120 monthly payments of the greater of: 50% of the Member's pension benefit at the time of their death, or a benefit based on 20 years of the Member's service.

### **DROP**

**Eligibility** Members in active service who are retirement eligible may elect to enter the Deferred Retirement Option Plan (DROP).

**Distribution** The DROP account balance will be paid over the expected future lifetime of annuitants.

**Interest** Based on United States Department of Commerce Daily Treasury Yield Curve Rates for durations between 5 and 30 years; interest rate is based on the expected lifetime of the members at the time they retire. Interest is only paid on DROP account balances as of September 1, 2017.

## **Members whose Participation Began on or After March 1, 2011**

### **Normal retirement**

**Age Requirement** 58

**Service Requirement** 5

**Amount** 2.5% of Average Supplemental Computation Pay for each year of Pension Service, maximum 90%. The minimum monthly benefit is \$110 times the number of years of Pension Service at retirement, but not greater than \$2,200.

**Average Supplemental Computation Pay** Highest 60 consecutive months of Supplemental Computation Pay

### **20 and out reduced retirement**

**Age Requirement** None

**Service Requirement** 20 years

## Section 4: Actuarial Valuation Basis

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

**20 & Out Table 2**

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

### Early Retirement

Age Requirement      53

Service Requirement 5

Amount                      Normal pension accrued, reduced by 2/3 of 1% for each whole month by which the benefit commencement date precedes the normal retirement date.

### Non-service-connected disability

Eligibility                      Injury or illness (lasting more than 90 days) not related to or incurred while in the performance of the member's job, preventing the member from performing their departmental duties.

Amount                      The Member's accrued benefit, but not less than a pro-rated minimum benefit.

### Service-connected disability

Eligibility                      Injury or illness (lasting more than 90 days) obtained while on duty in the performance of the member's job.

Amount                      The greater of 50% of Average Supplemental Computation Pay and the Member's accrued benefit; if the member has less than 20 years of service, the benefit will be calculated as if they had 20 years of service at the time of disability.

### Termination benefit

**With less than five years of pension service** Upon request, the member's contributions will be returned without interest



## Section 4: Actuarial Valuation Basis

**With at least five years of pension service** The member may either withdraw contributions or leave contributions in the Plan and receive a monthly benefit to commence no earlier than the member's earliest eligibility for retirement benefits. Retirement benefit is equal to the accrued benefit as of the date of termination.

### **Pre-retirement death benefit**

**While in active service** The greater of 50% of the Member's accrued benefit or a benefit based on 20 years of service. The benefit may not exceed 45% of Average Supplemental Computation Pay.

**After leaving active service, with fewer than five years** A lump sum benefit equal to the return of member contributions without interest.

**After leaving active service, with at least five years** 50% of the Member's accrued benefit, with no early retirement reduction, or a refund of member contributions.

### **Post-retirement death benefit**

50% or 100% of the pension the Member was receiving at the time of their death, depending on the form of joint and survivor annuity chosen; if there are no qualifying survivors, no further benefits will be paid.

### **Qualified surviving children benefit**

50% of the pension the Member was receiving at the time of their death, divided equally among the children, paid until the youngest child is 19 years old or for life if the child becomes disabled prior to age 23.

### **Minimum survivor benefit**

\$1,100 per month, not to exceed the actual amount the Member was receiving upon their death. If there are no Qualified Surviving Children, the minimum benefit to a spouse who is a Qualified Survivor shall be \$1,200 per month. If the Member had less than 20 years of Pension Service, the minimum benefit will be prorated based on actual years of Pension Service.

### **Special survivor benefit**

**Eligibility** Upon leaving active service or joining DROP: a) the Member was at least 55 years old with at least 20 years of pension service, or b) the sum of the Member's age plus Pension Service was at least 78; and Has no Qualified Surviving Children or disabled children currently eligible for survivor benefits; and Whose Qualified Surviving Spouse is at least 55 years old. The Qualified Surviving Spouse does not have to be 55 years old at the time of the Member's death.

## Section 4: Actuarial Valuation Basis

**Amount** Once all the eligibility conditions are met, the amount the Qualified Surviving Spouse will receive increases from 50% of the Member's pension benefit to a percentage of the Member's pension benefit based on the Member's applicable benefit multiplier times the number of years of Pension Service the Member worked.

### **Survivor benefit if no qualified surviving spouse**

A lump sum that is the actuarial equivalent of 120 monthly payments of the greater of: 50% of the Member's pension benefit at the time of their death, or a benefit based on 20 years of the Member's service.

### **DROP**

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**Distribution** The DROP account balance will be paid over the expected future lifetime of annuitants.

**Interest** Based on United States Department of Commerce Daily Treasury Yield Curve Rates for durations between 5 and 30 years; interest rate is based on the expected lifetime of the members at the time they retire. Interest is only paid on DROP account balances as of September 1, 2017.

## **All Members**

### **Supplemental Computation Pay**

Supplemental Computation Pay is the current rate of pay received by the member, minus the rate of pay the member would receive for the highest civil service rank the member held.

### **Cost of living**

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

### **Member contributions**

13.5% of computation pay for all members.

### **City contributions**

The City will contribute the Actuarially Determined Contribution.



## Section 4: Actuarial Valuation Basis

### **Forms of Benefits**

50% or 100% Joint and Survivor Pension.