

Your ERF Pension Benefit



Employees' Retirement Fund
of the City of DALLAS®

Pension Benefit Webinar

TOPICS OF DISCUSSION

Introduction
Retirement Eligibility
Calculating Your Benefit
Reduction In Force
Pension Service
Death Benefit Form
Disability
Benefit Payment Options
Wrap Up

In 2021 ERF wants you to know that you can connect to our office and your pension information to plan your retirement as you move through the stages of employment; non-vested, vested, pre-retirement and retirement.

WEBINAR PREPARATION

This packet contains valuable retirement planning information. Below you will find a list of documents in the packet that ERF suggests you refer to to help you plan for your future retirement. If you have any further questions either email or call ERF at retirement_fund@dallaserf.org or 214-580-7700.

DOCUMENTS IN THIS PACKET

| | |
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| Member Guide Tier A & Tier B Member Guide | Death Benefit Form |
| Retirement Benefit Fact Sheet Tier A & B | ERF Presentation |
| Retirement Check Schedule | Social Security Information |



TIER A MEMBERS GUIDE

Membership

Board Of Trustees
Retirement Eligibility



Planning Tools

Retirement Benefit
Normal Retirement
Calculating Your Retirement



Visualize Your Plan

Know Your Benefit
Refunds and Rollovers



Transitioning

What You Need to Know
Choosing A Payment Option



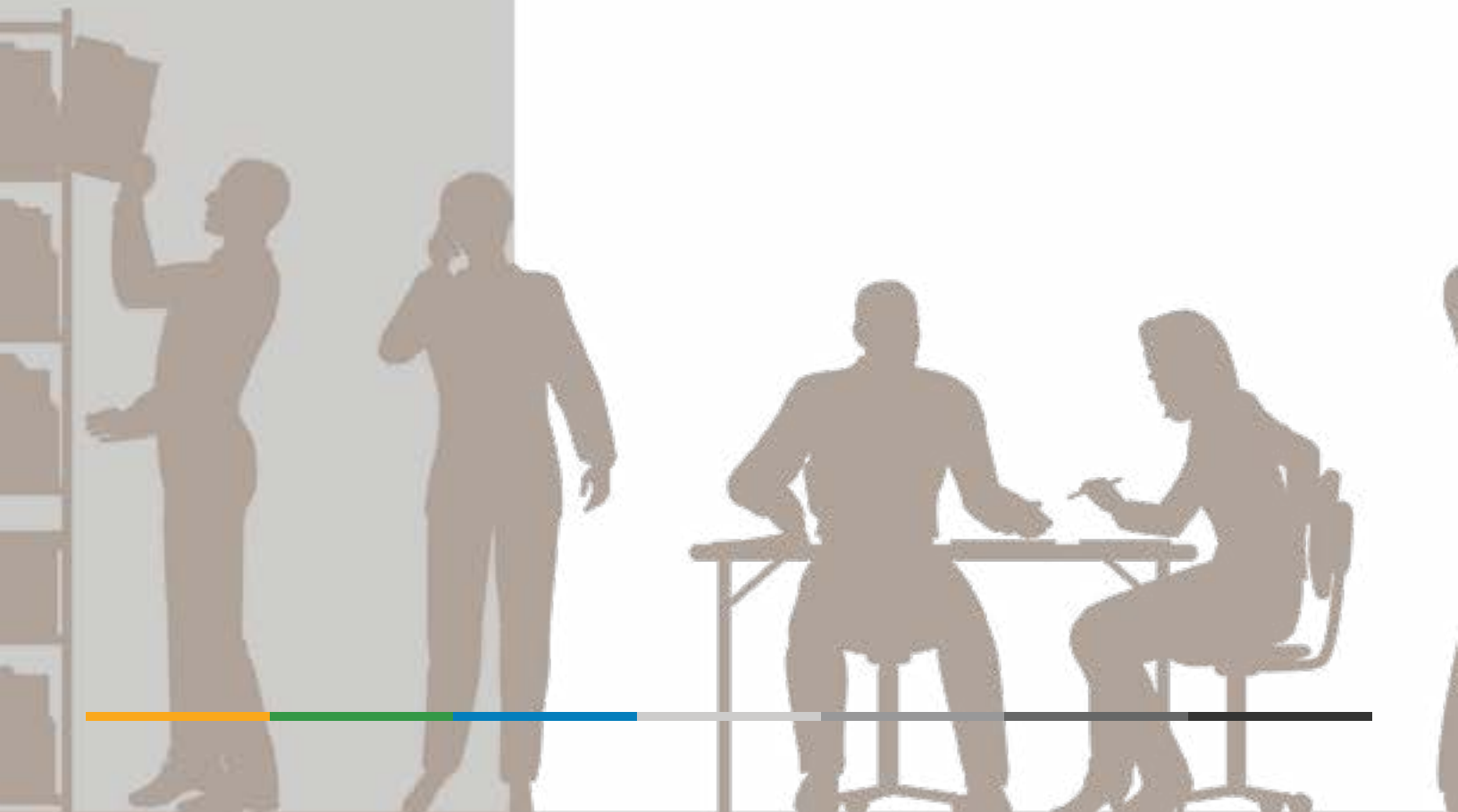
Introduction

Most employees have many responsibilities, both at work and at home. Like many employees, you may look forward to retirement one day but you may also think retirement planning is time consuming or complicated. This publication is designed not only to explain your future pension benefit but also give you retirement planning tips at each stage of your career. The goal is for you to do a little planning during your working career so that, when you approach retirement, you have a smooth transition from work to a secure retirement lifestyle.

The Employees' Retirement Fund of the City of Dallas (ERF, also referred to as the Fund) is a defined benefit plan for the City of Dallas' non-uniformed, permanent full and part-time employees. ERF provides retirement, disability and survivor benefits to members and their beneficiaries. When you qualify for retirement, you will get a specified lifetime monthly pension.

Preparing for retirement is one of the most important financial actions you can take and the Employees' Retirement Fund will help you. Every eligible employee automatically participates in the Fund, and both you and the City contribute the funds that help secure your financial future.

This brochure explains the features and benefits of the Fund. Before you make any retirement decisions, contact the ERF office to be sure you understand the features of this plan and for assistance in making decisions that may affect your retirement income.



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Why Read This?

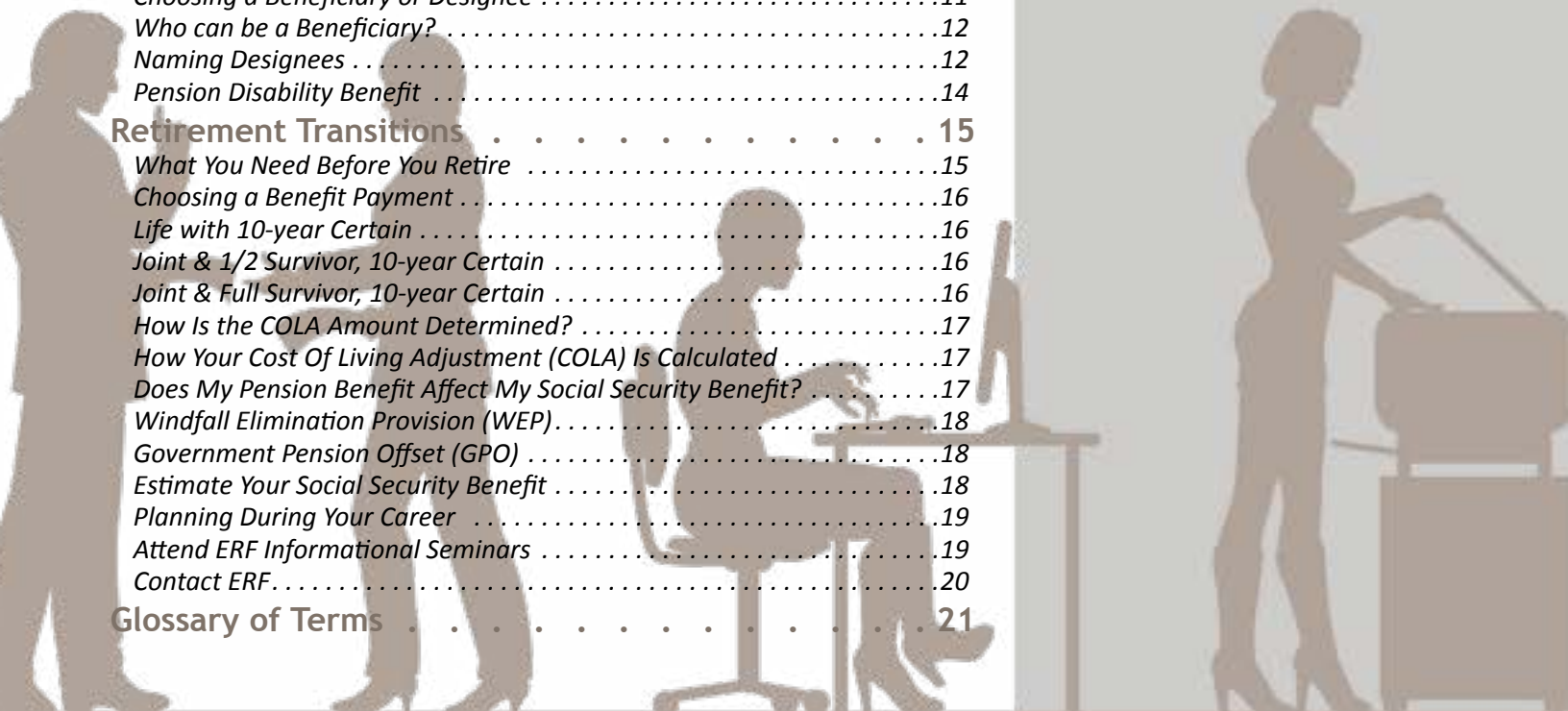
This brochure is intended to describe the highlights of the Employees' Retirement Fund of the City of Dallas.

Disclaimer: The brochure is not a contract of employment or a guarantee of benefits. Chapter 40A of the Dallas City Code, which contains the complete provisions of the plan, governs the Fund. In case of a conflict between this member guide and the provisions of the Code, the Code governs.

You should contact the Fund office for detailed information regarding your situation before making any decision about your retirement benefits. The Fund's staff is available to provide scheduled, confidential retirement counseling.

If you would like this brochure in Spanish, please call (214) 580-7700.

Si usted quiere este folleto en Español, por favor llame a (214) 580-7700.



Membership

Who Is Eligible

Most non-uniformed, permanent City of Dallas employees are eligible to participate in the Employees' Retirement Fund. Membership in the Fund is mandatory and your retirement benefit is based on a formula.

You are not eligible to participate in the Fund if you are:

- an elected or non-salaried appointed official;
- a contract employee;
- a temporary employee or
- a uniformed employee of the police or fire department.

The City of Dallas also offers two defined contribution plans (DC plans), the 401(k) and 457, should you decide to save additional funds for retirement. Membership in these plans is voluntary and your retirement benefit from a DC plan is based on the value of your account in that plan.

Defined Benefit Plan

A pension plan in which an employer promises a specified monthly benefit on retirement that is predetermined by a formula based on the employee's earnings history, length of service and age.

Credited Pension Service

You begin earning credited pension service on the date you become an eligible employee.

Credited pension service includes:

- the full and partial years you have worked for the City and paid into the fund;
- the unused vacation hours for which you are paid when you leave employment and
- up to five years of active military duty while employed by the City and if you return within the period required by law.

Leave and Credited Pension Service

When you are off work and not being paid by the City, you are considered to be on Leave Without Pay. You may be on Leave Without Pay because you are receiving Workers Compensation or because you are ill and have run out of sick and vacation days. Any time during which you are an employee but do not receive pay from the City will not be included in your credited pension service.

ERF Board of Trustees

ERF has a Board of Trustees who are responsible for administering the Fund in accordance with Chapter 40A. Three Trustees are elected by the membership for a three-year term. Three trustees are appointed by the Dallas City Council and the City Auditor is an ex officio member of the ERF Board of Trustees. Trustees do not answer to the City; they are independent fiduciaries who set the policy and give the Fund its direction.

Retirement Eligibility

You are eligible to retire when you meet one of the following conditions:

- **Normal retirement**—Age 60 is the normal retirement age.
- **Rule of 78**—You may retire at or after age 50 if your age and years of service added together total at least 78.
- **Service retirement**—You may receive retirement benefits when you have 30 years of credited pension service. If you are under age 50 when you retire, your monthly benefit will be reduced, see page 5 for reduction table.

If you terminate employment with the City and have five years of service credit, you are vested. Vested former employees may start receiving a pension at age 60.

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Fiduciary

A person to whom property or power over property or assets is entrusted for the benefit of another.



Planning Tools

Chapter 40A

The section of the Dallas City Code that governs the Employees' Retirement Fund.

Final Average Pay

The wages you receive from the City divided by the number of months of credited pension service for your three highest-paid calendar years of service or your last 36 consecutive months.

Retirement Benefit

Your benefit is based on three factors: your credited pension service, the multiplier and your final average pay as defined in Chapter 40A.

Other Benefits

In addition to a monthly pension, ERF provides death benefits and disability benefits.

Contributions to the Fund

Under Chapter 40A, there is a cost sharing arrangement between the City and employees. The ratio between what the City pays and what plan members pay is 63/37%. To see the current contribution rates, visit www.dallaserf.org.

All eligible employees contribute the same percentage of wages. Your automatic payroll deductions appear on your pay stub as "ERF/Pen." Your contributions are taken out of your pay before federal tax withholding is calculated. You don't pay taxes on your contributions until you withdraw them.

Each year an actuarial review of ERF is prepared to determine the total contribution rate based on actual investment returns and mortality as compared to certain assumptions about interest rates, investment performance, the number of current and future retirees and various other considerations. Based on the results of this review, City and member contribution rates may increase or decrease.

Because you're not paying taxes on your contributions, when your benefits are paid they will be taxable.

Calculating Retirement Benefits

Your retirement benefit is calculated using a formula that includes your total credited pension service and the average of your monthly pay during your three highest-paid years or your last 36 consecutive months. Your benefit may not exceed 100% of your final average pay.

Pension Formula

$$\begin{array}{rcl} & 2.75\% & \\ \times \text{ multiplied by} & \text{Service Credit (Full \& Partial Years)} & \\ \times \text{ multiplied by} & \text{Average Monthly Pay} & \\ = & \text{Calculated Monthly Benefit} & \end{array}$$

Normal Retirement

John retires from the City of Dallas at age 60 with 26.4 years of service credit. The steps ERF takes to calculate John's pension are as follows:

Step 1. Final Average Pay

| Highest 3 Years | | Last 36 Consecutive Months | | |
|-----------------|------------|----------------------------|------------|---------------|
| 2011 | \$ 32,000 | 2014 | 1520 hours | \$ 22,800.00 |
| 2016 | \$ 33,000 | 2015 | 2080 hours | \$ 33,000.00 |
| 2017 | \$ 35,000 | 2016 | 2080 hours | \$ 35,000.00 |
| Total | \$ 100,000 | 2017 | 320 hours | \$ 5,600.00 |
| | | Vac LS | 240 hours | \$ 4,200.00 |
| | | Total | 6240 hours | \$ 100,600.00 |

Higher Amount = \$100,600

$\$100,600 / 36 \text{ months} = \$2,794.44$ (Final Avg. Monthly Pay)

Step 2. Benefit Percentage

Multiply years of credited pension service by 2.75% to determine the percentage of average monthly pay to use in calculating the monthly retirement benefit:

| |
|--|
| 2.75% |
| multiplied by 26.4 Multiply by years of service |
| = 72.6% John's percentage of average monthly pay |

Step 3. Monthly Retirement Benefit

Multiply average monthly pay by the percentage from step 2:

| |
|--|
| \$ 2,794.44 |
| multiplied by 72.6% |
| = \$ 2,028.76 John's estimated monthly benefit |

John's estimated monthly benefit is \$2,028.76, but the actual amount of benefit payments may be different, depending upon his choice of benefit option, see page 16 for benefit options.

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Retirement Before Age 50 Example

Julia is 48 years old when she retires after earning 30 years of service credit. Her retirement benefit is calculated at \$2,000 per month, but because she is retiring before age 50, she will receive 87.2% of this monthly benefit:

Julia will get \$1,744 instead of \$2,000 per month because she is retiring before age 50.

Percentage of Normal Benefit

| Age | % |
|-----|------|
| 44 | 67 |
| 45 | 71.5 |
| 46 | 76.3 |
| 47 | 81.5 |
| 48 | 87.2 |
| 49 | 93.3 |

Cost-of-Living Adjustments

On January 1st, the base benefit amount for retirees and beneficiaries may be adjusted (up to 5%) to account for changes (if any) in the cost of living (COLA) from the previous year. The maximum COLA increase is 5%.

Health Benefit Supplement

To help you manage the costs of health care after you retire, or to help your beneficiaries after your death, the Fund pays a health benefit supplement in addition to the normal retirement benefit. You receive \$25 per month for each full year of service credit, up to \$125 a month.

Definition of Wages

Under the provisions of the Fund, your pay includes all taxable earnings, including salary continuation made by reason of a job related injury or illness, plus elective pay reductions to a Section 401(k) or 457 deferred compensation plan and qualified transportation allowances.

Your pay does not include:

- expense reimbursements;
- cash or non-cash fringe benefits;
- welfare benefits (such as health or life insurance);
- lump-sum payments made at retirement for accrued sick or attendance incentive pay or
- workers' compensation pay, short term disability benefits, or catastrophic leave benefits.



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Basic Monthly Benefit Calculation

To use the following table, first determine your final average annual pay. Your estimated base monthly benefit is listed in the row and column that correspond to your average earnings and years of service. These examples show estimates of retirement benefits. Your actual calculation and benefit amount will vary.

Example

Morgan retires with 17 years of service and final average earnings of \$30,000. According to the table, his monthly base benefit would be \$1,168.75.

| Basic Monthly Benefit Table | | | | | | | |
|-----------------------------|-------------------------------|-------------------|-------------|-------------|-------------|-------------|-------------|
| Years of Service | Final Average 3-Year Earnings | | | | | | |
| | \$20,000.00 | \$30,000.00 | \$40,000.00 | \$50,000.00 | \$60,000.00 | \$70,000.00 | \$80,000.00 |
| 5 | \$229.17 | \$343.75 | \$458.33 | \$572.92 | \$687.50 | \$802.08 | \$916.67 |
| 6 | \$275.00 | \$412.50 | \$550.00 | \$687.50 | \$825.00 | \$962.50 | \$1,100.00 |
| 7 | \$320.83 | \$481.25 | \$641.67 | \$802.08 | \$962.50 | \$1,122.92 | \$1,283.33 |
| 8 | \$366.67 | \$550.00 | \$733.33 | \$916.67 | \$1,100.00 | \$1,283.33 | \$1,466.67 |
| 9 | \$412.50 | \$618.75 | \$825.00 | \$1,031.25 | \$1,237.50 | \$1,443.75 | \$1,650.00 |
| 10 | \$458.33 | \$687.50 | \$916.67 | \$1,145.83 | \$1,375.00 | \$1,604.17 | \$1,833.33 |
| 11 | \$504.17 | \$756.25 | \$1,008.33 | \$1,260.42 | \$1,512.50 | \$1,764.58 | \$2,016.67 |
| 12 | \$550.00 | \$825.00 | \$1,100.00 | \$1,375.00 | \$1,650.00 | \$1,925.00 | \$2,200.00 |
| 13 | \$595.83 | \$893.75 | \$1,191.67 | \$1,489.58 | \$1,787.50 | \$2,085.42 | \$2,383.33 |
| 14 | \$641.67 | \$962.50 | \$1,283.33 | \$1,604.17 | \$1,925.00 | \$2,245.83 | \$2,566.67 |
| 15 | \$687.50 | \$1,031.25 | \$1,375.00 | \$1,718.75 | \$2,062.50 | \$2,406.25 | \$2,750.00 |
| 16 | \$733.33 | \$1,100.00 | \$1,466.67 | \$1,833.33 | \$2,200.00 | \$2,566.67 | \$2,933.33 |
| 17 | \$779.17 | \$1,168.75 | \$1,558.33 | \$1,947.92 | \$2,337.50 | \$2,727.08 | \$3,116.67 |
| 18 | \$825.00 | \$1,237.50 | \$1,650.00 | \$2,062.50 | \$2,475.00 | \$2,887.50 | \$3,300.00 |
| 19 | \$870.83 | \$1,306.25 | \$1,741.67 | \$2,177.08 | \$2,612.50 | \$3,047.92 | \$3,483.33 |
| 20 | \$916.67 | \$1,375.00 | \$1,833.33 | \$2,291.67 | \$2,750.00 | \$3,208.33 | \$3,666.67 |
| 21 | \$962.50 | \$1,443.75 | \$1,925.00 | \$2,406.25 | \$2,887.50 | \$3,368.75 | \$3,850.00 |
| 22 | \$1,008.33 | \$1,512.50 | \$2,016.67 | \$2,520.83 | \$3,025.00 | \$3,529.17 | \$4,033.33 |
| 23 | \$1,054.17 | \$1,581.25 | \$2,108.33 | \$2,635.42 | \$3,162.50 | \$3,689.58 | \$4,216.67 |
| 24 | \$1,100.00 | \$1,650.00 | \$2,200.00 | \$2,750.00 | \$3,300.00 | \$3,850.00 | \$4,400.00 |
| 25 | \$1,145.83 | \$1,718.75 | \$2,291.67 | \$2,864.58 | \$3,437.50 | \$4,010.42 | \$4,583.33 |
| 26 | \$1,191.67 | \$1,787.50 | \$2,383.33 | \$2,979.17 | \$3,575.00 | \$4,170.83 | \$4,766.67 |
| 27 | \$1,237.50 | \$1,856.25 | \$2,475.00 | \$3,093.75 | \$3,712.50 | \$4,331.25 | \$4,950.00 |
| 28 | \$1,283.33 | \$1,925.00 | \$2,566.67 | \$3,208.33 | \$3,850.00 | \$4,491.67 | \$5,133.33 |
| 29 | \$1,329.17 | \$1,993.75 | \$2,658.33 | \$3,322.92 | \$3,987.50 | \$4,652.08 | \$5,316.67 |
| 30 | \$1,375.00 | \$2,062.50 | \$2,750.00 | \$3,437.50 | \$4,125.00 | \$4,812.50 | \$5,500.00 |
| 31 | \$1,420.83 | \$2,131.25 | \$2,841.67 | \$3,552.08 | \$4,262.50 | \$4,972.92 | \$5,683.33 |
| 32 | \$1,466.67 | \$2,200.00 | \$2,933.33 | \$3,666.67 | \$4,400.00 | \$5,133.33 | \$5,866.67 |
| 33 | \$1,512.50 | \$2,268.75 | \$3,025.00 | \$3,781.25 | \$4,537.50 | \$5,293.75 | \$6,050.00 |
| 34 | \$1,558.33 | \$2,337.50 | \$3,116.67 | \$3,895.83 | \$4,675.00 | \$5,454.17 | \$6,233.33 |
| 35 | \$1,604.17 | \$2,406.25 | \$3,208.33 | \$4,010.42 | \$4,812.50 | \$5,614.58 | \$6,416.67 |
| 36 | \$1,650.00 | \$2,475.00 | \$3,300.00 | \$4,125.00 | \$4,950.00 | \$5,775.00 | \$6,600.00 |

Visualize Your Plan



Your Right to a Pension

You are vested in the Fund once you have earned the right to receive a monthly pension payment. To be vested, you must have five years of credited pension service. For full-time employees, you earn a year of credited service for every full year you work. For part-time employees, you earn a year of credited service for every year you work at least 1,000 hours.

If you are vested, you may begin to receive your monthly pension benefit when you are eligible to retire. You may become eligible to retire because you reach the Rule of 78, because you are at least 60 years of age, because you have 30 years of service or because you became permanently disabled. If you leave employment with the City before you are eligible to retire, the options you have depend on whether or not you are vested.

If You Leave The City With More Than Five Years Of Service

If you have at least five years of vesting service when you terminate employment, you may either choose to leave your contributions in the Fund and receive a monthly pension beginning at age 60, or you may withdraw your contributions and forfeit your right to any monthly pension.

If You Leave The City With Less Than Five Years Of Service

If you leave the City with less than five years of credited pension service, you must make a written request for a refund of your contributions *within three years of your termination*. Remember that no interest is paid on contribution refunds. If you do not make this request within three years, *you will forfeit your contributions*.

If you leave the City and then die less than three years later without receiving a refund, your beneficiary may apply for a refund of your contributions. If you die more than three years after termination and you did not previously request a refund in a timely manner, your beneficiary will receive nothing because your contributions will have been forfeited.

Refunds and Rollovers

If you elect to take a refund of your contributions, the refund is made without interest and a mandatory tax withholding of 20%. At the end of the year, ERF will send you a 1099-R that you will file when you complete your income tax return, and if you were not yet age 59½ when you got your refund, you may be required to pay an additional 10% tax payment.

You may also make a direct rollover into another qualified plan. By making a direct rollover, you delay paying federal income taxes on your pre-tax contributions until you withdraw them. The types of plans that may accept a direct rollover from the Fund include: individual retirement accounts (IRAs), individual retirement annuities, annuity plans and many other employers' qualified plans.

Deferred Vested Members

To be eligible for a deferred retirement benefit from the Fund after you terminate employment, you must have at least five years of credited pension service. After you have five years of credited pension service, you have earned a deferred benefit—which is your right to a retirement benefit at age 60.

Buying Forward in a Reduction in Force (RIF)

If your position is eliminated due to a reduction in force, you may be able to purchase service credit in order to be eligible for retirement benefits by “buying forward.”

To be eligible to buy forward you must:

- be a vested member of the Fund (five years or more of credited pension service),
- be within two years of retirement eligibility and
- make a lump-sum payment of your contributions and the City's contributions for the buy forward period.

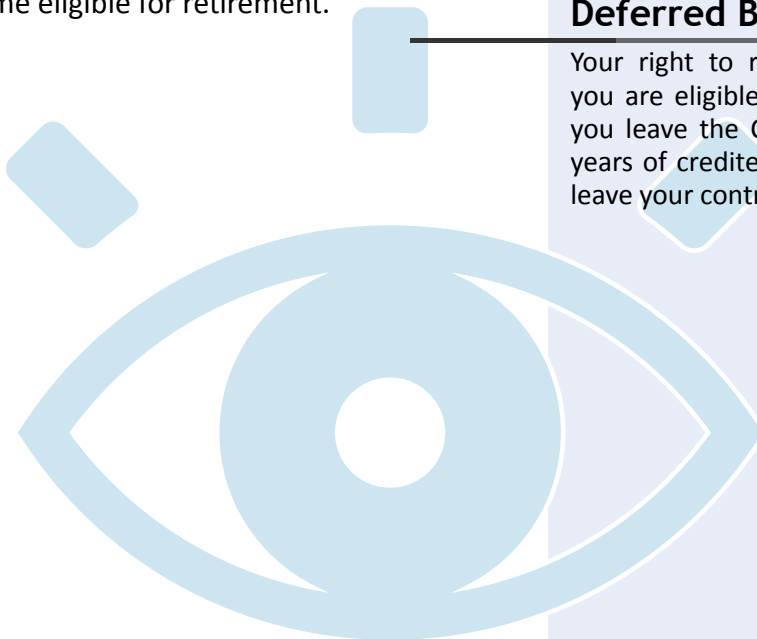
The payment will be based on your average monthly earnings during the last 12 full months of service before termination. The payment must be made within 90 days after the termination (RIF) date. Service will be credited on a month by month basis. Benefits will be paid when you become eligible for retirement.

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Deferred Benefit

Your right to receive benefits when you are eligible to retire at age 60 if you leave the City with five or more years of credited pension service and leave your contributions in the Fund.



If You are Rehired

If you stop working for the City and are later rehired, the period before your rehire is called a break in service. If you leave your contributions in the Fund and you are later rehired by the City, your total service credit will include your original period of service but will not include your break in service.

If you previously forfeited your contributions (as explained on the previous page under “If You Leave The City With Less Than Five Years Of Service”) and return to City employment within six years, you may be eligible to request reinstatement of the prior service credit you earned. To reinstate service that you forfeited, you must complete a reinstatement form during the 24 month period after you have completed 12 consecutive months of service.

If you received a refund of your contributions, you are eligible to reinstate your service credit if your break in service is six years or less. To reinstate service credit, you must deposit with the Fund a lump sum equal to the amount withdrawn plus interest. You can request reinstatement within the 24 month period after you have completed 12 consecutive months of service.

Reinstatement forms are available in the Employees’ Retirement Fund office.

If You are Rehired after Retirement

If you retire and are later rehired by the City in a permanent position that is eligible for participation in the Fund, you are not entitled to continue receiving pension benefits and you must notify the Fund to stop your retirement benefit payments.

You must re-apply for retirement benefits when you stop working for the City a second time. If you made contributions during your re-employment, your new benefit will include any additional service credit you earned.

Retired City employees who return to work at the City as permanent employees may choose not to contribute to the Fund.



If You Get A Divorce

The pension benefits you earn while you are married are considered to be community property. Upon divorce, all community property should be reviewed and may be divided. If both you and your spouse have pension benefits, you might decide that you each should keep the pensions that you earned. However, sometimes a divorce decree may divide a pension benefit, awarding a portion to an ex-spouse. If part of your pension benefit is to be awarded to your ex-spouse, the Fund will need a special court order. Please contact the Fund office if you believe that your divorce may result in a division of your pension benefit, so we can give some language guidance to your attorney.

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Designee

A designee may receive a refund if you die with no beneficiary entitled to monthly benefits. A designee will be paid a lump sum benefit upon your death.

Beneficiary

A person who is entitled to payment of monthly benefits upon the death of a member, inactive member or retiree.

If You Die Before Retiring

If you die before you are eligible to retire, your beneficiary or designee will receive a death benefit (see the next page for more information on choosing beneficiaries and designees). The benefit calculation is based on your years of service and whether your death is caused by a job-related injury or illness. See “Choosing A Benefit Payment” on page 16 for more information about how death benefits are paid.

Service Death Benefits

If you die on the job as the result of a job-related injury or illness, the Fund pays service death benefits to your beneficiary. The death benefit is calculated using the greater of 10 years of credited pension service or your actual credited pension service. The minimum service related death benefit is \$1,000.

Non-Service Death Benefits

If you die because of an injury or illness that is not the result of City employment, non-service death benefits depend on years of credited pension service.

If you have completed:

- less than two years of credited pension service—your designee will receive a refund of your contributions and no other death benefits will be paid.
- two or more years of credited pension service your death benefit will be calculated using the greater of 10 years of credited pension service or your actual service credit.

Choosing a Beneficiary and Designee

You must name a beneficiary or designee to receive your benefit in case of your death. If you are married, your spouse is your beneficiary. You may change your beneficiary or designee at any time before retirement by submitting a signed Death Benefit Form to the Fund Administrator.

If you die before retirement and you are an active employee with at least two years of credited pension service or a former employee with at least five years of credited pension service, a monthly benefit may be payable to your spouse or to the beneficiary you name on the Fund’s beneficiary form. This monthly benefit may be paid to one beneficiary for life or it may be shared by several beneficiaries for a period not to exceed ten years (120 months). Only certain family members are entitled to a monthly benefit.

Who can be a Beneficiary?

Your spouse—If you are married, your spouse is your beneficiary. If your spouse wishes to waive the pension benefit upon your retirement or death, he or she must sign and have notarized a Spousal Waiver Form. If you and your spouse divorce, that spouse is automatically no longer your beneficiary, see page 10 for additional information.

Your children—You may name your minor children under age 18 as beneficiaries. If you die, and your minor child is eligible for a benefit, the Fund will pay the legal guardian of the child until the child reaches the age of 18. If the child reaches the age of 18 prior to 10 years of benefit payments, your designees are entitled to a lump sum representing the remainder of the 10 year benefit.

Your disabled child—If your child was totally and permanently disabled before age 18, the child may be your beneficiary. A disabled child beneficiary is entitled to a monthly benefit for life.

A parent—You may name one or both of your parents as your beneficiary(ies) if they are totally and permanently disabled and you claim them as dependents on your federal income tax return or if they are 65 years of age or older.

Naming Designees

Designee—Individuals or entities you name to receive a one-time lump sum payment upon your death. The lump sum death benefit is paid only if you have no surviving spouse, parent or child who is eligible to receive a monthly benefit, or if they waive their benefit, or if you did not name your parent or child to receive the monthly benefit.

If you die as an active employee with less than two years of credited pension service or as an inactive employee with less than five years of pension service, the lump sum death benefit will be a refund of your contributions to your beneficiary or designee. Otherwise, the lump sum benefit will be based on the current value of ten years of pension payments or, if greater, your actual years of service.

Visualize Your Plan7

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Pension Disability Benefit

You may qualify for disability retirement if you become unable to work because of an illness or injury that leaves you totally and permanently disabled. Total and permanent disability means you are unable to secure and keep any type of employment. The Fund's Board of Trustees must approve disability retirements.

There are Two Types of Disability Retirement:

- **Service Disability**—If you become totally and permanently disabled as the result of a job related injury, you are eligible to apply for service disability benefits. There is no minimum service requirement.
- **Non-Service Disability**—If your disability is not related to your work, you may apply for non-service disability benefits. The following Fund members are eligible for non-service disability retirement:
 - Active members with five or more years of credited pension service
 - Inactive members with 10 or more years of credited pension service

The Board's procedures governing the disability application process are explained in "Rules of Practice and Procedure Regarding Disability Retirement," a document you can request from the Fund office.

Disability Benefits

Your disability benefit is calculated as a percentage of your average monthly earnings on your termination date. Your benefit will be based on 10 years of credited pension service or your actual credited pension service if it is more than 10 years. If you have a service disability, the minimum service related disability benefit is \$1,000.

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Retirement Transitions

What You Need Before You Retire

There are several documents you need to provide and forms you need to complete for the Employees' Retirement Fund before you retire:

Documents you must bring:

- Birth Certificate & Spouse's Birth Certificate
- Social Security Card & Spouse's Social Security Card
- Marriage License or Declaration of Common Law Marriage (original or certified copies)
- Divorce Decree

Forms you must complete:

- Application for Retirement
- W4P - Withholding for Income Tax
- W-9 Request for Taxpayer's ID
- Member Consent Form
- Designee Form
- Direct Deposit Authorization

Before Making A Decision

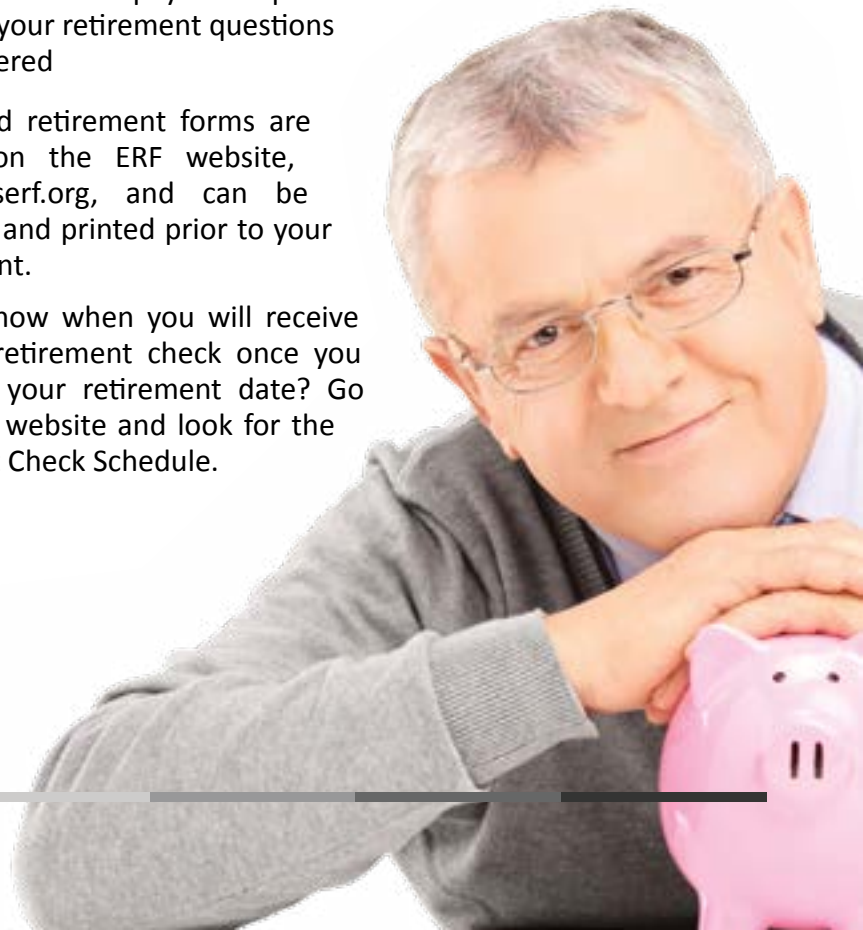
When selecting a payment option, keep in mind your own needs while you are living and your beneficiary's needs after your death. If you die before selecting a payment option, your beneficiary, if one has been selected, will make the choice.

You should make an appointment for retirement counseling with the Fund office prior to retiring. At your retirement counseling appointment, you will have the opportunity to:

- review your pension estimate
- choose a retirement effective date
- select a benefit payment option
- have your retirement questions answered

All required retirement forms are available on the ERF website, www.dallaserf.org, and can be completed and printed prior to your appointment.

Want to know when you will receive your first retirement check once you decide on your retirement date? Go to the ERF website and look for the Retirement Check Schedule.



Choosing a Benefit Payment

The Fund offers three pension benefit payment options. You will choose an option when you retire and apply for benefits; you cannot change your choice after you retire.

You receive retirement benefits after you retire until death. The Fund guarantees that you—or your beneficiary—will receive at least 10 years (or 120 months) of retirement benefit payments. (This benefit guarantee is called “10 year certain.”) The monthly benefit amount you receive during your lifetime depends on the payment option you select.

For each of the following payment options, if you have no eligible beneficiary (your spouse, child(ren) or parent(s)), your designee (this can be anyone you choose) receives a final lump sum payment equal to the present value of the remainder of the 120 payments.

Life with 10-Year Certain

This option pays you full (unreduced) benefits for your lifetime. If you die before receiving 120 monthly payments, your beneficiary receives the same monthly benefit for the balance of the 120 months.

Joint & 1/2 Survivor, 10-Year Certain

This option pays you unreduced benefits for your lifetime. After your death, a beneficiary receives one-half of your monthly benefit for the rest of his or her life and, if both of you die before 120 monthly payments have been made, the balance of the 120 monthly payments will be made to one or more designees.

Joint & Full Survivor, 10-Year Certain

This option is available to you only if you have at least 15 years of credited pension service or you are at least age 60 when you retire. This option pays you reduced benefits for your lifetime.

After your death, your beneficiary receives the same monthly payment for the rest of his or her life. The benefit is calculated according to your age and your beneficiary’s age when you retire. If both of you die before 120 monthly payments have been made, the balance of the 120 monthly payments will be made to one or more designees.

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Examples

Life with 10-Year Certain

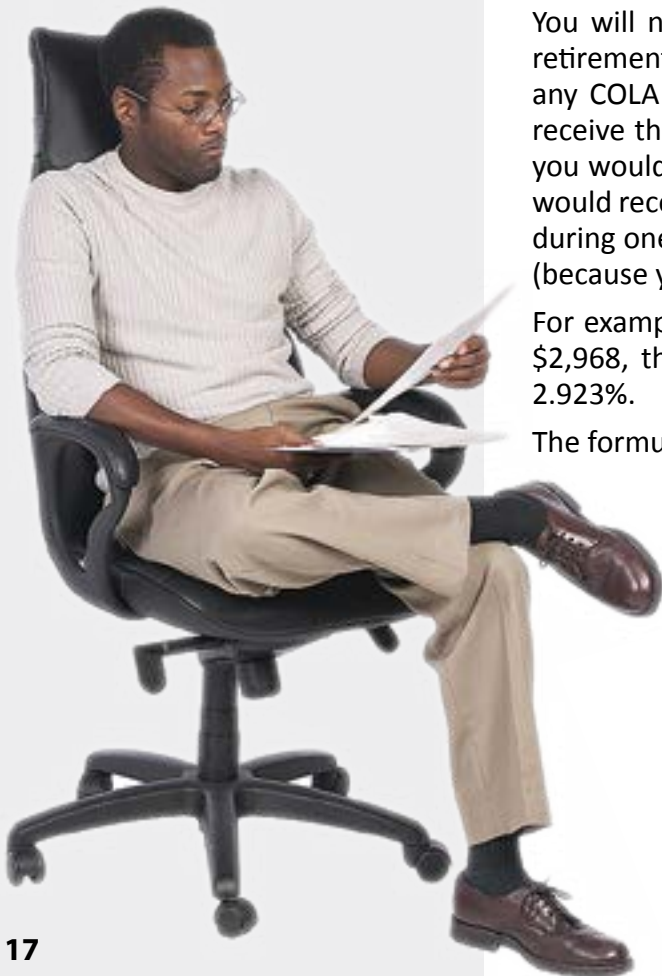
Marilyn receives a monthly benefit of \$1,050 for eight years until her death. Her beneficiary will receive the full benefit amount for two years and then monthly payments will stop.

Joint & 1/2 Survivor

Marilyn receives a monthly benefit of \$1,050 for eight years until her death. Her beneficiary then receives half of the benefit amount, \$525, each month until the beneficiary’s death.

Joint & Full Survivor

Marilyn’s monthly benefit of \$1,050, is reduced to \$931 using a formula to estimate how long both she and her beneficiary will live. When Marilyn dies eight years later, her beneficiary will continue to receive \$931 a month until death.



How Is The COLA Amount Determined?

A COLA or cost of living adjustment is an annual increase added to the base pension of each eligible retiree and beneficiary. Your base pension is defined as the pension you received at the time of your retirement.

Each year the COLA is calculated two ways and based on the greater of either:

- the percentage of change in the price index for October of the current year over October of the previous year up to 5%. *or*
- the percentage of the annual average change in the price index for the latest 12 months available, up to 5%.

Should the COLA calculation equal 0%, there will be no COLA increase for the year.

How Your Cost Of Living Adjustment (COLA) Is Calculated

Each year that ERF calculates a COLA is to be paid, that amount will be added to your base pension to determine your new pension amount for the year. The COLA goes into effect annually on January 1st.

You will not receive any COLA during your first calendar year of retirement. During your second calendar year of retirement, any COLA will be prorated. After that, if a COLA is due, you will receive the full COLA. For example, if you retired on July 15, 2017 you would not receive any COLA in 2017. On January 1, 2018, you would receive one-half of the 2018 COLA (because you were retired during one-half of 2017). In 2019, you would receive the full COLA (because you were retired during all of 2018).

For example, an employee retired in 2017 with a base pension of \$2,968, their current pension is \$3,469 and the current COLA is 2.923%.

The formula for the COLA would be as follows:

- $\$2,968 \text{ (Base Pension)} \times 2.923\% = \86
- $\$86 + \$3,469 \text{ (Current Pension)} = \$3,555 \text{ (New Pension)}$

Does My Pension Benefit Affect My Social Security Benefit?

While working for the City, Social Security taxes are not deducted from your pay. This is called “non-covered” work. If you earned a pension based on non-covered work, any Social Security benefit that you have otherwise

earned from covered work may be reduced by what the Social Security Administration calls the Windfall Elimination Provision and/or the Government Pension Offset.

Windfall Elimination Provision (WEP)

Social Security uses the WEP to compute benefits for retired and disabled workers who receive a pension from non-covered employment. Unless you had at least 30 years of full-time covered employment during which you were paying into Social Security, the WEP will reduce your Social Security benefit.

The maximum WEP reduction in 2018 is \$447. However, your social security benefit will never be reduced by more than 50%.

Government Pension Offset (GPO)

The Government Pension Offset will reduce the amount of any Social Security benefit you might otherwise receive as a spouse, widow or widower by two-thirds of the amount of your ERF pension. For example, if you receive an ERF pension of \$600, two-thirds of that, or \$400, must be used to offset your Social Security spouse's, widow's or widower's benefits. If you would otherwise be eligible for a \$500 spouse's benefit, you will receive \$100 per month from Social Security (\$500 - \$400 = \$100).

For more details about WEP and the GPO, go to the Social Security Administration's website, www.ssa.gov, or visit a Social Security Administration office.

Estimate Your Social Security Benefit

Social Security provides a Windfall Elimination calculator on their website. The calculator allows you to estimate your Social Security benefit if you have a pension from work not covered by Social Security. You need to enter all your past earnings taxed by Social Security and the monthly amount of your pension.

To find your Social Security earnings, you'll need a Social Security Statement. The mailing of annual statements was discontinued in 2011. You can download your annual statement at www.ssa.gov.

If you do not want to sign up for online social security statements, Social Security will mail you a statement every five years.

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Planning During Your Career

Although retirement may seem far off, planning now can make the difference between a comfortable retirement or the need to work longer than you had planned. For many, saving for retirement may take a back burner to obligations like mortgage payments, car payments and other living expenses. ERF is here to help you prioritize your retirement goals to help you achieve a successful retirement.

Read & Review

Keep updated on news and information about your pension from the ERF website, www.dallaserf.org, and visit myERF, www.dallaserf.org/myERF, to review your monthly Benefit Summary.

Research & Prepare

Visit www.ssa.gov to research the Social Security Windfall Elimination Provision (WEP) and Government Pension Offset (GPO), and request your Social Security statement.

Check with the City of Dallas Human Resources Department about the cost of Health Insurance after you retire. If you get divorced while employed with the City of Dallas, provide ERF with a copy of the finalized divorce decree.

Attend ERF Informational Seminars

ERF sponsors various seminars from job site member meetings to pre-retirement seminars at our office. Call us to schedule a meeting at your work site or visit our website and go to events for the member meeting and pre-retirement seminar schedule.

Early Career Employees — 0 to 9 Years

- Make sure you complete and return your Monthly Death Benefit and Lump Sum Death Benefit forms.
- Review your Benefit Summary on myERF, print and file it with your financial records.
- Visit the ERF website to learn more about your pension benefit.
- Consider contributing to the City sponsored Defined Contribution plans (401(k) & 457).
- While working for the City of Dallas you are not contributing to Social Security. If you continue to work for and then retire from the City, your Social Security benefit may be affected. Go to the Social Security website, www.ssa.gov, to learn more about the Windfall Elimination Provision and the Government Pension Offset.

Mid-Career — 10 to 20 Years Employed

- Review and update your Monthly Death Benefit and Lump Sum Death Benefit forms.
- Are you a vested employee who no longer works for the City? Stay in touch with ERF. You're entitled to a pension benefit at age

60 and, although you think you will not forget about your future monthly benefit, many people do. If you move, let us know by filling out the change of address form on the ERF website.

- Consider contributing to the City sponsored Defined Contribution plans (401(k) & 457). Contributions to these plans may help you offset costs in retirement.
- Review your Benefit Summary on myERF, print and file it with your financial records.
- Would you like to learn more about your pension benefit? Visit the ERF website and myERF to stay up to date.

Pre-Retirement Employees — 21+ Years

- If you are within a year of your planned retirement date, consider attending a Pre-Retirement seminar. The seminars cover topics including Social Security, health benefits, financial planning, your pension benefit and much more.
- Review and make any necessary updates to your Monthly Death Benefit and Lump Sum Death Benefit forms.
- Did you get divorced while employed with the City? ERF needs a copy of the finalized divorce decree as soon as possible. If you have questions about this, please call us at 214-580-7700.
- There are several documents you need to provide and forms you must complete before you retire (See Page 15).
- Make a personal appointment with a retirement counselor within three months of retirement.
- If you are married, talk to your spouse and decide on a benefit payment option. We encourage you to bring your spouse to your retirement counseling meeting.
- Review your health insurance options in retirement.

After Retirement

- Please remember to keep in touch after you retire. If you move, divorce or get married after you retire, you need to let ERF know.
- If you move, complete a change of address form to ensure you continue to receive your pension payment.
- If you marry after retirement, keep in mind that your new spouse cannot be named as a beneficiary for your pension but can be named as a designee on the Lump Sum Death Benefit Form.
- If you divorce after retirement, provide ERF with a copy of the finalized divorce decree as soon as possible.
- If your spouse dies, provide ERF a copy of the death certificate.
- If your direct deposit account changes, please complete a new direct deposit form. You can find the form on the ERF website.

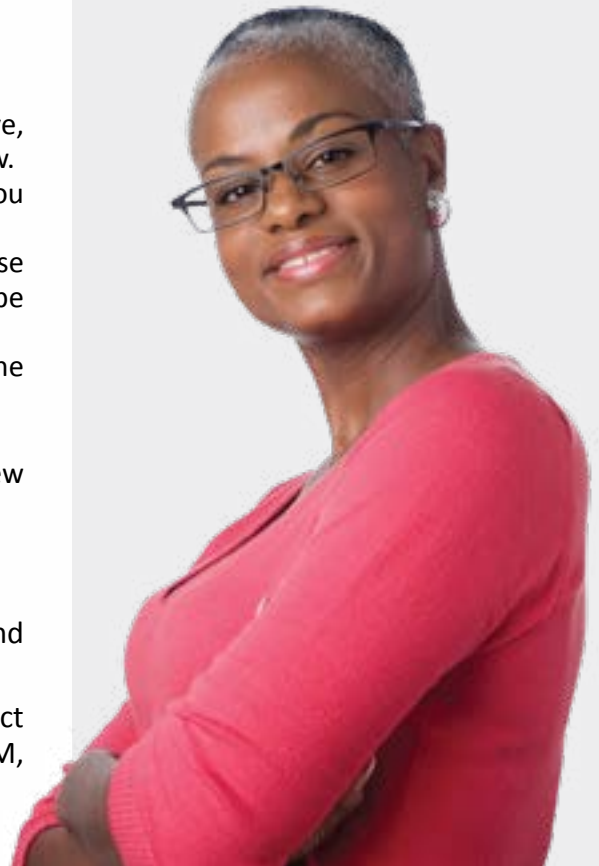
Contact ERF

The Fund has staff available to answer your questions. Call or send an email to retirement_fund@dallaserf.org.

To schedule an appointment for individual counseling, contact the Fund office at 214-580-7700 between 8:15 AM and 5:15 PM, Monday through Friday.

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Glossary of Terms

Actuarial equivalent — the equivalent value on the basis of actuarial factors, interest and mortality.

Appointed official — non-salaried appointive member of an administrative board or commission.

Base pension — the amount of retirement or death benefits calculated under the Fund provisions at the time an active member, inactive member or retiree retires or dies.

Beneficiary — a person who is entitled to payment of monthly benefits on the death of an active member, inactive member or retiree.

Chapter 40A — The section of the Dallas City Code that governs the Employees' Retirement Fund.

Child — an unmarried person under age 18 whose parent is an active member, inactive member or retiree.

Defined Benefit Plan — a pension plan in which an employer promises a specified monthly benefit upon retirement that is predetermined by a formula based on the employee's earnings history, tenure of service and age.

Defined Contribution Plan — a type of retirement plan in which the employer, employee or both make contributions on a regular basis. Individual accounts are set up for participants and benefits are based on the amounts credited to these accounts plus any investment earnings on the money in the account.

Deferred benefit — your right to receive benefits when you are eligible to retire if you leave the City with five or more years of credited pension service and leave your contributions in the Fund.

Dependent parent — the parent of an active member, inactive member or retiree who:

- is age 65 or older or
- is totally and permanently disabled and receives over half of his or her support each calendar year from the member.

Designee — an estate, a person or an entity you choose to receive a refund of contributions or a lump sum payment if you die or your beneficiary dies.

Disabled child — a child declared totally and permanently disabled before age 18.



Ex Officio — a member of a body (a board, committee, council, etc.) who is part of it by virtue of holding another office.

Final Average Pay — the wages you receive from the City divided by (a) the number of months of credited pension service for your three highest-paid calendar years of service or (b) your last consecutive 36 months of service.

Forfeited contributions — contributions you made as an active Fund member while you were a City employee, which you did not receive as a refund within the three year period required by Chapter 40A-30. Your forfeited contributions remain in the Fund unless you return to work within six years of termination and make a request to reinstate prior service credit.

Inactive member — a person who is not working for the City but who has not retired and has not forfeited or withdrawn contributions from the Fund.

Leave of absence — leave without pay granted by the city in accordance with a uniform and nondiscriminatory leave policy; or leave during which a member receives worker's compensation benefits or short-term disability benefits.

Member — an employee who is currently contributing to the Fund or who is on an approved leave of absence but does not include a person establishing credited pension service in a RIF by buying forward.

Multiplier — 2.75%.

Non-service death — a death that results from an injury or illness that is not the result of City employment.

Non-service disability — total and permanent disability caused by injury, sickness or disease that did not occur while you were performing your official City duties.


Pension — an amount payable monthly to a person eligible to receive a death or retirement benefit under the retirement fund.

Present value — what your future benefits are worth in today's money. The Fund's actuary calculates present value of your total remaining benefits by making an assumption about the interest the money would earn if it continued to be invested in the Fund rather than being paid today.

Reduction in force (RIF) — the elimination of an active employee from the City's workforce through layoff.

Retiree — a person who was a member of the Employees' Retirement Fund but has retired from the City and is receiving a pension from the Fund. A person receiving a death benefit is not considered a retiree.





Retirement — terminating employment with the City and fulfilling all of the requirements for receiving a pension under the Employees' Retirement Fund.

Service credit — means any period that a person is paid as an employee of the city and contributes to the retirement fund.

Service death — means the death of a member resulting from an injury sustained while in the performance of official city duties. Service death does not include:

- death caused by an act of God, unless while doing your job, you were subjected to a greater hazard than the general public
- death caused by a third person for reasons not related to your employment
- death caused while you were attempting to injure or kill another person
- suicide
- death while on leave of absence, unless the leave was granted because of an injury sustained while doing your job and the injury was the primary cause of death
- death while on leave for military active duty
- death from an injury you received while drinking an alcoholic beverage or from illegal inhalation, ingestion, or injection of a controlled substance

Service disability — means total and permanent disability caused by injury while in the performance of official city duties.

Spouse — the husband or wife of an active member, inactive member or retiree.

Total and permanent disability — the continuing inability to get and retain any type of employment for compensation as a result of a mental or physical impairment caused by an injury or illness. You are not considered totally or permanently disabled if, with reasonable effort and safety, the impairment can be accommodated so that you can return to work.

Wages — your pay, including all taxable earnings and salary continuation payments, as well as your contributions to a 401(k) or 457 plan. Your pay does not include:

- Expense reimbursements
- Cash or non-cash fringe benefits
- Welfare benefits (such as health or life insurance)
- Lump-sum payments made at retirement for accrued sick leave or attendance incentive leave (AIL)
- Workers' compensation, short-term disability or catastrophic leave benefits



You have many responsibilities, both at work and at home. Like most employees, you probably look forward to the possibility of retiring at some point in the future – but you may think that planning for retirement is time-consuming and complicated. This publication is designed not only to help you understand your pension benefit but also to give you some simple retirement planning steps that you can take throughout your career. The goal is to do a little planning now so that, when you are ready to retire, you will be prepared.





TIER B MEMBERS GUIDE

Membership

Board of Trustees
Retirement Eligibility



Planning Tools

Retirement Benefit
Normal Retirement
Calculating Your Retirement



Visualize Your Plan

Know Your Benefit
Refunds and Rollovers



Transitioning

What You Need to Know
Choosing a Payment Option



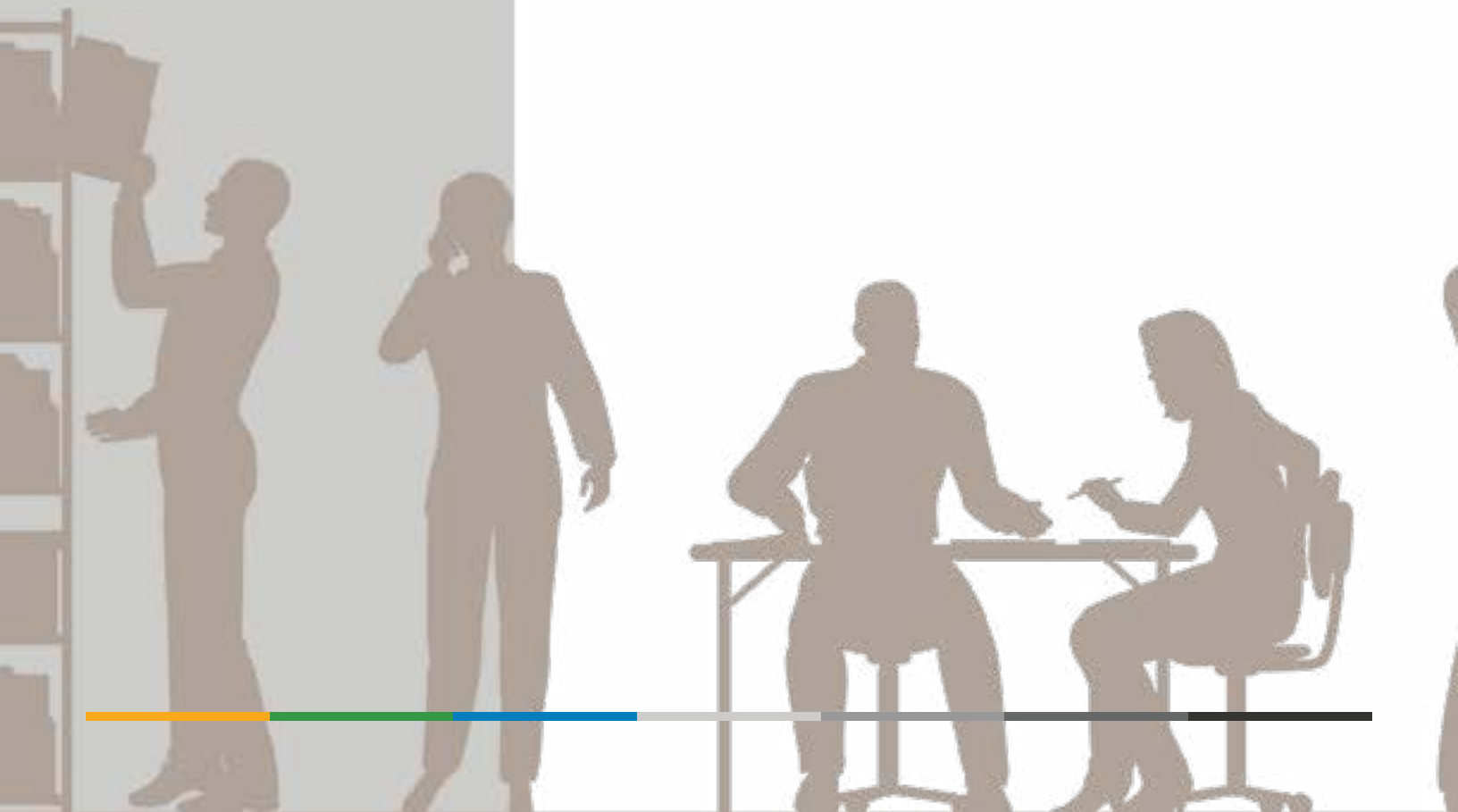
Introduction

Most employees have many responsibilities, both at work and at home. Like many employees you may look forward to retirement one day but you may also think retirement planning is time consuming or complicated. This publication is designed not only to explain your future pension benefit but also to give you retirement planning tips at each stage of your career. The goal is for you to do a little planning during your working career so that, when you approach retirement, you have a smooth transition from work to a secure retirement lifestyle.

The Employees' Retirement Fund of the City of Dallas ("ERF", also referred to as the "Fund") is a defined benefit plan for the City of Dallas' non-uniformed, permanent full and part-time employees. ERF provides retirement, disability and survivor benefits to members and their beneficiaries. When you qualify for retirement, you will get a specified lifetime monthly pension.

Preparing for retirement is one of the most important financial actions you can take and the Employees' Retirement Fund will help you. Every eligible employee automatically participates in the Fund, and both you and the City contribute the funds that help secure your financial future.

This brochure explains the features and benefits of the Fund. Before you make any retirement decisions, contact the ERF office to be sure you understand the features of this plan and for assistance in making decisions that may affect your retirement income.



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Why Read This?

This brochure is intended to describe the highlights of the Employees' Retirement Fund of the City of Dallas.

Disclaimer: The brochure is not a contract of employment or a guarantee of benefits. Chapter 40A of the Dallas City Code, which contains the complete provisions of the ERF's plan, governs the Fund. In case of a conflict between this member guide and the provisions of the Code, the Code governs.

You should contact the Fund for detailed information regarding your situation before making any decision about your retirement benefits. The Fund's staff is available to provide scheduled, confidential retirement counseling.

If you would like this brochure in Spanish, please call (214) 580-7700.

Si usted quiere este folleto en Español, por favor llame a (214) 580-7700.

Membership

Who Is Eligible

Most civilian City of Dallas employees are eligible to participate in the Employees' Retirement Fund. If you are eligible, you are automatically enrolled and payroll deductions for your contributions will begin automatically.

You are not eligible to participate in the Fund if you are:

- an elected or non-salaried, appointed official;
- a contract employee;
- a temporary employee or
- a uniformed employee of the police or fire department.

The City of Dallas also offers two defined contribution plans (DC plans), the 401(k) and 457, should you decide to save additional funds for retirement. Membership in these plans is voluntary and your retirement benefit from a DC plan is based on the value of your account in those plans.

Defined Benefit Plan

A pension plan in which an employer promises a specified monthly benefit on retirement that is predetermined by a formula based on the employee's earnings history, length of service and age.

Credited Pension Service

You begin earning credited pension service on the date you become an eligible employee.

Credited pension service includes:

- the full and partial years you have worked for the City and paid into the Fund,
- the unused vacation hours for which you are paid when you leave employment and
- up to five years of active military duty while employed by the City and if you return within the period required by law.

Leave and Credited Pension Service

When you are off work and not being paid by the City, you are considered to be on Leave Without Pay. You may be on Leave Without Pay because you are receiving Workers Compensation or because you are ill and have run out of sick and vacation days. Any time during which you are an employee but do not receive pay from the City will not be included in your credited pension service.

Restricted Prior Service Credit

You may be eligible to apply for restricted prior service credit. Restricted prior service credit is granted for employment with federal, state or local government entities. Restricted prior service credit is used to increase credited service years to be used for vesting and retirement eligibility, but not toward calculating benefits. To be eligible, you must apply for restricted prior service credit no later than three years after your start date. The application is located on our website, www.dallaserf.org.

ERF Board of Trustees

ERF has a Board of Trustees who are responsible for administering the Fund in accordance with Chapter 40A. Three Trustees are elected by the membership for a three-year term. Three trustees are appointed by the Dallas City Council and the City Auditor is an ex officio member of the ERF Board of Trustees. Trustees do not answer to the City; they are independent fiduciaries who set the policy and give the Fund its direction.

Retirement Eligibility

You are eligible to retire when you meet one of the following conditions:

- **Normal retirement**—Age 65 is the normal retirement age. In order to qualify for normal retirement, there is a required minimum credited pension service of five years. If you retire at or after age 65, you will receive a normal retirement benefit.
- **Rule of 80**—You may retire if your age and years of credited pension service added together total at least 80. If you retire before age 65, your pension will be reduced, see page 5 for reduction table.
- **Service retirement**—You may receive retirement benefits when you have 40 years of credited pension service. If you are under age 65, your service retirement benefit will not be reduced.

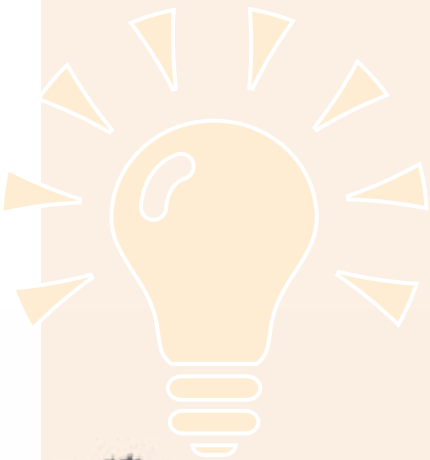
If you terminate employment with the City and have five years of service credit, you are vested. Vested former employees may start receiving a pension at age 65.

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Fiduciary

A person to whom property or power over property or assets is entrusted for the benefit of another.



Planning Tools

Chapter 40A

The section of the Dallas City Code that governs the Employees' Retirement Fund.

Final Average Pay

The wages you receive from the City divided by the number of months of credited pension service for your five highest-paid calendar years of service or your last 60 consecutive months.

Retirement Benefit

Your benefit is based on three factors: your credited pension service, the multiplier and your final average pay as defined in Chapter 40A.

Other Benefits

In addition to a monthly pension, ERF provides death benefits and disability benefits.

Contributions to the Fund

Under Chapter 40A, there is a cost sharing arrangement between the City and employees. The ratio between what the City pays and what plan members pay is 63/37%. To see the current contribution rates, visit www.dallaserf.org.

All eligible employees contribute the same percentage of wages. Your automatic payroll deductions appear on your pay stub as "ERF/Pen." Your contributions are taken out of your pay before federal tax withholding is calculated. You don't pay taxes on your contributions until you withdraw them.

Each year an actuarial review of ERF is prepared to determine the total contribution rate based on actual investment returns and mortality as compared to certain assumptions about interest rates, investment performance, the number of current and future retirees and various other considerations. Based on the results of this review, City and member contribution rates may increase or decrease.

While you're not paying taxes on your contributions, when your benefits are paid they will be taxable.

Calculating Retirement Benefits

Your retirement benefit is calculated using a formula that includes your total credited pension service and the average of your monthly pay during your five highest-paid years or your last 60 consecutive months. Your benefit may not exceed 100% of your final average pay.

Pension Formula

$$\begin{array}{rcl} & 2.5\% & \\ \text{multiplied by} & \text{Service Credit (Full \& Partial Years)} & \\ \text{multiplied by} & \text{Average Monthly Pay} & \\ \hline & = \text{Calculated Monthly Benefit} & \end{array}$$

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Normal Retirement Example

Amanda retires from the City of Dallas at age 65 with 28 years of credited pension service. The steps ERF takes to calculate Amanda's pension are as follows:

Step 1. Final Average Pay

| Highest Five Years | | Last 60 Consecutive Months | | |
|--------------------|------------|----------------------------|--------------|---------------|
| 2009 | \$ 32,000 | 2011 | 1520 hours | \$ 22,800.00 |
| 2012 | \$ 33,000 | 2012 | 2080 hours | \$ 33,000.00 |
| 2013 | \$ 35,000 | 2013 | 2080 hours | \$ 35,000.00 |
| 2014 | \$ 36,000 | 2014 | 2080 hours | \$36,000.00 |
| 2015 | \$ 39,000 | 2015 | 2080 hours | \$ 39,000.00 |
| Total | \$ 175,000 | 2016 | 320 hours | \$6,000.00 |
| | | Vac LS | 240 hours | \$4,500.00 |
| | | Total | 10,400 hours | \$ 176,300.00 |

Higher Amount = \$176,300
 \$176,300/60 months = \$2,938.33 (Final Avg. Monthly Pay)

Step 2. Benefit Percentage

Multiply years of credited pension service by 2.5% to determine the percentage of average monthly pay to use in calculating the monthly retirement benefit:

$$\begin{array}{rcl}
 & 2.5\% & \\
 \text{multiplied by} & 28 & \text{Multiply by years of service} \\
 \hline
 = & 70\% & \text{Amanda's percentage of average monthly pay}
 \end{array}$$

Step 3. Monthly Retirement Benefit

Multiply average monthly pay by the percentage from step 2:

$$\begin{array}{rcl}
 & \$ 2,938.33 & \\
 \text{multiplied by} & 70\% & \\
 \hline
 = & \$ 2,056.83 & \text{Amanda's estimated monthly benefit}
 \end{array}$$

Amanda's estimated monthly benefit is \$2,056.83, but the actual amount of benefit payments may be different, depending upon her choice of benefit option, see page 16 for benefit options.





Retirement Before Age 65 Example

Julia is 63 years old when she retires with 17 years of credited pension service. Her retirement benefit is calculated at \$2,000 per month, but because she is retiring before age 65, she will receive 80.66% of this monthly benefit:

Julia will get \$1,613.20 instead of \$2,000 per month because she is retiring before age 65.

| Actuarial Reduction Before Age 65 | |
|-----------------------------------|--------|
| Age | Factor |
| 65 | 1.0000 |
| 64 | 0.8972 |
| 63 | 0.8066 |
| 62 | 0.7264 |
| 61 | 0.6553 |
| 60 | 0.5921 |
| 59 | 0.5358 |
| 58 | 0.4865 |
| 57 | 0.4406 |
| 56 | 0.4003 |
| 55 | 0.3641 |
| 54 | 0.3315 |
| 53 | 0.3022 |
| 52 | 0.2757 |
| 51 | 0.2518 |
| 50 | 0.2301 |
| 49 | 0.2105 |
| 48 | 0.1926 |
| 47 | 0.1764 |
| 46 | 0.1617 |
| 45 | 0.1483 |

Cost-of-Living Adjustments

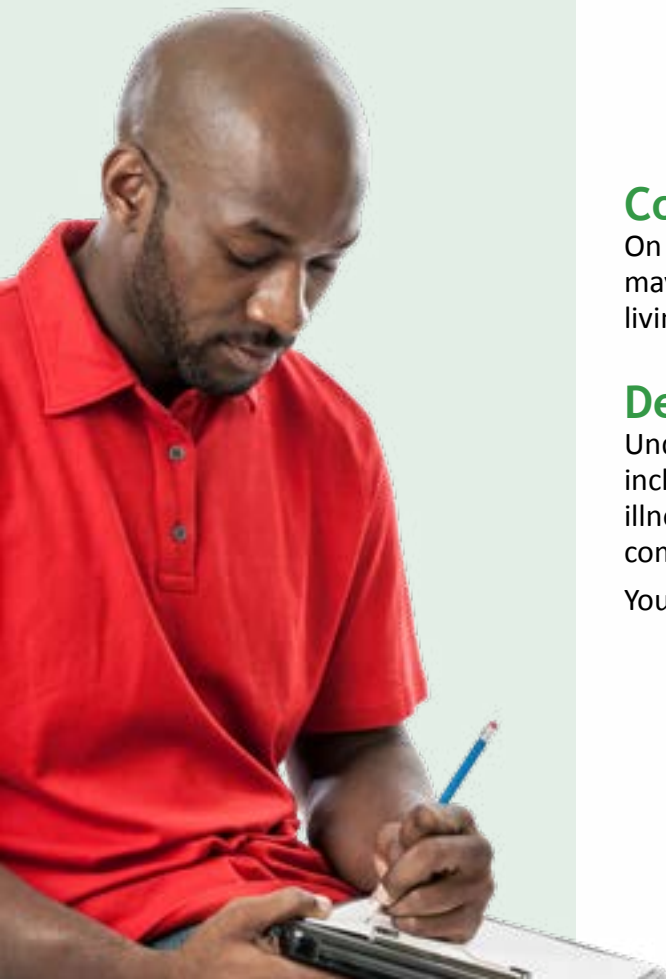
On January 1st, the base benefit amount for retirees and beneficiaries may be adjusted (up to 3%) to account for changes (if any) in the cost of living from the previous year. The maximum COLA increase is 3%.

Definition of Wages

Under the provisions of the Fund, your pay includes all taxable earnings, including salary continuation made by reason of a job related injury or illness, plus elective pay reductions to a Section 401(k) or 457 deferred compensation plan and qualified transportation allowances.

Your pay does not include:

- expense reimbursements;
- cash or non-cash fringe benefits;
- welfare benefits (such as health or life insurance);
- lump-sum payments made at retirement for accrued sick or attendance incentive pay or
- workers compensation pay, short term disability benefits or catastrophic leave benefits.



Basic Monthly Benefit Calculation

To use the following table, first determine your final average annual pay. Your estimated base monthly benefit is listed in the row and column that correspond to your average earnings and years of service. These examples show estimates of retirement benefits. Your actual calculation and benefit amount will vary.

Example

Melanie retires with 23 years of service and final average earnings of \$30,000. According to the table, her monthly base benefit would be \$1,437.50.

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| Years of Service | Final Average 5-Year Earnings | | | | | | |
|------------------|-------------------------------|-------------------|-------------|-------------|-------------|-------------|-------------|
| | \$20,000.00 | \$30,000.00 | \$40,000.00 | \$50,000.00 | \$60,000.00 | \$70,000.00 | \$80,000.00 |
| 5 | \$208.33 | \$312.50 | \$416.67 | \$520.83 | \$625.00 | \$729.17 | \$833.33 |
| 6 | \$250.00 | \$375.00 | \$500.00 | \$625.00 | \$750.00 | \$875.00 | \$1,000.00 |
| 7 | \$291.67 | \$437.50 | \$583.33 | \$729.17 | \$875.00 | \$1,020.83 | \$1,166.67 |
| 8 | \$333.33 | \$500.00 | \$666.67 | \$833.33 | \$1,000.00 | \$1,166.67 | \$1,333.33 |
| 9 | \$375.00 | \$562.50 | \$750.00 | \$937.50 | \$1,125.00 | \$1,312.50 | \$1,500.00 |
| 10 | \$416.67 | \$625.00 | \$833.33 | \$1,041.67 | \$1,250.00 | \$1,458.33 | \$1,666.67 |
| 11 | \$458.33 | \$687.50 | \$916.67 | \$1,145.83 | \$1,375.00 | \$1,604.17 | \$1,833.33 |
| 12 | \$500.00 | \$750.00 | \$1,000.00 | \$1,250.00 | \$1,500.00 | \$1,750.00 | \$2,000.00 |
| 13 | \$541.67 | \$812.50 | \$1,083.33 | \$1,354.17 | \$1,625.00 | \$1,895.83 | \$2,166.67 |
| 14 | \$583.33 | \$875.00 | \$1,166.67 | \$1,458.33 | \$1,750.00 | \$2,041.67 | \$2,333.33 |
| 15 | \$625.00 | \$937.50 | \$1,250.00 | \$1,562.50 | \$1,875.00 | \$2,187.50 | \$2,500.00 |
| 16 | \$666.67 | \$1,000.00 | \$1,333.33 | \$1,666.67 | \$2,000.00 | \$2,333.33 | \$2,666.67 |
| 17 | \$708.33 | \$1,062.50 | \$1,416.67 | \$1,770.83 | \$2,125.00 | \$2,479.17 | \$2,833.33 |
| 18 | \$750.00 | \$1,125.00 | \$1,500.00 | \$1,875.00 | \$2,250.00 | \$2,625.00 | \$3,000.00 |
| 19 | \$791.67 | \$1,187.50 | \$1,583.33 | \$1,979.17 | \$2,375.00 | \$2,770.83 | \$3,166.67 |
| 20 | \$833.33 | \$1,250.00 | \$1,666.67 | \$2,083.33 | \$2,500.00 | \$2,916.67 | \$3,333.33 |
| 21 | \$875.00 | \$1,312.50 | \$1,750.00 | \$2,187.50 | \$2,625.00 | \$3,062.50 | \$3,500.00 |
| 22 | \$916.67 | \$1,375.00 | \$1,833.33 | \$2,291.67 | \$2,750.00 | \$3,208.33 | \$3,666.67 |
| 23 | \$958.33 | \$1,437.50 | \$1,916.67 | \$2,395.83 | \$2,875.00 | \$3,354.17 | \$3,833.33 |
| 24 | \$1,000.00 | \$1,500.00 | \$2,000.00 | \$2,500.00 | \$3,000.00 | \$3,500.00 | \$4,000.00 |
| 25 | \$1,041.67 | \$1,562.50 | \$2,083.33 | \$2,604.17 | \$3,125.00 | \$3,645.83 | \$4,166.67 |
| 26 | \$1,083.33 | \$1,625.00 | \$2,166.67 | \$2,708.33 | \$3,250.00 | \$3,791.67 | \$4,333.33 |
| 27 | \$1,125.00 | \$1,687.50 | \$2,250.00 | \$2,812.50 | \$3,375.00 | \$3,937.50 | \$4,500.00 |
| 28 | \$1,166.67 | \$1,750.00 | \$2,333.33 | \$2,916.67 | \$3,500.00 | \$4,083.33 | \$4,666.67 |
| 29 | \$1,208.33 | \$1,812.50 | \$2,416.67 | \$3,020.83 | \$3,625.00 | \$4,229.17 | \$4,833.33 |
| 30 | \$1,250.00 | \$1,875.00 | \$2,500.00 | \$3,125.00 | \$3,750.00 | \$4,375.00 | \$5,000.00 |
| 31 | \$1,291.67 | \$1,937.50 | \$2,583.33 | \$3,229.17 | \$3,875.00 | \$4,520.83 | \$5,166.67 |
| 32 | \$1,333.33 | \$2,000.00 | \$2,666.67 | \$3,333.33 | \$4,000.00 | \$4,666.67 | \$5,333.33 |
| 33 | \$1,375.00 | \$2,062.50 | \$2,750.00 | \$3,437.50 | \$4,125.00 | \$4,812.50 | \$5,500.00 |
| 34 | \$1,416.67 | \$2,125.00 | \$2,833.33 | \$3,541.67 | \$4,250.00 | \$4,958.33 | \$5,666.67 |
| 35 | \$1,458.33 | \$2,187.50 | \$2,916.67 | \$3,645.83 | \$4,375.00 | \$5,104.17 | \$5,833.33 |
| 36 | \$1,500.00 | \$2,250.00 | \$3,000.00 | \$3,750.00 | \$4,500.00 | \$5,250.00 | \$6,000.00 |
| 37 | \$1,541.67 | \$2,312.50 | \$3,083.33 | \$3,854.17 | \$4,625.00 | \$5,395.83 | \$6,166.67 |
| 38 | \$1,583.33 | \$2,375.00 | \$3,166.67 | \$3,958.33 | \$4,750.00 | \$5,541.67 | \$6,333.33 |
| 39 | \$1,625.00 | \$2,437.50 | \$3,250.00 | \$4,062.50 | \$4,875.00 | \$5,687.50 | \$6,500.00 |
| 40 | \$1,666.67 | \$2,500.00 | \$3,333.33 | \$4,166.67 | \$5,000.00 | \$5,833.33 | \$6,666.67 |

Visualize Your Plan



Your Right to a Pension

You are vested in the Fund once you have earned the right to receive a monthly pension payment. To be vested, you must have five years of credited pension service. For full-time employees, you earn a year of credited service for every full year you work. For part-time employees, you earn a year of credited service for every year you work at least 1,000 hours.

If you are vested, you may begin to receive your monthly pension benefit when you are eligible to retire. You may become eligible to retire because you reach the Rule of 80, because you are at least 65 years of age, because you have 40 years of service or because you became permanently disabled. If you leave employment with the City before you are eligible to retire, the options you have depend on whether or not you are vested.

If You Leave The City With More Than Five Years Of Service

If you have at least five years of vesting service when you terminate employment, you may either choose to leave your contributions in the Fund and receive a monthly pension beginning at age 65, or you may withdraw your contributions and forfeit your right to any monthly pension.

If You Leave The City With Less Than Five Years Of Service

If you leave the City with less than five years of credited pension service, you must make a written request for a refund of your contributions *within three years of your termination*. Remember that no interest is paid on contribution refunds. If you do not make this request within three years, *you will forfeit your contributions*.

If you leave the City and then die less than three years later without receiving a refund, your beneficiary may apply for a refund of your contributions. If you die more than three years after termination and you did not previously request a refund in a timely manner, your beneficiary will receive nothing because all of your contributions will have been forfeited.

Refunds and Rollovers

If you elect to take a refund of your contributions, the refund is made without interest and a mandatory tax withholding of 20%. At the end of the year, ERF will send you a 1099-R that you will file when you complete your income tax return, and if you were not yet age 59½ when you got your refund, you may be required to pay an additional 10% tax payment.

You may also make a direct rollover into another qualified plan. By making a direct rollover, you delay paying federal income taxes on your pre-tax contributions until you withdraw them. The types of plans that may accept a direct rollover from the Fund include: individual retirement accounts (IRAs), individual retirement annuities, annuity plans and many other employers' qualified plans.

Deferred Vested Members

To be eligible for a deferred retirement benefit from the Fund after you terminate employment, you must have at least five years of credited pension service. After you have five years of credited pension service, you have earned a deferred benefit—which is your right to a retirement benefit at age 65.

Buying Forward in a Reduction in Force (RIF)

If your position is eliminated due to a reduction in force, you may be able to purchase service credit in order to be eligible for retirement benefits by "buying forward."

To be eligible to buy forward you must:

- be a vested member of the Fund (five years or more of credited pension service),
- be within two years of retirement eligibility and
- make a lump-sum payment of your contributions and the City's contributions for the buy forward period.

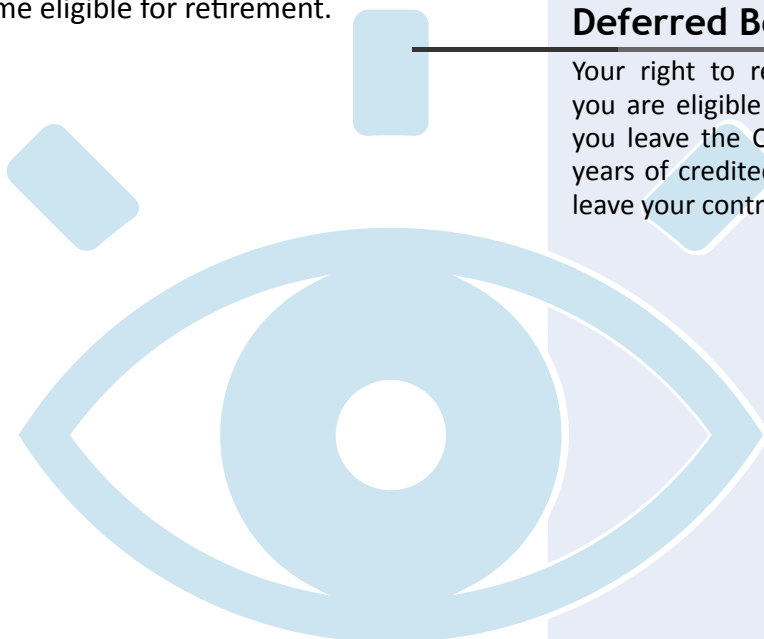
The payment will be based on your average monthly earnings during the last 12 full months of service before termination. The payment must be made within 90 days after the termination (RIF) date. Service will be credited on a month by month basis. Benefits will be paid when you become eligible for retirement.

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Deferred Benefit

Your right to receive benefits when you are eligible to retire at age 65 if you leave the City with five or more years of credited pension service and leave your contributions in the Fund.



If You are Rehired

If you stop working for the City and are later rehired, the period before your rehire is called a break in service. If you leave your contributions in the Fund and you are later rehired by the City, your total service credit will include your original period of service but will not include your break in service.

If you previously forfeited your contributions (as explained on the previous page under “If You Leave The City With Less Than five Years Of Service”) and return to City employment within six years, you may be eligible to request reinstatement of the prior service credit you earned. To reinstate service that you forfeited, you must complete a reinstatement form during the 24 month period after you have completed 12 consecutive months of service.

If you received a refund of your contributions, you are eligible to reinstate your service credit if your break in service is six years or less. To reinstate service credit; however, you must deposit with the Fund a lump sum equal to the amount withdrawn plus interest. You can request reinstatement within the 24 month period after you have completed 12 consecutive months of service.

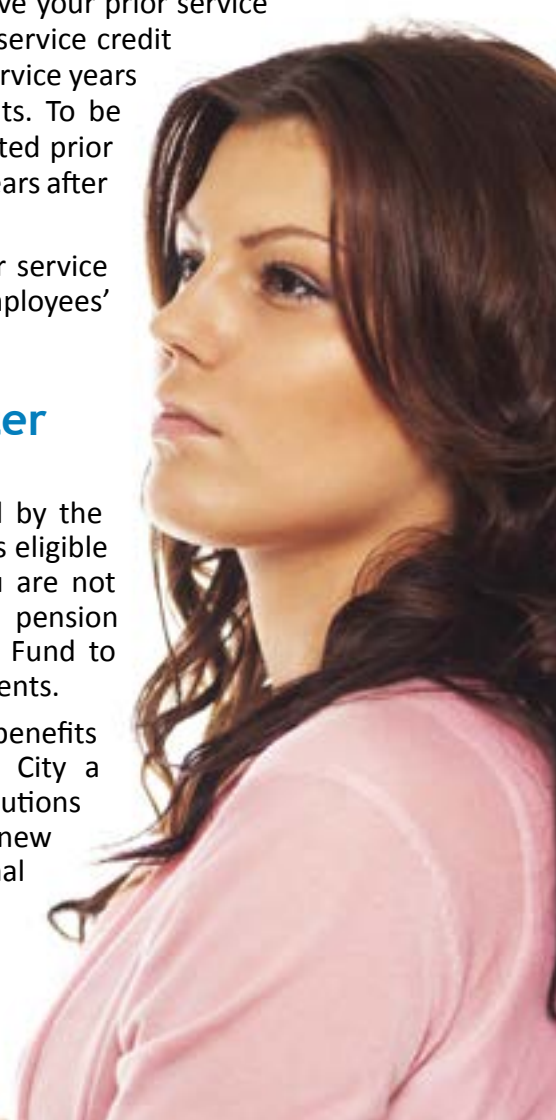
If you are rehired and took a refund or forfeited your contributions you may be eligible to apply to have your prior service credit reinstated. Restricted prior service credit can be used to increase credited service years but not toward calculating benefits. To be eligible, you must apply for restricted prior service credit no later than three years after your reinstatement date.

Reinstatement and restricted prior service credit forms are available in the Employees’ Retirement Fund office.

If You are Rehired after Retirement

If you retire and are later rehired by the City in a permanent position that is eligible for participation in the Fund, you are not entitled to continue receiving pension benefits and you must notify the Fund to stop your retirement benefit payments.

You must re-apply for retirement benefits when you stop working for the City a second time. If you made contributions during your re-employment, your new benefit will include any additional service credit you earned.



Retired City employees who return to work at the City as permanent employees may choose not to contribute to the Fund.

If You Get A Divorce

The pension benefits you earn while you are married are considered to be community property. Upon divorce, all community property should be reviewed and divided. If both you and your spouse have pension benefits, you might decide that you each should keep the pensions that you earned. However, sometimes a divorce decree may divide a pension benefit, awarding a portion to an ex-spouse. If part of your pension benefit is to be awarded to your ex-spouse, the Fund will need a special court order. Please contact the Fund office if you believe that your divorce may result in a division of your pension benefit, so we can give some language guidance to your attorney.

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Designee

A designee may receive a refund if you die with no beneficiary entitled to monthly benefits. A designee will be paid a lump sum benefit upon your death.

Beneficiary

A person who is entitled to payment of monthly benefits upon the death of a member, inactive member or retiree.

If You Die Before Retiring

If you die before you are eligible to retire, your beneficiary or designee will receive a death benefit (see the next page for more information on choosing beneficiaries and designees). The benefit calculation is based on your years of service and whether your death is caused by a job-related injury or illness. See “Choosing A Benefit Payment” on page 16 for more information about how death benefits are paid.

Service Death Benefits

If you die on the job as the result of a job-related injury or illness, the Fund pays service death benefits to your beneficiary. The death benefit is calculated using the greater of 10 years of credited pension service or your actual credited pension service. The minimum service related death benefit is \$1,000.

Non-Service Death Benefits

If you die because of an injury or illness that is not the result of City employment, non-service death benefits depend on years of credited pension service.

If you have completed:

- less than two years of credited pension service—your designee will receive a refund of your contributions and no other death benefits will be paid.
- two or more years of credited pension service your death benefit will be calculated using the greater of 10 years of credited pension service or your actual service credit.

Choosing a Beneficiary and Designee

You must name a beneficiary or designee to receive your benefit in case of your death. If you are married, your spouse is your beneficiary. You may change your beneficiary or designee at any time before retirement by submitting a signed Death Benefit Form to the Fund Administrator.

If you die before retirement and you are an active employee with at least two years of credited pension service or a former employee with at least five years of credited pension service, a monthly benefit may be payable to your spouse or to the beneficiary you name on the Fund’s beneficiary form. This monthly benefit may be paid to one beneficiary for life or it may be shared by several beneficiaries for a period not to exceed ten years (120 months). Only certain family members are entitled to a monthly benefit.

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Who can be a Beneficiary?

Your spouse—If you are married, your spouse is your beneficiary. If your spouse wishes to waive the pension benefit upon your retirement or death, he or she must sign and have notarized a Spousal Waiver Form. If you and your spouse divorce, that spouse is automatically no longer your beneficiary, see page 10 for additional information.

Your children—If you are not married, you may name your minor children under age 18 as beneficiaries. If you die, and your minor child is eligible for a benefit. The Fund will pay the legal guardian of the child until the child reaches the age of 18. If the child reaches the age of 18 prior to 10 years of benefit payments, your designees are entitled to a lump sum representing the remainder of the 10 year benefit.

Your disabled child—If your child was totally and permanently disabled before age 18, the child may be your beneficiary. A disabled child beneficiary is entitled to a monthly benefit for life.

A parent—You may name one or both of your parents as your beneficiary(ies) if they are totally and permanently disabled and you claim them as dependents on your federal income tax return or if they are 65 years of age or older.

Naming Designees

Designee—Individuals or entities you name to receive a one-time lump sum payment upon your death. The lump sum death benefit is paid only if you have no surviving spouse, parent or child who is eligible to receive a monthly benefit, or if they waive their benefit, or if you did not name your parent or child to receive the monthly benefit.

If you die as an active employee with less than two years of credited pension service or as an inactive employee with less than five years of pension service, the lump sum death benefit will be a refund of your contributions to your beneficiary or designee. Otherwise, the lump sum benefit will be based on the current value of ten years of pension payments or, if greater, your actual years of service.



Pension Disability Benefit

You may qualify for disability retirement if you become unable to work because of an illness or injury that leaves you totally and permanently disabled. Total and permanent disability means you have the inability to secure and keep any type of employment. The Fund's Board of Trustees must approve disability retirements.

There are Two Types of Disability Retirement:

- **Service Disability**—If you become totally and permanently disabled as the result of a job related injury, you are eligible to apply for service disability benefits. There is no minimum service requirement.
- **Non-service Disability**—If your disability is not related to your work, you may apply for non-service disability benefits. The following Fund members are eligible for non-service disability retirement:
 - Active members with five or more years of service credit
 - Inactive members with 10 or more years of service credit

The Board's procedures governing the disability application process are explained in "Rules of Practice and Procedure Regarding Disability Retirement," a document you can request from the Fund office.

Disability Benefits

Your disability benefit is calculated as a percentage of your average monthly earnings on your termination date. Your benefit will be based on 10 years of credited pension service or your actual credited pension service if it is more than 10 years. If you have a service disability, the minimum service related death benefit is \$1,000.

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Retirement Transitions

What You Need Before You Retire

There are several documents you need to provide and forms you need to complete for the Employees' Retirement Fund before you retire.

Documents you must bring:

- Birth Certificate & Spouse's Birth Certificate
- Social Security Card & Spouse's Social Security Card
- Marriage License or Declaration of Common Law Marriage (original or certified copies)
- Divorce Decree

Forms you must complete:

- Application for Retirement
- W4P - Withholding for Income Tax
- W9 - Request for Taxpayer's ID
- Member Consent Form
- Designee Form
- Direct Deposit Authorization

Before Making A Decision

When selecting a payment option, keep in mind your own needs while you are living and your beneficiary's needs after your death. If you die before selecting a payment option, your beneficiary, if one has been selected, will make the choice.

You should make an appointment for retirement counseling with the Fund office prior to retiring. At your retirement counseling appointment, you will have the opportunity to:

- review your pension estimate
- choose a retirement effective date
- select a benefit payment option
- have your retirement questions answered

All required retirement forms are available on the ERF website, www.dallaserf.org, and can be completed and printed prior to your appointment.

Want to know when you will receive your first retirement check once you decide on your retirement date? Go to the ERF website and look for the Retirement Check Schedule.



Choosing a Benefit Payment

The Fund offers three pension benefit payment options. You will choose an option when you retire and apply for benefits; you cannot change your choice after you retire.

You receive retirement benefits after you retire until death. The Fund guarantees that you—or your beneficiary—will receive at least 10 years (or 120 months) of retirement benefit payments. (This benefit guarantee is called “10 year certain.”) The monthly benefit amount you receive during your lifetime depends on the payment option you select.

For each of the following payment options if you have no eligible beneficiary (this can be your spouse, child(ren) or parent(s)), your designee (this can be anyone you choose) receives a final lump sum payment equal to the present value of the remainder of the 120 payments.

Life with 10-year Certain

This option pays you full (unreduced) benefits for your lifetime. If you die before receiving 120 monthly payments, your beneficiary receives the same monthly benefit for the balance of the 120 months.

Joint & 1/2 Survivor, 10-year Certain

This option pays you reduced benefits for your lifetime. After your death, a beneficiary receives one-half of your monthly benefit for the rest of his or her life and, if both of you die before 120 monthly payments have been made, the balance of the 120 monthly payments will be made to one or more designees.

Joint & Full Survivor, 10-year Certain

This option is available to you only if you have at least 15 years of credited pension service or you are at least 65 when you retire. This option pays you reduced benefits for your lifetime. After your death, your beneficiary receives the same monthly payment for the rest of his or her life. The benefit is calculated according to your age and your beneficiary’s age when you retire. If both of you die before 120 monthly payments have been made, the balance of the 120 monthly payments will be made to one or more designees.

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Examples

Life with 10-Year Certain

Marilyn receives a monthly benefit of \$1,050 for eight years until her death. Her beneficiary will receive the full benefit amount for two years and then monthly payments will stop.

Joint & 1/2 Survivor

Marilyn receives a monthly benefit of \$1,050 for eight years until her death. Her beneficiary then receives half of the benefit amount, \$525.00, each month until the beneficiary’s death.

Joint & Full Survivor

Marilyn’s monthly benefit of \$1,050, is reduced to \$931 using a formula to estimate how long both she and her beneficiary will live. When Marilyn dies eight years later, her beneficiary will continue to receive \$931 a month until death.



How Is The COLA Amount Determined?

A COLA or cost of living adjustment is an annual increase added to the base pension of each eligible retiree and beneficiary. Your base pension is defined as the pension you received at the time of your retirement.

Each year the COLA is calculated two ways and based on the greater of either:

- the percentage of change in the price index for October of the current year over October of the previous year up to 3%. *or*
- the percentage of the annual average change in the price index for the latest 12 months available, up to 3%.

Should the COLA calculation equal 0%, there will be no COLA increase for the year.

How Your Cost Of Living Adjustment (COLA) Is Calculated

Each year that ERF calculates a COLA is to be paid, that amount will be added to your base pension to determine your new pension amount for the year. The COLA goes into effect annually on January 1st.

You will not receive any COLA during your first calendar year of retirement. During your second calendar year of retirement, any COLA will be prorated. After that, if a COLA is due, you will receive the full COLA. For example, if you retired on July 15, 2017 you would not receive any COLA in 2017. On January 1, 2018, you would receive one-half of the 2018 COLA (because you were retired during one-half of 2017.) In 2019, you would receive the full COLA (because you were retired during all of 2018).

For example, an employee retired in 2017 with a base pension of \$2,968, their current pension is \$3,469 and the current COLA is 2.923%.

The formula for the COLA would be as follows:

- $\$2,968 \text{ (Base Pension)} \times 2.923\% = \86
- $\$86 + \$3,469 \text{ (Current Pension)} = \$3,555 \text{ (New Pension)}$

Does My Pension Benefit Affect My Social Security Benefit?

While working for the City, Social Security taxes are not deducted from your pay. This is called “non-covered” work. If you earned a pension based on non-covered work, any Social Security benefit that you have otherwise earned from covered work may be reduced by what the Social Security Administration calls the Windfall Elimination Provision and/or the Government Pension Offset.

Windfall Elimination Provision (WEP)

Social Security uses the WEP to compute benefits for retired and disabled workers who receive a pension from non-covered employment. Unless you had at least 30 years of full-time covered employment during which you were paying into Social Security, the WEP will reduce your Social Security benefit.

The maximum WEP reduction in 2016 was \$428. However, your social security benefit will never be reduced by more than 50%.

Government Pension Offset (GPO)

The Government Pension Offset will reduce the amount of any Social Security benefit you might otherwise receive from a spouse, widow or widower benefit by two-thirds of the amount of your ERF pension. For example, if you receive an ERF pension of \$600, two-thirds of that, or \$400, must be used to offset your Social Security spouse's, widow's or widower's benefits. If you would otherwise be eligible for a \$500 spouse's benefit, you will receive \$100 per month from Social Security (\$500 - \$400 = \$100).

For more details about WEP and the GPO, go to the Social Security Administration's website, www.ssa.gov or visit a Social Security Administration office.

Estimate Your Social Security Benefit

Social Security provides a Windfall Elimination calculator on their website. The calculator allows you to estimate your Social Security benefit if you have a pension from work not covered by Social Security. You need to enter all your past earnings taxed by Social Security and the monthly amount of your pension.

To find your Social Security earnings, you'll need a Social Security Statement. The mailing of annual statements was discontinued in 2011. You can download your annual statement at www.ssa.gov.

If you do not want to sign up for online social security statements, Social Security will mail you a statement every five years.

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Planning During Your Career

Although retirement may seem far off, planning now can make the difference between a comfortable retirement or the need to work longer than you had planned. For many, saving for retirement may take a back burner to obligations like mortgage payments, car payments and other living expenses. ERF is here to help you prioritize your retirement goals to help you achieve a successful retirement.

Read & Review

Keep updated on news and information about your pension from the ERF website, www.dallaserf.org, and visit myERF, www.dallaserf.org/myERF, to review your monthly Benefit Summary.

Research & Prepare

Visit www.ssa.gov to research the Social Security Windfall Elimination Provision (WEP) and Government Pension Offset (GPO), and request your Social Security statement.

Check with the City of Dallas Human Resources Department about the cost of Health Insurance after you retire. If you get divorced while employed with the City of Dallas, provide ERF with a copy of the finalized divorce decree.

Attend ERF Informational Seminars

ERF sponsors various seminars from job site member meetings to pre-retirement seminars at our office. Call us to schedule a meeting at your work site or visit our website and click member meetings for the member meeting and pre-retirement seminar schedule.

Early Career Employees — 0 to 9 Years

- Make sure you complete and return your Monthly Death Benefit and Lump Sum Death Benefit forms.
- Review your Benefit Summary on myERF, print and file it with your financial records.
- Visit the ERF website to learn more about your pension benefit.
- Consider contributing to the City sponsored Defined Contribution plans (401(k) & 457).
- While working for the City of Dallas you are not contributing to Social Security. If you continue to work for and then retire from the City, your Social Security benefit may be affected. Go to the Social Security website, www.ssa.gov, to learn more about the Windfall Elimination Provision and the Government Pension Offset.

Mid-Career — 10 to 20 Years Employed

- Review and update your Monthly Death Benefit and Lump Sum Death Benefit forms.
- Are you a vested employee who no longer works for the City? Stay in touch with ERF. You're entitled to a pension benefit at age

65 and, although you think you will not forget about your future monthly benefit, many people do. If you move, let us know by filling out the change of address form on the ERF website.

- Consider contributing to the City sponsored Defined Contribution plans (401(k) & 457). Contributions to these plans may help you offset costs in retirement.
- Review your Benefit Summary on myERF, print and file it with your financial records.
- Would you like to learn more about your pension benefit? Visit the ERF website and myERF to stay up to date.

Pre-Retirement Employees — 21+ Years

- If you are within a year of your planned retirement date, consider attending a Pre-Retirement seminar. The seminars cover topics including Social Security, health benefits, financial planning, your pension benefit and much more.
- Review and make any necessary updates to your Monthly Death Benefit and Lump Sum Death Benefit forms.
- Did you get divorced while employed with the City? ERF needs a copy of the finalized divorce decree as soon as possible. If you have questions about this, please call us at 214-580-7700.
- There are several documents you need to provide and complete before you retire (See Page 15).
- Make a personal appointment with a retirement counselor within three months of retirement.
- If you are married, talk to your spouse and decide on a benefit payment option. We encourage you to bring your spouse to your retirement counseling meeting.
- Review your health insurance options in retirement.

After Retirement

- Please remember to keep in touch after you retire. If you move, divorce or get married after you retire, you need to let ERF know.
- If you move, complete a change of address form to ensure you continue to receive your pension payment.
- If you marry after retirement, keep in mind that your new spouse cannot be named as a beneficiary for your pension but can be named as a designee on the Lump Sum Death Benefit Form.
- If you divorce after retirement, provide ERF with a copy of the finalized divorce decree as soon as possible.
- If your spouse dies, provide ERF a copy of the death certificate.
- If your direct deposit account changes, please complete a new direct deposit form. You can find the form on the ERF website.

Contact ERF

The Fund has staff available to answer your questions. Call or send an email to retirement_fund@dallaserf.org.

To schedule an appointment for individual counseling, contact the Fund office at 214-580-7700 between 8:15 AM and 5:15 PM, Monday through Friday.

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Glossary of Terms

Actuarial equivalent — the equivalent value on the basis of actuarial factors, interest and mortality.

Appointed official — non-salaried appointive member of an administrative board or commission.

Base pension — the amount of retirement or death benefits calculated under the Fund provisions at the time an active member, inactive member or retiree retires or dies.

Beneficiary — a person who is entitled to payment of monthly benefits on the death of an active member, inactive member or retiree.

Chapter 40A — The section of the Dallas City Code that governs the Employees' Retirement Fund.

Child — an unmarried person under age 18 whose parent is an active member, inactive member or retiree.

Defined Benefit Plan — a pension plan in which an employer promises a specified monthly benefit upon retirement that is predetermined by a formula based on the employee's earnings history, tenure of service and age.

Defined Contribution Plan — a type of retirement plan in which the employer, employee or both make contributions on a regular basis. Individual accounts are set up for participants and benefits are based on the amounts credited to these accounts plus any investment earnings on the money in the account.

Deferred benefit — your right to receive benefits when you are eligible to retire if you leave the City with five or more years of credited pension service and leave your contributions in the Fund.

Dependent parent — the parent of an active member, inactive member or retiree who:

- Is age 65 or older or
- Is totally and permanently disabled and receives over half of his or her support each calendar year from the member.

Designee — an estate, a person or an entity you choose to receive a refund of contributions or a lump sum payment if you die or your beneficiary dies.

Disabled child — a child declared totally and permanently disabled before age 18.



Ex Officio — a member of a body (a board, committee, council, etc.) who is part of it by virtue of holding another office.

Final Average Pay — the wages you receive from the City divided by (a) the number of months of credited pension service for your five highest-paid calendar years of service or (b) your last consecutive 60 months of service.

Forfeited contributions — contributions you made as an active Fund member while you were a City employee, which you did not receive as a refund within the three year period required by Chapter 40A-30. Your forfeited contributions remain in the Fund unless you return to work within six years of termination and make a request to reinstate prior service credit.

Inactive member — a person who is not working for the City but who has not retired and has not forfeited or withdrawn contributions from the Fund.

Leave of absence — leave without pay granted by the city in accordance with a uniform and nondiscriminatory leave policy; or leave during which a member receives worker's compensation benefits or short-term disability benefits.

Member — an employee who is currently contributing to the Fund or who is on an approved leave of absence but does not include a person establishing credited pension service in a RIF by buying forward.

Multiplier — 2.5%.

Non-service death — a death that results from an injury or illness that is not the result of City employment.

Non-service disability — total and permanent disability caused by injury, sickness or disease that did not occur while you were performing your official City duties.

Pension — an amount payable monthly to a person eligible to receive a death or retirement benefit under the retirement fund.

Present value — what your future benefits are worth in today's money. The Fund's actuary calculates present value of your total remaining benefits by making an assumption about the interest the money would earn if it continued to be invested in the Fund rather than being paid today.

Reduction in force (RIF) — the elimination of an active employee from the City's workforce through layoff.

Restricted Prior Service Credit — Service credit an employee earned with previous employment with a federal, state or local government entity.

Retiree — a person who was a member of the Employees' Retirement Fund but has retired from the City and is receiving a pension from the Fund. A person receiving a death benefit is not considered a retiree.

Glossary of Terms

Retirement — terminating employment with the City and fulfilling all of the requirements for receiving a pension under the Employees' Retirement Fund.

Service credit — means any period that a person is paid as an employee of the city and contributes to the retirement fund.

Service death — means the death of a member resulting from an injury sustained while in the performance of official city duties. Service death does not include:

- death caused by an act of God, unless while doing your job, you were subjected to a greater hazard than the general public
- death caused by a third person for reasons not related to your employment
- death caused while you were attempting to injure or kill another person
- suicide
- death while on leave of absence, unless the leave was granted because of an injury sustained while doing your job and the injury was the primary cause of death
- death while on leave for military active duty
- death from an injury you received while drinking an alcoholic beverage or from illegal inhalation, ingestion, or injection of a controlled substance

Service disability — means total and permanent disability caused by injury while in the performance of official city duties.

Spouse — the husband or wife of an active member, inactive member or retiree.

Total and permanent disability — the continuing inability to get and retain any type of employment for compensation as a result of a mental or physical impairment caused by an injury or illness. You are not considered totally or permanently disabled if, with reasonable effort and safety, the impairment can be accommodated so that you can return to work.

Wages — your pay, including all taxable earnings and salary continuation payments, as well as your contributions to a 401(k) or 457 plan. Your pay does not include:

- expense reimbursements
- cash or non-cash fringe benefits
- welfare benefits (such as health or life insurance)
- lump-sum payments made at retirement for accrued sick leave or attendance incentive leave (AIL)
- workers' compensation, short-term disability or catastrophic leave benefits



You have many responsibilities, both at work and at home. Like most employees, you probably look forward to the possibility of retiring at some point in the future – but you may think that planning for retirement is time-consuming and complicated. This publication is designed not only to help you understand your pension benefit but also to give you some simple retirement planning steps that you can take throughout your career. The goal is to do a little planning now so that, when you are ready to retire, you will be prepared.





TIER-A RETIREMENT PLAN

SUMMARY

Members Employed by the City **before** January 1, 2017

RETIREMENT ELIGIBILITY

NORMAL RETIREMENT

You may retire at age 60, no minimum service required.

SERVICE RETIREMENT

You may receive retirement benefits when you have 30 years of pension service credit. If you are under age 50 when you retire, your monthly benefit will be reduced.

RULE OF 78

You may retire at or after age 50 if your age and years of pension service credit added together total at least 78.

Note: Tier A employees are eligible for a monthly health benefit supplement up to \$125.



PENSION SERVICE CREDIT

You earn pension service credit for any period that you are a permanent, civilian employee paid by the City and you make contributions to the Fund. Leave without Pay and Workers Compensation temporarily suspend you from earning pension service credit.

PENSION FORMULA

Your retirement is calculated using a formula that includes your total pension service credit and the average of your monthly pay during your three highest-paid years. Your benefit may not exceed 100% of your salary.

Your pension is based on the following formula:

$$\begin{array}{l} 2.75\% \text{ (multiplier)} \\ \times \text{ Pension Service Credit} \\ \times \text{ Average Monthly Pay (final 36} \\ \text{months or three highest-paid years)} \\ \hline = \text{ Calculated Monthly Benefit} \end{array}$$

SAMPLE PENSION CALCULATION

Bill retires from the City of Dallas at age 55 with 26 years of service credit; his average monthly pay is \$3,412.

The steps ERF takes to calculate Bill's pension are as follows:

1. Calculate Benefit Percentage
 $2.75\% \times 26 = 71.5\%$
2. Monthly Retirement Benefit
 $71.5\% \times \$3,412 = \$2,439$

SURVIVOR BENEFITS

1. Life With Ten Year Certain

This option pays you full benefits for your lifetime. If you die before receiving 120 monthly payments, your beneficiary, if applicable, receives the same monthly benefit for the balance of the 120 months.

2. Joint & Full Survivor With Ten Year Certain

This option pays you reduced benefits for your lifetime, and after your death, your beneficiary receives the same monthly payment for life. This option is available if you have at least 15 years of pension service credit, are at least age 60 or you are a Deferred Vested member with at least 15 years of pension service credit at age 60.

3. Joint & Half Survivor With Ten Year Certain

This option pays you full benefits for your lifetime. After your death, your beneficiary receives one-half of your monthly benefit for life.

PENSION LIFETIME VALUE

Once you become eligible to retire, your ERF benefit may be your most valuable financial asset. The value of your benefit is not just the amount of your contributions to the pension plan - it is actually far greater.

For example, at age 55 Bill retired from the City with 26 years of service and a pension of \$2,439 plus \$125 health benefit supplement for a total monthly pension of \$2,564. At age 67, Bill will have received \$369,216* and ERF will continue to pay his benefit every month for the rest of his life.

** This amount does not reflect annual cost of living adjustments.*



NIVEL-A INFORME DE JUBILACIÓN

RESUMEN

Miembros Empleados por la Ciudad **antes** de Enero 1, 2017

DERECHO A JUBILACIÓN

JUBILACIÓN NORMAL

La edad normal de jubilación es a los 60 años de edad. (Servicio mínimo no requerido)

JUBILACIÓN POR SERVICIO

Usted puede recibir beneficios de jubilación cuando tiene 30 años de tiempo de servicio acreditado. Si usted tiene menos de 50 años de edad cuando se jubila, su beneficio mensual se reducirá.



REGLA DE 78

Usted se puede jubilar a los 50 años de edad o después si su edad y sus años de servicio acreditado sumados dan un total de por lo menos 78.

Note: Tier A employees are eligible for a monthly health benefit supplement up to \$125.

TIEMPO DE SERVICIO ACREDITADO

Usted recibe crédito por el periodo en el que trabaja como empleado permanente de la ciudad y hace contribuciones a la Fundación. Vacaciones sin pago y la compensación para trabajadores temporalmente le suspenderán la contribución a la Fundación.

FORMULA DE SU PENSION

Su pensión es calculada usando una formula que incluye el total de servicio acreditado de pensión y el promedio de ingreso mensual de los últimos tres años mejor pagados. Su beneficio no puede excedir el 100% de su salario.

Su pensión esta basada en la siguiente formula:

$$\begin{aligned} & 2.75\% \text{ (multiplicador)} \\ & \times \text{ Servicio Acreditado de Pensión} \\ & \times \text{ El promedio de Ingresos (últimos} \\ & \quad \text{36 meses o los tres años mejor pagados)} \\ & = \text{Pensión Mensual} \end{aligned}$$

EJEMPLO DE CÁLCULO DE PENSION

Bill se retira de la Ciudad de Dallas a la edad 55 años con 26 años de servicio acreditado; su promedio de pago mensual es de \$3,412.

Los pasos que ERF toma para calcular la pensión de Bill son los siguientes:

1. Calcular el Porcentaje de Beneficio
 $2.75\% \times 26 = 71.5\%$
2. Beneficio de Jubilación Mensual
 $71.5\% \times \$3,412 = \$2,439$

BENEFICIOS PARA SOBREVIVIENTES

1. Vida Con 10 Años Garantizados

Esta opción le paga sus beneficios completos (no reducidos) de por vida. Si usted muere antes de recibir 120 pagos mensuales, su beneficiario recibirá el mismo beneficio mensual durante el resto de los 120 meses.

2. Mancomunada Con Beneficio Completo Para el Sobreviviente Con 10 Años Seguros

Esta opción le está disponible si usted tiene por lo menos 15 años de tiempo de servicio acreditado o tiene por lo menos 60 años de edad. Está opción le paga beneficios reducidos de por vida y si usted muere su beneficiario recibirá el mismo pago mensual por vida.

3. Sobreviviente Con 10 Años Seguros

Esta opción le paga sus beneficios completos (no reducidos) de por vida. Después de su muerte, su beneficiario recibirá la mitad del beneficio mensual de por vida.

EL VALOR DE POR VIDA DE SU PENSION

Una vez que usted sea elegible para jubilarse, su beneficio de ERF puede ser el más valioso activo financiero. El valor de su beneficio no es solo la suma de sus contribuciones al plan de pensiones - es en realidad mucho mayor.

Por ejemplo, a los 55 años de edad Bill se jubiló de la Ciudad con 26 años de servicio y una pensión mensual de \$2,439 mas \$125 para suplemento de beneficios de salud por un total de \$2,564 de pensión mensual. A la edad de 67 años, a Bill se la habra pagado \$369,216* y ERF seguirá pagando su beneficio cada mes durante el resto de su vida.

** Esta cantidad no refleja el costo de de vida anual.*



TIER-B RETIREMENT PLAN

SUMMARY

Members Employed by the City **after** December 31, 2016

Pending Voter Approval in November 2016

RETIREMENT ELIGIBILITY

NORMAL RETIREMENT

You may retire at age 65 with five years of pension service credit.

RULE OF 80

You may retire when your age and years of pension service credit added together total at least 80.

SERVICE RETIREMENT

You may receive retirement benefits when you have 40 years of pension service credit. If you are under age 65 when you retire, your monthly benefit will not be reduced.



PENSION SERVICE CREDIT

You earn pension service credit for any period that you are a permanent, civilian employee paid by the City and you make contributions to the Fund. Leave without Pay and Workers Compensation temporarily suspend you from earning pension service credit.

PENSION FORMULA

Your retirement is calculated using a formula that includes your total pension service credit and the average of your monthly pay during your five highest-paid years. Your benefit may not exceed 100% of your salary.

Your pension is based on the following formula:

$$\begin{array}{l} 2.5\% \text{ (multiplier)} \\ \times \text{ Pension Service Credit} \\ \times \text{ Average Monthly Pay (final 60} \\ \text{months or five highest-paid years)} \\ \hline = \text{ Calculated Monthly Benefit} \end{array}$$

SAMPLE PENSION CALCULATION

Amanda retires from the City of Dallas at 65 with 26 years of service credit; her average monthly pay is \$3,412.

The steps ERF takes to calculate Amanda's pension are as follows:

1. Calculate Benefit Percentage
 $2.5\% \times 26 = 65\%$
2. Monthly Retirement Benefit
 $65\% \times \$3,412 = \$2,218$

SURVIVOR BENEFITS

1. Life With Ten Year Certain

This option pays you full benefits for your lifetime. If you die before receiving 120 monthly payments, your beneficiary, if applicable, receives the same monthly benefit for the balance of the 120 months.

2. Joint & Full Survivor With Ten Year Certain

This option is available if you have at least 15 years of pension service credit or are at least age 65 with 5 years of pension service credit. This option pays you reduced benefits for your lifetime, and after your death, your beneficiary receives the same monthly payment for life.

3. Joint & Half Survivor With Ten Year Certain

This option pays you reduced benefits for your lifetime. After your death, your beneficiary receives one-half of your monthly benefit for life.

PENSION LIFETIME VALUE

Once you become eligible to retire, your ERF benefit may be your most valuable financial asset. The value of your benefit is not just the amount of your contributions to the pension plan - it is actually far greater.

For example, at age 65 Amanda retired from the City with 26 years of service and a monthly pension of \$2,218. At age 75, Amanda will have been paid out \$266,160* from her pension and ERF will continue to pay her benefit every month for the rest of her life.

** This amount does not reflect annual cost of living adjustments.*



NIVEL-B INFORME DE JUBILACIÓN RESUMEN

Miembros Empleados de la Ciudad después de Diciembre 31, 2016

Pending Voter Approval in November 2016

DERECHO A JUBILACIÓN

JUBILACIÓN NORMAL

La edad normal de jubilación es a los 65 años de edad, cinco años servicio requerido.

REGLA DE 80

Usted se puede jubilar a los 65 años de edad o después si su edad y sus años de servicio acreditado sumados dan un total de por lo menos 80.



JUBILACIÓN POR SERVICIO

Usted puede recibir beneficios de jubilación cuando tiene 40 años de tiempo de servicio acreditado. Si usted tiene menos de 65 años de edad cuando se jubila, su beneficio mensual se reducirá.

TIEMPO DE SERVICIO ACREDITADO

Usted recibe credito por el periodo en el que trabaja como empleado permanente de la ciudad y hace contribuciones a la Fundación. Vacaciones sin pago y la compensación para trabajadores temporalmente le suspenderán la contribución a la Fundación.

FORMULA DE SU PENSION

Su pensión es calculada usando una formula que incluye el total de servicio acreditado de pensión y el promedio de ingreso mensual de los ultimos cinco años mejor pagados. Su beneficio no puede excedir el 100% de su salario.

Su pensión esta basada en la siguiente formula:

$$\begin{aligned} & 2.5\% \text{ (multiplicador)} \\ & \times \text{ Servicio Acreditado de Pensión} \\ & \times \text{ El promedio de Ingresos (ultimos 60 meses o los cinco años mejor pagados)} \\ & = \text{Pensión Mensual} \end{aligned}$$

EJEMPLO DE CÁLCULO DE PENSION

Amanda se retira de la Ciudad de Dallas a la edad 65 años con 26 años de servicio acreditado; su promedio de pago mensual es de \$3,412.

Los pasos que ERF toma para calcular la pensión de Amanda son los siguientes:

1. Calcular el Porcentaje de Beneficio
 $2.5\% \times 26 = 65\%$
2. Beneficio de Jubilación Mensual
 $65\% \times \$3,412 = \$2,218$

BENEFICIOS PARA SOBREVIVIENTES

1. Vida Con 10 Años Garantizados

Esta opción le paga sus beneficios completos (no reducidos) de por vida. Si usted muere antes de recibir 120 pagos mensuales, su beneficiario recibirá el mismo beneficio mensual durante el resto de los 120 meses.

2. Mancomunada Con Beneficio Completo Para el Sobreviviente Con 10 Años Seguros

Esta opción le está disponible si usted tiene por lo menos 15 años de tiempo de servicio acreditado o tiene por lo menos 65 años de edad. Está opción le paga beneficios reducidos de por vida y si usted muere su beneficiario recibirá el mismo pago mensual por vida.

3. Sobreviviente Con 10 Años Seguros

Esta opción le paga sus beneficios completos (no reducidos) de por vida. Después de su muerte, su beneficiario recibirá la mitad del beneficio mensual de por vida.

EL VALOR DE POR VIDA DE SU PENSION

Una vez que usted sea elegible para jubilarse, su beneficio de ERF puede ser el más valioso activo financiero. El valor de su beneficio no es solo la suma de sus contribuciones al plan de pensiones - es en realidad mucho mayor.

Por ejemplo, a los 65 años de edad Amanda se jubiló de la Ciudad con 26 años de servicio y una pensión mensual de \$2,218. A la edad de 75 años, a Amanda se le habrá pagado \$266,160* y ERF seguirá pagando su beneficio cada mes durante el resto de su vida.

* Esta cantidad no refleja el costo de de vida anual.

2022 Retirement Payment Schedule

WHEN YOU CAN EXPECT YOUR FIRST PENSION PAYMENT

The schedule below provides a guide for the date you can expect your first pension direct deposit based on your termination date. ERF will make pension payments for those employees whose terminations are on or before the end of the first bi-weekly pay period in a month. Terminations after the first pay period will be paid at the end of the following month.

Tip - Retiring members wishing to keep the City's health coverage will need to send an email to hrcbenefits@dallascityhall.com or call 214-671-6947, Option 1 and leave a detailed message.

| If your last day of work is on or before (first bi-weekly pay period) | Your first payment will be deposited on | If you terminate after the first bi-weekly pay period your payment will be deposited on |
|--|--|--|
| January 11, 2022 | February 28, 2022 | March 31, 2022 |
| February 8, 2022 | March 31, 2022 | April 29, 2022 |
| March 8, 2022 | April 29, 2022 | May 31, 2022 |
| April 5, 2022 | May 31, 2022 | June 30, 2022 |
| May 3, 2022 | June 30, 2022 | July 29, 2022 |
| June 14, 2022 | July 29, 2022 | August 31, 2022 |
| July 12, 2022 | August 31, 2022 | September 30, 2022 |
| August 9, 2022 | September 30, 2022 | October 31, 2022 |
| September 6, 2022 | October 31, 2022 | November 30, 2022 |
| October 4, 2022 | November 30, 2022 | December 30, 2022 |
| November 1, 2022 | December 30, 2022 | January 31, 2023 |
| December 13, 2022 | January 31, 2023 | February 28, 2023 |



Monthly Death Benefit Form



I. Member Information

NAME _____ SSN _____ EMAIL _____
ADDRESS _____ PHONE _____
SPOUSE _____ SPOUSE SSN _____ PHONE _____

MONTHLY DEATH BENEFIT

If you have at least two years of pension service and you die before retirement, a monthly pension may be payable. If you are single or if your spouse waives the benefit, a monthly pension may be paid to the qualified beneficiaries you select. Qualified beneficiaries may only be your parent who is at least age 65 at your death **or is your legal dependent**, your totally disabled child who was disabled before the age of 18 **or** your children who are under the age of 18 when you die.

You may choose one of two payment options: **ONE** eligible parent or totally disabled child may receive a monthly benefit **for life** or **ONE OR MORE** eligible parent(s), disabled child(ren) or minor child(ren) may share a monthly benefit **for no more than ten years**.

If you do not have or do not want to choose a qualified beneficiary to receive a monthly benefit, a lump sum will be paid to the people or organizations you designate on your Lump Sum Death Benefit form.

II. Beneficiary



I understand that, once I have two years of pension service, my survivors may be entitled to a monthly pension benefit upon my death. By law, my spouse will automatically be entitled to this benefit. If I am single when I die or if my spouse waives the benefit, I choose the following primary beneficiary (select **A, B or C** below):

- A. ☐ I do not have or do not wish to name a beneficiary to receive a monthly benefit
- B. ☐ Monthly Benefit for Life
(select one payee)
☐ Mother ☐ Father ☐ Disabled Child (totally disabled before the age of 18)
- C. ☐ Monthly Benefit for no more than Ten Years
(select one or more payees)
☐ Mother ☐ Father ☐ Disabled Child ☐ Minor Child(ren)

III. Contingent Beneficiary



If I am single or if my spouse waives the monthly benefit upon my death **and** if all Primary Beneficiaries that I named above are not living or not eligible, I choose the following (select **A, B or C** below):

- A. ☐ I do not have or do not wish to name a beneficiary to receive a monthly benefit
- B. ☐ Monthly Benefit for Life
(select one payee)
☐ Mother ☐ Father ☐ Disabled Child (totally disabled before the age of 18)
- C. ☐ Monthly Benefit for no more than Ten Years
(select one or more payees)
☐ Mother ☐ Father ☐ Disabled Child ☐ Minor Child(ren)

IF YOU HAVE CHOSEN ONE OR MORE BENEFICIARIES TO RECEIVE A MONTHLY BENEFIT, COMPLETE THE INFORMATION ON PAGE TWO.

Member Signature



MEMBER SIGNATURE _____

DATE _____



Monthly Death Benefit Form - Side Two



Member Name _____ Employee Number _____



IV. Beneficiary Information

MOTHER

NAME _____ SSN _____ EMAIL _____

ADDRESS _____ PHONE _____

FATHER

NAME _____ SSN _____ EMAIL _____

ADDRESS _____ PHONE _____

DISABLED CHILD

NAME _____ SSN _____ DATE OF BIRTH _____

ADDRESS _____ PHONE _____

1. MINOR CHILD

NAME _____ SSN _____ DATE OF BIRTH _____

2. MINOR CHILD

NAME _____ SSN _____ DATE OF BIRTH _____

3. MINOR CHILD

NAME _____ SSN _____ DATE OF BIRTH _____

4. MINOR CHILD

NAME _____ SSN _____ DATE OF BIRTH _____

5. MINOR CHILD

NAME _____ SSN _____ DATE OF BIRTH _____

6. MINOR CHILD

NAME _____ SSN _____ DATE OF BIRTH _____

Member Signature



MEMBER SIGNATURE _____

DATE _____



Lump Sum Death Benefit Form

I. Member Information

NAME _____ SSN _____ EMAIL _____
ADDRESS _____ PHONE _____
SPOUSE _____ SPOUSE SSN _____ PHONE _____

If you have **less than** two years of service when you die, a refund of your contributions is payable. If you have **at least** two years of pension service, either a monthly death benefit **or** a lump sum death benefit, under the ten-year certain provisions of the plan, may be payable.

If you are married, your spouse is entitled to the death benefit. If you have no beneficiaries, your beneficiaries waive the benefit or if no beneficiary you have named is eligible to receive a monthly benefit, you may choose individuals or entities as **Primary Designees** to receive a refund or lump sum benefit upon death. You may also choose **Contingent Designees** to receive a benefit in the event all of your Primary Designees die or cease to exist before your death.

You have the option of splitting the lump sum benefit among your Primary **or** Contingent Designees. For example, you may choose one designee to receive 75% while a second receives 25%. If you leave the % column blank, the benefit will be split evenly among your designees. Contingent Designees do not receive any benefit unless **all** of your Primary Designees die or cease to exist before your death.

II. Primary Designee(s)

(if you want your primary designees to share the benefit equally, leave the % line blank)

1. NAME _____ SSN _____ BIRTHDATE _____ RELATIONSHIP _____
ADDRESS _____ PHONE _____ % _____

2. NAME _____ SSN _____ BIRTHDATE _____ RELATIONSHIP _____
ADDRESS _____ PHONE _____ % _____

3. NAME _____ SSN _____ BIRTHDATE _____ RELATIONSHIP _____
ADDRESS _____ PHONE _____ % _____

4. NAME _____ SSN _____ BIRTHDATE _____ RELATIONSHIP _____
ADDRESS _____ PHONE _____ % _____

5. NAME _____ SSN _____ BIRTHDATE _____ RELATIONSHIP _____
ADDRESS _____ PHONE _____ % _____

6. NAME _____ SSN _____ BIRTHDATE _____ RELATIONSHIP _____
ADDRESS _____ PHONE _____ % _____

IF YOU WOULD LIKE TO NAME ONE OR MORE CONTINGENT DESIGNEES, WHO WILL BE ENTITLED TO A LUMP SUM BENEFIT ONLY IF NO PRIMARY DESIGNEE SURVIVES YOU, PLEASE COMPLETE PAGE TWO.

Member Signature

MEMBER SIGNATURE _____

DATE _____



Lump Sum Death Benefit Form - Side Two

Member Name _____ Employee Number _____

III. Contingent Designee(s)

(if you want your contingent designees to share the benefit equally, leave the % line blank)

1. NAME _____ SSN _____ BIRTHDATE _____ RELATIONSHIP _____

ADDRESS _____ PHONE _____ % _____

2. NAME _____ SSN _____ BIRTHDATE _____ RELATIONSHIP _____

ADDRESS _____ PHONE _____ % _____

3. NAME _____ SSN _____ BIRTHDATE _____ RELATIONSHIP _____

ADDRESS _____ PHONE _____ % _____

4. NAME _____ SSN _____ BIRTHDATE _____ RELATIONSHIP _____

ADDRESS _____ PHONE _____ % _____

5. NAME _____ SSN _____ BIRTHDATE _____ RELATIONSHIP _____

ADDRESS _____ PHONE _____ % _____

6. NAME _____ SSN _____ BIRTHDATE _____ RELATIONSHIP _____

ADDRESS _____ PHONE _____ % _____

Member Signature

MEMBER SIGNATURE _____

DATE _____

Retirement Checklist

To be prepared for your appointment with a Pension Benefit Specialist, complete the following checklist.

Preferred Retirement Date:

COLLECT & BRING THE FOLLOWING DOCUMENTS*

**we will copy and return and certified documents*

- | | |
|---|---|
| <input type="checkbox"/> Birth Certificate | <input type="checkbox"/> Marriage License |
| <input type="checkbox"/> Spouse's Birth Certificate | <input type="checkbox"/> Designee (s) Contact Information & Social Security Number(s) |
| <input type="checkbox"/> Social Security Cards For You & Your Spouse | <input type="checkbox"/> Divorce Decree(s) |

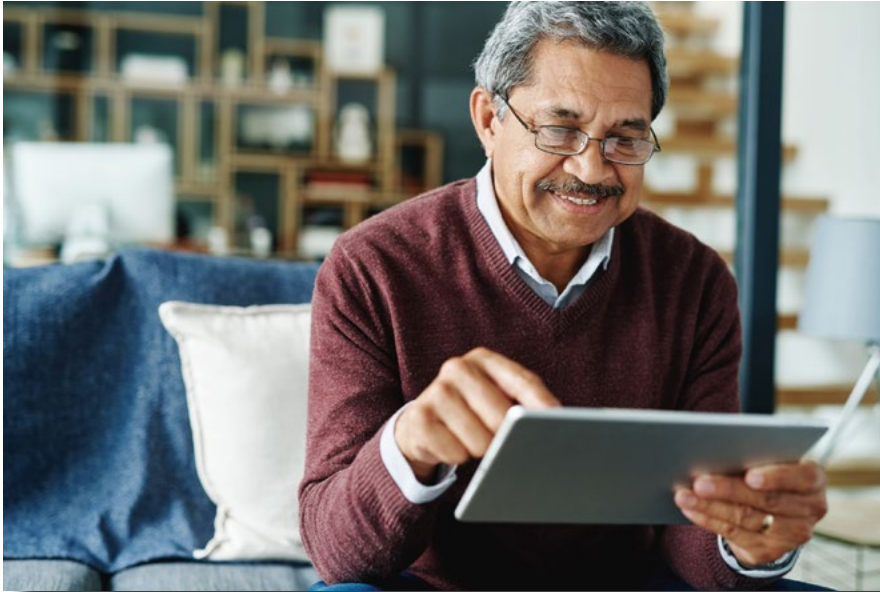
COMPLETE THE FOLLOWING FORMS

- | | |
|--|---|
| <input type="checkbox"/> Retirement Application | <input type="checkbox"/> Designee Form |
| <input type="checkbox"/> W4-P - Income Tax Withholding | <input type="checkbox"/> W-9 - Request for Taxpayer's ID Number & Certification |
| <input type="checkbox"/> Member Consent Form | <input type="checkbox"/> Direct Deposit Form & Voided Check |

REVIEW BENEFIT PAYMENT OPTIONS

- ☐ Joint & Full Survivor Option
Requirements: Retire from Active Employment with
15 Years of Pension Service Credit
- ☐ Joint & One-Half Survivor Option
Requirements: None
- ☐ 10-Year-Certain Survivor Option
Requirements: None

How Your Pension Benefit Affects Your Social Security Benefit



Employees' Retirement Fund
of the City of DALLAS®

Social Security Webinar

TOPICS OF DISCUSSION

Introduction
Your Social Security Benefit
Questions & Answers
Wrap Up

ERF is challenging you to visualize your retirement as you move through the stages of employment; non-vested, vested, pre-retirement and retirement.

SEMINAR PREPARATION

This packet contains valuable retirement planning information in regard to your Social Security benefit.

Below is a list of documents that ERF suggests you refer to to help you plan for your future retirement. If you have any further questions either email or call ERF at retirement_fund@dallaserf.org or 214-580-7700.

DOCUMENTS IN THIS PACKET

Wanda Worker Social Security Statement

Social Security - Understanding Your Benefit

Government Pension Offset

Windfall Elimination Provision

ERF Social Security Fact Sheet



Your Social Security Statement

WANDA WORKER

June 1, 2022

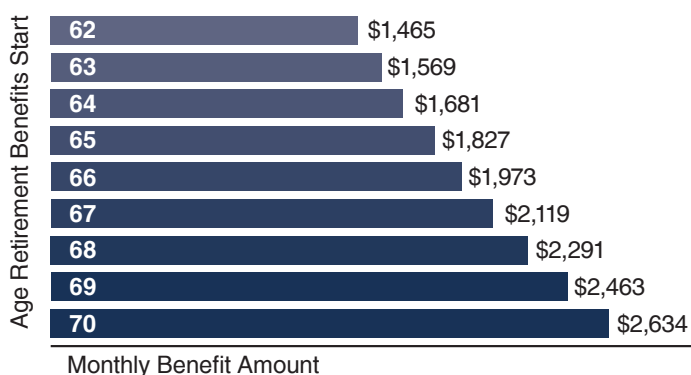
Retirement Benefits

You have earned enough credits to qualify for retirement benefits. To qualify for benefits, you earn “credits” through your work — up to four each year.

Your full retirement age is **67**, based on your date of birth: April 5, 1962. As shown in the chart, you can start your benefits at any time between ages **62** and **70**. **For each month you wait to start your benefits, your monthly benefit will be higher—for the rest of your life.**

These personalized estimates are based on your earnings to date and assume you continue to earn \$54,489 per year until you start your benefits. Learn more at ssa.gov/benefits/retirement/learn.html.

Personalized Monthly Retirement Benefit Estimates (Depending on the Age You Start)



Disability Benefits

You have earned enough credits to qualify for disability benefits. If you became disabled right now, your monthly payment would be about **\$2,083 a month**. Learn more at ssa.gov/disability.

Survivors Benefits

You have earned enough credits for your eligible family members to receive survivors benefits. If you die this year, members of your family who may qualify for monthly benefits include:

| | |
|--|---------|
| Minor child: | \$1,562 |
| Spouse, if caring for a disabled child or child younger than age 16: | \$1,562 |
| Spouse, if benefits start at full retirement age: | \$2,083 |
| Total family benefits cannot be more than: | \$3,802 |

Your spouse or minor child may be eligible for an additional one-time death benefit of **\$255**. Learn more at ssa.gov/survivors.

Medicare

You have enough credits to qualify for Medicare at age 65. Medicare is the federal health insurance program for people:

- age 65 and older,
- under 65 with certain disabilities, and
- of any age with End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant).

Even if you do not retire at age 65, you may need to sign up for Medicare within 3 months of your 65th birthday to **avoid a lifetime late enrollment penalty**. Special rules may apply if you are covered by certain group health plans through work.

For more information about Medicare, visit medicare.gov or ssa.gov/medicare or call **1-800-MEDICARE (1-800-633-4227)** (TTY 1-877-486-2048).

We base benefit estimates on current law, which Congress has revised before and may revise again to address needed changes. Learn more about Social Security's future at ssa.gov/ThereForMe.

Earnings Record

Review your earnings history below to ensure it is accurate because we base your future benefits on our record of your earnings. There's a limit to the amount of earnings you pay Social Security taxes on each year. Earnings above the limit do not appear on your earnings record. We have combined your earlier years of earnings below, but you can view your complete earnings record online with [my Social Security](#). If you find an error, view your full earnings record online and call 1-800-772-1213.

| Work Year | Earnings Taxed for Social Security | Earnings Taxed for Medicare (began 1966) |
|-----------|------------------------------------|--|
| 1971-1980 | \$ 2,142 | \$ 2,142 |
| 1981-1990 | 87,102 | 87,102 |
| 1991-2000 | 246,069 | 246,069 |
| 2001 | 34,147 | 34,147 |
| 2002 | 34,846 | 34,846 |
| 2003 | 36,021 | 36,021 |
| 2004 | 38,032 | 38,032 |
| 2005 | 39,711 | 39,711 |
| 2006 | 41,829 | 41,829 |
| 2007 | 43,971 | 43,971 |
| 2008 | 45,170 | 45,170 |
| 2009 | 44,603 | 44,603 |
| 2010 | 45,666 | 45,847 |
| 2011 | 47,093 | 47,093 |
| 2012 | 48,560 | 48,560 |
| 2013 | 49,095 | 49,095 |
| 2014 | 50,605 | 50,605 |
| 2015 | 51,996 | 51,996 |
| 2016 | 52,108 | 52,108 |
| 2017 | 53,251 | 53,251 |
| 2018 | 53,966 | 53,966 |
| 2019 | 54,559 | 54,559 |
| 2020 | 54,489 | 54,489 |
| 2021 | Not yet recorded | |

Taxes Paid

Total estimated Social Security and Medicare taxes paid over your working career based on your Earnings Record:

Social Security taxes

You paid: \$75,568
Employer(s): \$77,498

Medicare taxes

You paid: \$18,158
Employer(s): \$18,158

Earnings Not Covered by Social Security

You may also have earnings from work not covered by Social Security, where you did not pay Social Security taxes. This work may have been for federal, state, or local government or in a foreign country. If you participate in a retirement plan or receive a pension based on work for which you did not pay Social Security tax, it could lower your benefits. To find out more, visit ssa.gov/gpo-wep.

Important Things to Know about Your Social Security Benefits

- Social Security benefits are not intended to be your only source of retirement income. You may need other savings, investments, pensions, or retirement accounts to make sure you have enough money when you retire.
- You need at least 10 years of work (40 credits) to qualify for retirement benefits. Your benefit amount is based on your highest 35 years of earnings. If you have fewer than 35 years of earnings, years without work count as 0 and may reduce your benefit amount.
- To keep up with inflation, benefits are adjusted through "cost of living adjustments."
- If you get retirement or disability benefits, your spouse and children may qualify for benefits.
- When you apply for either retirement or spousal benefits, you may be required to apply for both benefits at the same time.
- If you and your spouse both work, use the [my Social Security Retirement Calculator](#) to estimate spousal benefits.
- The age you claim benefits will affect the benefit amount for your surviving spouse. For example, claiming benefits after your full retirement age may increase the *Spouse, if benefits start at full retirement age* amount on page 1; claiming early may reduce it.
- If you are divorced and were married for 10 years, you may be able to claim benefits on your ex-spouse's record. If your ex-spouse receives benefits on your record, that does not affect your or your current spouse's benefit amounts.
- Learn more about benefits for you and your family at ssa.gov/benefits/retirement/planner/applying7.html.
- When you are ready to apply, visit ssa.gov/benefits/retirement/apply.html.
- The *Statement* is updated annually. It is available online, or by mail upon request.

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Securing today
and tomorrow

Understanding the Benefits

SSA.gov



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Social Security: a simple concept

Social Security reaches almost every family, and at some point, touches the lives of nearly all Americans.

We help older Americans, workers who develop disabilities, and families in which a spouse or parent dies. As of June 2022, about 182 million people worked and paid Social Security taxes and about 66 million people received monthly Social Security benefits.

Most of our beneficiaries are retirees and their families — about 51 million people in June 2022.

But Social Security was never meant to be the only source of income for people when they retire. Social Security replaces a percentage of a worker's pre-retirement income based on your lifetime earnings. The amount of your average wages that Social Security retirement benefits replaces depends on your earnings and when you choose to start benefits. If you start benefits in 2022 at your "full retirement age" (see our "**Full retirement age**" section), this percentage ranges from as much as 75% for very low earners, to about 40% for medium earners, to about 27% for maximum earners. If you start benefits after full retirement age, these percentages would be higher. If you start benefits earlier, these percentages would be lower. Most financial advisers say you will need about 70% of pre-retirement income to live comfortably in retirement, including your Social Security benefits, investments, and personal savings.

We want you to understand what Social Security can mean to you and your family's financial future. This publication, *Understanding the Benefits*, explains the basics of the Social Security retirement, disability, and survivors insurance programs.

The current Social Security system works like this: when you work, you pay taxes into Social Security. We use the tax money to pay benefits to:

- People who have already retired.
- People with qualifying disabilities.
- Survivors of workers who have died.
- Dependents of beneficiaries.

The money you pay in taxes isn't held in a personal account for you to use when you get benefits. We use your taxes to pay people who are getting benefits right now. Any unused money goes to the Social Security trust funds, not a personal account with your name on it.

Social Security is more than retirement

Many people think of Social Security as just a retirement program. Most of the people receiving benefits are retired, but others receive benefits because they're:

- Someone with a qualifying disability.
- A spouse or child of someone getting benefits.
- A divorced spouse of someone getting or eligible for Social Security.
- A spouse or child of a worker who died.
- A divorced spouse of a worker who died.
- A dependent parent of a worker who died.

Based on your circumstances, you may be eligible for Social Security at any age. In fact, we pay more benefits to children than any other government program.

Your Social Security taxes

We use the Social Security taxes you and other workers pay into the system to pay Social Security benefits.

You pay Social Security taxes based on your earnings, up to a certain amount. In 2023, that amount is \$160,200.

Medicare taxes

You pay Medicare taxes on all of your wages or net earnings from self-employment. These taxes are for Medicare coverage. There are additional Medicare taxes for higher-income workers.

| If you work for someone else | Social Security tax | Medicare tax |
|------------------------------|---------------------|--------------|
| You pay | 6.2% | 1.45% |
| Your employer pays | 6.2% | 1.45% |
| If you're self-employed | | |
| You pay | 12.4% | 2.9% |

Additional Medicare tax

Workers pay an additional 0.9% Medicare tax on income that exceeds certain thresholds. The chart below shows the threshold amounts based on tax filing status:

| Filing status | Threshold amount |
|--|------------------|
| Married filing jointly | \$250,000 |
| Married filing separately | \$125,000 |
| Single | \$200,000 |
| Head of household (with qualifying person) | \$200,000 |
| Qualifying surviving spouse with dependent child | \$200,000 |

Where your Social Security tax dollars go

In 2023, when you work, about 85 cents of every Social Security tax dollar you pay goes to a trust fund that pays monthly benefits to current retirees and their families and to surviving spouses and children of workers who have died. About 15 cents goes to a trust fund that pays benefits to people with disabilities and their families.

From these trust funds, we also pay the costs of managing our programs. We're one of the most efficient agencies in the federal government, and we're working to make it better every day. Of each Social Security tax dollar you pay, we spend less than 1 penny to manage the program.

The entire amount of Medicare taxes you pay goes to a trust fund that pays some costs of hospital and related care for all Medicare beneficiaries. The Centers for Medicare & Medicaid Services, not Social Security, manages Medicare.

What you need to know about Social Security while you're working

Your Social Security number

Your link with us is your Social Security number. You need it to get a job and pay taxes. We use your Social Security number to track your earnings while you're working and your benefits after you're getting Social Security.

Don't carry your Social Security card. You should be careful about giving someone your Social Security number. Identity theft is one of the fastest growing crimes today. Most of the time, identity thieves use your Social Security number and your good credit to apply for more credit in your name. Then, they use the credit cards and don't pay the bills.

Your Social Security number and our records are confidential. If someone else asks us for information we have about you, we won't give any information without your written consent, unless the law requires or permits it.

Do you need to request a Social Security number, a replacement card, or make a name change on your current card? Our Social Security Number and Card page at [**www.ssa.gov/ssnumber**](http://www.ssa.gov/ssnumber) can help you find the best way to get what you need.

On this page, we ask you a series of questions to determine whether you can:

- Complete the application process online.
- Start the application process online, then bring any required documents to your local office to complete the application, typically in less time.

Once you complete your application (online or in-person), we will mail the card after we process the application. Please understand that we don't issue cards at our offices.

To get a Social Security number or a replacement card, you may need to show us proof of your U.S. citizenship or immigration status, age, and identity. We don't need proof of your U.S. citizenship and age for a replacement card if they're already in our records. We only accept certain documents as proof of U.S. citizenship. These include your U.S. birth certificate, U.S. passport, Certificate of Naturalization, or Certificate of Citizenship. If you aren't a U.S. citizen, we must see your immigration document proving your work authorization. If you don't have work authorization, different rules apply.

For proof of identity, we accept current documents showing your name, identifying information, and preferably a recent photograph. Such a document may be a driver's license or other state-issued identification card, or a U.S. passport.

To apply for a name change on your Social Security card, you may need to show a recently issued document that proves your name has been legally changed.

Be sure to safeguard your Social Security card. We limit the number of replacement cards you can get to 3 in a year and 10 during your lifetime. Legal name changes and other exceptions don't count toward these limits. For example, changes in noncitizen status that require card updates may not count toward these limits. These limits may not apply if you can prove you need the card to prevent a significant hardship.

For more information, read *Your Social Security Number and Card* (Publication No. 05 10002). If you aren't a citizen, read *Social Security Numbers for Noncitizens* (Publication No. 05-10096).

Our card services are free. We never charge for the card services we provide.

How you become eligible for Social Security

As you work and pay taxes, you earn Social Security "credits." In 2023, you earn 1 credit for each \$1,640 in earnings — up to a maximum of 4 credits per year. The amount of money needed to earn 1 credit usually goes up every year.

Most people need 40 credits (10 years of work) to qualify for benefits. Younger people need fewer credits to be eligible for disability benefits or for their family members to be eligible for survivors benefits when the worker dies.

What you need to know about benefits

Social Security benefits only replace some of your earnings when you retire, develop a qualifying disability, or die. We base your benefit payment on how much you earned during your working career. Higher lifetime earnings result in higher benefits. If there were some years when you didn't work, or had low earnings, your benefit amount may be lower than if you worked steadily.

Retirement benefits

Choosing when to start receiving retirement benefits is one of the most important decisions you'll ever make. If you choose to start receiving benefits when you reach your full retirement age, you'll receive your full benefit amount. We will reduce your benefit amount if you begin receiving benefits before you reach full retirement age. You can also choose to continue working beyond your full retirement age. If you do, your benefit will increase from the time you reach full retirement age, until you start receiving benefits, or until you reach age 70.

Full retirement age

If you were born from 1943 to 1960, the age at which full retirement benefits are payable increases gradually to age 67. In 2023, if your birth year is 1955 or earlier, you're already eligible for your full Social Security benefit. Use the chart below to find out your full retirement age.

| Year of birth | Full retirement age |
|---------------|---------------------|
| 1943-1954 | 66 |
| 1955 | 66 and 2 months |
| 1956 | 66 and 4 months |
| 1957 | 66 and 6 months |
| 1958 | 66 and 8 months |
| 1959 | 66 and 10 months |
| 1960 or later | 67 |

NOTE: *Although the full retirement age is rising, you should still apply for Medicare benefits 3 months before your 65th birthday. If you wait longer, your Medicare medical insurance (Part B) and prescription drug coverage (Part D) may cost you more money.*

Delayed retirement

If you choose to delay receiving benefits beyond your full retirement age, we'll increase your benefit a certain percentage, depending on the year of your birth. We'll add the increase automatically each month from the time you reach full retirement age, until you start receiving benefits or reach age 70, whichever comes first. There is more information on delayed retirement credits on our website at [**www.ssa.gov/benefits/retirement/planner/delayret.html**](http://www.ssa.gov/benefits/retirement/planner/delayret.html).

Early retirement

You may start receiving benefits as early as age 62. We reduce your benefits if you start early by about 0.5% for each month you start receiving benefits before your full retirement age. For example, if your full retirement age is 67, and you sign up for Social Security when you're 62, you would only get about 70% of your full benefit.

Once you've made the decision about when to start benefits, you can apply for Social Security retirement benefits on our website at [**www.ssa.gov/retirement**](http://www.ssa.gov/retirement).

If you work and get benefits

You can continue to work and still receive retirement benefits. Your earnings in (or after) the month you reach full retirement age won't reduce your Social Security benefits. In fact, working beyond full retirement age can increase your benefits. We'll have to reduce your benefits, however, if your earnings exceed certain limits for the months before you reach your full retirement age.

If you work, but start receiving benefits before full retirement age, we deduct \$1 in benefits for every \$2 in earnings you have above the annual limit. In 2023, the limit is \$21,240.

In the year you reach your full retirement age, we reduce your benefits by \$1 for every \$3 you earn over a different annual limit (\$56,520 in 2023). This will continue until the month you reach full retirement age.

Once you reach full retirement age, you can keep working, and we won't reduce your Social Security retirement benefit, no matter how much you earn.

For more information about how work affects your benefits, read *How Work Affects Your Benefits* (Publication No. 05-10069).

NOTE: *People who work and receive Social Security disability benefits or SSI payments have different earnings rules. They must immediately report all their earnings to us no matter how much they earn.*

Retirement benefits for surviving spouses

If you receive surviving spouse's benefits, you can switch to your own retirement benefits as early as age 62. This can be done assuming your retirement benefit is more than the amount you receive on your deceased spouse's earnings. Often, you can begin receiving 1 benefit at a reduced rate and then switch to the other benefit at the full rate when you reach full retirement age. The rules are complicated and vary depending on your situation, so talk to one of our representatives about the choices available to you.

For more information about retirement benefits, read *Retirement Benefits* (Publication No. 05-10035).

Disability benefits

If you can't work because of a physical or mental condition that has lasted or is expected to last at least 1 year or result in death, you may be eligible for Social Security disability benefits.

Our disability rules are different from private or other government agency plans. If you qualify for disability from another agency or program, it doesn't mean you will be eligible for disability benefits from us. Having a statement from your doctor saying you have a disability doesn't mean you'll automatically be eligible for Social Security disability benefits. For more information about Social Security disability benefits, read *Disability Benefits* (Publication No. 05-10029). You can apply for Social Security disability benefits on our website at **www.ssa.gov/benefits/disability**.

People, including children, who have little income and few resources, and who have a disability, may be eligible for disability payments through the SSI program. For more information about SSI, read *Supplemental Security Income (SSI)* (Publication No. 05-11000).

If you develop a disability, file for disability benefits as soon as possible, because it usually takes several months to process a disability claim. We may be able to process your claim more quickly if you have the following information when you apply:

- Medical records and treatment dates from your doctors, therapists, hospitals, clinics, and caseworkers.
- Your laboratory and other test results.
- The names, addresses, phone and fax numbers of your doctors, clinics, and hospitals.
- The names of all medications you're taking.
- The names of your employers and job duties for the last 15 years.

Your benefits may be taxable

Some people who get Social Security will have to pay taxes on their benefits. About 46% of our current beneficiaries pay taxes on their benefits.

You may have to pay taxes on your benefits if you file a federal tax return as an “individual” and your total income is more than \$25,000. If you file a joint return, you may have to pay taxes if you and your spouse have a total income that is more than \$32,000. For more information, call the Internal Revenue Service’s toll-free number, **1-800-829-3676**.

Benefits for your family

When you start receiving Social Security retirement or disability benefits, other family members may also be eligible to receive benefits. For example, benefits can be paid to your spouse:

- If they’re age 62 or older.
- At any age if they’re caring for your child (the child must be younger than 16 or have a disability and entitled to Social Security benefits on your record).

Benefits can also be paid to your unmarried children if they’re:

- Younger than 18.
- Between 18 and 19 years old, but in elementary or secondary school as full-time students.
- Age 18 or older and have a qualifying disability (the disability must have started before age 22).

Under certain circumstances, we can also pay benefits to a stepchild, grandchild, step-grandchild, or an adopted child. If you become the parent of a child after you begin receiving benefits, let us know about the child, so we can decide if the child is eligible for benefits.

How much can family members get?

Each family member may be eligible for a monthly benefit that is up to half of your Social Security retirement or disability benefit amount. However, there is a limit to the

total amount of money that can be paid to you and your family. The limit varies but is generally equal to about 150% to 180% of your retirement or disability benefit.

If you're divorced

If you're divorced, your ex-spouse may qualify for benefits on your earnings. In some situations, they may get benefits even if you don't receive them. To qualify, a divorced spouse must:

- Have been married to you for at least 10 years.
- Have been divorced from you at least 2 years if you have not filed for benefits yet.
- Be at least 62 years old.
- Be unmarried.
- Depending on the circumstances, not be entitled to or eligible for a benefit on their own work that is equal to or higher than half the full amount on your record.

Survivors benefits

When you die, your family may be eligible for benefits based on your work.

Family members who can collect benefits include a surviving spouse who is:

- 60 or older.
- 50 or older and has a qualifying disability.
- Any age if they care for your child who is younger than 16 or has a qualifying disability and is entitled to Social Security benefits on your record.

Your children can receive benefits, too, if they're unmarried and:

- Younger than 18 years old.
- Between 18 and 19 years old, but in an elementary or secondary school as full-time students.

- Age 18 or older and has a qualifying disability (the disability must have started before age 22).

Additionally, your parents can receive benefits on your earnings if they were dependent on you for at least half of their support.

One-time payment after death

If you have enough credits, a one-time payment of \$255 also may be made after your death. This benefit may be paid to your spouse or minor children if they meet certain requirements.

If you're divorced and have a surviving ex-spouse

If you're divorced, your ex-spouse may be eligible for survivor's benefits based on your earnings when you die. They must:

- Be at least age 60 years old (or 50 if they have a qualifying disability) and have been married to you for at least 10 years.
- Be at any age if they care for a child who is eligible for benefits based on your earnings.
- Not be entitled to a benefit based on their own work that is equal or higher than the full insurance amount on your record.
- Not be currently married, unless the remarriage occurred after age 60 or after age 50 if they have a qualifying disability.

Benefits paid to an ex-spouse won't affect the benefit rates for other survivors receiving benefits on your earnings record.

NOTE: *If you're deceased and your ex-spouse remarries after age 60, they may be eligible for Social Security benefits based on either your work or the new spouse's work, whichever is higher.*

How much will your survivors get?

Your survivors receive a percentage of your basic Social Security benefit — usually in a range from 75% to 100% each. However, there is a limit to the amount of money that can be paid each month to a family. The limit varies but is generally equal to about 150% to 180% of your benefit rate.

When you're ready to apply for benefits

You should apply for benefits about 4 months before the date you want your benefits to start. If you aren't ready to apply for retirement benefits yet but are thinking about it, you should visit our website to use our informative retirement planner at **www.ssa.gov/retirement**. To file for disability or survivors' benefits, you should apply as soon as you're eligible.

You can find out the best way to apply for benefits at **www.ssa.gov/apply**.

If you have a personal *my* Social Security account, you can get an estimate of your personal retirement benefits and see the effects of different ages at which you may want to begin receiving retirement benefits. If you don't have a personal *my* Social Security account, create one at **www.ssa.gov/myaccount**.

What you will need to apply

When you apply for benefits, we will ask you to provide certain documents. The documents you'll need depend on the type of benefits you file for. Provide these documents to us quickly to help us pay your benefits faster. You must present original documents or copies certified by the issuing office — we can't accept photocopies.

Don't delay filing an application just because you don't have all the documents you need. We'll help you get them.

Some documents you may need when you sign up for Social Security are:

- Your Social Security card (or a record of your number).
- Your birth certificate.
- Your children's birth certificates and Social Security numbers (if you're applying for them).
- Proof of U.S. citizenship or lawful immigration status if you (or a child) weren't born in the United States.
- Your spouse's birth certificate and Social Security number if they're applying for benefits based on your earnings.
- Your marriage certificate (if signing up on a spouse's earnings or if your spouse is signing up on your earnings).
- Your military discharge papers if you had military service.
- Your most recent W-2 form, or your tax return, if you're self-employed.

We will let you know if you need other documents when you apply.

How we pay benefits

You must receive your Social Security payments electronically. One way you can choose to receive your benefits is through direct deposit to your account at a financial institution. Direct deposit is a simple, and secure way to receive your payments. Be sure to have your checkbook or account statement with you when you apply. We will need that information, as well as your financial institution's routing number, to make sure your monthly benefit deposit goes into the right account.

If you don't have an account with a financial institution, or if you prefer to receive your benefits on a prepaid debit card, you can sign up for the Direct Express® card

program. Direct Express® payments go directly to the card account. Another payment choice you can consider is an electronic transfer account. This low-cost federally insured account lets you enjoy the security and convenience of automatic payments.

Supplemental Security Income (SSI) program

If you have limited income and resources (things you own), SSI may be able to help. SSI funding comes from general revenues, not Social Security taxes.

SSI makes monthly payments to people who are age 65 or older or who are blind or have a qualifying disability. Your income and the things you own affect eligibility for SSI. We don't count some of your income and some of your resources when we decide whether you're eligible for SSI. Your house and your car, for example, usually don't count as resources. We do count cash, bank accounts, stocks, and bonds.

How do you apply for SSI?

Visit our SSI Benefits webpage at **www.ssa.gov/benefits/ssi** to begin the application process online.

The online process takes about 5 to 10 minutes, and no documentation is required to start. Once you provide some basic information and answer a few questions, we will schedule an appointment to help you apply for benefits.

If you cannot apply online, you can call us toll-free at **1-800-772-1213 (TTY 1-800-325-0778)** or your local Social Security office to schedule an appointment to apply.

Right to appeal

If you disagree with a decision made on your claim, you can appeal it. You can handle your own appeal with free help from us, or you can choose to have a representative help you. We can give you information about organizations that can help you find a representative. For more information about the appeals process and selecting a representative, read *Your Right to Question the Decision Made on Your Claim* (Publication No. 05-10058).

Online personal “my Social Security” account

You can now easily create a personal *my* Social Security account online to check your earnings and get benefit estimates. You may also use your secure *my* Social Security account to request a replacement Social Security number card (available in many states and the District of Columbia). If you currently receive benefits, you can also:

- Change your address and phone number (Social Security beneficiaries only).
- Get an instant benefit verification letter.
- Request a replacement Medicare card.
- Get a replacement SSA-1099 or SSA-1042S for tax season.
- Start or change your direct deposit (Social Security beneficiaries only).
- Opt out of receiving agency notices by mail for those available online.
- View your appointed representative.

- Report your wages if you work and receive Social Security disability benefits, SSI payments, or both.

You can create a personal *my* Social Security account if you're age 18 or older and have a Social Security number, valid email address, and U.S. mail address. To create an account, go to **www.ssa.gov/myaccount**. You will need to create an account with one of our credential partners and follow the prompts for next steps.

Medicare

Medicare is our country's basic health insurance program for people age 65 or older and for many people with disabilities.

You shouldn't confuse Medicare with Medicaid. Medicaid is a health care program for people with low income and limited resources. State health and human services offices or social services agencies run the Medicaid program. Some people qualify for just one program, while others qualify for both Medicare and Medicaid.

Parts of Medicare

Social Security enrolls you in Original Medicare (Part A and Part B).

- Medicare Part A (hospital insurance) helps pay for inpatient care in a hospital or limited time at a skilled nursing facility (following a hospital stay). Part A also pays for some home health care and hospice care.
- Medicare Part B (medical insurance) helps pay for services from doctors and other health care providers, outpatient care, home health care, durable medical equipment, and some preventive services.
- Medicare Advantage Plan (previously known as Part C) includes all benefits and services covered under Part A and Part B — prescription drugs and additional

benefits such as vision, hearing, and dental — bundled together in one plan.

- Medicare Part D (Medicare prescription drug coverage) helps cover the cost of prescription drugs.

Who's eligible for Medicare Part A?

Most people get Part A when they turn 65. You qualify for it automatically if you're eligible for Social Security or Railroad Retirement Board benefits. Or, you may qualify based on a spouse's (including a divorced spouse's) work. Others qualify because they're government employees not covered by Social Security, but who paid the Medicare tax.

If you get Social Security disability benefits for 24 months, you'll qualify for Part A.

If you get Social Security disability benefits because you have amyotrophic lateral sclerosis (Lou Gehrig's disease), you don't have to wait 24 months to qualify.

Also, someone with permanent kidney failure requiring dialysis or kidney replacement qualifies for Part A if they've worked long enough, or is the spouse or child of a worker who qualifies.

If you don't meet these requirements, you may be able to get Medicare hospital insurance if you pay a monthly premium. For more information, call our toll-free number or visit ***Medicare.gov***.

Certain people who were exposed to environmental health hazards are entitled to Part A and can enroll in Part B and Part D. These people have an asbestos-related disease and were present for at least 6 months in Lincoln County, Montana, 10 years or more before diagnosis.

Who's eligible for Medicare Part B?

Almost every person eligible for Part A can get Part B. Part B is optional and you usually pay a monthly premium. In 2023, the standard monthly premium is \$164.90. Some people with higher incomes pay higher premiums.

Medicare Advantage plans

Anyone who has Medicare Part A and Part B can join a Medicare Advantage plan. Medicare Advantage plans include:

- Health Maintenance Organization (HMO) plans.
- Preferred Provider Organization (PPO) plans.
- Private Fee-for-Service (PFFS) plans.
- Special Needs Plans (SNPs).

In addition to your Medicare Part B premium, you might have to pay another monthly premium because of the extra benefits the Medicare Advantage plan offers.

Who can get Medicare Part D?

Anyone who has Original Medicare (Part A or Part B) is eligible for Medicare prescription drug coverage (Part D). Part D benefits are available as a stand-alone plan or built into Medicare Advantage, unless you have a Medicare private fee-for-service (PFFS) plan. The drug benefits work the same in either plan. Joining a Medicare prescription drug plan is voluntary and you will pay an extra monthly premium for the coverage.

When should I apply for Medicare?

If you're not already getting benefits, you should contact us about 3 months before your 65th birthday to sign up for Medicare. You should sign up for Medicare even if you don't plan to retire at age 65.

If you're already getting Social Security benefits or Railroad Retirement Board payments, we'll contact you a few months before you become eligible for Medicare and send you information. If you live in one of the 50 states, Washington, D.C., the Northern Mariana Islands, Guam, American Samoa, or the U.S. Virgin Islands, we'll automatically enroll you in Medicare Parts A and B. However, because you must pay a premium for Part B coverage, you can choose to turn it down.

We will **not** automatically enroll you in a Medicare prescription drug plan (Part D). Part D is optional and you must elect this coverage. For the latest information about Medicare, visit ***Medicare.gov*** or call **1-800-MEDICARE (1-800-633-4227)** or TTY number, **1-877-486-2048** if you're deaf or hard of hearing.

NOTE: *If you don't enroll in Part B and Part D when you're first eligible, you may have to pay a late enrollment penalty for as long as you have Part B and Part D coverage. Also, you may have to wait to enroll, which will delay coverage.*

Residents of Puerto Rico or foreign countries won't receive Part B automatically. They must elect this benefit. For more information, read Medicare (Publication No. 05-10043).

If you have a Health Savings Account (HSA)

If you have an HSA when you sign up for Medicare, you can't contribute to your HSA once your Medicare coverage begins. If you contribute to your HSA after your Medicare coverage starts, you may have to pay a tax penalty. If you'd like to continue contributing to your HSA, you shouldn't apply for Medicare, Social Security, or Railroad Retirement Board (RRB) benefits.

NOTE: Premium-free Part A coverage begins 6 months back from the date you apply for Medicare (or Social Security/RRB benefits), but no earlier than the 1st month you were eligible for Medicare. To avoid a tax penalty, you should stop contributing to your HSA at least 6 months before you apply for Medicare.

“Extra Help” with Medicare prescription drug costs

If you have limited resources and income, you may qualify for *Extra Help* to pay for your prescription drugs under Medicare Part D. Our role is to help you understand how you may qualify and to process your application for *Extra Help*. To see if you qualify or to apply, call our toll-free number or visit **www.ssa.gov/extrahelp**.

Help with other Medicare costs

If you have limited income and few resources, your state may pay your Medicare premiums and, in some cases, other “out-of-pocket” medical expenses, such as deductibles, copayments, and coinsurance.

Only your state can decide whether you qualify for help under this program. If you think you qualify, contact your Medicaid, social services, or health and human services office. Visit **Medicare.gov/contacts** or call **1-800-MEDICARE (1-800-633-4227)**; TTY: **1-877-486-2048** to get their number.

Some facts about Social Security

Estimated average 2023 monthly Social Security benefits

- All retired workers: \$1,827.
- Retired worker with only an aged spouse: \$2,972.
- Workers with a disability: \$1,483.

- Worker with a disability with a young spouse and 1 or more children: \$2,616.
- All aged surviving spouses: \$1,704.
- Young surviving spouse with 2 children: \$3,520.

2023 monthly federal SSI maximum payment rates

(Doesn't include state supplement, if any)

- \$914 for an individual.
- \$1,371 for a couple.

Contacting Us

There are several ways to contact us, such as online, by phone, and in person. We're here to answer your questions and to serve you. For nearly 90 years, we have helped secure today and tomorrow by providing benefits and financial protection for millions of people throughout their life's journey.

Visit our website

The most convenient way to conduct business with us is online at ***www.ssa.gov***. You can accomplish a lot.

- Apply for *Extra Help* with Medicare prescription drug plan costs.
- Apply for most types of benefits.
- Start or complete your request for an original or replacement Social Security card.
- Find copies of our publications.
- Get answers to frequently asked questions.

When you create a personal *my* Social Security account, you can do even more.

- Review your *Social Security Statement*.
- Verify your earnings.
- Get estimates of future benefits.
- Print a benefit verification letter.
- Change your direct deposit information.
- Request a replacement Medicare card.
- Get a replacement SSA-1099/1042S.

Access to your personal *my* Social Security account may be limited for users outside the United States.

Call us

If you cannot use our online services, we can help you by phone when you call our National toll-free 800 Number. We provide free interpreter services upon request.

You can call us at **1-800-772-1213** — or at our TTY number, **1-800-325-0778**, if you're deaf or hard of hearing — between 8:00 a.m. – 7:00 p.m., Monday through Friday. For quicker access to a representative, try calling early in the day (between 8 a.m. and 10 a.m. local time) or later in the day. **We are less busy later in the week (Wednesday to Friday) and later in the month.** We also offer many automated telephone services, available 24 hours a day, so you may not need to speak with a representative.

If you have documents we need to see, they must be original or copies that are certified by the issuing agency.

Notes

Notes



Securing today
and tomorrow

Social Security Administration | Publication No. 05-10024
January 2023 (Recycle prior editions)
Understanding the Benefits
Produced and published at U.S. taxpayer expense



Windfall Elimination Provision

Your Social Security retirement or disability benefits may be reduced

The Windfall Elimination Provision can affect how Social Security calculates your retirement or disability benefit. If you work for an employer who doesn't withhold Social Security taxes from your salary, any retirement or disability pension you get from that work can reduce your Social Security benefits. Such an employer may be a government agency or an employer in another country.

When your benefits can be affected

The following provisions can affect you if both of them are true:

- You earn a retirement or disability pension from an employer who didn't withhold Social Security taxes.
- You qualify for Social Security retirement or disability benefits from work in other jobs for which you did pay taxes.

The Windfall Elimination Provision can apply if 1 of the following is true:

- You reached age 62 after 1985.
- You developed a qualifying disability after 1985.

If the latter applies, you must first have become eligible for a monthly pension based on work where you didn't pay Social Security taxes after 1985. This rule applies even if you're still working.

This provision also affects Social Security benefits for people who performed federal service under the Civil Service Retirement System (CSRS) after 1956. We won't reduce your Social Security benefit amount if you only performed federal service under a system such as the Federal Employees' Retirement System (FERS). Social Security taxes are withheld for workers under FERS.

How it works

Social Security benefits are intended to replace only some of a worker's pre-retirement earnings.

We base your Social Security benefit on your average monthly earnings adjusted for average wage growth. We separate your average earnings into 3 amounts and multiply the amounts using 3 factors to compute your full Primary Insurance Amount (PIA). For example, for a worker who turns 62 in 2023, the first \$1,115 of average monthly earnings is multiplied by 90%; earnings between \$1,115 and \$6,721 are multiplied by 32%; and the

balance by 15%. The sum of the 3 amounts equals the PIA, which is then decreased or increased depending on whether the worker starts benefits before or after full retirement age (FRA). This formula produces the monthly payment amount.

When we apply this formula, the percentage of career average earnings paid to lower-paid workers is greater than higher-paid workers. For example, consider workers age 62 in 2023, with average earnings of \$3,000 per month. They could receive a benefit at FRA of \$1,606 (approximately 53%) of their pre-retirement earnings increased by applicable cost of living adjustments (COLAs). For a worker with average earnings of \$8,000 per month, the benefit starting at FRA could be \$2,989 (approximately 37%) plus COLAs. However, if either of these workers starts benefits earlier than their FRA, we'll reduce their monthly benefit.

Why we use a different formula

Before 1983, people whose primary job wasn't covered by Social Security had their Social Security benefits calculated as if they were long-term, low-wage workers. They had the advantage of receiving a Social Security benefit that represented a higher percentage of their earnings. They also had a pension from a job for which they didn't pay Social Security taxes. Congress passed the Windfall Elimination Provision to remove that advantage.

Under the provision, we reduce the 90% factor in our formula and phase it in for workers who reached age 62 or developed a disability between 1986 and 1989. For people who reach 62 or developed a disability in 1990 or later, we reduce the 90% factor to as little as 40%.

Some exceptions

The Windfall Elimination Provision doesn't apply if:

- You're a federal worker first hired after December 31, 1983.
- You're an employee of a non-profit organization who was exempt from Social Security coverage on December 31, 1983. This does not apply if the non-profit organization waived exemption and did pay Social Security taxes, but then the waiver was terminated prior to December 31, 1983.
- Your only pension is for railroad employment.
- The only work you performed for which you didn't pay Social Security taxes was before 1957.

- You have 30 or more years of substantial earnings under Social Security.

The Windfall Elimination Provision doesn't apply to survivors benefits. We may reduce spouses, widows, or widowers benefits because of another law. For more information, read *Government Pension Offset* (Publication No. 05-10007).

Social Security years of substantial earnings

If you have 30 or more years of substantial earnings, we don't reduce the standard 90% factor in our formula. See the first table that lists substantial earnings for each year.

The second table shows the percentage used to reduce the 90% factor depending on the number of years of substantial earnings. If you have 21 to 29 years of substantial earnings, we reduce the 90% factor to between 45% and 85%. To see the maximum amount we could reduce your benefit, visit www.ssa.gov/benefits/retirement/planner/wep.html.

A guarantee

The law protects you if you get a low pension. We won't reduce your Social Security benefit by more than half of your pension for earnings after 1956 on which you didn't pay Social Security taxes.

Contacting Us

The most convenient way to do business with us is to visit www.ssa.gov to get information and use our online services. There are several things you can do online: apply for benefits; start or complete your request for an original or replacement Social Security card; get useful information; find publications; and get answers to frequently asked questions.

Or, you can call us toll-free at **1-800-772-1213** or at **1-800-325-0778** (TTY) if you're deaf or hard of hearing. We can answer your call from 8 a.m. to 7 p.m., weekdays. We provide free interpreter services upon request. For quicker access to a representative, try calling early in the day (between 8 a.m. and 10 a.m. local time) or later in the day. **We are less busy later in the week (Wednesday to Friday) and later in the month.** You can also use our automated services via telephone, 24 hours a day, so you do not need to speak with a representative.

| Year | Substantial earnings |
|-----------|----------------------|
| 1937–1954 | \$900 |
| 1955–1958 | \$1,050 |
| 1959–1965 | \$1,200 |
| 1966–1967 | \$1,650 |
| 1968–1971 | \$1,950 |
| 1972 | \$2,250 |
| 1973 | \$2,700 |
| 1974 | \$3,300 |
| 1975 | \$3,525 |
| 1976 | \$3,825 |
| 1977 | \$4,125 |
| 1978 | \$4,425 |
| 1979 | \$4,725 |
| 1980 | \$5,100 |
| 1981 | \$5,550 |
| 1982 | \$6,075 |
| 1983 | \$6,675 |
| 1984 | \$7,050 |
| 1985 | \$7,425 |
| 1986 | \$7,875 |
| 1987 | \$8,175 |
| 1988 | \$8,400 |
| 1989 | \$8,925 |

| Year | Substantial earnings |
|-----------|----------------------|
| 1990 | \$9,525 |
| 1991 | \$9,900 |
| 1992 | \$10,350 |
| 1993 | \$10,725 |
| 1994 | \$11,250 |
| 1995 | \$11,325 |
| 1996 | \$11,625 |
| 1997 | \$12,150 |
| 1998 | \$12,675 |
| 1999 | \$13,425 |
| 2000 | \$14,175 |
| 2001 | \$14,925 |
| 2002 | \$15,750 |
| 2003 | \$16,125 |
| 2004 | \$16,275 |
| 2005 | \$16,725 |
| 2006 | \$17,475 |
| 2007 | \$18,150 |
| 2008 | \$18,975 |
| 2009–2011 | \$19,800 |
| 2012 | \$20,475 |
| 2013 | \$21,075 |
| 2014 | \$21,750 |

| Year | Substantial earnings |
|-----------|----------------------|
| 2015–2016 | \$22,050 |
| 2017 | \$23,625 |
| 2018 | \$23,850 |
| 2019 | \$24,675 |
| 2020 | \$25,575 |
| 2021 | \$26,550 |
| 2022 | \$27,300 |
| 2023 | \$29,700 |

| Years of substantial earnings | Percentage |
|-------------------------------|------------|
| 30 or more | 90 % |
| 29 | 85 % |
| 28 | 80 % |
| 27 | 75 % |
| 26 | 70 % |
| 25 | 65 % |
| 24 | 60 % |
| 23 | 55 % |
| 22 | 50 % |
| 21 | 45 % |
| 20 or less | 40 % |



Securing today
and tomorrow

Social Security Administration

Publication No. 05-10045

January 2023 (Recycle prior editions)

Windfall Elimination Provision

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Government Pension Offset

A law that affects spouses and widows or widowers

If you receive a retirement or disability pension from a federal, state, or local government based on your own work for which you didn't pay Social Security taxes, we may reduce your Social Security spouses or widows or widowers benefits. This fact sheet provides answers to questions you may have about the reduction.

How much will my Social Security benefits be reduced?

We'll reduce your Social Security benefits by two-thirds of your government pension. In other words, if you get a monthly civil service pension of \$600, two-thirds of that, or \$400, must be deducted from your Social Security benefits. For example, if you're eligible for a \$500 spouses, widows, or widowers benefit from Social Security, you'll get \$100 a month from Social Security ($\$500 - \$400 = \$100$). If two-thirds of your government pension is more than your Social Security benefit, your benefit could be reduced to zero.

If you take your government pension annuity in a lump sum, Social Security will calculate the reduction as if you chose to get monthly benefit payments from your government work.

Why will my Social Security benefits be reduced?

Benefits we pay to spouses, widows, and widowers are "dependent" benefits. Set up in the 1930s, these benefits were to compensate spouses who stayed home to raise a family and were financially dependent on the working spouse. It's now common for both spouses to work, each earning their own Social Security retirement benefit. The law requires a person's spouse, widow, or widower benefit to be offset by the dollar amount of their own retirement benefit.

For example, if a woman worked and earned her own \$800 monthly Social Security benefit, but was also due a \$500 spouse's benefit on her husband's record, we couldn't pay that spouse's benefit because her own benefit offsets it. Before enactment of the Government Pension Offset law, if that same woman was a government employee who didn't pay into Social Security and earned an \$800 government pension, there was no offset. We had to pay her a full spouse's benefit and her full government pension.

If this person's government work had been subject to Social Security taxes, we would reduce any spouse, widow, or widower benefit because of their own Social Security retirement benefit. The Government Pension Offset ensures that we calculate the benefits of government employees who don't pay Social Security taxes the same as workers in the private sector who pay Social Security taxes.

When won't my Social Security benefits be reduced?

Generally, we won't reduce your Social Security benefits as a spouse, widow, or widower if you:

- Receive a government pension that's not based on your earnings; or
- Are a federal (including Civil Service Offset), state, or local government employee and your government pension is from a job for which you paid Social Security taxes; and:
 - Your last day of employment (that your pension is based on) is before July 1, 2004; or
 - You filed for and were entitled to spouses, widows, or widowers benefits before April 1, 2004 (you may work your last day in Social Security covered employment at any time); or
 - You paid Social Security taxes on your earnings during the last 60 months of government service. (Under certain

conditions, we require fewer than 60 months for people whose last day of employment falls after June 30, 2004, and before March 2, 2009.)

There are other situations for which we won't reduce your Social Security benefits as a spouse, widow, or widower; for example, if you:

- Are a federal employee who switched from the Civil Service Retirement System (CSRS) to the Federal Employees' Retirement System (FERS) after December 31, 1987; and:
 - Your last day of service (that your pension is based on) is before July 1, 2004;
 - You paid Social Security taxes on your earnings for 60 months or more during the period beginning January 1988 and ending with the first month of entitlement to benefits; or
 - You filed for and were entitled to spouses, widows, or widowers benefits before April 1, 2004 (you may work your last day in Social Security covered employment at any time).
- Received, or were eligible to receive, a government pension before December 1982 and meet all the requirements for Social Security spouse's benefits in effect in January 1977; or
- Received, or were eligible to receive, a federal, state, or local government pension before July 1, 1983, and were receiving one-half support from your spouse.

Note: A Civil Service Offset employee is a federal employee, rehired after December 31, 1983, following a break in service of more than 365 days, with five years of prior CSRS coverage.

What about Medicare?

Even if you don't get benefit payments from your spouse's work, you can still get Medicare at age 65 on your spouse's record if you aren't eligible for it on your own record.

Can I still get Social Security benefits from my own work?

The offset applies only to Social Security benefits as a spouse, or widow, or widower. However, we may reduce your own benefits because of another provision. For more information, go online to read *Windfall Elimination Provision* (Publication No. 05-10045).

Contacting Social Security

The most convenient way to contact us anytime, anywhere is to visit www.socialsecurity.gov. There, you can: apply for benefits; open a *my* Social Security account, which you can use to review your *Social Security Statement*, verify your earnings, print a benefit verification letter, change your direct deposit information, request a replacement Medicare card, and get a replacement SSA-1099/1042S; obtain valuable information; find publications; get answers to frequently asked questions; and much more.

If you don't have access to the internet, we offer many automated services by telephone, 24 hours a day, 7 days a week. Call us toll-free at **1-800-772-1213** or at our TTY number, **1-800-325-0778**, if you're deaf or hard of hearing.

If you need to speak to a person, we can answer your calls from 7 a.m. to 7 p.m., Monday through Friday. We ask for your patience during busy periods since you may experience higher than usual rate of busy signals and longer hold times to speak to us. We look forward to serving you.



Securing today
and tomorrow

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Does my pension benefit affect my social security benefit?

While working for the City, Social Security taxes are not deducted from your pay. This is called “non-covered” work. If you earned a pension based on non-covered work, your Social Security benefit may be reduced by the Windfall Elimination Provision and/or the Government Pension Offset.

Windfall Elimination Provision (WEP)

Social Security uses the WEP to compute benefits for retired and disabled workers who receive a pension from non-covered employment. Unless you had at least 30 years of full-time employment during which you were paying into Social Security, the WEP will reduce your Social Security benefit.

Social Security benefits are based on a worker’s average monthly earnings. Social Security separates a worker’s average earnings into three amounts and multiplies each amount by a different percent. For 2022, the first \$1,024 of earnings is multiplied by 90%; earnings between \$1,024 and \$6,172 multiplied by 32%, and the balance is multiplied by 15%.

The WEP applies only to the percent you are entitled to receive of the first amount. See examples of a Social Security benefit with and without a pension on the right.

Government Pension Offset (GPO)

Social Security benefits as a spouse or surviving spouse may be reduced or eliminated if you are receiving a pension from the City. The reduction is based on 2/3 of your ERF pension.

Your Social Security Benefit May not be Reduced

There are exceptions to the WEP. If a worker has 30 or more years of “substantial” earning in a job where Social Security taxes were paid the 90 percent factor is not reduced. If a worker has 21 to 29 years of substantial earnings the 90 percent factor is reduced between 45 and 85 percent.

Social Security Statements Online

You can get a copy of your Social Security statement by creating a My Social Security online account at this web site <https://secure.ssa.gov/RIL/SiView.do> For security purposes the Social Security web site will ask you for some personal information to verify your identity.



Judy’s Monthly Retirement Benefit with Social Security & without a pension

Judy worked for AZ Plumbing for 10 years and TZ Auto Dealership for 22 years. The following is her Social Security (SS) benefit.

Judy is 62 years old and will retire in 2022. She worked and contributed wages to Social Security for 32 years. Judy’s average monthly salary computed for her Social Security benefit is \$4,975.

| | | |
|---------|-----------------|---------|
| Step 1. | \$1,024 x 90% = | \$ 921 |
| Step 2. | \$3,951 x 32% = | \$1,264 |
| Step 3. | \$ 0 x 00% = | \$ 0 |

Monthly salary \$4,700

Total monthly SS Benefit = \$2,185

Go to the Social Security Administration’s web site at <http://www.ssa.gov> to learn more about the Windfall Elimination Provision and the Government Pension Offset.



Alberts’s Monthly Retirement Benefit with Social Security and a Pension

Albert worked for AZ Plumbing for 10 years and the City of Dallas for 23 years. His Social Security benefit will be reduced by the Windfall Elimination Provision.

Albert is a 64 year old City retiree with a monthly pension of \$2,025. He worked outside the City for 10 years. His average monthly income computed for his Social Security benefit is \$1,010.

| | | |
|----------|----------------|--------|
| *Step 1. | \$ 926 x 40% = | \$ 370 |
| Step 2. | \$ 84 x 32% = | \$ 27 |
| Step 3. | \$ 0 x 15% = | \$ 0 |

Monthly salary \$1,000

Total monthly SS Benefit \$ 397

Total monthly Pension Benefit \$2,025

Total monthly pension & SS Benefit \$2,422

*Under the WEP, the 90 percent factor is reduced to between 85% and 40%. Benefits are reduced but not eliminated if you qualify for benefits. Social Security adjusts the amounts in the steps above for inflation.

