RESOLUTION NO. 2018-2

ADMINISTRATIVE PROCEDURES REGARDING PROCESSING DEATH BENEFITS

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

October 9, 2018

WHEREAS, the Board of the Trustees (the "Board") of the Employees' Retirement Fund of the City of Dallas (the "Fund") wishes to document its interpretation of certain provisions of Chapter 40A of the Dallas City Code ("Chapter 40A");

WHEREAS, the Board desires consistency in treatment and payment of death benefits for each member of the Fund; and

WHEREAS, Section 40A-4(18) grants the Board the power to, "interpret this chapter as necessary to resolve any problems created by any ambiguities, inconsistencies, or omissions that might be found in this chapter."

NOW, THEREFORE, BE IT RESOLVED, that the following interpretations of Chapter 40A shall be followed consistently:

1. If a retiree dies after selecting a survivor option and the documented designated beneficiary dies before 120 payments have been made, the remaining retirement benefits shall be paid according to the designee form or estate of the retiree;

2. Notwithstanding Section 40A-23(c) a retiree who marries after retirement shall designate his/her new spouse as a designee. In this event, the new spouse is eligible to receive a commuted value lump sum payment;

3. Pursuant to Section 40A-21(c), if a member or inactive member selects a survivor option and the designated beneficiary dies, ceases to be an eligible beneficiary before the date the member or inactive member dies, or there is no designated beneficiary and the member or inactive member dies before 120 payments have been made, the remaining retirement benefits shall be paid in the following order of priority: (i) to one or more designees (designated in accordance with Section 40A-20.1);, (ii) to one or more qualified recipients; or (iii) if there are no designees or qualified recipients, to the estate of the member or inactive member; provided, however, if there is a qualified recipient who is a minor child or disabled child of the member or inactive member, such child shall have priority over a designee;

4. For purposes of Chapter 40A, the term "designated beneficiary" means a beneficiary (as defined in Section 40A-1(7)) that is a qualified recipient and is designated by the member, inactive member, or retiree in writing in accordance with Section 40A-22(b) on a form approved by the Fund. In accordance with Section 40A-16, a beneficiary designation may not be revised after a member or inactive member has retired and has selected a retirement option;

5. As defined in Section 40A-1(38) and used throughout Chapter 40A, the term "qualified recipient" includes: (i) a minor or disabled child of the deceased member, inactive member, or retiree, provided the child was alive, conceived, or adopted at the time of the death of the member, inactive member, or retiree and (ii) a parent who was a dependent of the member, inactive member, or retiree within the meaning of Section 152(d) of the Internal Revenue Code of 1986, as amended, at the time of death of the member, inactive member, or retiree;

6. If an active or inactive member dies without selecting a death benefit option and there is no surviving spouse, under Section 40A-22(d) the personal representative of the estate for the member or inactive member may select a death benefit option as if the member or inactive member had made the selection. The personal representative must be codified by a (i) Living Will, (ii) Last Will and Testament, (iii) Letters Testamentary, (iv) Estate Document, or (v) ERF Death Benefit or Lump Sum (Designee) Form authorized by the member. If the personal representative of the estate either fails or declines to select a death benefit option, the commuted lump sum value shall be paid to one or more designees, or if there are no designees to the estate of the member or inactive member, and the recipient and payment must result from a court order and be congruent with Chapter 40A;

7. The term "death benefit option," as used in Section 40A-22, refers solely to the form of payment from the options available under Section 40A-21(c), not to the designation of a beneficiary or designee;

8. For the avoidance of doubt, the identity of the proper payee of a post-retirement death benefit shall be determined in accordance with Section 40A-16 and the retirement option selected by the member; and

9. If a beneficiary or designee irrevocably waives all past, present, and future payments from the Fund, payment of the active's or inactive member's, or retiree's remaining benefits will be paid as if that beneficiary or designee did not exist.

EMPLOYEES' RETIREMENT FUND
OF THE CITY OF DALLAS

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John D. Jenkins
Board Chair

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Date

ATTEST:

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Cheryl D. Alston
Executive Director

APPROVED AS TO FORM:

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Stefan Smith, Esq.
Locke Lord, LLP