

# CHATTANOOGA

## FIRE & POLICE

### PENSION FUND

SUMMARY PLAN DESCRIPTION

AUGUST 2020

SERVING THOSE WHO SERVE OUR COMMUNITY!



# Summary Plan Description

---

Chattanooga Fire and Police Pension Fund  
6009 John Douglass Drive  
Chattanooga, TN 37421



Telephone: (423) 893-0500  
Toll Free: (800) 881-9022  
Fax: (423) 893-7769



Email: [info@cfppf.org](mailto:info@cfppf.org)  
Website: [www.cfppf.org](http://www.cfppf.org)  
Facebook: [www.facebook.com/cfppf](http://www.facebook.com/cfppf)

Dear Member,

As a Police Officer or Firefighter, you provide a valuable service to our community. Due to the dangerous nature of public safety work, Police Officers and Firefighters generally have a shorter career expectancy than other City Employees or those in the private sector. For these reasons, the Chattanooga Fire and Police Pension Fund was established in 1949 as a defined benefit plan to provide Police Officers and Firefighters with a secure, pre-defined monthly benefit upon retirement. The Pension Fund also provides a safeguard for your immediate family in the event you become disabled or die.

This updated Summary Plan Description (“SPD”) should be used to guide you on how the Pension Fund operates. It does not replace or overrule current legislation. You should share this SPD with your spouse or beneficiary because it contains important information about benefits that are payable to your survivor. This SPD is subject to continual review and revision. Please visit our website or call the Pension Office for the most recent version.

If you have questions about the Chattanooga Fire and Police Pension Fund, please contact the Pension Fund Office through any direct means listed above.

Sincerely,

The Board of Trustees

This Summary Plan Description provides a summary of the benefits for participants in the Chattanooga Fire and Police Pension Fund. The Pension Legislation will govern the rights to benefits in all cases. The Board of Trustees reserve the right to amend the Pension Fund Legislation and SPD, in accordance with the law, from time to time. The Pension Fund may be amended or terminated at any time. Benefits that have not vested, and future benefits that have not accrued, may be modified or eliminated. Plan features or options may be modified or eliminated at any time.

## Table of Contents

Definitions, Common Phrases, and Acronyms.....	4
Frequently Asked Questions .....	7
Life Events that May Affect Your Retirement .....	10
How the Pension Fund Works.....	12
How Pension Benefits are Funded .....	12
General Information .....	12
What Are Retirement Series? .....	13
Which Retirement Series are You? .....	13
Service Retirements for Series A Members .....	13
Service Retirement for Series B Members.....	14
Service Retirement for Series C Members.....	14
Leave Without Pay (LWOP).....	15
Termination of Employment.....	15
Deferred Vested Benefits.....	15
Refund of Contributions .....	16
Optional Retirement Benefits.....	16
Joint & Survivor Options .....	16
Deferred Retirement Option Provision (DROP) .....	17
Post-Retirement Survivor Benefits .....	18
Cost of Living Adjustments (COLAs).....	19
Disability Eligibility Requirements .....	20
Types of Disability Benefits .....	20
Job-Related Disability Benefits .....	21
Non-Job Related Disability Benefits.....	21
Permanent & Total Disability Benefits.....	21
Disability Benefit Chart .....	22
Exceptions to Benefits .....	22
Appointment to Discuss the Disability Process.....	22
Applying for Disability Benefits.....	22
Application.....	22
Pertinent Records .....	23
Independent Medical Exam .....	24
Disability Hearing .....	24
Outcome of Hearing.....	25
Conflicts of Interest.....	25
Mental Health Disabilities.....	25
Eligibility Requirements .....	25
Required Treatment.....	26
Independent Medical Exam for PTSD .....	26
Termination of Employment and Disability .....	27
Disability Joint & Survivor Options.....	27
Survivor and Death Benefits for Active Members .....	27
JRD Surviving Spouse Benefits .....	27
NJRD Surviving Spouse Benefits.....	27
Survivor Benefits other than Surviving Spouse.....	28
Monitoring and Terminating Disability Benefits.....	28

## Summary Plan Description

---

Re-employment as a Firefighter or Police Officer .....	29
Collection of Overpayment of Benefits.....	29
Non-Assignment of Benefits .....	29
Unclaimed Distributions .....	29
Pension Legislation .....	30
Heart and Lung Presumption .....	52
Human Immunodeficiency Virus (HIV) and Hepatitis C Presumption .....	54
Appendix A.....	57
Appendix B.....	60
Appendix C.....	63
Appendix D.....	66
Appendix E .....	67
Appendix F .....	68
Appendix G.....	69

### Definitions, Common Phrases, and Acronyms

These definitions are provided to our Participants so you will have a general idea of the meaning of some common phrases and acronyms you may find in the Summary Plan Description (“SPD”). Capitalized words that normally would not be capitalized, found throughout the SPD, and their acronym will be generally explained here.

Active Member, or  
Active Employee

A Participant who is currently employed with the City of Chattanooga as a fully sworn Police Officer with the Police Department or a fully sworn Firefighter with the Fire Department, who has been in a paid status as a Firefighter or Police Officer within the past 45 days, regardless if s/he is currently performing the duties of a sworn Firefighter or Police Officer.

Actively Working:

A fully sworn Participant who is reporting to work and receiving the compensation of a sworn participant for the work that is being performed regardless of whether or not the sworn participant is working in a full-duty or light-duty status.

Base Salary or

Average Base Salary:

Refers to the regular wages or salary paid on a monthly basis, but shall not include overtime pay or any supplements, including but not limited to supplement for years of service or education.

CCC or

Current Legislation:

Refers to the Chattanooga City Code. Sections 2-400 through 2-425 of the CCC contain legislation governing the Pension Plan. Sections 2-426 through 2-500 are reserved for the Pension Plan.

CFPPF:

Refers to the Chattanooga Fire and Police Pension Fund. Commonly used to make reference to the Pension Fund or the Pension Plan.

Consumer Price

Index or CPI:

A program of the Bureau of Labor Statistics to produce monthly data on changes in prices paid for goods and services. Inflation is measured by the CPI.

Deferred Retirement

Option Provision or

DROP:

The DROP is an optional type of a Member’s earned Service Retirement benefit. It allows Members who retire with more than 25 years of Service to convert up to 36 months of their earned benefit into a lump sum of cash. Eligibility for the

## Summary Plan Description

---

DROP option ends when a Member has more than 33 years of Service. See an explanation of the DROP in the Optional Retirement Benefits section.

Final Average Salary,

Average Salary or FAS: FAS is calculated using the consecutive 36 months of base salary that provide the Member's highest average. All Members' benefits are calculated using the FAS. The FAS is determined at termination/retirement for those who are not eligible for, or do not elect a DROP. Those who elect the DROP option will have their FAS determined at the beginning of the DROP period.

Joint and Survivor  
or J&S:

J&S is an optional type of a Member's benefit. The Member who elects a J&S option receives an adjusted (typically lower) monthly benefit so that s/he can name a beneficiary to receive a monthly benefit for his/her lifetime also. Refer to the Optional Retirement Benefits section for additional information.

LWOP:

Refers to Leave Without Pay; any period of time in which a Member is still employed, but not receiving compensation and therefore not contributing to the pension as a result; or any period of time between a Member's date of termination and subsequent date of reemployment.

Member:

An active sworn Firefighter in the Chattanooga Fire Department or an Active sworn Police Officer in the Chattanooga Police Department, who contributes to the CFPPF, and has completed all training required for the position, and is not eligible to participate in the General Pension Plan; A retired Firefighter or Police Officer who receives or is eligible to receive benefits from the CFPPF.

Multiplier:

The multiplier is the percentage of the Member's FAS that s/he earns for each complete year of Service.

Participant:

A Member; or a Member's beneficiary.

Pension Creditable  
Service, Service, or

PCS:

Sworn service of a Police Officer or Firefighter for which s/he is paid and contributes to the Pension Fund. PCS is affected by a break in Service and LWOP.

Pension Fund:

The trust fund that holds the assets of the Pension Plan.

Pension Plan or Plan:

The schedule of benefits governed by all applicable Federal, State, and Local laws and policies of the Chattanooga Fire and Police Pension Fund.

## Summary Plan Description

---

**Service Retirement:** The benefit a Member is eligible to receive upon completion of at least 25 years of Service and the age requirements, if applicable, to begin receiving benefits.

**Single-Life Annuity or SLA:** The basic form of a Member's benefit that is payable for his/her lifetime only.

**Summary Plan Description or SPD:** The Summary Plan Description, or SPD, is an important document that summarizes to Participants what the Pension Plan provides and how it operates. It provides information on when a Member can begin to participate in the Pension Plan, how Service and benefits are calculated, when benefits become vested, when and in what form benefits are paid, and how to file a claim for benefits.

**Surviving Spouse:** The spouse who is married to a Member at the Member's death and who has been continuously married to the Member for a period of at least eighteen (18) months prior to the date of the Member's death. For Members who were retired as of April 1, 2013 or later, the surviving spouse is who is married to Member as of April 1, 2013 or their date of retirement, whichever is later.

**Years of Service or YOS:** Refers to completed years of Pension Creditable Service.

## Frequently Asked Questions

### 1. Who should I call if I have questions about the Pension Fund?

Contact the Pension Fund Office staff. You may contact the Pension Fund Office staff in person, by mail, email, phone or fax. Assistance is available between the hours of 8:00 AM and 4:00 PM Monday through Friday. Contact information is provided in the welcome letter at the beginning of the SPD.

### 2. Can I borrow money from my pension?

No. The Pension Fund is a defined benefit plan. There is no provision to borrow money from your pension like you might find in a defined contribution plan such as a 401(k) or 403(b).

### 3. Who governs the Pension Fund?

The Pension Fund is governed by a Board of Trustees. This Board is made up of three (3) active firefighters, three (3) active police officers, the Mayor or Mayor's appointee, and a City Council appointee.

Each year, Board elections are held on the first Tuesday in September for the purpose to elect one (1) firefighter and one (1) police officer to the Board for a three (3) year term by both the active and retired firefighters and police officers. The Mayor and City Council appointees serve at the pleasure of the Mayor or City Council.

### 4. How are my pension benefits funded?

Currently, your pension benefit is funded through three (3) sources: your employee contributions, the City of Chattanooga's employer contributions, and investment earnings. Investment earnings provide more than 70% of the cost required to Fund benefits.

### 5. Is there an additional cost to me to add a benefit for my beneficiary?

Not really. All forms of benefit payments are equivalent. Your standard pension benefit is in the form of a Single Life Annuity ("SLA"). A SLA is payable in monthly payments for your lifetime. You have the option to name a beneficiary and "share" your retirement with that other person, by reducing the monthly payment that would be payable to you for your lifetime and having a percentage of that payment paid to your beneficiary for his/her lifetime after you die. This is referred to as a "Joint & Survivor" option. All Joint & Survivor ("J&S") options are the actuarial equivalent to the SLA but the monthly payment amounts will be less than the monthly payment amounts under the SLA because the payments are stretching out over a longer period of time. Please refer to the Optional Retirement Benefits section for additional information.

### 6. What types of pension are offered?

The Pension Fund offers five (5) types of retirement benefits: (1) a service pension, which is the standard option (2) a deferred vested pension if you leave the fire or police department after you've earned ten (10) years of pension creditable service, but are not retirement eligible (3) a job-related



disability pension in case you are disabled due to an injury or illness incurred as a result of the performance of sworn duties and can no longer perform your sworn duties (4) a non-job related disability pension in case you are disabled due to an injury or illness that is unrelated to the performance of your sworn duties and (5) a permanent and total disability pension if you become disabled and cannot work in any gainful employment.

**7. How is my pension benefit calculated?**

Generally, your pension is calculated using your years of service, your final average salary and your multiplier. Please refer to the respective sections of this SPD.

**8. When am I eligible to retire?**

Your retirement eligibility depends on which Series of benefits applies to you. Please refer to the respective sections on Series A, Series B and Series C for additional information.

**9. How do I apply for my pension?**

When you decide to retire, contact the Pension Fund staff to make an appointment to complete and review the necessary paperwork.

**10. What do I need to bring with me to my retirement appointment?**

You will want to bring the following items with you to your appointment:

- state or departmental issued ID
- copy of your letter of intent to retire
- voided check for direct deposit
- copy of driver's license or birth certificate for your J&S beneficiary
- DROP rollover information (if applicable)

**11. When will I receive my first pension payment?**

Benefit payments are made on the 15<sup>th</sup> of each month. Your first payment is effective the 1<sup>st</sup> of the month following your date of termination and will be paid as soon as practicable. There are no partial monthly benefit payments. You must complete the necessary retirement paperwork prior to commencement of your benefit.

**12. Will I receive increases to my pension payments to keep up with the cost of living?**

It depends on what the legislation that governs the Pension Fund says. Currently, once you have met your eligibility to receive an annual benefit adjustment, effective January 1 of each year, your pension payments may be increased as provided by legislation. This feature, like any feature of the Pension Plan is subject to change. Please refer to the Cost of Living Adjustments (COLAs) section for additional information.

**13. What will my spouse get if I die while I am still actively employed?**

This depends on the circumstances in which your death occurs. Please see the Survivor and Death Benefits section for additional information.

**14. How can I change my beneficiary designation for the death benefit?**

Contact the Pension Fund staff to receive a beneficiary designation form. Complete the form and return it to the Pension Fund office. This form must be witnessed by a member of the Pension Fund staff or notarized.

**15. Who can I name as a beneficiary to my pension benefit?**

You can name anyone you choose as beneficiary to receive a percentage of your monthly pension benefit upon your death. However, you may name only one person. In most cases, your monthly pension rate will decrease when naming a beneficiary to your monthly benefit. Please see the Optional Retirement Benefits: Joint & Survivor Options section for additional information.

**16. Can I change my beneficiary of my pension benefit?**

If you are an Actively Employed Member and you are retirement eligible, then you may name a beneficiary to your pension benefit. You may change your beneficiary while still an active employee.

When you retire, you must make an irrevocable decision regarding a beneficiary of your pension benefit. Once retired, you may not remove and/or add another beneficiary to receive your monthly pension benefit once your benefit has commenced. In the case of divorce, if allowed in your divorce decree, you may remove your former spouse as the beneficiary of your monthly pension benefit, but you cannot name someone else to receive that benefit, and your monthly pension payment will remain the same. Please see the Optional Retirement Benefits: Joint & Survivor Options section for additional information.

**17. Will I get Social Security benefits?**

Once you become a Member of this Fund, you no longer pay Social Security taxes on your income from the City of Chattanooga as a sworn Police Officer or Firefighter.

Due to this fact, your pension benefits may reduce your Social Security benefits if you worked other jobs long enough to qualify for a Social Security retirement or disability benefit. Please refer to the Windfall Elimination Provision at [www.ssa.gov/retire2/wep.htm](http://www.ssa.gov/retire2/wep.htm) for additional information. If you are entitled to spousal or widow's benefits based off your spouse's earned social security, those benefits may also be reduced because you have this pension. Please refer to the Government Pension Offset information at [www.ssa.gov/retire2/gpo-calc.htm](http://www.ssa.gov/retire2/gpo-calc.htm).

### Life Events that May Affect Your Retirement

At certain times in your life, events may occur that may affect your pension benefit, such as marriage, divorce, termination of employment or death of a spouse. In any of these events below, you should contact the Pension Fund Staff.

**IF YOU MARRY:** If you marry, you may want to designate your spouse as your beneficiary for the \$10,000 lump sum death benefit. Contact the Pension Fund Staff to complete a beneficiary form.

**IF YOU DIVORCE:** If you have designated your spouse as your beneficiary for the \$10,000 lump sum death benefit, you may wish to make a new designation if you get divorced. Contact the Pension Fund staff for a new beneficiary form.

If you divorce after your pension payments begin in the form of Joint & Survivor annuity, and you have named your spouse as beneficiary, you may remove your former spouse as beneficiary, provided that cancellation is not in conflict with the divorce decree or marital dissolution agreement. Your monthly pension payment amount will not change if you remove your former spouse as your beneficiary.

Your pension benefits may be subject to a Qualified Domestic Relations Order (QDRO) in the event of divorce. Please contact the Fund for additional information.

**LWOP:** Any leave without pay (LWOP) typically will result in an adjustment to your pension eligibility date by the same number of days of LWOP.

**IF YOU TERMINATE EMPLOYMENT:** If your employment in the Police or Fire Department is terminated for any reason other than disability, you are entitled to either a refund of your employee contributions, or if you have 10 or more years of Active Service, you may choose to receive a vested pension beginning at age 55. Please see the Termination of Employment section for additional information.

**IF YOU BECOME DISABLED:** If you are unable to work due to disability, you may be eligible for Pension Fund benefits. Please refer to the Disability Eligibility Requirements section for additional information.

## Summary Plan Description

---

### IF YOU BECOME RETIREMENT

**ELIGIBLE:** Once you have reached your date of retirement eligibility with the police and/or fire department, you are eligible to retire with a service retirement pension. To retire, contact the Pension Fund staff to set an appointment to complete the necessary paperwork.

If you choose to continue working after your retirement eligibility date, you may designate a beneficiary for your survivor benefit, as well as elect a joint and survivor option for your pension benefit. This designation and election is to protect your survivor in the event of death before your actual retirement. This designation/election is not final and can be changed at any time, until you actually retire, at which time you will make your final election.

### IF YOUR SPOUSE DIES:

If your spouse dies before you retire, you should contact the Pension Fund staff to update your beneficiary designation for the \$10,000 death benefit. If you have no surviving spouse when you die, any minor children you have at that time may be eligible for benefits. If you have no surviving spouse or minor children, your parents, if they're solely dependent on you for support, may be eligible for benefits if you predecease them.

If your spouse dies while you're receiving one of the pop-up pension options (Options E, F, and G), and your spouse is your named beneficiary, your monthly pension amount will increase. Your monthly payment will "pop-up" to the level it would have been if you had selected the single life annuity.

If your spouse dies while you're receiving any of the joint and survivor forms of payment and have named your spouse as beneficiary, your monthly payment will not change if your spouse dies, unless you elected one of the pop-up options. No other forms of pension payments are affected by the death of your spouse.

**IF YOU DIE:** Upon your death, Pension Fund benefits may be paid to your survivors. The availability and amount of any benefits depends on your personal situation. Please refer to the Survivors Benefits section for additional information.

## How the Pension Fund Works

The Chattanooga Fire and Police Pension Fund (“Fund”) is established under the Chattanooga City Code, Chapter 2, Article III, Division 5. The Fund provides a pension for all sworn firefighters and police officers (“Members”) when they retire or become disabled, or for their beneficiary in the event of their death.

The Fund is a defined benefit retirement plan. A defined benefit plan provides Members with a lifetime benefit based on a formula that typically includes years of service and age. The Board of Trustees (“Board”) has determined that a defined benefit plan is the most appropriate retirement plan for its Members.

## How Pension Benefits Are Funded

Both Members and the City of Chattanooga share the cost of pension benefits by making required contributions to the Fund. In addition to contributions, investment earnings provide a larger portion of the cost required to fund pension benefits.

As participants of the Fund, Members contribute a fixed amount to the Fund through regular payroll deductions. These contributions are currently 11% of a Member’s base salary.

Under the authority of the City Council, residents are taxed to provide contributions to the trust fund. The City contributes whatever amount is necessary to provide the benefits accrued, but no less than 10% of the monthly gross payroll of all sworn Members that participate in the Fund.

In addition, the net proceeds from the sale of any unclaimed personal property that comes into the possession of the departments of fire

and police are added to the Fund along with an amount based on City Court fees and CARTA parking fees.

## General Information

Members are eligible to participate in the Fund once they have completed their training and began their first day of work as a sworn firefighter or police officer. In most cases, this is typically the day following their academy graduation.

As soon as a Member becomes a participant, they begin accruing years of Active Service. Once a Member has completed 10 years of Active Service, they become vested. That means the Member has an ownership right to the benefit they’ve accrued to date if their employment is terminated, regardless of whether the termination was voluntary or involuntary. Please refer to the Termination of Employment section for additional information regarding deferred vested benefits.

In the alternative, if a Member’s employment is terminated prior to reaching 10 years of Active Service, they are entitled to a refund of all of their employee contributions paid into the Fund. Members do not earn interest on their contributions and have no future right to Fund benefits. Please refer to the Termination of Employment section for additional information regarding a refund of contributions.

Once a Member has reached retirement eligibility, they are entitled to a lifetime monthly pension based on their years of Active Service and their respective Multiplier. The Multiplier is the amount of retirement benefit that a Member receives for each year of Active Service expressed as a percentage of Final Average Salary (“FAS”).

Although every Member will be eligible to retire with a maximum of 75% of FAS at 30 years of Service, certain variables exist in the structure of the benefits depending on factors including the number of years of Service a Member has and the date a Member was last hired. For the sake of simplicity, we refer to each of these three basic variations as a “Series” and include a section on each Series (A, B, C) in this SPD.

### What are Retirement Series?

Members are categorized into three Series based on their last hire date with the City of Chattanooga Fire or Police Department in determining the level of pension benefits they are eligible to receive.

### Which Retirement Series Are You?

Members can easily determine which category they are by answering a few simple questions.

- Was the Member last hired into a Chattanooga Fire or Police Academy on or after July 1, 2014?
- Is the Member a previously separated Member who was re-employed as a Chattanooga Firefighter or Police Officer on or after July 1, 2014?

If the Member answered yes to either question, then they are a Series A Member. Please refer to the Service Retirement for Series A Members section for additional information.

If the Member answered no to both questions, continue to the next questions.

- Was the Member in a Chattanooga Fire or Police Academy on July 1, 2014?
- Did the Member have less than 10 years of Pension Creditable Service on July 1, 2014?

If the Member answered yes to either of these questions, then the Member is a Series B Member. Please refer to the Service Retirement for Series B Members section for additional information.

If the Member answered no to either of the previous questions, continue to the final question.

- Did the Member have 10 or more years of Pension Creditable Service on July 1, 2014?

If the Member answered yes to this question and no to all the previous questions, then the Member is a Series C Member. Please refer to the Service Retirement for Series C Members section for additional information.

### Service Retirement for Series A Members

Series A Members are those who were last hired into a Chattanooga Fire or Police Academy on or after July 1, 2014; or they are a previously separated Member who was later re-employed or re-instated as a sworn Chattanooga Firefighter or Police Officer on or after July 1, 2014.

The Multiplier for Series A Members is 2.5% of their FAS resulting in 62.50% of FAS at 25 years of service, up to a maximum of 75.00% of FAS at 30 years of service. Please refer to the table below.

## Summary Plan Description

Years of Service	% of FAS	or	% plus DROP
25	62.50%	or	N/A
26	65.00%	or	62.50% + 1yr DROP
27	67.50%	or	62.50% + 2yrs DROP
28	70.00%	or	62.50% + 3yrs DROP
29	72.50%	or	65.00% + 3yrs DROP
30	75.00%	or	67.50% + 3yrs DROP
31	75.00%	or	70.00% + 3yrs DROP
32	75.00%	or	72.50% + 3yrs DROP
33	75.00%	or	75.00% + 3yrs DROP
>33	75.00%	or	Not DROP Eligible

Series A Members are eligible to retire once they reach the age of 55 and a minimum of 25 years of Active Service in the fire or police department; or any age with at least 30 years of Active Service. Please refer to the table below.

Pension Start Age	Service Eligibility Requirements	
	Years of Svc.	At Age
21	30	51
22	30	52
23	30	53
24	30	54
25	30	55
26	29	55
27	28	55
28	27	55
29	26	55
30+	25 Years of Svc.	

### Service Retirement for Series B Members

Series B Members are those who were in a Chattanooga Fire or Police Academy on July 1, 2014; or they had less than 10 years of Active Service as of July 1, 2014.

The Multiplier for Series B Members is 2.75% of their FAS for the first 25 years of Active Service resulting in 68.75% of the FAS, with an

additional 1.25% for each year of Active Service from 26 through 30 years; for a maximum of 75.00% of FAS. Please refer to the table below.

Years of Service	% of FAS	or	% plus DROP
25	68.75%	or	N/A
26	70.00%	or	68.75% + 1yr DROP
27	71.25%	or	68.75% + 2yrs DROP
28	72.50%	or	68.75% + 3yrs DROP
29	73.75%	or	70.00% + 3yrs DROP
30	75.00%	or	71.25% + 3yrs DROP
31	75.00%	or	72.50% + 3yrs DROP
32	75.00%	or	73.75% + 3yrs DROP
33	75.00%	or	75.00% + 3yrs DROP
>33	75.00%	or	Not DROP Eligible

Series B Members are eligible to retire once they reach the age of 50 and a minimum of 25 years of Active Service in the fire or police department; or any age with at least 28 years of Active Service. Please refer to the table below.

Pension Start Age	Service Eligibility Requirements	
	Years of Svc.	At Age
21	28	49
22	28	50
23	27	50
24	26	50
25+	25 Years of Svc.	

### Service Retirement for Series C Members

Series C Members are those who had 10 or more years of Active Service as of July 1, 2014.

The Multiplier for Series B Members is 2.75% of their FAS for the first 25 years of Active Service resulting in 68.75% of the FAS, with an additional 1.25% for each year of Active Service from 26 through 30 years; for a maximum of 75.00% of FAS. Please refer to the table below.

## Summary Plan Description

Years of Service	% of FAS		% plus DROP
25	68.75%	or	N/A
26	70.00%	or	68.75% + 1yr DROP
27	71.25%	or	68.75% + 2yrs DROP
28	72.50%	or	68.75% + 3yrs DROP
29	73.75%	or	70.00% + 3yrs DROP
30	75.00%	or	71.25% + 3yrs DROP
31	75.00%	or	72.50% + 3yrs DROP
32	75.00%	or	73.75% + 3yrs DROP
33	75.00%	or	75.00% + 3yrs DROP
>33	75.00%	or	Not DROP Eligible

Series C Members are eligible to retire once they reach a minimum of 25 years of Active Service in the fire or police department regardless of age.

### Leave Without Pay (LWOP)

On occasion, Members may incur Leave without Pay (“LWOP”) during their career. LWOP is any period of time in which a Member is still employed but is not receiving compensation. As a result of not receiving full compensation, expected pension contributions are not being made for the period of LWOP. Therefore, a Member’s pension date of hire will be adjusted for any LWOP incurred, which may result in the Member’s pension eligibility date changing. A Member’s pension date of hire will be adjusted by the same number of days of LWOP. LWOP will accumulate over the Member’s career; however, they will only be adjusted in whole day increments. Members of the Fire Department will have one day adjusted for every 12 hours of LWOP; Members of the Police Department will have one day adjusted for every 8 hours of LWOP.

## Termination of Employment

### Deferred Vested Benefits

The Fund offers a monthly lifetime benefit for Members who have at least 10 years of Active Service, but not yet retirement eligible under the terms of the Fund, and have terminated their employment with the City of Chattanooga, voluntarily or involuntarily.

Members with a minimum of 10 years of Active Service may elect to vest their benefit and receive a reduced benefit beginning the first of the month following their 55<sup>th</sup> birthday. The Multiplier for a vested benefit is 2.40% of FAS for each year of Active Service, less than 25 years. The Multiplier for Series A and B Members who terminate and vest with 25 or more years of service and who are not retirement eligible, and those who retire due to a mandatory retirement age, is equal to the service retirement multiplier for their respective Series. Please see tables below.

Series A (Svc Retirement @ Age 55 or 30 YOS)				
Age	YOS		Multiplier	% of FAS
37	10	X	2.40%	= 24.00%
45	18	X	2.40%	= 43.20%
52	25	X	2.50%	= 62.50%

Series B (Svc Retirement @ Age 50 or 28 YOS)				
Age	YOS		Multiplier	% of FAS
37	10	X	2.40%	= 24.00%
45	18	X	2.40%	= 43.20%
48	25	X	2.75%	= 68.75%

At the time the terminated vested Member is eligible to commence benefits, he/she is eligible to elect a Joint & Survivor option to continue receiving benefits. If a terminated vested



Member dies prior to the commencement of their benefit, then the Member's employee contributions to the Fund will be refunded to their estate.

Vested Members are eligible for a lump sum death benefit in the amount of \$10,000 to be paid to the designated beneficiary upon the Member's death. If the Member's beneficiary dies before the benefit is claimed, or no beneficiary is designated, then the \$10,000 death benefit will be paid to the Member's estate.

Please refer to Appendix G for a summary of survivor benefits for vested Members.

Members who terminate employment and choose not to vest will receive a refund of their employee contributions to the Fund.

### **Refund of Contributions**

Members who have less than 10 years of Active Service and have terminated their employment with the City of Chattanooga, voluntarily or involuntarily, lose the right to receive any Pension benefits. All employee contributions a Member has paid into the Pension Fund will be refunded to the Member. No interest is paid and no future benefits are available to the Member.

If a Member returns to the department after termination of employment, the Member will have the option to (1) repay employee contributions plus interest in order to be reinstated with the same service credit time the Member had prior to termination, or (2) the Member can choose to start over as a new hire for purposes of pension creditable service.

If a Member elects to repay employee contributions, it is merely for pension service

credit time they had prior to termination. Members reemployed after July 1, 2014, regardless of repayment of employee contributions, will be classified as a Series A Member for benefit purposes.

Please refer to the Unclaimed Distributions section for additional information regarding unclaimed refunds.

### **Optional Retirement Benefits**

The Single Life Annuity ("SLA") is the standard retirement benefit for retiring Members. The Fund also offers options to the SLA including Joint & Survivor ("J&S") options and a Deferred Retirement Option Provision ("DROP").

#### **Joint & Survivor Options**

Retiring Members may choose to share their retirement benefits with one other person by electing a J&S option at the time of retirement. The Fund offers seven J&S options. Each option requires an adjustment to the Member's monthly SLA benefit to cover the monthly benefit to be paid to the beneficiary upon the Member's death. The amount of the adjustment depends on factors such as which option is chosen, the Member's age, and the age of the beneficiary. All J&S options are the actuarial equivalent to the SLA. In other words, on average, the total amount of monthly benefits paid to a Member (SLA), or paid to a Member and his/her beneficiary during their joint lifetimes under a J&S option will be approximately the same, regardless of whether the benefits are paid over one or both lifetimes.

The Fund's J&S Options are outlined below.

**10 Yr. Certain:** The 10 Yr. Certain option requires the lowest adjustment from the Member's SLA. This election will provide a

lifetime benefit to the Member. However, it will provide a monthly benefit to the named beneficiary for no more than 10 years after the Member's effective retirement date. For example, if the Member dies 1 year after retirement, then the beneficiary would receive the adjusted J&S option benefit for 9 years; if the Member lives for more than 10 years after they retire, then the beneficiary receives nothing upon the death of the Member.

**50% J&S:** At the time of the Member's death, the named beneficiary will receive a monthly benefit equal to one half (50%) of the Member's last monthly benefit. The beneficiary will receive the monthly benefit for their lifetime also.

**75% J&S:** At the time of the Member's death, the named beneficiary will receive a monthly benefit that is equal to three fourths (75%) of the Member's last monthly benefit. The beneficiary will receive the monthly benefit for their lifetime also.

**100% J&S:** At the time of the Member's death, the named beneficiary will receive a monthly benefit equal to (100%) the Member's last monthly benefit. The beneficiary will receive the monthly benefit for their lifetime also.

The Fund also offers modified version of the 50%, 75% and the 100% J&S options. These modified options are commonly called "pop-up" options. If a retiring member chooses the modified version of one of the above options and the named beneficiary dies prior to the Member, then the Member's monthly benefit will "pop-up" to the SLA rate the Member would have been receiving at the time of the named beneficiary's death as if the Member had not chosen the J&S option.

If a Member elects a J&S option, they can't change the option election after commencement of benefits, except in the event that the Member has elected a "pop-up" option. The "pop-up" only applies to the death of a named beneficiary. If a Member elects a J&S option and designates their spouse as the named beneficiary, and later divorce, the Member may remove their spouse as the named beneficiary provided it is not in conflict with the marital dissolution agreement and they have submitted a written request along with supporting documentation. If a Member is allowed to remove the ex-spouse as the named beneficiary, the Member's pension rate will remain unchanged and they will not be allowed to designate another beneficiary of the J&S option.

### **Deferred Retirement Option Provision (DROP)**

The DROP is an optional form of payment for a portion of the Member's earned benefit. It provides Members with the ability to receive a portion of the accrued retirement benefit earned during the DROP period in a lump sum payment up front, in exchange for working longer than 25 years.

If a Member retires with more than 25 years of Active Service and is retirement eligible, they may choose the retroactive DROP option. The period of time between the Member's attainment of 25 years of service, and the actual retirement date is called the DROP period. The DROP period can't be longer than 36 months and can't extend beyond the date the Member reaches 33 years of Active Service. The Member must continue to work for the City as a sworn Firefighter or Police Officer and contribute to the Fund during the DROP period.

## Summary Plan Description

If a Member does not elect the DROP, then the pension benefit will be calculated using the FAS and total years of Active Service at the time of retirement. If the Member elects a J&S option, the DROP will be calculated using the Member's monthly benefit that has been adjusted for the elected J&S option.

The DROP payment is calculated using the amount of the Member's monthly benefit payment and the number of months in the DROP period. The DROP and the pension benefit will be calculated using the FAS as of the beginning of the DROP period, but no less than 25 years of Active Service. For example, Amy retires on her 30<sup>th</sup> anniversary and elects a DROP. Her FAS and percentage of benefits are determined at her 27<sup>th</sup> anniversary. She will then receive her 36-month DROP in a lump sum payment. Please see the table below:

FAS Period to Use for DROP Calculation	
Years of Service	*FAS as of these Years
<b>25</b>	23,24,25
<b>26</b>	23,24,25
<b>27</b>	23,24,25
<b>28</b>	23,24,25
<b>29</b>	24,25,26
<b>30</b>	25,26,27
<b>31</b>	26,27,28
<b>32</b>	27,28,29
<b>33</b>	28,29,30

\*This is not an exact calculation, but can be used for retirement estimates.

The DROP formula is as follows: monthly benefit x months in DROP period = DROP lump sum. For example, Doug retires after he has completed 28 years of Active Service and he elects the DROP when he retires. Doug's DROP period is the time between his 25<sup>th</sup> anniversary and the date of his actual retirement. His monthly benefit is based on his service retirement at 25

years, which is \$2,578.13. His DROP would be calculated as follows: \$2,578.13 x 36 = \$92,812.68.

36-Month DROP Benefit	
Calculation Required	Example
1. Determine the amount of monthly pension at retirement	Doug's service retirement pension amount is \$2,578.13
2. Take the amount from #1 and multiply it by the number of months of DROP elected (no more than 36)	Doug is eligible for a DROP benefit of \$92,812.68 payable in one lump sum. (\$2,578.13x36=\$92,812.68)

The Member is not entitled to the DROP until election of the optional form of benefits. The election is made upon retirement from the Member's respective department. In the event that a Member passes away while actively employed and is in their DROP period, survivor benefits would be paid based on the cause of death as outlined in the disability section of this Summary Plan Description. In the event that the Member has retired and elected the DROP, and the DROP has not yet been paid to the Member upon their death, the DROP will be paid to the designated beneficiary of the DROP payment.

Members who retire under one of the disability or vested provisions of the Fund are not eligible to elect the DROP as an optional form of benefit payments.

### Post-Retirement Survivor Benefits

The Fund offers Surviving Spouse benefits to the qualifying spouse upon the death of retired

Firefighters and Police Officers. Post retirement survivor benefits are subsidized. That is, they are paid for by the Fund with the support of the contributions of Active Members and the City. J&S options, as an optional form of the SLA, is now used to provide benefits for the beneficiaries of most Members. Post-retirement Surviving Spouse benefits are not the actuarial equivalent to the Member's SLA. They are in addition to the Member's Single Life Annuity.

### **Retired Prior to November 3, 1992**

The qualifying Surviving Spouse of a Member, who 1) retired prior to November 3, 1992 and 2) did not elect a J&S Option, is eligible to receive a monthly benefit equal to a) the \$500 monthly benefit, established in 1999, plus b) all Cost-of-Living Adjustments that have been applied to that amount since. As of 2019, the Surviving Spouse's benefit is equivalent to \$802.59 per month.

### **Actively Employed on November 3, 1992 and Retirement Eligible by December 31, 2012**

The qualifying Surviving Spouse of a retired Member, who: 1) was Actively Employed as a Chattanooga Firefighter or Police Officer; 2) who was also retirement eligible by December 31, 2012, and 3) did not elect a J&S Option is eligible to receive a monthly benefit equal to the amount as if the Member had elected a reduced 50% J&S Option.

For Members who 1) retired by this date, and 2) named someone other than their spouse as a J&S beneficiary, then the qualifying Surviving Spouse is eligible to receive a monthly benefit equal to 2) the \$500 monthly benefit, established in 1999, plus b) all Cost-of-Living Adjustments that have been applied to that amount since. As of 2019, the Surviving

Spouse's benefit is equivalent to \$802.59 per month.

### **All Other Members**

J&S Options are the only means to provide a benefit to the spouse of any Member that does not meet either of the requirements under this section. Subsidized post-retirement Surviving Spouse benefits are no longer available.

### **Surviving Spouse Qualifications**

The qualifications for an eligible Surviving Spouse for post-retirement benefits include, but may not be limited to the following:

- Legally married to the Member at time of retirement, or by April 1, 20136, whichever date is later.
- Continually married to the Member for at least 18 months at the time of his/her death.

### **Lump Sum Death Benefit**

A lump sum death benefit in the amount of \$10,000 will be paid to the designated beneficiary of a retired Member upon his/her death. If the Member's beneficiary dies before the benefit is claimed, or no beneficiary is designated, then the \$10,000 death benefit will be paid to the Member's estate.

Please refer to Appendix G for a summary of survivor benefits for post-retirement Members.

### **Cost of Living Adjustments (COLAs)**

The Fund currently provides for annual adjustments of all Retirement, Disability and Survivor benefits, often referred to as Cost-of-Living Adjustments ("COLA"). The COLAs are currently applied as follows:

## Summary Plan Description

- Effective January 1<sup>st</sup> of each year for that year;
- Members retiring on or after July 1, 2014 must meet a 3 year waiting period before any adjustment of their monthly benefit will apply;
- The adjustments are applied to monthly benefits and will compound upon the previous year's monthly benefit.

The adjustment is currently calculated as a specific dollar amount determined by taking the average of the monthly benefits of all Participants that are eligible to receive an adjustment. All eligible monthly benefits will receive the calculated adjustment determined by the average with the following restrictions:

- The total adjustment for all eligible Participants will equal 1.5% of the overall eligible benefits;
- No Participant will receive an adjustment that is more than 2% of his/her benefit;
- No Participant will receive an adjustment that is less than 1% of his/her benefit.

For example, assume the following:

- The average of all eligible benefits is \$1,250 per month;
- With a range of eligible monthly benefits from \$750 to \$2,000;
- The average of all adjustments is equal to 1.5% of the average benefit, or \$18.75. See table below.

Example Range of Benefits				
Monthly Benefit	\$750.00	\$1,250	\$1,500	\$2,000
COLA	\$15.00	\$18.75	\$18.75	\$20.00
New Monthly Benefit	\$765.00	\$1,268.75	\$1,518.75	\$2,020.00
% of COLA	2.00%	1.50%	1.25%	1.00%

Each eligible monthly benefit is increased by the dollar amount equal to the 1.50% average subject to the upper and lower percentage limitations.

Once the Fund becomes 70% funded, the waiting period to receive the COLA will be reduced from a 3-year waiting period to a 1-year waiting period.

When the Fund maintains an 80% funded status, the COLA will be tied to the Consumer Price Index ("CPI") with a range of 0% to 3% adjustment on benefits.

The COLA is not an accrued or vested benefit and is subject to modification at any time.

### Disability Eligibility Requirements

All Members who are eligible to participate in the Fund are eligible to be considered for a disability benefit. Notwithstanding the foregoing, Members who are Actively Working in their normal capacity or who are not active employees of the Fire or Police Departments are not eligible to apply for disability benefits.

Failure to meet such eligibility requirements may result in an automatic denial of the disability application.

### Types of Disability Benefits

A disabling condition must be permanent, not temporary, in nature. Unlike sick leave and certain worker's compensation benefits that are designed to provide maintenance income for a temporary disability, the disability benefits provided by the Fund are only for permanent disability conditions. As described in this section, disability conditions are classified as Job Related, Non-Job Related, or Permanent and Total.

### **Job-related Disability Benefits**

Members are covered for a Job Related Disability (“JRD”) from their first day of participation in the Fund. To be eligible for a JRD benefit, a Member must be unable to perform his/her duties as a Firefighter or Police Officer due to an injury or illness that results from the performance of his/her sworn duties. Under state law, Heart disease, Hypertension, Human Immunodeficiency Virus (HIV) and Hepatitis C are presumed to be job related illnesses for both Police Officers and Firefighters. The state law further presumes lung related illnesses to be job related for Firefighters. Medical evidence is required for the presumptive heart or lung disease statute to be overcome. No Member shall be retired on a disability pension until at least six (6) months after disability was received.

For JRD disabilities that are mental health in nature; please refer to the Mental Health Disabilities section of this guide for additional information and/or requirements.

The JRD benefit is 60% of the disabled Member’s Final Average Salary (“FAS”). JRD benefits are not taxable for income tax purposes.

### **Non-Job Related Disability Benefits**

Members are covered for a Non-Job Related Disability (“NJRD”) after 3 years of participation in the Fund. To be eligible for a NJRD benefit, a Member must (1) be unable to perform his/her duties as a Firefighter or Police Officer due to an injury or illness that is unrelated to his/her official duties; and (2) be unable to perform any other available general employee positions for the City of Chattanooga.

For NJRD disabilities that are mental health in nature; please refer to the Mental Health Disabilities section of this guide for additional information and/or requirements.

The NJRD benefit for Members with 3 to 10 years of service is 30% of their FAS. The benefit increases by 2% of FAS for each year of service over 10 years. The maximum NJRD benefit is 60% of the disabled Member’s FAS. NJRD benefits are taxable for income tax purposes.

Payments under this section will not commence until the Member has exhausted all sick days, annual days, accumulated days, compensatory days, and annual leave days.

### **Permanent & Total Disability Benefits**

Members are covered for a Permanent & Total Disability (“PTD”) from their first day of participation in the Pension Plan. To be eligible for a PTD, a Member must be disabled to the point of being unable to perform ANY gainful employment. Both job related and non-job related injuries and illnesses are covered under this provision.

For PTD disabilities that are mental health in nature; please refer to the Mental Health Disabilities section of this guide for additional information and/or requirements.

The PTD benefit is 68.75% of the disabled Member’s FAS. The PTD benefit is not taxable for income tax purposes if it results from a job-related injury or illness.

Additionally, if a Member has one or more minor children at the time he/she begins to receive PTD benefits, he/she is entitled to receive \$500 per month, per minor child, not to exceed a total of \$1,000 per month during the minority of such children. The aforementioned

## Summary Plan Description

benefit is not subject to any cost of living adjustments.

In the event that a Member was retired on a PTD recovers to the extent that he/she is able to engage in gainful employment again, he/she must notify the Board of such change and the PTD pension shall be terminated. The Member may reapply for other such disability they may be eligible for.

### Disability Benefit Chart

The following chart outlines the benefit formulas under the three types of disabilities: JRD, NJRD, and PTD. You may also refer to the Summary Plan Description for additional information.

Type	Years of Service Credit	Formula
JRD	From first day to retirement eligible	60% x FAS
NJRD	3 years to retirement eligible	<ul style="list-style-type: none"><li>• 30% x FAS for 3 to 10 years</li><li>• 30% x FAS plus additional 2% for each year 11 to 25 years</li><li>• 60% maximum benefit</li></ul>
PTD	From first day to retirement eligible	68.75% x FAS

### Exceptions to Benefits

Disability benefits will not be granted to a Member under certain conditions that include but are not limited to disabilities resulting from substance abuse, participation in unlawful acts, extended leave without pay, intentional self-inflicted injuries, or an injury or disease

sustained while serving in the Armed Forces or as a result of warfare.

### Appointment to Discuss the Disability Process

The Fund strongly encourages potential applicants to schedule an appointment with the Fund Administrator to discuss all aspects of the disability process. During this appointment, the Fund Administrator will review the disability process and explain the types of supporting documentation necessary to complete an application for disability benefits. Please call the Fund Office at 423-893-0500, Monday-Friday, 8:00 a.m. to 4:00 p.m. EST to schedule an appointment.

Fund Staff shall document in writing and place in the Member's file when Members or other interested persons inquire about disability for themselves or specifically for another Member.

A copy of this guide shall be provided to any Member or interested persons who makes a request.

### Applying for Disability Benefits

#### Application

Any Actively Employed Member seeking to complete an application for disability benefits will be given the opportunity to do so. The Member (hereinafter "Applicant") must submit his/her application to a Trustee or Staff member. The application date will be the date that the completed application has been received by a Trustee or Staff. The application must be notarized and accompanied by the following information:

- Statement from a qualified physician stating that the Applicant is permanently unable to

perform his/her duties in their respective department

- Statement from the City of Chattanooga that they can't accommodate the Applicant's stated disabling condition
- For NJRDs, a statement from the City of Chattanooga that they do not have any general employee positions available for which the Applicant is reasonably qualified

The Applicant must also physically present his/her application before the Board during a regularly scheduled meeting within two months of the date of application or by the third regularly scheduled meeting of the Board, whichever comes first. Meetings are held the first and third Thursday of every month at 9 a.m. EST. at the Fund Office.

In the event that an Applicant's injury or illness is such that it prevents him/her from filing and/or appearing before the Board in the allotted time, the Applicant may designate a person to act on his/her behalf. Such person may file an application for disability benefits with the Staff; as well as appear before the Board. If completing the forms on Applicant's behalf, the person must possess the legal authority, such as a power of attorney or conservatorship, authorizing them to sign on the Applicant's behalf.

The Board will not accept the disability application of any Applicant who is no longer Actively Employed on the date of application; or who is Actively Working on the date the application is presented to the Board during a meeting.

The disability application process can be lengthy and varies from Applicant to Applicant depending on the complexity of the stated disabling condition.

Any false statements made on an application for disability benefits may result in the termination of the Applicant's disability benefits and may subject the Applicant to civil and criminal penalties.

### **Pertinent Records**

The filing of the disability application is the first step in the disability process. Upon the Board's determination that an Applicant meets the eligibility requirements, the Staff will begin the process to obtain copies of pertinent medical and employer records to support the stated disabling condition. The Fund will pay all reasonable expenses incurred during the collection of pertinent records. The Fund requires that records in support of every application are received directly from the keeper of those records. Applicants will be required to sign the Release of Information forms necessary to obtain such records. Any application will be deemed void if the Applicant refuses to provide the necessary authorization.

Keep in mind that obtaining such records can be a time consuming process. When completing the Application for Disability Benefits, please ensure that the information provided is thorough in listing all requested healthcare providers over the last ten years. Not doing so can lengthen the disability application process. Supporting records include but are not limited to physicians, psychologists, psychiatrists, counselors, chiropractors, diagnostic facilities, physical therapists, hospitals, surgical centers, etc. Medical records to be collected will include a minimum of a 10-year history, if available. When possible, Staff will request records that pre-date the injury/illness for which the Applicant is claiming disability even if the condition occurred more than 10 years prior to the application.



Once all pertinent records have been received by the Staff, the records will be made available to the following:

- Applicant
- Board of Trustees
- Fund Attorney
- Independent Medical Exam (if applicable)

Applicants will be notified once their records are available for pick up at the Fund Office.

The Board has the right to refuse to process an incomplete application and to void any application that omits material evidence after giving the Applicant the opportunity to provide the missing evidence. If the Applicant refuses to cooperate with the Board and Staff to gather the pertinent records, the Board may cease to process the application.

### **Independent Medical Exam**

Once the Fund has obtained all the necessary records and documentation to move forward with the Applicant's disability application, the Applicant may be scheduled to have an Independent Medical Exam ("IME") unless the illness or injury is shown by evidence satisfactory to the Board to be catastrophic and/or the existing medical evidence collected by the Staff clearly shows that the Applicant can't continue performing the duties of a sworn Firefighter or Police Officer in the Applicant's respective department. Notwithstanding the foregoing, the Board reserves the right, at its discretion, to schedule an IME for any disability Applicant or any participant currently receiving disability benefits. An IME is to be conducted by a physician chosen by the Board and with whom the Applicant is not a patient or personal acquaintance. The cost of the IME shall be paid by the Fund. An IME is not intended to diagnose or treat an Applicant's stated disabling

condition, but rather provide an independent consultation on the status of such condition.

In the event that the Board believes it has obtained overwhelming medical evidence in support of the Applicant's stated disabling condition, the Board may waive the requirement to have an IME completed.

For IME requirements regarding mental health disabilities; please refer to the Mental Health Disabilities section of this guide.

### **Disability Hearing**

Once the Board has obtained all necessary records and documentation supporting the stated disabling condition, the Board will conduct a disability hearing. Unless waived, the Applicant has the right to receive written notification, at least five days prior to the hearing date, of the hearing of the disability application.

Disability hearings are to be conducted by the sworn Trustees of the Board. Notwithstanding the foregoing, the sworn Trustees of the Board reserve the right to request the presence of the Mayor's appointee and/or the City Council appointee at the hearing. If either or both of those Trustees attend the hearing, they shall have all the rights and responsibilities of a sworn Trustee, including but not limited to the right to vote on the disability application.

Applicants have the right to have an attorney and/or guest(s) present at the hearing. Persons attending the hearing to give testimony or present evidence will not be permitted to sit in on the hearing while others are testifying. A court reporter will be present to record and transcribe all disability hearings.

All witnesses will be sworn in by the court reporter. The Applicant will be asked to describe his/her condition and the circumstances that led him/her to believe that he/she is disabled and why they believe their condition is JRD, NJRD and/or PTD. The Board may direct its attorney to question the Applicant about the disability and each Trustee may ask the Applicant questions about the stated disability. If any other witnesses attend, they will be questioned by the Board's attorney and by Trustees. If the Applicant has an attorney present, that attorney may also question any of the witnesses.

Once the Board has received and reviewed all of the evidence and heard all of the testimony, the President may call for a recess to discuss any legal issues. At that time the court reporter will be asked to go off the record and the Applicant and any guests and witnesses must leave the room. The Board may ask its attorney any legal questions regarding the evidence but may not make a determination regarding the disability during this time. The Applicant and guests will be called back into the hearing room and the hearing will go back on the record. The President will ask for a motion to be made to grant or deny the disability. If a motion is made and seconded a roll call vote will be held.

Notwithstanding the foregoing, the Board reserves the right to waive the requirement of a court reporter in disability cases in which overwhelming medical evidence permits a decision to be made without a transcribed hearing or during a regularly scheduled Board meeting.

### **Outcome of Hearing**

The Board will make the final determination as to whether a granted disability is JRD, NJRD

and/or PTD in nature regardless of the type of disability sought by the Applicant.

If the disability is granted, the Applicant will be instructed to see one of the Staff to complete the remaining forms to process a disability benefit. The granted disability benefit will be effective the first day of the month following the date of the hearing.

If the disability is denied or an alternative type of disability is granted, there is no appeal process to the Board unless the Applicant can produce new information that the Board has not considered. If the Applicant produces new information, the Board will review it and decide whether to conduct a new hearing. Any new hearing will be conducted in accordance to this Guide. The Board's decision shall be the final determination in all disability cases.

### **Conflicts of Interest**

Trustees must recuse themselves from a disability hearing if a conflict of interest exists with the Applicant. Trustees who believe they have a conflict of interest must notify the other Trustees prior to the scheduling of a disability hearing. If the Trustee refuses to recuse himself/herself, the Board will hear the evidence of any perceived conflict of interest at a regularly scheduled meeting and vote on whether to require the Trustee to recuse himself/herself.

## **Mental Health Disabilities**

### **Eligibility Requirements**

To qualify for a JRD based on a mental health disorder, including but not limited to, Post Traumatic Stress Disorder ("PTSD"), Applicants must provide evidence satisfactory to the Board which shows:

---

## Summary Plan Description

---

1. that the Applicant is permanently and mentally or physically incapacitated from performing his/her usual duties or any other duty in their respective department;
2. that the disability is direct result of one or more traumatic events that are
  - a. identifiable as to time and place
  - b. un-designed and unexpected, and
  - c. caused by a circumstance external to the Applicant (not the result of pre-existing disease that is aggravated or accelerated by the work);
3. that traumatic event(s) occurred during and as a result of the Applicant's regular or assigned duties;
4. symptoms that have arisen in response to that traumatic event(s) are aggravated by performing a member's regular or assigned duties;
5. that the disability was not the result of the Applicant's willful negligence; and
6. that an Applicant who is a member of the Police Department shall acknowledge in writing that s/he will surrender his/her POST certification if approved for a mental health disability.

If an Applicant is seeking a disability retirement based on a mental health disorder caused by a mental stressor without any physical impact or injury, the Applicant must establish that the disability result(s) from direct personal experience of a terrifying or horror-inducing event that involves actual or threatened death or serious injury, or a similarly serious threat to the physical integrity of the Applicant or another person.

### **Required Treatment**

Applicants seeking a disability for PTSD must have obtained sufficient treatment for a

minimum of six months prior to application. If such minimum has not been met, the application will be void.

Applicants whose disability benefits are approved by the Board are also required to maintain appropriate treatment after approval for a minimum of one year. If Applicant fails to maintain treatment for the required amount of time, the Board may terminate disability benefits.

### **Independent Medical Exam for PTSD**

Once the Fund believes it has obtained all the necessary records and documentation to move forward with the Applicant's disability application, the Applicant may be scheduled to have an Independent Medical Exam ("IME") unless the illness or injury is shown by evidence satisfactory to the Board to be catastrophic and/or the existing medical evidence collected by the Staff clearly shows that the Applicant can't continue performing the duties of a sworn Firefighter or Police Officer in the Applicant's respective department. Notwithstanding the foregoing, the Board reserves the right, at its discretion, to schedule an IME for any disability Applicant or any participant currently receiving disability benefits. An IME is to be conducted by a physician chosen by the Board and with whom the Applicant is not a patient or personal acquaintance. The cost of the IME shall be paid by the Fund.

Applicants shall be subject to psychological testing, including but not limited to, the Personal Assessment Inventory (PAI). Additionally, the Minnesota Multiphasic Personality Inventory (MMPI), a Mental Health Functional Capacity Evaluation, and any other testing the physician performing the IME deems appropriate may be administered.

In the event that the Board believes it has obtained overwhelming medical evidence in support of the Applicant's stated disabling condition, the Board may waive the requirement to have an IME completed.

### **Termination of Employment and Disability**

In the event that an Applicant's employment in the Fire or Police Department is terminated after they have submitted a disability application to the Fund, whether voluntary or involuntary termination, the disability process will still move forward as outlined in this Guide. However, if an Applicant's disability application is denied, he/she will not be able to reapply since he/she is no longer an Active Employee.

### **Disability Joint & Survivor Options**

Applicants whose disability benefits are approved by the Board will have the option to name a J&S option beneficiary to their monthly benefit. If the Applicant declines to elect a J&S upon retirement, disability benefits will cease upon the Applicant's death. Please refer to the Joint & Survivor Options section of this SPD for additional information regarding Joint & Survivor options.

### **Survivor and Death Benefits for Active Members**

In the event that a Member dies before retirement, and has not elected a Joint & Survivor Option, there may be survivor benefits. The Fund provides a \$10,000 lump sum death benefit for all active and retired participants and is payable according to their most recent beneficiary designation on file.

#### **JRD Surviving Spouse Benefits**

In the event that a Member dies before retirement from any injury suffered, or receive a disability while engaged in the performance of his or her duties resulting in death within six (6) months of injury, the surviving spouse is entitled to receive the same benefit the Member would have received on JRD disability.

Survivors are advised to refer to their tax advisor to determine if Survivor benefits are taxable income.

Surviving spouses may be eligible for an enhanced survivor's benefit of 100% of the Member's FAS if the Board determines the Member was killed as a direct and proximate result of a personal and traumatic injury involving external forces sustained in the line of duty.

Please refer to Appendix E for a summary of survivor benefits for Active Employees as a result of a non-job related death.

#### **NJRD Surviving Spouse Benefits**

In the event that a Member with less than three (3) years of service dies as a result of any disability that occurred while employed, but stated disability is not related to his or her official duties in the Fire or Police Department, then his or her contributions will be refunded to his or her estate.

In the event that a Member with three (3) years of service but less than ten (10) years of service dies as a result of any disability that occurred while employed, but stated disability is not related to his or her official duties in the Fire or Police Department, then surviving spouse will receive the amount of \$500 per month, plus all appropriate cost of living adjustments after July 1, 1999.

In the event that a Member with ten (10) years of service or more but is not retirement eligible dies as a result of any disability that occurred while employed, but stated disability is not related to his or her official duties in the Fire or Police Department, then surviving spouse will receive the equivalent of a 50% Joint & Survivor Option of the calculated NJRD disability benefit the Member would have received.

Survivors are advised to refer to their tax advisor to determine if Survivor benefits are taxable.

Please refer to Appendix F for a summary of survivor benefits for Active Employees as a result of a non-job related death.

### **Survivor Benefits other than Surviving Spouse**

The following survivor benefits apply to both JRD and NJRD disability benefits:

If there is no surviving spouse, the disability benefit is distributed to each minor child of the Member in the amount of \$500 per month, plus all appropriate cost of living adjustments after July 1, 1999; with the total amount payable to minor children not to exceed the amount the Member would have received on disability. Benefits for minor children will cease the month the minor child reaches his or her 18<sup>th</sup> birthday. Benefits under this provision are payable to the minor children's legal guardian.

If there are no minor children, the JRD benefit can be distributed to two (2) dependent parents, provided they are solely dependent on the Member and have no other means of support. Each parent can receive half of the benefit the Surviving Spouse would have received. If there is only one (1) dependent parent, that parent will be paid the same

benefits the Surviving Spouse would have received.

Please refer to Appendix E and F for a summary of survivor benefits for Active Employees as a result of either a job related or non-job related death.

### **Monitoring and Terminating Disability Benefits**

By granting disability benefits, the Trustees of the Board have determined that an Applicant is permanently restricted and unable to perform his/her duties as a firefighter or police officer. Upon approval of disability, an Applicant will be required to acknowledge in writing that he/she is unable to engage in certain capacities. In the event that an Applicant recovers from his/her disabling condition, or the Applicant has returned to work as a firefighter or police officer, the Fund will terminate disability benefits.

All participants receiving disability benefits will be required to submit to the Staff a complete Wage and Income Transcript for the preceding tax year no later than August 15 of each year. If the participant fails to produce said statement by August 15, the Fund will cease subsequent benefit payments until such statement has been provided. Complete Wage and Tax Transcripts are available free of charge online at [www.irs.gov](http://www.irs.gov) or via mail. The Fund will not accept a transcript with a request date prior to July 1 for the preceding year.

The Board may periodically require those who are already receiving disability benefits to provide proof that the injury or illness continues to prevent him/her from performing his/her duties as a firefighter or police officer. The Board may also require an updated

Independent Medical Exam when reviewing disability pensioners. The cost of such a requirement will be paid by the Fund.

### **Re-employment as a Firefighter or Police Officer**

If a participant is receiving disability benefits, those benefits can be terminated if he/she becomes engaged in the capacity as a firefighter or police officer. Such capacity includes, but is not limited to a person who is appointed, commissioned, compensated, designated, employed, engaged, volunteering, or otherwise serving as a firefighter or police officer.

If a participant is receiving disability benefits for a mental health related disability, the participant's disability benefits can also be terminated if he/she becomes engaged in the capacity of ANY first responder related occupations, such as but not limited to, firefighter, police officer, emergency medical technician, or paramedic.

For any concerns regarding whether a potential position could jeopardize a disability benefit, please send a written inquiry and include a copy of the official job description to the Fund office.

### **Collection of Overpayment of Benefits**

If a benefit is overpaid to a participant, the Fund has an obligation to recover these funds.

The Fund will seek to collect any and all overpayments of benefits that are made in error, that occur after the death of a participant to which the participant was not eligible to receive, or that resulted from becoming reemployed in a prohibited position and/or the Board determines the disability no longer exists

and the aforementioned results in termination of disability benefits.

Any overpayment of benefits is to be reimbursed to the Fund in full upon receipt of notice of said overpayment. The Fund may make arrangements to ease the financial burden of reimbursing such overpayments. In the event that an overpayment is not reimbursed to the satisfaction of the Board, the Fund will seek to recover the amounts due by exercising all rights available by law.

### **Non-Assignment of Benefits**

Pension benefits are intended for the personal financial security of the Member. They can't be sold, borrowed against, or garnished except as provided for by law. The Fund must honor federal tax liens, bankruptcy orders, Qualified Domestic Relations Orders, or liens for child support payments. Disability benefits are not subject to Qualified Domestic Relations Orders.

### **Unclaimed Distributions**

If all or any portion of a distribution payable to a Member or beneficiary of a Member shall remain unpaid because the Fund has been unable to contact the Member or beneficiary after sending a registered letter with a return receipt to the last known address on file, the amount distributable may be forfeited and used to reduce the cost of the Fund. If a claim is subsequently made by the Member or beneficiary for the forfeited benefit, and it is determined to be a valid claim by the Board, the Board in its sole discretion, may reinstate such benefit without any actuarial adjustment or interest.

## Chattanooga Fire and Police Pension Fund

### Pension Legislation

Chattanooga, Tennessee

DIVISION 5. - FIRE AND POLICE PENSION FUND

#### **Sec. 2-400. - Appropriation to pension fund of percentage of salaries; control of fund; investments.**

The City Council of said city, after it has adopted a budget for the salaries of the departments of fire and police each year, shall add a sum to be fixed by a majority vote of the City Council of said city, which shall not be less than ten percent (10%) of each monthly payroll of those persons who are participants in the pension system, which sum so added shall be placed in the Fire and Police Pension Fund. Said pension and trust fund from all sources herein provided shall be paid to the Custodian Bank. The Custodian Bank shall be a national or state chartered bank, under a suitable bond, designated, from time to time, as Custodian Bank of this Fund by the Board of Trustees. The Custodian Bank shall hold said funds for the purposes stated in this Article. The funds coming into the hands of the Custodian Bank shall be under the direction and control of the Board of Trustees of the Fire and Police Pension Fund. Any and all investments made under the direction and control of the Board of Trustees, and all other acts done in the administration of the plan in good faith, shall be without liability on their part.

(Priv. Acts 1949, Ch. 165, § 2; Priv. Acts 1971, Ch. 149, § 1; Priv. Acts 1972, Ch. 406, § 1; Ord. No. 8688, § 1(7), 8-19-86; Ord. No. 9778, § 14, 8-19-92; Ord. No. 11377, § 1, 2-4-03; [Ord. No. 13318, § 1, 6-5-18](#).)

#### **Sec. 2-401. - Tax levy for pensions.**

The City Council of said city be and is hereby required to levy a sufficient annual tax upon all taxable property and taxable privileges within the City of Chattanooga for the purposes of raising revenue for the payment of pensions to members of said department of fire and police and appropriate same for such purpose.

( [Ord. No. 12983, §§ 2, 3, 8-25-15](#) )

#### **Sec. 2-402. - Assessment of employees.**

- (a) Beginning on the effective date of this ordinance and continuing until June 30, 2015, each Member will be assessed a contribution to the Fund in an amount, fixed by majority vote of the Board, not less than nine percent (9%) of the Member's Base Salary. However, each Member eligible for and who has elected to participate in the DROP provided for in Section 2-422 will be assessed a contribution to the Fund in an amount, fixed by majority vote of the Board, not less than ten percent (10%) of the Member's Base Salary.
- (b) Beginning July 1, 2015, and continuing until June 30, 2016, each Member will be assessed a contribution to the Fund in an amount, fixed by majority vote of the Board, not less than ten percent (10%) of the Member's Base Salary. However, each Member eligible for and electing to participate in

## Summary Plan Description

---

the DROP provided for in Section 2-422 will be assessed a contribution to the Fund in an amount, fixed by majority vote of the Board, not less than eleven percent (11%) of the Member's Base Salary.

- (c) Beginning July 1, 2016, and continuing thereafter, each Member will be assessed a contribution to the Fund in an amount, fixed by majority vote of the Board, not less than eleven percent (11%) of the Member's Base Salary. However, each Member eligible for and electing to participate in the DROP provided for in Section 2-422 will be assessed a contribution to the Fund in an amount, fixed by majority vote of the Board, not less than twelve percent (12%) of the Member's Base Salary.
- (d) Notwithstanding the provisions of subsection (a), (b), and (c), a Member hired prior to July 1, 1999, whose Average Base Salary as of that date was less than forty-one thousand one hundred thirty-eight dollars (\$41,138.00) and whose Average Base Salary as of July 1, 2007, was less than forty-one thousand one hundred thirty-eight dollars (\$41,138.00), will be assessed a sum, beginning July 1, 2007 and continuing thereafter, to be fixed by a majority vote of the Board, which will not be less than eight percent (8%) of that Member's Base Salary, and in no event will be less than eight percent (8%) of forty-one thousand one hundred thirty-eight dollars (\$41,138.00), annually.
- (e) The contribution amounts set forth in this Section 2-402 will be deducted and withheld from the salary of each Member during the time that the Member is employed by the Chattanooga Fire or Police Department. The city officer responsible for disbursing salary payments to Members will make the appropriate deductions and withholdings of contribution amounts and will pay all such amounts to the Fund at the time deducted and withheld to be kept by its Custodian Bank in accordance with the provisions of Section 2-400 of the Chattanooga City Code.

(Priv. Acts 1949, Ch. 165, § 4; Priv. Acts 1953, Ch. 90, § 1; Priv. Acts 1961, Ch. 222, § 1; Priv. Acts 1969, Ch. 165, § 1; Priv. Acts 1972, Ch. 406, § 1; Ord. No. 8688, § 1(8), 8-19-86; Ord. No. 9778, § 1(5), 8-18-92; Ord. No. 10463, § 1(2), 8-20-96; Ord. No. 11012, § 1(1), 5-9-00; Ord. No. 11377, § 1, 2-4-03; Ord. No. 12813, § 1, 3-11-14; [Ord. No. 13318, § 2, 6-5-18](#) )

### **Sec. 2-403. - Sum to be collected, paid over to Custodian Bank when employee contribution deducted.**

An amount equal to the sum fixed by the City Council, as provided in Section 2-400 of this Article, shall be collected by the tax collector and treasurer and paid over to said Custodian Bank when the contribution by the employees as provided in Section 2-402 is deducted from the payroll.

(Priv. Acts 1949, Ch. 165, § 7; Priv. Acts 1969, Ch. 82, § 6; Priv. Acts 1971, Ch. 149, § 1; Priv. Acts 1972, Ch. 406, § 1; Ord. No. 9778, § 1(12), 8-18-92; Ord. No. 11377, § 1, 2-4-03; [Ord. No. 13318, § 3, 6-5-18](#) )

### **Sec. 2-404. - Proceeds from sale of unclaimed property to be placed in pension fund.**

If any personal property comes into the possession of the departments of fire and police, if the owner cannot be found, or if no person shall claim such property after six (6) months, the property shall be sold, the net proceeds derived from the sale thereof shall be turned over to said Custodian Bank to be placed in said special Fire and Police Pension Fund, as provided in Sections 2-400 and 2-402 of this Article.

( [Ord. No. 12983, §§ 2, 3, 8-25-15](#) ; [Ord. No. 13318, § 4, 6-5-18](#) )

### **Sec. 2-405. - Reserved.**



## Summary Plan Description

---

( [Ord. No. 12983, §§ 2, 3, 8-25-15](#) )

**Editor's note**— Former Charter § 13.69, a prior State Act, was repealed by Charter § 1(12) of Ord. No. 8688, enacted Aug. 19, 1986. The repealed provisions derived from Priv. Acts 1949, Ch. 165, § 9.

### **Sec. 2-406. - Board of Trustees of pension fund-created; membership; term of office; vacancies.**

- (a) There is hereby created a board to be known as the Board of Trustees of the Fire and Police Pension Fund, consisting of eight (8) members, three (3) of whom shall be active members from the fire department, three of whom shall be active members of the police department, one of whom shall be the mayor, by virtue of his office, or if the mayor so chooses, he may replace himself with a City employee knowledgeable of pensions, investments, and financial matters appointed by the mayor, and one of whom shall not be a City employee but shall be knowledgeable of pensions, investments and financial matters to be appointed by the City council.
- (b) The present Board of Trustees shall continue in office until their respective terms expire. The members to be appointed by the mayor and City council shall have terms contemporaneous with the mayor's and council's terms of office, but shall continue to serve until their replacements are appointed.
- (c) Each year on the first Tuesday of September there shall be held an election for the purpose of electing one (1) member of said Board from the fire department, and one (1) member from the police department, for a term of three years. Said election shall be held at the fire department training center, at police headquarters, and at the Pension Fund office between the hours established by the Board of Trustees. The votes shall be counted openly and publicly and the firefighter and police officer who receives the highest number of votes shall be elected for a term of three (3) years. At no time shall more than one (1) member of any one (1) rank of the fire department be elected to serve as a member of said Board, and at no time shall more than one (1) member of any one (1) rank of the police department be elected to serve as a member of said Board.
- (d) If a vacancy of a firefighter or police officer should occur in said Board, the vacancy shall be filled by the remaining firefighters and police officers on said Board for the unexpired term. If a vacancy should occur in the Board of the member appointed by the mayor or the City council, the vacancy shall be filled by the mayor or City council respectively.

( [Ord. No. 12983, §§ 2, 3, 8-25-15](#) ), 8-19-86; Ord. No. 9778, § 1(11), 8-18-92; Ord. No. 11377, § 1, 2-4-03; Ord. No. 11863, § 1, 8-8-06; Ord. No. 12155, § 1, 9-2-08; [Ord. No. 13318, § 5, 6-5-18](#) )

### **Sec. 2-407. - Same—Organization; officers; compensation of secretary.**

As soon as may be practical following such election, the Board shall meet and organize. There shall be elected for a term of one (1) year from the membership a president, vice-president and secretary, who shall respectively discharge the customary duties of such office. The secretary and president shall receive pay for his services, amount of such pay to be fixed by the Board, commensurate with the amount of time and work required of him to fulfill his duties. The secretary shall maintain a record or document to be known as the list of retired firefighters, police officers and their spouses; which record or document shall give a full and complete record of all pensions being paid; the action of the Board in retiring any and all persons under this Article, including the names, dates of employment in the department, date of retirement, and the reasons therefore as to all persons retired. The compensation

## Summary Plan Description

---

of each of the member of the Board of Trustees, except the secretary and president, shall be fixed from time to time by the City council, City of Chattanooga, and paid from the fund. The Board of Trustees shall pay from the fund the fees, charges or expenses for consultants, actuary or legal services as well as such expenses as may be necessary for the administration of the fund.

( [Ord. No. 12983, §§ 2, 3, 8-25-15](#) ), 8-19-87; Ord. No. 9778, § 1(17), 8-18-92; Ord. No. 11377, § 1, 2-4-03; [Ord. No. 13318, § 6, 6-5-18](#).)

### **Sec. 2-408. - Same—To hear and decide applications for pensions and benefits.**

The said Board of Trustees shall hear and decide all applications for pensions and death benefits under this Article, and its decision on such applications shall be final and conclusive. The said Board shall have the power to make and enforce such reasonable rules and regulations, not inconsistent with the Article, as in its opinion may be necessary or desirable for the carrying out of its duties and shall have the authority to interpret the provisions of the Article.

( [Ord. No. 12983, §§ 2, 3, 8-25-15](#) ; [Ord. No. 13318, § 7, 6-5-18](#) )

### **Sec. 2-409. - Same—Supervision of retired, disabled, etc., employees.**

Upon organization of the Board of Trustees, the Board shall assume supervision of all members of the Fire Department and Police Department who have heretofore been placed on the existing pension roll, including the ones placed thereon as the result of a disability or injuries causing disability, and said Board, on the advice of competent physicians, shall determine whether or not such members have again become able to perform duties in the Fire Department and Police Department and are eligible for reinstatement. In the event the Board of Directors shall determine, on the advice of competent physicians, that an employee retired on disability is again able to work, then such employee shall be removed from the pension rolls and his or her disability pension discontinued.

(Priv. Acts 1949, Ch. 165, § 14; Ord. No. 8688, § 1 (11), 8-19-86; Ord. No. 9778, § 1(16), 8-18-92; Ord. No. 11377, §1, 02-04-03; [Ord. No. 12983, §§ 2, 3, 8-25-15](#) ; [Ord. No. 13318, § 8, 6-5-18](#) ; [Ord. No. 13414, § 1, 1-8-19](#).)

### **Sec. 2-410. - Disability or death benefits.**

(a) *Categories of disability and applicable rules and procedures.* There are three (3) categories of disability for which disability benefits may be available:

- (1) A disability from injury or illness not resulting from performance of duties, hereafter referred to as a "non-job related disability",
- (2) A disability from injury or illness resulting from performance of duties, hereafter referred to as a "job related disability", and
- (3) Permanent and total disability;

and rules, policies, and procedures for the investigation, adjudication, and determination of a claim for such benefits are set forth in subsection (f) of this Section.

(b) *Cause not resulting from performance of duties, a non-job related disability.*

## Summary Plan Description

---

- (1) Any member of the Fire Department or Police Department with not less than three (3) years nor more than ten (10) years of active service in said department who becomes disabled while employed, but from causes arising outside of and unrelated to the course of his or her employment with said department, shall so long as he or she remains disabled be paid a monthly sum equal to thirty percent (30%) of the Average Base Salary of such member during the three (3) years of member's service which yields the highest average. The benefit of any such member with more than ten (10) years of active service shall be increased by two percent (2%) of the above defined Average Base Salary for each year's active service in the said department over ten (10) years but not to exceed sixty percent (60%) of the above defined Average Base Salary. Payment under this Section shall commence after the member's sick days, annual days, accumulated days, compensatory days, and annual leave days have been exhausted.
  - (2) Any member with less than three (3) years of service, who becomes disabled while employed, but from causes arising outside of the course of his or her employment with the said department, shall be refunded his or her contributions under the provisions of Section 2-413. In the event of death of any member with less than three (3) years of service, the ten thousand dollars (\$10,000.00) death benefit shall be paid to his or her beneficiary and his or her contributions shall be refunded to his or her estate.
  - (3) If any member with more than three (3) years of active service, but less than ten (10) years of active service dies before retirement from any disability occurring while employed, but from causes arising outside of the course of his or her employment with the said department, there shall be paid to his or her beneficiary the death benefit of ten thousand dollars (\$10,000.00) and to the surviving spouse an amount equal to \$500.00 per month, increased by all appropriate cost of living adjustments from and after July 1, 1999 until death, subject to the conditions of this Section.
  - (4) If a member has more than ten (10) years of active service but less than the time required for a service retirement pension and dies before retirement from any disability occurring while employed, but from causes arising outside of the course of his or her employment with the said department, there shall be paid to his or her beneficiary a death benefit of ten thousand dollars (\$10,000.00) and to the surviving spouse until death that benefit which said spouse would have been entitled to receive under Option D, Section 2-418 of this Article, subject to the conditions of this Section
- (c) *Cause resulting from performance of duties, a job related disability.*
- (1) Any member of the Fire Department and Police Department who, while engaged in the discharge of his or her duties, becomes disabled, he or she shall be placed on a pension and paid sixty percent (60%) of the member's Base Salary as computed over the highest three (3) years of Base Salary during the member's years of active service, regardless of the length of time served.
  - (2) No member may be retired on a pension under this subsection (c) until at least six (6) months after such disability was incurred.
  - (3) (i) If any member shall die prior to retirement from any injury suffered, or receive a disability while engaged in the performance of his or her duties resulting in death within six (6) months thereafter, and shall leave a surviving spouse, said surviving spouse shall be entitled, unless receiving benefits under Section 2-418, to receive until his or her death the benefit herein provided for a member receiving a disability benefit under this Section. Said surviving spouse shall in no event receive a monthly benefit of less than Five Hundred

## Summary Plan Description

---

Dollars (\$500.00), increased by all appropriate cost of living adjustments from and after July 1, 1999.

- (ii) If there be no surviving spouse, then the dependent child or children shall each receive five hundred dollars (\$500.00) per month increased by all appropriate cost of living adjustments from and after July 1, 1999, during the minority, provided that the total amount payable to all of such children shall not exceed the member's maximum pension. If such deceased member is not survived by spouse or minor children, but is survived by two (2) parents solely dependent upon said member, each parent so long as he or she has no other means of support, shall receive one-half ( $\frac{1}{2}$ ) of the benefits which a surviving spouse would receive under this Section. If there is only one (1) parent dependent upon such member for support, such parent shall be paid the same benefits which a surviving spouse would receive under this Section.
- (4) Notwithstanding the provisions of subsection (c)(3), if any Member employed by the Fire Department or Police Department on or after April 1, 2011, is killed as a direct and proximate result of a personal and traumatic injury involving external forces sustained in the line of duty, the Member's surviving spouse will be placed on an annual pension calculated as one hundred percent (100%) of the average Base Salary paid to the Member during his or her three (3) highest-earning years of Active Service in the Chattanooga Fire or Police Department. This pension will be distributed in twelve (12) equal payments as benefits become payable each month until the death of the Member's surviving spouse. Notwithstanding the foregoing, if a member's spouse receives a federal death benefit, as determined under the Public Safety Officers' Benefits Act (generally codified at 34 U.S.C. sections 10281 - 10288) and under related regulations promulgated by the U.S. Department of Justice (codified at 28 C.F.R. sections 32.0 - 32.55 (2018)) he or she shall be entitled to the benefit described in this subsection (4).
- (5) Upon the death of any member who retires under the provisions of subsection (c)(1), there shall be paid to his or her beneficiary or beneficiaries the sum of ten thousand dollars (\$10,000.00).
- (d) *Permanent and Total Disability, either non-job related or job related.*
  - (1) From and after July 1, 1999, if an active member of the Fire Department or Police Department shall become Permanently and Totally Disabled, he or she shall be placed on a pension and paid sixty-eight and seventy-five-hundredths percent (68.75%) of the member's Base Salary as computed over the highest three (3) years of Base Salary during the member's years of active service, regardless of the length of time served. Notwithstanding the foregoing, in no event shall a retired member's monthly benefit be less than Seven Hundred Fifty Dollars (\$750.00).
  - (2) In the event that a member who was Permanently and Totally Disabled recovers to the extent that he or she is able to engage in gainful employment again, he or she must notify the Board of such change of condition and such Permanent and Total Disability retirement pension shall be discontinued. Such member may reapply for such other disability pension for which such member may be eligible.
  - (3) In addition to any other Permanent and Total Disability Benefit to which a member is entitled under this Section, if a member has one (1) or more minor children at the time he or she begins to receive a Permanent and Total Disability retirement pension, he or she shall receive Five Hundred Dollars (\$500.00) per month, per minor child, not to exceed a total of One Thousand Dollars (\$1,000.00) per month during the minority of such children.

## Summary Plan Description

---

(e) *Death benefits.*

- (1) If a member dies before retirement and has reached the conditions for a service retirement pension, there shall be paid to the beneficiary of said member a death benefit of ten thousand dollars (\$10,000.00) and the benefits elected under Section 2-418.
- (2) If there be no surviving spouse, then the member's minor child or children shall each receive an amount equal to five hundred dollars (\$500.00) per month, increased by all appropriate cost of living adjustments from and after July 1, 1999, during their minority, provided that the total amount payable to all of such children shall not exceed the member's maximum pension. If such deceased member is not survived by spouse or minor children, but is survived by two (2) parents solely dependent upon said member, each parent, so long as he or she has no other means of support, shall receive one-half (½) of the benefits which a surviving spouse would receive under this Section. If there is only one (1) parent dependent upon such member for support, such parent shall be paid the same benefits which a surviving spouse would receive under this Section.
- (3) At the death, hereafter, of any retired employee of the departments of Fire and Police, who was a participant in the Fire and Police Pension Fund, and whose beneficiaries for any reason do not receive the ten thousand dollars (\$10,000.00) death benefit in Section 2-411, or the monthly spouse's benefit in Section 2-412 of this Article, there shall be paid from the said Fire and Police Pension Fund to the member's Estate, whichever said benefits have not been received.

(f) *Rules, policies, and procedures for benefit claims.*

- (1) A member seeking benefits under this Section 2-410 shall submit to the Board on a form to be provided by the Board an application accompanied by objective proof satisfactory to the Board of facts entitling the member to such benefits. Receipt of the application shall be recorded by the Secretary, and the applicant shall be notified five (5) days in advance, unless waived by applicant, of any hearing by the Board on his or her application.
- (2) It is the applicant's burden and responsibility to prove entitlement to benefits by providing satisfactory, objective proof of disability to the Board and to cooperate fully in the Board's investigation and adjudication of the claim for benefits. Taking into consideration that each claim for benefits is unique and based on the individual circumstances and personal medical history of the claimant, the Board may request proof of disability from one (1) or more competent physicians selected by the Board, in addition to any medical information provided by the member, and otherwise investigate the claim for benefits as the Board determines is reasonable under the circumstances.
- (3) At its sole discretion and from time to time, such as, but not limited to, prior to a member's being retired on a pension, the Board may require satisfactory, objective proof of continued disability and require up-to-date, current medical examinations of the disabled member.
- (4) No member shall be given disability benefits under this Section if the Board finds that said disability could probably be successfully corrected by competent medical treatment, and said member refuses to cooperate or otherwise fails or refuses to be so treated.
- (5) The term "disabled" or "disability" in this Section shall, for purposes of a non-job related disability, mean a medically determinable impairment proven by satisfactory, objective proof, which, in the sole opinion of the Board, prevents such member from meeting the normal and reasonable demands of his or her regularly assigned job or any other job which the City, or officials of the Fire Department or Police Department, may offer said member for which he or

## Summary Plan Description

---

she is reasonably qualified by experience, training, or education. For purposes of a job related disability, the term "disabled" or "disability" shall mean a medically determinable impairment proven by satisfactory, objective proof, which in the sole opinion of the Board prevents such member from performing duties in the Fire or Police Department. Notwithstanding the foregoing, if a member is granted a disability for a mental health disorder, including but not limited to Post-Traumatic Stress Disorder, such member shall be removed from the pension rolls if such member goes to work, either on a paid or volunteer basis, as a paramedic, emergency medical technician, rescuer or in any other position referred to as a "first responder".

- (6) The term "Permanently and Totally Disabled" or "Permanent and Total Disability" in this Section shall have the same meaning as found in Section 2-419(8).
- (7) Any member retired on a pension because of a disability, in the event of recovery to the extent that he or she is again able to perform any duty required of him or her by the Fire Department or Police Department, shall be removed from the pension roll; if such member refuses to cooperate with the Board in its investigation of the disability, the Board shall have the right to suspend his or her pension until such time as he or she cooperates with the Board and provides satisfactory proof of continued disability.
- (8) A member will not be eligible for disability benefits nor the member's spouse eligible for periodic death benefits under this Section if disability or death is a result of any of the following:
  - (i) Excessive and habitual use by the member of drugs, intoxicating liquors, or narcotics unless, at the time of disability or death, such member is actively and continuously undergoing treatment for substance abuse at an approved clinic or treatment center for drug addicts and alcoholics;
  - (ii) Injury or disease sustained by the member while willfully and illegally participating in acts of violence, riots, or civil insurrections, or while committing an unlawful act;
  - (iii) Except as hereinafter provided, injury or disease sustained by the Pension Fund member while serving in any Armed Forces or as the result of warfare. Notwithstanding the foregoing, in the case of a death or disability occurring on or after January 1, 2007, if a member dies while performing qualified military service (as defined in Section 414(u) of the Internal Revenue Code of 1986, as amended), the survivors of the member are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Fund as if the member had resumed and then terminated employment on account of death;
  - (iv) Injury or disease sustained by the member after his or her employment has been terminated or while the member has been on leave without pay for a period exceeding forty-five (45) consecutive days; or
  - (v) Intentional, self-inflicted injury.

If a member is not qualified for benefits under this Section, he or she shall receive a refund of his or her contributions. In the event of the death of a member, when the death is a direct result of any of the above stipulations, his or her contributions shall be refunded to his or her estate.

( [Ord. No. 12983, §§ 2, 3, 8-25-15](#) ), 8-18-92; Ord. No. 9785, 9-8-92; Ord. No. 11012, §§ 1(2)—(4), 5-9-00; Ord. No. 11377, § 1, 2-4-03; Ord. No. 12674, § 1, 12-11-12; Ord. No. 12813, § 2, 3-11-14; Ord. No. [13024](#) , § 2, 1-26-16; [Ord. No. 13414, § 2, 1-8-19](#) )

## Summary Plan Description

---

### **Sec. 2-411. - Service retirement pension; maximum pension benefits; death benefit.**

- (a) Minimum Age and Service Requirements for Service Retirement Pension.
- (1) Any Member who has completed ten (10) or more years of Active Service with the Chattanooga Fire or Police Department as of the effective date of this ordinance may, at his or her election, retire upon completing twenty-five (25) years of Active Service with the Chattanooga Fire or Police Department and, upon notifying the Board of his or her election pursuant to this subsection, will be entitled to receive the annual Service Retirement Pension provided in subsection (b) to be distributed in twelve (12) equal payments as benefits become payable each month.
  - (2) Any Member who has completed fewer than ten (10) years of Active Service with the Chattanooga Fire or Police Department as of the effective date of this ordinance, including, for purposes of this subsection, any person who is a fire or police academy cadet as of the effective date of this ordinance and subsequently becomes a Member, may, at his or her election, retire upon (i) completing twenty-five (25) years of Active Service with the Chattanooga Fire or Police Department and attaining the age of fifty (50) years or (ii) completing twenty-eight (28) years of Active Service with the Chattanooga Fire or Police Department and, upon notifying the Board of his or her election pursuant to (i) or (ii) of this subsection, will be entitled to receive the annual Service Retirement Pension provided in subsection (b) to be distributed in twelve (12) equal payments as benefits become payable each month.
  - (3) Any Member hired by the Chattanooga Fire or Police Department after the effective date of this ordinance (except current fire and police academy cadets covered under subsection (a)(2)) may, at his or her election, retire upon (i) completing twenty-five (25) years of Active Service with the Chattanooga Fire or Police Department and attaining the age of fifty-five (55) years or (ii) completing thirty (30) years of Active Service with the Chattanooga Fire or Police Department and, upon notifying the Board of his or her election pursuant to (i) or (ii) of this subsection, will be entitled to receive an annual Service Retirement Pension. The total annual pension for the Member will be an amount equal to two-and-one-half percent (2½%) of the average Base Salary paid to the Member during his or her three (3) highest-earning years of Active Service in the Chattanooga Fire or Police Department multiplied by the Member's years of Active Service up to a maximum annual payment equal to no more than seventy-five percent (75%) of the average Base Salary paid to the Member during his or her three (3) highest-earning years of Active Service in the Chattanooga Fire or Police Department. The annual pension will be distributed in twelve (12) equal payments as benefits become payable each month.
  - (4) Notwithstanding the foregoing, the age and service requirements of paragraphs (1), (2), and (3) of this subsection (a) must comply with the rules and regulations of the Internal Revenue Service relating to normal retirement as they may change from time to time. If the age and service requirements do not comply with these rules and regulations, then they will change automatically to comply.
- (b) From and after July 1, 1999, a member of the Fund who was employed in the Fire Department or Police Department may at his or her election retire upon completion of twenty-five (25) years of active service in the Fire or Police Departments, and upon notifying the Board in writing of such election, receive an annual Service Retirement Pension to be distributed in twelve (12) equal payments as benefits become payable each month in an amount equal to two and three-quarters percent (2¾%) of the average pay for such member during the highest three (3) years that such member is employed in the Fire or Police Department multiplied by said member's years of active

## Summary Plan Description

---

service up to twenty-five (25) years of active service plus one and one-quarter percent (1¼%) of the aforesaid average pay for each year of active service between twenty-five (25) and thirty (30) years. Such benefit shall be based upon such member's Average Base Salary.

- (c) Upon the death of any member employed on November 3, 1992, who is retired under the provisions of this Section, or upon the death of such member prior to retirement, but eligible for benefits under this Section, there shall be paid to said member's beneficiary a death benefit of ten thousand dollars (\$10,000.00), and the benefits under Section 2-418, and the surviving spouse shall be paid the sum of five hundred dollars (\$500.00) per month, increased by all appropriate cost of living adjustments under this Division from and after July 1, 1999, until death if said spouse is not a beneficiary under one of the options listed in Section 2-418. Effective January 1, 2013, upon the death of such member who is eligible for benefits under this Section, there shall be paid to said member's beneficiary a death benefit of ten thousand dollars (\$10,000.00), and the benefits, if any, elected by the member under Section 2-418. If the member has not elected any option prior to his or her death, a benefit shall be payable to the deceased's surviving spouse, if any, as though he or she had elected Option D., Section 2-418. Notwithstanding the foregoing, if a member who is employed on November 3, 1992, but is not eligible for benefits under this Section on January 1, 2013, or is employed after November 3, 1992, shall die before retirement and after reaching the conditions to be eligible for benefits under this Section or shall die after retirement, there shall be paid to his or her beneficiary or beneficiaries the benefit of ten thousand dollars (\$10,000.00) and such benefits elected under Section 2-418.
- (d) The City Council, City of Chattanooga, in its discretion, only after a recommendation of the Board of Trustees of the Fire and Police Pension Fund, upon advice by the Mayor, may, by ordinance, passed on three (3) separate readings, amend any section of the Private Acts of 1949, as amended, or this Article XIII; provided that such amendment is not inconsistent with sound actuarial principles, methods, and actuarial assumptions and further provided that such amendment shall not in any way decrease any vested financial benefits accrued by any participant or beneficiary of the Fire and Police Pension Fund.
- (e) Those benefits payable to participants retired prior to July 1, 1999, or beneficiaries of those members retired prior to July 1, 1999, shall continue under the provisions in effect at the time such benefit was granted except where specifically amended or modified to include such participants or beneficiaries. No participant or beneficiary vested as of July 1, 1999, will receive an amount that would be less than the amount payable to a participant or beneficiary with equivalent service retiring as of July 1, 1999.
- (f) For years beginning after December 31, 2008, (i) a member receiving a differential wage payment, as defined by Section 3401(h)(2) of the Internal Revenue Code of 1986, as amended, shall be treated as an employee of the City of Chattanooga, (ii) the differential wage payment shall be treated as compensation, and (iii) the Pension Fund shall not be treated as failing to meet the requirements of any provision described in Section 414(u)(1)(C) of the Internal Revenue Code of 1986, as amended, by reason of any contribution or benefit which is based on the differential wage payment.

( [Ord. No. 12983, §§ 2, 3, 8-25-15](#) ), 8-18-92; Ord. No. 11012, §§ 1(2), 1(5)—(8), 5-9-00; Ord. No. 11377, § 1, 2-4-03; Ord. No. 12674, §§ 2, 3, 12-11-12; Ord. No. 12813, § 3, 3-11-14; [Ord. No. 13318, § 9, 6-5-18](#) )

**Sec. 2-412. - Reserved.**

**Editor's note—** [Ord. No. 13414](#) , § 4, adopted Jan. 8, 2019, repealed § 2-412, which pertained to disability or death benefits from cause resulting from performance of duty and derived from [Ord. No.](#)



[12983, §§ 2, 3, 8-25-15](#) ), 8-18-92; Ord. No. 10747, § 1(1), 8-18-98; Ord. No. 11012, §§ 1(3), 1(9), 1(10), 5-9-00; Ord. No. 11377, § 1, 2-4-03; Ord. No. 12813, § 4, 3-11-14.

### **Sec. 2-413. - Refund to member terminating employment.**

Except as otherwise provided in the Uniform Services Employment and Re-Employment Rights Act of 1994, if the employment of a member is terminated for any reason, or if the member is on leave without pay for a period in excess of ninety (90) consecutive days, said member shall be entitled to receive at the time of said termination or leave one hundred percent (100%) of whatever sums he or she contributed to the Pension Fund. If such member is subsequently reemployed in the Fire or Police Department, he or she may at the time of reemployment reimburse the Pension Fund to the full extent of the amount he or she received from the Pension Fund upon said termination with interest compounded annually and computed at the rate utilized in the actuarial evaluation of the Pension Fund during their periods of absence from the date of said withdrawal to the date of reemployment. Any reimbursement of amounts received upon prior termination shall be made by the date of reemployment and may not be reimbursed thereafter. If a member who is subsequently reemployed does not reimburse the Pension Fund, such member shall be treated as a newly hired member for purposes of the Pension Fund.

( [Ord. No. 12983, §§ 2, 3, 8-25-15](#) ), 8-18-92; Ord. No. 11377, § 1, 2-4-03; Ord. No. 12674, § 4, 12-11-12)

### **Sec. 2-414. - Benefits exempt from debts of employee, may not be garnished, etc.**

The Pension Fund, either before or after its distribution by the trustee to disabled or retired employees of said fire and police department, and their widows, or the beneficiary of any deceased employee, shall be exempt from the debts of such employee and shall not be assignable nor subject to attachment, garnishment, execution or other legal process, but the same shall be received by such employee or beneficiary, free from debts, judgments and demands of such employee or beneficiary.

Notwithstanding the foregoing, effective July 1, 2016, the language of this Section 2-414 shall not apply to an "alternate payee" under a "qualified domestic relations order" as defined in Section 414(p) of the Code. The Board shall establish a written procedure to determine the qualified status of domestic relations orders and to administer distributions under such qualified domestic relations orders.

( [Ord. No. 12983, §§ 2, 3, 8-25-15](#) ), 8-18-92; Ord. No. 11377, § 1, 2-4-03; [Ord. No. 13239, § 4, 11-14-17](#) )

### **Sec. 2-415. - Termination of employment after ten (10) years of service; vesting; death after termination.**

(a) Except as otherwise provided in the Uniform Services Employment and Re-Employment Rights Act of 1994, a member who has completed ten (10) or more years of active service at the time of his or her termination of employment, or at the time he or she has been on leave without pay for a period in excess of ninety (90) consecutive days, shall have the right to either (1) or (2) as follows:

- (1) A right to receive a one hundred percent (100%) refund of whatever sums he or she contributed to the Pension Fund. If such member is subsequently reemployed in the Fire or Police Department, he or she may at the time of reemployment reimburse the Pension Fund to the full extent of the amount he or she received from the Pension Fund upon said termination with interest compounded annually and computed at the rate utilized in the actuarial valuation of

## Summary Plan Description

---

the Pension Fund from the date of withdrawal to the date of reemployment. Any reimbursement of amounts received upon prior termination shall be made by the date of reemployment and may not be reimbursed thereafter. If a member who is subsequently reemployed does not reimburse the Pension Fund, such member shall be treated as a newly hired member for purposes of the Pension Fund.

- (2) A right to leave his or her contribution in the Pension Fund and be eligible to receive after reaching fifty-five (55) years of age a monthly deferred vested retirement benefit equal to two and four-tenths percent (2 4/10 %) of his or her Average Base Salary as computed over the highest three (3) years of pay during the member's years of service for each year of active service, subject to a maximum of twenty-five (25) years.
- (b) If the death of such member occurs prior to commencement of the payment of any benefits under this Section, a refund of whatever sums such member contributed to the Pension Fund shall be paid to the member's estate, and his or her beneficiary shall be paid a death benefit sum of ten thousand dollars (\$10,000.00). If death occurs following the commencement of eligibility to receive benefits under this Section, benefits shall be payable according to the terms elected under Section 2-418.
- (c)
  - (1) If all or any portion of the distribution payable to a member or beneficiary under this section or any other section shall remain unpaid because the board has been unable to ascertain the whereabouts of the member or beneficiary after sending a registered letter, return receipt requested, to the last known address of such member or beneficiary, the amount so distributable may be forfeited and used to reduce the cost of the fund. Notwithstanding the foregoing, if a claim is subsequently made by the member or beneficiary for the forfeited benefit, and such claim is determined to be valid by the board, in its sole discretion, such benefit shall be reinstated without any other actuarial adjustment.
  - (2) Claims for reinstated benefit payments shall only be payable to the member or beneficiary to whom the payment was originally payable. Eligibility for benefits ends with the death of the member or beneficiary.

( [Ord. No. 12983, §§ 2, 3, 8-25-15](#) ), 8-19-86; Ord. No. 9778, § 8, 8-18-92; Ord. No. 9839, § 3, 2-9-93; Ord. No. 11377, § 1, 2-4-03; Ord. No. 12674, § 5, 12-11-12; Ord. No. [13024](#), § 1, 1-26-16)

### **Sec. 2-416. - Reserved.**

**Editor's note—** [Ord. No. 13414](#), § 5, adopted Jan. 8, 2019, repealed § 2-416, which pertained to permanent and total disability and derived from [Ord. No. 12983, §§ 2, 3, 8-25-15](#).

### **Sec. 2-417. - Cost of living adjustments to pension benefits.**

- (a) The annual pension to a Member retired before the effective date of this ordinance, or to any qualified survivor or beneficiary of such Member will be increased in the manner described in subsection (b) or (c), whichever is applicable, each January 1 after the twelfth monthly benefit payable.
- (b) Any time the Fund is less than eighty percent (80%) funded on a market value basis as determined by the Fund's most recently completed annual actuarial valuation and review, the total amount payable from the Fund to eligible recipients will be increased effective each January 1, beginning as soon as practicable after January 1, 2015, by one and one-half percent (1½%). This increase will be

## Summary Plan Description

---

allocated among eligible retired Members receiving annual pensions and the qualified survivors or beneficiaries of such Members by the Board, after consultation with the Fund's actuary, to provide higher cost of living adjustments to those receiving lower monthly benefits payable. In no event, however, will any annual pension be increased by greater than two percent (2%) or less than one percent (1%) of the monthly benefit payable.

- (c) Any time the Fund is at least eighty percent (80%) funded on a market value basis as determined by the Fund's most recently completed annual actuarial valuation and review, all cost of living adjustments beginning the following January 1 will correspond to the Consumer Price Index up to a maximum cost of living adjustment of three percent (3%), provided that the Fund, inclusive of this change, would not be less than eighty percent (80%) funded on a market value basis.
- (d) The cost of living adjustment for the annual pension to a Member retiring on or after the effective date of this ordinance, or to any qualified survivor or beneficiary of such Member, will be as follows:
  - (1) The annual pension to a Member retiring on or after the effective date of this ordinance, or to any qualified survivor or beneficiary of such Member, will not be increased until the January 1 after the thirty-sixth (36th) monthly benefit payable, at which time the annual pension will be increased in the manner described in subsection (b) or (c), whichever is applicable, except as provided in subsection (d)(2).
  - (2) If after the twelfth monthly benefit payable but before the thirty-sixth (36th) monthly benefit payable to a Member retiring on or after the effective date of this ordinance, or to any qualified survivor or beneficiary of such Member, the Fund is at least seventy percent (70%) funded on a market value basis as determined by the Fund's most recently completed annual actuarial valuation and review, the annual pension will be increased, beginning the following January 1, in the manner described in subsection (b) or (c), whichever is applicable, so long as the increase would not cause the Fund to fall below seventy percent (70%) funded on a market value basis. If the increase is applied, but the Fund subsequently falls below seventy percent (70%) funded on a market value basis before the thirty-sixth (36th) monthly benefit payable, then the increase for these Members will be discontinued until the January 1 following the first thirty-sixth (36th) monthly benefit payable.
- (e) For individuals eligible for cost of living adjustments effective January 1, 2015, and January 1, 2016, such cost of living adjustments will be dividend cost of living adjustments and will not be compounded or placed into the base pension amount in subsequent years. Nothing in this Section 2-417 should be construed to affect benefits payable as of the effective date of this ordinance.

( [Ord. No. 12983, §§ 2, 3, 8-25-15](#) ), 8-18-92; Ord. No. 11012, § 1(11), 5-9-00; Ord. No. 11377, § 1, 2-4-03; Ord. No. 12813, § 6, 3-11-14)

### **Sec. 2-418. - Optional retirement benefits.**

1. When a member reaches the conditions for retirement benefits under Section 2-411; or qualifies to reach the conditions for retirement benefits under Section 2-411 and qualified for retirement benefits under Section 2-412; or is eligible to commence receiving retirement benefits under Section 2-415, he or she may elect to have the pension benefits under said Sections converted into an optional retirement benefit which is the actuarial equivalent of such benefit based upon mortality basis approved from time to time by the Board, and the age of the member and of the beneficiary as of the date the member becomes eligible to exercise the election.

## Summary Plan Description

---

The optional retirement benefits may take one (1) of the forms listed below and for members who become employed after November 3, 1992 there shall be paid to the beneficiary the option selected by such member under this Section; but for a member who was an employee on November 3, 1992, and eligible to retire on or before December 31, 2012, the surviving spouse shall receive the sum of seven hundred fifty dollars (\$750.00), increased by all appropriate cost of living adjustments under this Division, if the said member has not designated the spouse as a beneficiary under one (1) of the option forms listed below:

OPTION A: 120 Payments Certain and Life Option

A decreased retirement benefit payable for life with the first one hundred twenty (120) payments guaranteed. Any guaranteed payments due after the death of the retired participant shall be payable to the designated beneficiary, if any who survives the retired participant, or the estate of the retired participant if there is no surviving designated beneficiary.

OPTION B: Joint and Survivor Option

A decreased retirement benefit payable to the retired participant for life shall continue after his or her death to their surviving beneficiary at one hundred percent (100%) of that payable to the retired participant.

OPTION C: Modified Joint and Survivor Option

A decreased retirement benefit payable to the retired participant for life which shall continue after his or her death to their surviving beneficiary at seventy-five percent (75%) of that payable to the retired participant.

OPTION D: Modified Joint and Survivor Option

A decreased retirement benefit payable to the retired participant for life which shall continue after his or her death to their surviving beneficiary at fifty percent (50%) of that payable to the retired participant.

OPTION E: Modification of Option B

A decreased retirement benefit, subject to an actuarial reduction, payable to the retired participant for life shall continue after his or her death to their surviving beneficiary at one hundred percent (100%) of that payable to the retired participant provided, that if such designated beneficiary shall predecease the retired participant, the retirement benefit payable to the participant after death of the designated beneficiary, shall be equal to the retirement benefit, which would have been payable had the member not elected an option.

OPTION F: Modification of Option C

A decreased retirement benefit, subject to an actuarial reduction, payable to the retired participant for life shall continue after his or her death to their surviving beneficiary at seventy-five percent (75%) of that payable to the retired participant provided, that if such designated beneficiary shall predecease the retired participant, the retirement benefit payable to the participant after death of the designated beneficiary, shall be equal to the retirement benefit, which would have been payable had the member not elected an option.

### OPTION G: Modification of Option D

A decreased retirement benefit, subject to an actuarial reduction, payable to the retired participant for life shall continue after his or her death to their surviving beneficiary at fifty percent (50%) of that payable to the retired participant provided, that if such designated beneficiary shall predecease the retired participant, the retirement benefit payable to the participant after death of the designated beneficiary, shall be equal to the retirement benefit, which would have been payable had the member not elected an option.

2. Application for any optional retirement benefit shall be in writing, duly executed, and filed with the Board. Such application shall contain all information required by the Board, including such proofs of age as are deemed necessary by the Board. A retirement option selected at the time of eligibility may only be changed by written notice of the new election filed with or prior to his or her application for retirement and subject to such requirement as the Board may require.
3. If an active member dies after he or she has reached the aforesaid conditions for retirement benefits, any option they may have elected, in lieu of their otherwise retirement benefit, shall be payable as though he or she had been entitled to have such optional benefit commence on their date of death.
4. In the event of a divorce of a member who retired under an optional retirement plan, where the spouse is the designated beneficiary, the beneficiary may be cancelled upon the written request of the member and proper documentation, which shall include the final decree and marital dissolution agreement of the parties; provided, that such cancellation is not in conflict with the decree or marital dissolution agreement. The retirement allowance payable to the retiree after the cancellation of the designated beneficiary shall not be affected by such cancellation.

( [Ord. No. 12983, §§ 2, 3, 8-25-15](#) ), 8-18-92; Ord. No. 10463, §§ 1(3), (4), 8-20-96; Ord. No. 11377, § 1, 2-4-03; Ord. No. 12813, § 7, 3-11-14)

### **Sec. 2-419. - Definition of terms.**

1. The term "Member" shall mean an employee of the Chattanooga Fire or Police Department who is a sworn Firefighter or Police Officer. An employee hired into the said department to be a sworn Firefighter or Police Officer shall not become a member until he or she completes all training required for the position and is sworn, nor shall he or she be eligible for participation in the General Pension Plan.
2. The term "Board" shall mean the Board of Trustees of the Chattanooga Fire and Police Pension Fund.
3. The term "Fund" shall mean the Chattanooga Fire and Police Pension Fund, formerly called the Firemen's and Policemen's Insurance and Pension Fund, created by Chapter 165 of the Private Acts of 1949, as amended.
4. The term "Average Base Salary" or "Base Salary" shall mean the regular wages or salary paid on a monthly basis, but shall not include overtime pay or any supplements, including but not limited to supplements for years of service or education.
  - A. Notwithstanding any other provision of law, the amount of Average Base Salary or Base Salary used to determine the benefits payable under the Fund must not exceed the amount of compensation permitted to be taken into account under Code Section 401(a)(17) as such existed on January 1, 1986.

## Summary Plan Description

---

- B. Average Base Salary or Base Salary, for purposes of the limitations under Code Sections 415 and 401(a)(17), the computation of benefits payable from the Fund and contributions, shall include any elective deferral, as defined under Code Section 402(g)(3), and any amount that is contributed or deferred by the City of Chattanooga at the election of a member and which, by reason of Sections 125 and 457 of the Code, is not includible in his gross income.

The annual Base Salary described in Subsection B. above, taken into account in determining benefit accruals in any year beginning after December 31, 2001 shall not exceed the limit set out in Code Section 401(a)(17). For this purpose, annual compensation means compensation during the calendar year or such other consecutive twelve (12) month period over which compensation is determined under the Fund (the "determination period"). The limit on annual compensation shall be adjusted for cost-of-living increases in accordance with Code Section 401(a)(17)(B). The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.

5. The term "Active Service" shall mean that period of time after the date of permanent employment as a sworn officer with POST certification in the Chattanooga Police Department or a sworn officer with permanent employment in the Chattanooga Fire Department, that the member serves and is paid from the payroll of the said departments.
6. The term "Service Retirement Pension" means the annual pension that a Member who has elected to retire upon meeting the applicable minimum age and service requirements of Section 2-411(a) is entitled to receive and which will be distributed in twelve (12) monthly benefits payable subject to adjustment as provided in Sections 2-418, 2-422, and 2-423, if applicable.
7. The term "Surviving Spouse" shall mean the spouse who is married to a member at the member's death and who has been continuously married to the member for a period of at least eighteen (18) months prior to the date of the member's death. Effective April 1, 2013, the term "Surviving Spouse" shall mean any spouse who meets the requirements of the preceding sentence and who is married to a member on April 1, 2013, or, the spouse who is married to a member at the member's retirement and who has been continuously married to the member for a period of at least eighteen (18) months prior to the date of the member's death and who is married to the member upon his or her death.
8. The term "Permanent and Total Disability" or "Permanently and Totally Disabled" shall mean the medically determinable consequences of a catastrophic injury or illness that permanently prevents a member from performing any gainful work.
9. The term "Consumer Price Index" means the percent change in the Chained Consumer Price Index for All Urban Consumers (C-CPI-U) as reported by the Bureau of Labor Statistics of the United States Department of Labor for the twelve (12) months ending the previous September.
10. The term "Code" means the Internal Revenue Code of 1986, as amended.

( [Ord. No. 12983, §§ 2, 3, 8-25-15](#); Ord. No. [13024](#), § 3, 4, 1-26-16; [Ord. No. 13318, § 10, 6-5-18](#) )

### **Sec. 2-420. - City court costs for benefit of Fire and Police Pension Fund.**

A sum determined by the City of Chattanooga, but in no event less than five dollars (\$5.00) shall be added as and in the nature of court costs to the cost incurred in the City Court of the City of Chattanooga on all forfeitures of fines or monies for or on conviction for violation of any city ordinances and that said increase in court costs for the City Court of the City of Chattanooga be collected by the

## Summary Plan Description

---

clerk of said court and paid over to the treasurer of the City of Chattanooga who will account for said funds and pay same over to the Custodian Bank of the Fire and Police Pension Fund together with all other monies properly collected for credit to said Fund as herein before set out.

( [Ord. No. 12983, §§ 2, 3, 8-25-15](#) ; [Ord. No. 13318, § 11, 6-5-18](#) ; [Ord. No. 13414, § 6, 1-8-19](#) )

### **Sec. 2-421. - Credited service under general pension plan.**

A participant in the General Pension Plan who has transferred employment from the provisions of the Fire and Police Pension Plan shall have the right to have his service under the Fire and Police Pension Plan vested if it amounts to five (5) years or more and said participant has more than five (5) years credited service under the General Pension Plan. Such employee shall be entitled to receive at age fifty-five (55), if not employed by the City of Chattanooga, ten percent (10%) of the pension he or she could have received if employed for twenty-five (25) years that was paid at the time of transfer, for five (5) years of service, and if any employee transfers after serving more than five (5) years and less than ten (10) years, the vested percent of said pension paid at the time of transfer shall be increased by three percent (3%) for each additional year of service up to ten (10) years of service.

( [Ord. No. 12983, §§ 2, 3, 8-25-15](#) )(a), 8-19-86; Ord. No. 11377, § 1, 2-4-03)

### **Sec. 2-422. - Deferred Retirement Option Provision.**

- (a) Only Members who have completed at least twenty-four (24) years of Active Service with the Chattanooga Fire Department or Police Department as of the effective date of this ordinance and filed a written election with the Board on or before December 31, 2008, agreeing to contribute an additional one percent (1%) of their Average Base Salary to the Fund will be eligible for the Deferred Retirement Option Provision (DROP) described in this Section 2-422 so long as the Member complies with the contribution requirements of Section 2-402.
- (b) From and after July 1, 1999, a member of the Fire Department or Police Department with more than twenty-five (25) years of active service, but no more than thirty (30) years of active service, may elect the Deferred Retirement Option Provision (DROP) at the time of retirement, to cover a retroactive period not to exceed thirty-six (36) months.
- (c) A member shall elect to take the DROP by completing a written form provided by the Board of Trustees. If a member elects to take the DROP, his or her Service Retirement Pension shall be adjusted as follows: Upon retirement, the eligible member's Service Retirement Pension shall be calculated as provided in Section 2-411 above, and further adjusted as provided in Section 2-418, if applicable, except that, for purposes of the calculation under Section 2-411, the member's active service shall be reduced by the number of months elected by the member hereunder. The number of months elected by the member hereunder shall not exceed the lesser of: (A) the number of months of active service accumulated by the member beginning on the date the member attains twenty-five (25) years of active service and ending on the member's actual retirement date; and (B) thirty-six (36) months.
- (d) The member's monthly Service Retirement Pension, calculated in accordance with the provisions of subsection (c), above, shall be added together with an amount that is equal to the average of the member's monthly employee assessment, required by Section 2-402, above, for the thirty-six (36) month period immediately prior to the member's retirement. The resulting sum shall then be multiplied by the number of months elected by the member pursuant to subsection (c), above. The

## Summary Plan Description

---

resulting product shall be credited with interest at seven percent (7%) annually, compounded monthly, for the same number of months. The total amount so derived shall constitute the DROP benefit, which shall be paid in a single lump sum.

- (e) The DROP payment shall be paid as soon as practicable after the retirement of the member.
- (f) A member's right to participate in the DROP shall not be vested until the member retires and elects to take the DROP. The DROP may be discontinued or modified at any time.

( [Ord. No. 12983, §§ 2, 3, 8-25-15](#); [Ord. No. 13318, § 12, 6-5-18](#) )

### **Sec. 2-423. - Modified Deferred Retirement Option Provision.**

- (a) Members who do not meet the requirements of Section 2-422(a) are eligible only for the DROP described in this Section 2-423. A Member may elect to receive, and may receive, only one (1) DROP. Any Member not eligible for the DROP described in Section 2-422 who, as of the effective date of this ordinance, filed a written election with the Board on or before December 31, 2008, agreeing to contribute an additional one percent (1%) of their Average Base Salary to the Fund will have the total amount of their additional one percent (1%) contributions refunded to them as soon as practicable after the effective date of this ordinance.
- (b) Beginning on the effective date of this ordinance, a Member of the Chattanooga Fire Department or Police Department currently employed in such capacity with the City who serves at least twenty-five (25) years of Active Service, but no more than thirty-three (33) years of Active Service (the DROP Period), may elect to receive the DROP described in this Section 2-423. Any Member hired by the Chattanooga Fire or Police Department after the effective date of this ordinance who reaches the age and service requirement for a normal retirement as noted in section 2-411(a)(3), but has achieved no more than thirty-three (33) years of Active Service (the DROP Period), may elect to receive the DROP described in this Section 2-423. The Service Retirement Pension for a Member who has elected to receive the DROP described in this Section 2-423 will be adjusted as follows: Upon retiring and providing written notice of retirement to the Board, the Member's Service Retirement Pension will be calculated as provided in Section 2-411, and further adjusted as provided in Section 2-418, if applicable, except that, for purposes of the calculation under Section 2-411, the Member's Active Service will be reduced by the number of months elected by the Member on his or her DROP election form. The number of months elected by the Member may not exceed the lesser of (i) the number of months of Active Service accumulated by the Member beginning on the date the Member completes twenty-five (25) years of Active Service and ending on the Member's actual retirement date or (ii) thirty-six (36) months.
- (c) The DROP will be calculated by multiplying the number of months elected by the Member as provided in subsection (b) by the Member's Average Base Salary at the time the Member first becomes eligible to elect to receive the DROP as provided in subsection (b). The resulting dollar amount will be paid, in a single lump sum, from the Fund as soon as practicable after the Member's retirement. No cost of living adjustment or interest will be applied to or earned by the DROP payment.
- (d) To elect to receive the DROP described in this Section 2-423, an eligible Member must complete a written election form provided by the Board and file it with the Board during the DROP Period. The right of a Member who elects to receive the DROP described in this Section 2-423 will not accrue or vest until the Member retires.



## Summary Plan Description

---

- (e) A member's right to participate in the DROP shall not be vested until the member retires and elects to take the DROP. The DROP may be discontinued or modified at any time.

( [Ord. No. 12983, §§ 2, 3, 8-25-15](#) )

### **Sec. 2-424. - Actuarial and Experience Study Review.**

- (a) Immediately upon the effective date of this ordinance and once every five (5) years thereafter, the Board will commission a full actuarial study of the financial impact and cost neutrality of the DROPs on the Fund. The study will be performed by a third party actuary (an actuary or actuarial firm holding membership in the Academy of American Actuaries that does not serve as actuary for either the Board or the Fund), which will prepare a report of the study and its findings. The study and report will be submitted to the Mayor, the City Council, and the Board and will include an assessment of whether the DROP provided for in Section 2-423 is cost neutral to the Fund. The first report required by this subsection (a) is due as soon as practicable after the effective date of this ordinance. In the event that a report indicates that the DROP provided for in Section 2-423 is not cost neutral to the Fund, the Board will modify the DROP to ensure its cost neutrality to the Fund.
- (b) The Board will submit to the Mayor and City Council quarterly performance evaluations of the Fund.

( [Ord. No. 12983, §§ 2, 3, 8-25-15](#) )

### **Sec. 2-425. - Compliance with requirements of Internal Revenue Code.**

The following provisions are intended to cause the Fund to comply with the requirements of the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

- A. Exclusive benefit to employees . All assets in the Fund must be used exclusively for the benefit of members or their beneficiaries or to defray the reasonable expenses of administration of the Fund.
- B. Actuarial methods . In establishing the liabilities under the Fund and contributions thereto, the enrolled actuary will use such methods and assumptions as will reasonably reflect the cost of the benefits. The assets of the Fund are to be valued on the last day of the year (or on any other date determined by the Administrator) using any reasonable method of valuation that takes into account fair market value pursuant to regulations. There must be an actuarial valuation of the Fund at least once every year.
- C. Mandatory commencement of benefits . Notwithstanding any provision of the Fund to the contrary, the Fund will begin benefit payments to a member by the Required Beginning Date, whether or not he applies for benefits. The "Required Beginning Date" is April 1 of the calendar year following the calendar year in which the member attains age seventy and one-half (70 ½).
- D. Claims procedure . The Board shall make all determinations as to the right of any person to a benefit. Any denial by the Board of a claim for benefits under the Fund by a member or his beneficiary shall be stated in writing by the Board and delivered or mailed to the member or his beneficiary, and such notice shall set forth the specific reasons for the denial, reference pertinent Fund provisions, describe any additional information needed and the steps to be taken to submit the claim for review, all written to the best of the Board's ability in a manner that may be understood without legal or actuarial counsel. Should the member or his beneficiary receive no response to a claim for benefits within ninety (90) days of making the claim, it shall be

---

## Summary Plan Description

---

deemed to be denied and the member or his beneficiary may proceed to have the claim reviewed. The claimant may, within sixty (60) days after receiving such denial notice, request a repeal of the denial in writing, submit issues and comments, and may review pertinent documents. The Board shall reach a decision as to the claimant's appeal not later than sixty (60) days after receiving the request for review.

E. Maximum limitation .

- a. Aggregate limits. For any limitation year the annual benefit cannot exceed the limitations set forth under Code Section 415(b) and the regulations thereunder, as applicable to a governmental plan (as defined in Code Section 414(d)), as indexed in accordance with Code Section 415(d), which are hereby incorporated by reference, including the definition of compensation under Treas. Reg. Section 1.415(c)-2(d)(2). The definition of compensation shall include any differential wage payments made after December 31, 2008. The limitation year shall be the calendar year.

If the Fund must be aggregated with another plan to determine the effect of Code Section 415 on a member's annual benefit, and if the benefit must be reduced to comply with Code Section 415, then such reduction shall be made pro rata between the two (2) plans, in proportion to the member's credited service in each plan.

- b. Definition. The member's accrued benefit shall not exceed the maximum permissible benefit, as defined below.
1. Defined benefit dollar limitation. The "defined benefit dollar limitation" is one hundred sixty thousand dollars (\$160,000.00), as adjusted, effective January 1 of each year, under Code Section 415(d) in such manner as the Secretary of the Treasury shall prescribe, and payable in the form of a straight life annuity. A limitation as adjusted under Code Section 415(d) will apply to calendar years ending with or within the calendar year for which the adjustment applies.
  2. Maximum permissible benefit. The "maximum permissible benefit" is the defined benefit dollar limitation, adjusted where required, as provided in subparagraphs (a), (b) and (c) below.
    - (a) Fewer than ten (10) years of participation. If the member has fewer than ten (10) years of participation in the Fund, the defined benefit dollar limitation shall be multiplied by a fraction, the numerator of which is the number of years (or part thereof) of participation in the Fund and the denominator of which is ten (10).
    - (b) Benefits beginning after age sixty-five (65). If the benefit of a member begins after the member attains age sixty-five (65), the defined benefit dollar limitation applicable to the member at the later age is the annual benefit payable in the form of a straight life annuity beginning at the later age that is actuarially equivalent to the defined benefit dollar limitation applicable to the member at age sixty-five (65) (adjusted under subparagraph (a) above, if required).
    - (c) Benefits not payable as a straight life annuity. Where a benefit from the Fund is payable in a form other than a straight life annuity, the benefit shall be adjusted to an actuarially equivalent straight life annuity that begins at the same time as such other form of benefit.

---

## Summary Plan Description

---

For purposes of subparagraphs (a), (b), and (c) above, the determination of actuarial equivalent shall be made in accordance with the applicable provision of Code Section 415(b)(2)(E) and related regulations and rulings.

- F. Qualified military service . Notwithstanding any provision of this Fund to the contrary, contributions, benefits and service credit for the purpose of vesting with respect to qualified military service will be provided in accordance with and to the extent required by the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and Code Section 414(u), under rules adopted by the Board.
- G. Direct rollover.
- a. Notwithstanding any provision of the Fund to the contrary that would otherwise limit a "distributee's" election under this Section, a "distributee" may elect, at the time and in the manner prescribed by the Board, to have any portion of an "eligible rollover distribution" that is equal to at least one thousand dollars (\$1,000.00) paid directly to an "eligible retirement plan" specified by the "distributee" in a "direct rollover".
  - b. For purposes of this Subsection the following definitions shall apply:
    1. An "eligible rollover distribution" is any distribution of all or any portion of the balance to the credit of the "distributee", except that an "eligible rollover distribution" does not include: any distribution that is one (1) of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the "distributee" or the joint lives (or joint life expectancies) of the "distributee" and the "distributee's" designated beneficiary, or for a specified period of ten (10) years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9); the portion of any other distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and any other distribution that is reasonably expected to total less than five hundred dollars (\$500.00) during a year.
    2. An "eligible retirement plan" is an individual retirement account described in Code Section 408(a), (other than an endowment contract), a qualified trust (an employees' trust) described in Code Section 401(a) which is exempt from tax under Code Section 501(a), an annuity plan described in Code Section 403(a), an eligible deferred compensation plan described in Code Section 457(b) which is maintained by an eligible employer described in Code Section 457(e)(1)(A), and an annuity contract described in Code Section 403(b), that accepts the "distributee's" "eligible rollover distribution". However, in the case of an "eligible rollover distribution" to the surviving spouse, an "eligible retirement plan" is an individual retirement account or individual retirement annuity. In addition, a member may elect to roll over directly an eligible rollover distribution to a Roth IRA described in Code Section 408A, or to a qualified plan or a 403(b) plan that agrees to account separately for amounts and the portion of such distribution which is not includible in gross income.
    3. A "distributee" includes a member or former member. In addition, the member's or former member's surviving spouse and the member's or former member's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), are "distributees" with regard to the interest of the spouse or former spouse. In addition, a non-spouse beneficiary who is a "designated

## Summary Plan Description

---

beneficiary" under Code Section 401(a)(9)(E) and the regulations thereunder, may by a direct trustee-to-trustee transfer ("direct rollover") roll over all or any portion of his or her distribution to an individual retirement account the beneficiary establishes for purposes of receiving the distribution. In order to be able to roll over the distribution, the distribution otherwise must satisfy the definition of an eligible rollover distribution. If the member's named beneficiary is a trust, the Fund may make a direct rollover to an individual retirement account on behalf of the trust, provided the trust satisfied the requirements to be a designated beneficiary within the meaning of Code Section 401(a)(9)(E).

4. A "direct rollover" is a payment by the Fund to the "eligible retirement plan" specified by the "distributee".
  - c. Member notice. A member entitled to an eligible rollover distribution must receive a written explanation of his/her right to a direct rollover, the tax consequences of not making a direct rollover, and, if applicable, any available special income tax elections. The notice must be provided within 30-to-180 days of the date of distribution. The direct rollover notice must be provided to all members, unless the total amount the member will receive as a distribution during the calendar year is expected to be less than two hundred dollars (\$200.00). The description of a member's right, if any, to defer receipt of a distribution also will describe the consequences of failing to defer receipt of the distribution, in a manner consistent with Treasury Department requirements.
  - H. Vesting upon Fund termination. Upon termination of the Fund or upon the complete discontinuance of contributions, under the Fund, the rights of all members to benefits accrued to the date of such termination or discontinuance, to the extent then funded, are nonforfeitable.

(Ord. No. [13024](#), § 5, 1-26-16; [Ord. No. 13239](#), §§ 1—3, 11-14-17.)

**Secs. 2-426—2-500. - Reserved.**

( [Ord. No. 12983](#), §§ 2, 3, 8-25-15 )

See footnote below. [\[12\]](#)

Footnotes:

--- (12) ---

**Note—** The specific intent of the City Council in passing this ordinance is to create a structure for the Fund that ensures its long-term actuarial integrity and ability to pay benefits while preserving the City's fiscal health. This ordinance must be construed to effectuate this specific intent.

### Heart and Lung Presumption

#### **Tennessee Code Annotated 7-51-201. Law enforcement officers and firefighters Compensation for injury or death Certain disabilities presumed to have been suffered in course of employment.**

**(a) (1)** Whenever the state of Tennessee, or any municipal corporation or other political subdivision of the state that maintains a regular law enforcement department manned by regular and full-time employees and has established or hereafter establishes any form of compensation to be paid to such law enforcement officers for any condition or impairment of health that results in loss of life or personal injury in the line of duty or course of employment, there shall be and there is hereby established a presumption that any impairment of health of such law enforcement officers caused by hypertension or heart disease resulting in hospitalization, medical treatment or any disability, shall be presumed, unless the contrary be shown by competent medical evidence, to have occurred or to be due to accidental injury suffered in the course of employment. Any such condition or impairment of health that results in death shall be presumed, unless the contrary be shown by competent medical evidence, to be a loss of life in line of duty, and to have been in the line and course of employment, and in the actual discharge of the duties of such officer's position, or the sustaining of personal injuries by external and violent means or by accident in the course of employment and in line of duty. Such law enforcement officer shall have successfully passed a physical examination prior to such claimed disability, or upon entering governmental employment and such examination fails to reveal any evidence of the condition of hypertension or heart disease.

**(2)** For purposes of this subsection (a), "law enforcement officer" includes correctional security job classification employees of the departments of correction and children's services, and full-time county law enforcement officers, including county deputy sheriffs employed in correctional security positions. If such inclusion of full-time county law enforcement officers, including county deputy sheriffs employed in correctional security positions, in the definition of "law enforcement officer" mandates increased liability to a county under the Tennessee consolidated retirement system, or a local retirement system, then such full-time county law enforcement officers, including county deputy sheriffs employed in correctional security positions in such county, shall not be included in such definition for purposes of the Tennessee consolidated retirement system or a local retirement system unless the county legislative body of such county advises the retirement division of its desire to apply such definition to such personnel within four (4) months of March 24, 1986.

**(b) (1)** Whenever the state of Tennessee, or any municipal corporation or other political subdivision of the state maintains a regular fire department manned by regular and full-time employees and has established or hereafter establishes any form of compensation, other than workers' compensation, to be paid to such firefighters for any condition or impairment of health that results in loss of life or personal injury in the line of duty or course of employment, there shall be and there is hereby established a presumption that any impairment of health of such firefighters caused by disease of the lungs, hypertension or heart disease resulting in hospitalization, medical treatment or any disability, shall be presumed, unless the contrary is shown by competent medical evidence, to have occurred or to be due to accidental injury suffered in the course of employment. Any such condition or impairment of health which results in death shall be presumed, unless the contrary is shown by competent medical evidence, to be a loss of life in line of duty, and to have been in the line and course of employment, and in the actual discharge of the duties of such firefighter's position, or the sustaining of personal injuries by external and violent means or by accident in the course of employment and in the line of duty. Such

## Summary Plan Description

---

firefighter shall have successfully passed a physical examination prior to such claimed disability, or upon entering upon governmental employment, and such examination fails to reveal any evidence of the condition or disease of the lungs, hypertension or heart disease.

**(2)** It is hereby declared to be the legislative intent that this section is to be remedial in character and to permit and require any municipal corporation maintaining any permanent fire department to be covered by its provisions.

**(c) (1)** Whenever any county having a population greater than four hundred thousand (400,000) according to the 1980 federal census or any subsequent federal census, or any municipal corporation within such county, maintains within its fire department, and has established or hereafter establishes any form of compensation, other than workers' compensation, to be paid to a person employed by such division as an emergency medical technician or emergency medical technician advanced or paramedic, for any condition or impairment of health that shall result in loss of life or personal injury in the line of duty or course of employment, there shall be and there is hereby established a presumption that any impairment of health of such person caused by hypertension or heart disease resulting in hospitalization, medical treatment or any disability shall be presumed, unless the contrary is shown by competent medical evidence, to have occurred or to be due to accidental injury suffered in the course of employment. Any such condition or impairment of health which results in death shall be presumed, unless the contrary is shown by competent medical evidence, to be a loss of life in line of duty, and to have been in the line and course of employment, and in the actual discharge of the duties of the firefighter's position, or the sustaining of personal injuries by external and violent means or by accident in the course of employment and in the line of duty. Such person shall have successfully passed a physical examination prior to such claimed disability, or upon entering governmental employment, and such examination fails to reveal any evidence of the condition of hypertension or heart disease.

**(2)** It is hereby declared to be the legislative intent that this section is to be remedial in character and to permit and require any such municipal corporation or political subdivision of the state maintaining such division to be covered by its provisions.

[Acts 1965, ch. 299, § 1; 1970, ch. 593, § 1; modified; T.C.A., § 6-639; Acts 1982, ch. 599, § 1; 1985, ch. 345, § 1; 1985 (1st E.S.), ch. 5, § 18; 1986, ch. 590, § 1; 1989, ch. 278, § 25; 1996, ch. 1079, § 26.]

### Human Immunodeficiency Virus (HIV) and Hepatitis C Presumption

#### Tennessee Code Annotated 7-51-209. Presumptive disability in acquiring human immunodeficiency virus in the line of duty by emergency rescue workers.

---

- (a) As used in this section, unless the context otherwise requires:
- (1)
    - (A) "Body fluids" means blood and body fluids containing visible blood and other fluids to which universal precautions for prevention of occupational transmission of blood-borne pathogens, as established by the centers for disease control and prevention, apply;
    - (B) For purposes of potential transmission of human immunodeficiency virus and hepatitis C virus, "body fluids" includes salivary and sinus fluids, including droplets, sputum, and saliva, mucous and other fluids through which human immunodeficiency virus and hepatitis C virus can be transmitted between persons;
  - (2)
    - (A) "Emergency rescue worker" means any person employed full-time by the state or any political subdivision of the state, including any county having a metropolitan form of government as a firefighter, paramedic, emergency medical technician or emergency medical technician advanced;
    - (B) "Emergency rescue worker" does not include any person employed by a public hospital or any person employed by a subsidiary thereof;
  - (3) "High risk of occupational exposure" means risk that is incurred because an emergency rescue worker, in performing the basic duties associated with such worker's employment:
    - (A) Provides emergency medical treatment in a non-healthcare setting where there is a potential for transfer of body fluids between persons; or
    - (B) At the site of an accident, fire or other rescue or public safety operation, or in an emergency rescue or public safety vehicle, handles body fluids in or out of containers or works with or otherwise handles needles or other sharp instruments exposed to body fluids;
  - (4) "Infectious disease" means human immunodeficiency virus and hepatitis C virus; and
  - (5) "Occupational exposure" in the case of infectious diseases, means an exposure that occurs during the performance of job duties that may place a worker at risk of infection.
- (b)
- (1) The general assembly finds that an emergency rescue worker, in the course of employment, runs a high risk of occupational exposure to infectious disease.
  - (2) For reasons stated in subdivision (b)(1), any emergency rescue worker who suffers a condition or impairment of health that is caused by human immunodeficiency virus or hepatitis C virus, and that results in total or partial disability or death shall be presumed to have a disability suffered in the line of duty, unless the contrary is shown by a preponderance of the evidence. However, in order to be entitled to the presumption, the emergency rescue worker must verify by written declaration that, to the best of the emergency rescue worker's knowledge and belief: In case of a medical condition caused by or derived from human immunodeficiency virus or hepatitis C virus, the emergency rescue worker has not:
    - (A) Been exposed outside the scope of the worker's employment, through transfer of bodily fluids, to any person known to have any sickness or medical condition derived from an infectious disease;
    - (B) Had a transfusion of blood or blood components, other than a transfusion arising out of an accident or injury happening in connection with the worker's present employment, or received

## Summary Plan Description

---

any blood products for the treatment of a coagulation disorder since last undergoing medical tests for infectious disease, which tests failed to indicate the presence of any infectious disease;

**(C)** Engaged in unsafe sexual practices or other high-risk behavior, as identified by the centers for disease control and prevention or the surgeon general of the United States, or had sexual relations with a person known to the worker to have engaged in such unsafe sexual practices or other high-risk behavior; or

**(D)** Used intravenous drugs not prescribed by a physician.

**(c)** Whenever any standard, medically-recognized vaccine or other form of immunization exists for the prevention of an infectious disease for which a presumption is granted under this section, if medically indicated in the given circumstances pursuant to immunization policies established by the advisory committee on immunization practices of the United States public health service, an emergency rescue worker may be required by such worker's employer to undergo the immunization, unless the worker's physician determines in writing that the immunization or other prophylaxis would pose a significant risk to the worker's health. Absent such written declaration, failure or refusal by an emergency rescue worker to undergo such immunization disqualifies the worker from the benefits of the presumption established by this section.

**(d)** This section does not apply to benefits payable under or granted in a noncompulsory policy of life insurance or disability insurance, unless the insurer and insured have negotiated for such additional benefits to be included in the policy contract. However, the state or any political subdivision of the state, including any county having a metropolitan form of government, may negotiate a policy contract for life and disability insurance that includes accidental death benefits or double indemnity coverage for any condition or impairment of health suffered by an emergency rescue worker, which condition or impairment is caused by an infectious disease and results in total or partial disability or death.

**(e)** An emergency rescue worker shall file an incident or accident report with the emergency rescue worker's employer of each instance of known or suspected occupational exposure to infectious disease as such is defined in subdivision (a)(4). The employer shall maintain a record of the incident or accident report so filed. Such report must be filed by the employee within seven (7) days of the incident or accident occurring.

**(f)**

**(1)** In order to be entitled to the presumption established by this section, an emergency rescue worker must, prior to diagnosis, have undergone standard, medically-acceptable tests for evidence of the infectious disease for which the presumption is sought, or evidence of medical conditions derived therefrom, which tests fail to indicate the presence of infection.

**(2)**

**(A)** On or after July 1, 2012, an emergency rescue worker may be required to undergo a preemployment physical examination that tests for any evidence of human immunodeficiency virus. In order to be entitled to the presumption established by this section, the test shall be negative for evidence of human immunodeficiency virus.

**(B)** On or after July 1, 2015, an emergency rescue worker may be required to undergo a preemployment physical examination that tests for any evidence of infectious disease. In order to be entitled to the presumption established by this section, the test shall be negative for evidence of infectious disease.



## Summary Plan Description

---

- (g)** This section does not apply to the Tennessee consolidated retirement system.
- (h)** This section shall apply to any emergency rescue worker following termination of service for a period of one (1) year commencing with the last actual date of service.
- (i)** This section shall not apply to cases involving a death of an emergency rescue worker in the line of duty.
- (j)** The presumption established in this section shall not apply to the state death benefit.
- (k)** This section shall not apply to full-time or part-time instructors of the department of commerce and insurance.

Acts 2012, ch. 958, §§ 2, 3; 2015, ch. 289, §§ 1-4.

**Appendix A**

**Service Retirement Estimate Worksheet  
Series-A Employees**

**This Series-A Service Retirement Estimate Worksheet is designed as a general guide for sworn members of the Chattanooga Fire and Police Departments to estimate their service retirement benefits. This worksheet is not meant to provide exact retirement figures and the Fire and Police Pension Fund is not responsible for any estimate produced on this form. It is very likely that your actual benefit will differ from any estimate produced on this form. Final retirement calculations will be made by a member of the Fund's Staff at time of retirement. Chattanooga Firefighters and Police Officers do not receive Social Security Benefits.**

**Use this Series-A Service Retirement Worksheet if you were hired, rehired, or reinstated to sworn service on or after July 1, 2014.**

---

**Pension Creditable Service ("PCS")** typically begins upon graduation of the Academy and is adjusted for any unpaid breaks in service.

---

**SECTION 1**

---

Retirement Eligibility Determination

---

1. **What is the estimated date of your retirement?**      \_\_\_\_/\_\_\_\_/\_\_\_\_
2. **Will you be at least 55 years of age on the estimated date of retirement?**
  - a. If yes, then continue to question 3;
  - b. If no, then SKIP to question 5.
3. **Will you have completed 25 years of PCS on the estimated date of retirement?**
  - a. If yes, then GO to SECTION 2;
  - b. If no, then continue to question 4.
4. **Are you retiring due to a maximum age limit established by your Department?**
  - a. If yes, then use the MAXIMUM AGE RETIREMENT ESTIMATE WORKSHEET;
  - b. If no, then you must use the VESTED RETIREMENT ESTIMATE WORKSHEET.
5. **Will you have completed 30 years of PCS on the estimated date of retirement?**
  - a. If yes, then GO to SECTION 2;
  - b. If no, then you are not retirement eligible. Choose a later date of retirement.

# Summary Plan Description

## SECTION 2

### Final Average Salary ("FAS") and Final Average Salary with a DROP ("DFAS") Calculation

LINE 1: How many completed years and months of PCS will you have at retirement?  
\_\_\_\_\_ years, and \_\_\_\_\_ months.

LINE 2: Subtract 3 years from Line 1. How many years and months remain? (*Write 25 years and 0 months if answer is less than 25 years*)  
\_\_\_\_\_ years, and \_\_\_\_\_ months.

LINE 3: What is the total number of months between Line 2 and Line 1? (*Should be 36 or less*)  
\_\_\_\_\_ months.

LINE 4: What is your average annual base salary for the last 36 months ("FAS") as of Line 1?  
\$ \_\_\_\_\_

LINE 5: What is your average annual base salary for the last 36 months ("DFAS") as of Line 2?  
\$ \_\_\_\_\_

## SECTION 3

### Estimated Benefit Calculations with and without DROP

Chart 1

PCS	%age		
25	62.50%	or	0.6250
26	65.00%	or	0.6500
27	67.50%	or	0.6750
28	70.00%	or	0.7000
29	72.50%	or	0.7250
30+	75.00%	or	0.7500

LINE 6: In Chart 1 above, locate the number of years (exclude months) from Line 1. Multiply Line 4 by the corresponding percentage (if your calculator does not have a percent (%) function, then move the decimal to the left two places—i.e. use 0.6250 for 62.50%, etc.)

\_\_\_\_\_ (Line 4) X \_\_\_\_\_ (%age) = \$ \_\_\_\_\_

LINE 7: In Chart 1, locate the number of years (exclude months) from Line 2. Multiply Line 5 by the corresponding percentage (if your calculator does not have a percent (%) function, then move the decimal to the left two places—i.e. use 0.6250 for 62.50%, etc.)

\_\_\_\_\_ (Line 5) X \_\_\_\_\_ (%age) = \$ \_\_\_\_\_

LINE 8: Divide answer from Line 6 by 12:

\$ \_\_\_\_\_ (Line 6) ÷ 12 = \$ \_\_\_\_\_

## Summary Plan Description

---

LINE 9: Divide answer from Line 7 by 12:

\$ \_\_\_\_\_ (Line 7) ÷ 12 = \$ \_\_\_\_\_

LINE 10: Multiply Line 9 by Line 3:

\$ \_\_\_\_\_ (Line 9) X \_\_\_\_\_ months (Line 3) = \$ \_\_\_\_\_

### SECTION 4

---

#### Final Estimated Single-Life Annuity Benefits with and without DROP

---

\$ \_\_\_\_\_ is your estimated unreduced monthly benefit (No DROP)  
(LINE 8)

Or

\$ \_\_\_\_\_ is your estimated reduced monthly benefit, with a DROP lump sum that is  
(LINE 9)  
estimated to be \$ \_\_\_\_\_ . \*\*  
(LINE 10)

This Series-A Service Retirement Estimate Worksheet is designed as a general guide for sworn members of the Chattanooga Fire and Police Departments to estimate their service retirement benefits. This worksheet is not meant to provide exact retirement figures and the Fire and Police Pension Fund is not responsible for any estimate produced on this form. It is very likely that your actual benefit will differ from any estimate produced on this form. Final retirement calculations will be made by a member of the Fund's Staff at time of retirement. Chattanooga Firefighters and Police Officers do not receive Social Security Benefits.

\*\* A Series-A member must have more than 25 years, but no more than 33 years of service to qualify for a DROP option. Participants who have more than 33 years of Pension Creditable Service are no longer eligible to exercise the DROP option.

**Appendix B**

**Service Retirement Estimate Worksheet  
Series-B Employees**

**This Series-B Service Retirement Estimate Worksheet is designed as a general guide for sworn Members of the Chattanooga Fire and Police Departments to estimate their service retirement benefits. This worksheet is not meant to provide exact retirement figures and the Fire and Police Pension Fund is not responsible for any estimate produced on this form. It is very likely that your actual benefit will differ from any estimate produced on this form. Final retirement calculations will be made by a Member of the Fund's Staff at time of retirement. Chattanooga Firefighters and Police Officers do not receive Social Security Benefits.**

- 1. Were you actively employed as sworn Fire, Police, or Academy Cadet on July 1, 2014?**
  - a. If yes, go to next question;
  - b. If no, then use SERVICE RETIREMENT ESTIMATE WORKSHEET FOR SERIES-A EMPLOYEES.
- 2. Did you have less than 10 years of Pension Creditable Service\* by July 1, 2014?**
  - a. If yes, go to next question;
  - b. If no, then use SERVICE RETIREMENT ESTIMATE WORKSHEET FOR SERIES-C EMPLOYEES.
- 3. Were you last hired, rehired or reinstated after July 1, 2014?**
  - a. If yes, then use SERVICE RETIREMENT ESTIMATE WORKSHEET FOR SERIES-A EMPLOYEES.
  - b. If no, complete this Worksheet.

---

\* Pension Creditable Service ("PCS") typically begins upon graduation of the Academy and is adjusted for any unpaid breaks in service.

---

**SECTION 1**

---

Retirement Eligibility Determination

---

6. What is the estimated date of your retirement? \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_
7. Will you be at least 50 years of age on the estimated date of retirement?
  - a. If yes, then GO to SECTION 2;
  - b. If no, then continue to next question.
8. Will you have completed 28 years of PCS on the estimated date of retirement?
  - a. If yes, then GO to SECTION 2;
  - b. If no, then you are not retirement eligible. Choose a later date of retirement.

# Summary Plan Description

## SECTION 2

### Final Average Salary ("FAS") and Final Average Salary with a DROP ("DFAS") Calculation

LINE 1: How many completed years and months of PCS will you have at retirement?  
\_\_\_\_\_ years, and \_\_\_\_\_ months.

LINE 2: Subtract 3 years from Line 1. How many years and months remain? (*Write 25 years and 0 months if answer is less than 25 years*)  
\_\_\_\_\_ years, and \_\_\_\_\_ months.

LINE 3: What is the total number of months between Line 2 and Line 1? (*Should be 36 or less*)  
\_\_\_\_\_ months.

LINE 4: What is your average base salary for the last 36 months ("FAS") as of Line 1?  
\$ \_\_\_\_\_

LINE 5: What is your average base salary for the last 36 months ("DFAS") as of Line 2?  
\$ \_\_\_\_\_

## SECTION 3

### Estimated Benefit Calculations with and without DROP

Chart 1

PCS	%age		
25	68.75%	or	0.6875
26	70.00%	or	0.7000
27	71.25%	or	0.7125
28	72.50%	or	0.7250
29	73.75%	or	0.7375
30+	75.00%	or	0.7500

LINE 6: In Chart 1 above, locate the number of years (exclude months) from Line 1. Multiply Line 4 by the corresponding percentage (if your calculator does not have a percent (%) function, then move the decimal to the left two places—i.e. use 0.6875 for 68.75%, etc.)

\_\_\_\_\_ (Line 4) X \_\_\_\_\_ (%age) = \$ \_\_\_\_\_

LINE 7: In Chart 1, locate the number of years (exclude months) from Line 2. Multiply Line 5 by the corresponding percentage (if your calculator does not have a percent (%) function, then move the decimal to the left two places—i.e. use 0.6875 for 68.75%, etc.)

\_\_\_\_\_ (Line 5) X \_\_\_\_\_ (%age) = \$ \_\_\_\_\_

LINE 8: Divide answer from Line 6 by 12:

\$ \_\_\_\_\_ (Line 6) ÷ 12 = \$ \_\_\_\_\_

## Summary Plan Description

---

LINE 9: Divide answer from Line 7 by 12:

\$ \_\_\_\_\_ (Line 7) ÷ 12 = \$ \_\_\_\_\_

LINE 10: Multiply Line 9 by Line 3:

\$ \_\_\_\_\_ (Line 9) X \_\_\_\_\_ months (Line 3) = \$ \_\_\_\_\_

### SECTION 3

---

#### Final Estimated Single-Life Annuity Benefits with and without DROP

---

\$ \_\_\_\_\_ is your estimated unreduced monthly benefit (No DROP)  
(LINE 8)

Or

\$ \_\_\_\_\_ is your estimated reduced monthly benefit, with a DROP lump sum that is  
(LINE 9)  
estimated to be \$ \_\_\_\_\_ . \*\*  
(LINE 10)

This Series-B Service Retirement Estimate Worksheet is designed as a general guide for sworn Members of the Chattanooga Fire and Police Departments to estimate their service retirement benefits. This worksheet is not meant to provide exact retirement figures and the Fire and Police Pension Fund is not responsible for any estimate produced on this form. It is very likely that your actual benefit will differ from any estimate produced on this form. Final retirement calculations will be made by a Member of the Fund's Staff at time of retirement. Chattanooga Firefighters and Police Officers do not receive Social Security Benefits.

\*\* A Series-B Member must have more than 25 years, but no more than 33 years of service to qualify for a DROP option. Participants who have more than 33 years of Pension Creditable Service are no longer eligible to exercise the DROP option.

**Appendix C**

**Service Retirement Estimate Worksheet  
Series-C Employees**

**This Series-C Service Retirement Estimate Worksheet is designed as a general guide for sworn Members of the Chattanooga Fire and Police Departments to estimate their service retirement benefits. This worksheet is not meant to provide exact retirement figures and the Fire and Police Pension Fund is not responsible for any estimate produced on this form. It is very likely that your actual benefit will differ from any estimate produced on this form. Final retirement calculations will be made by a member of the Fund's staff at time of retirement. Chattanooga Firefighters and Police Officers do not receive Social Security Benefits.**

- 1. Were you actively employed as a Firefighter, Police Officer, or Cadet on July 1, 2014?**
  - a. If yes, go to question 2;
  - b. If no, use SERVICE RETIREMENT ESTIMATE WORKSHEET FOR SERIES 2015 EMPLOYEES.
- 2. Did you have at least 10 years of Pension Creditable Service\* by July 1, 2014?**
  - a. If yes, go to question 3;
  - b. If no, use SERVICE RETIREMENT ESTIMATE WORKSHEET FOR SERIES 2005 EMPLOYEES.
- 3. Were you last hired, rehired or reinstated after July 1, 2014?**
  - a. If yes, use SERVICE RETIREMENT ESTIMATE WORKSHEET FOR SERIES 2015 EMPLOYEES.
  - b. If no, complete this Worksheet.

---

\* Pension Creditable Service ("PCS") typically begins upon graduation of the Academy and is adjusted for any unpaid breaks in service. If hired into the Academy prior to 1993, then PCS began on your first day in the Academy or other prior sworn date.

---

**SECTION 1**

---

**Final Average Salary ("FAS") and Final Average Salary with a DROP ("DFAS") Calculation**

---

LINE 1: How many completed years and months of PCS will you have at retirement?  
\_\_\_\_\_ years, and \_\_\_\_\_ months.

LINE 2: Subtract 36 months from Line 1. How many years and months remain? (*Write 25 years and 0 months if less than 25 years*)  
\_\_\_\_\_ years, and \_\_\_\_\_ months.

LINE 3: What is the total number of months between Line 2 and Line 1? (*Should be 36 or less*)  
\_\_\_\_\_ months.

LINE 4: What is your average base salary for the last 36 months ("FAS") as of Line 1?  
\$ \_\_\_\_\_



# Summary Plan Description

LINE 5: What is your average base salary for the last 36 months ("DFAS") as of Line 2?

\$ \_\_\_\_\_

## SECTION 2

### Estimated Benefit Calculations with and without DROP

Chart 1

PCS	%age		
25	68.75%	or	0.6875
26	70.00%	or	0.7000
27	71.25%	or	0.7125
28	72.50%	or	0.7250
29	73.75%	or	0.7375
30+	75.00%	or	0.7500

LINE 6: In Chart 1 above, locate the number of years (exclude months) from Line 1. Multiply Line 4 by the corresponding percentage (if your calculator does not have a percent (%) function, then move the decimal to the left two places—i.e. use 0.6875 for 68.75%, etc.)

\_\_\_\_\_ (Line 4) X \_\_\_\_\_ (%age) = \$ \_\_\_\_\_

LINE 7: In Chart 1, locate the number of years (exclude months) from Line 2. Multiply Line 5 by the corresponding percentage (if your calculator does not have a percent (%) function, then move the decimal to the left two places—i.e. use 0.6875 for 68.75%, etc.)

\_\_\_\_\_ (Line 5) X \_\_\_\_\_ (%age) = \$ \_\_\_\_\_

LINE 8: Divide answer from Line 6 by 12:

\$ \_\_\_\_\_ (Line 6) ÷ 12 = \$ \_\_\_\_\_

LINE 9: Divide answer from Line 7 by 12:

\$ \_\_\_\_\_ (Line 7) ÷ 12 = \$ \_\_\_\_\_

LINE 10: Multiply Line 9 by Line 3:

\$ \_\_\_\_\_ (Line 9) X \_\_\_\_\_ months (Line 3) = \$ \_\_\_\_\_

## SECTION 3

### Final Estimated Single-Life Annuity Benefits with and without DROP

\$ \_\_\_\_\_ is your estimated unreduced monthly benefit (No DROP)  
(LINE 8)

Or

\$ \_\_\_\_\_ is your estimated reduced monthly benefit, with a DROP lump sum that is  
(LINE 9)

estimated to be \$ \_\_\_\_\_ . \*\*  
(LINE10)

## Summary Plan Description

---

This Series-C Service Retirement Estimate Worksheet is designed as a general guide for sworn Members of the Chattanooga Fire and Police Departments to estimate their Service Retirement benefits. This worksheet is not meant to provide exact retirement figures and the Fire and Police Pension Fund is not responsible for any estimate produced on this form. It is very likely that your actual benefit will differ from any estimate produced on this form. Final retirement calculations will be made by a member of the Fund's staff at time of retirement. Chattanooga Firefighters and Police Officers do not receive Social Security Benefits.

\*\* A Series-C Member must have more than 25 years, but no more than 33 years of service to qualify for a DROP option. Certain Members who elect a DROP and had 24 years of Pension Creditable Service by July 1, 2014, may be eligible for additional monthly and DROP benefits if they retire with more than 25 years, but no more than 30 years of service. The Members that fall into this category should contact the Pension Office for additional information.

Appendix D

Vested Retirement Estimate Worksheet
All Series Employees with Less Than 25 Years of Service

Use this Vested Retirement Worksheet if you are terminating employment as sworn Firefighter or Police Officer under the following conditions:

- Have at least 10 years of Pension Creditable Service\*;
• Are not Service Retirement eligible and have less than 25 YOS;
• Are not retiring due to reaching the maximum age for sworn service in your Department.

\*Pension Creditable Service ("PCS") typically begins upon graduation of the Academy and is adjusted for any unpaid breaks in service. If hired into the Academy prior to 1993, then PCS began on your first day in the Academy or other prior sworn date.

SECTION 1

Benefit Calculation payable the month following 55th birthday or date of retirement, whichever is later.

LINE 1: How many completed years and months of PCS will you have at termination?
\_\_\_\_\_ years, and \_\_\_\_\_ months.

LINE 2: Multiply the number of years in Line 1 by 2.4
\_\_\_\_\_ years (Line 1) X 2.4 = \_\_\_\_\_ %.

LINE 3: What is your average annual base salary for the last 36 months ("FAS") as of termination date?
\$ \_\_\_\_\_

LINE 5: Multiply Line 3 by the corresponding percentage calculated in Line 2 (if your calculator does not have a percent (%) function, then move the decimal to the left two places—i.e. use 0.3840 for 38.40%, etc.)

Average Annual Base Salary (Line 3) X (Line 2) (percentage) = \$ Estimated Annual Benefit

LINE 6: Divide answer from Line 5 by 12
\$ (Line 5) ÷ 12 = \$ Estimated Monthly Benefit

This Vested Retirement Estimate Worksheet is designed to help sworn Members of the Chattanooga Fire and Police Departments estimate their service retirement benefits. This worksheet is not meant to provide exact retirement figures. Final retirement calculations will be made by a member of the Fund's staff at time of termination. Chattanooga Firefighters and Police Officers do not receive Social Security Benefits.

# Summary Plan Description

## Appendix E

PERIODIC DEATH BENEFITS FOR ACTIVE EMPLOYEES (JR Death)		
YOUR STATUS AND LENGTH OF SERVICE	CAUSE OF YOUR DEATH	BENEFITS PAID
Active, no length-of-service requirement	Resulting from performance of duties and within 6 months of injury.	<ul style="list-style-type: none"> <li>To your designated beneficiary, \$10,000 death benefit</li> <li>To spouse, a monthly lifetime benefit equal to 60% of your average base salary during the three years of your highest base salary while in active service, or elected J&amp;S option if higher</li> <li>If you have no spouse, \$756 per month plus any accrued cost of living adjustments applied since 2014 to each minor child during his/her minority, not to exceed your maximum pension benefit</li> <li>If you have no spouse or minor children but have parents who are solely dependent on you and have no other means of support, each parent receives half the amount your surviving spouse would have received based on the specific circumstances indicated above; if you have one parent, he/she receives the total amount your spouse would have received</li> </ul>
Active, no length-of-service requirement	In the line of duty death as deemed by the Board of Trustees, this is not the same as a job related death or disability. Must be on duty and not subject to exemptions listed on the previous page.	<ul style="list-style-type: none"> <li>To your designated beneficiary, \$10,000 death benefit</li> <li>To spouse, a monthly benefit equal to 100% of your Final Average Salary</li> <li>If you have no spouse, \$756 per month plus any accrued cost of living adjustments applied since 2014 to each minor child during his/her minority, not to exceed your maximum pension benefit</li> <li>If you have no spouse or minor children but have parents who are solely dependent on you and have no other means of support, each parent receives half the amount your spouse would have received based on the specific circumstances indicated above; if you have one parent, he/she receives the total amount your spouse would have received</li> </ul>

# Summary Plan Description

## Appendix F

PERIODIC DEATH BENEFITS FOR ACTIVE EMPLOYEES (NJR Death)		
YOUR STATUS AND LENGTH OF SERVICE	CAUSE OF YOUR DEATH	BENEFITS PAID
Active, less than 3 years' service	Not resulting from performance of duties	<ul style="list-style-type: none"> <li>To your designated beneficiary, \$10,000 death benefit</li> <li>To your estate, full refund of all your Pension Fund employee contributions</li> </ul>
Active, not Service Retirement eligible	Death resulting from the following: <ul style="list-style-type: none"> <li>Excessive and habitual use of drugs, intoxicating liquors or narcotics; active treatment may mitigate this exception</li> <li>Injury or disease sustained after your employment terminated or while you were on leave without pay for more than 45 consecutive days</li> <li>Intentional, self-inflicted injury</li> <li>Engaged in illegal activity</li> </ul> <i>The above exceptions apply below where noted*</i>	<ul style="list-style-type: none"> <li>To your designated beneficiary, \$10,000 death benefit</li> <li>To your estate, full refund of all your Pension Fund employee contributions</li> <li>No periodic death benefits paid</li> </ul>
Active, at least 3 years' service, but less than 10 years	Not resulting from performance of duties nor due to exceptions* listed above	<ul style="list-style-type: none"> <li>To your designated beneficiary, \$10,000 death benefit</li> <li>To your spouse, \$756 per month plus any accrued cost of living adjustments applied since 2014</li> <li>If you have no spouse, then \$756 per month plus any accrued cost of living adjustments applied since 2014 to each minor child, provided the total amount payable to all such children does not exceed your maximum pension benefit</li> <li>If you have no spouse or minor children but have parents who are solely dependent on you and have no other means of support, each parent receives half the amount your spouse would have received based on the specific circumstances indicated above; if you have one parent, he/she receives the total amount your spouse would have received</li> </ul>
Active, at least 10 years' service, but not retirement eligible	Not resulting from performance of duties nor due to exceptions* listed above	<ul style="list-style-type: none"> <li>To your designated beneficiary, \$10,000 death benefit</li> <li>To your spouse, a monthly lifetime payment equal to 50% Joint &amp; Survivor optional form as calculated at your death</li> <li>If you have no spouse, then \$756 per month plus any accrued cost of living adjustments applied since 2014 to each minor child, provided the total amount payable to all such children does not exceed your maximum pension benefit</li> <li>If you have no spouse or minor children but have parents who are solely dependent on you and have no other means of support, each parent receives half the amount your spouse would have received based on the specific circumstances indicated above; if you have one parent, he/she receives the total amount your spouse would have received</li> </ul>
Active, Service Retirement eligible	Not resulting from performance of duties	<ul style="list-style-type: none"> <li>To your designated beneficiary, \$10,000 death benefit</li> <li>J&amp;S benefit to your designated beneficiary, named at retirement eligibility.</li> <li>If no J&amp;S beneficiary, then to your spouse, a monthly lifetime payment equal to 50% Joint &amp; Survivor as calculated at your death</li> <li>If you have no J&amp;S election and no spouse, then \$756 per month plus any accrued cost of living adjustments applied since 2014 to each minor child, provided the total amount payable to all such children does not exceed your maximum pension benefit</li> <li>If you have no spouse or minor children but have parents who are solely dependent on you and have no other means of support, each parent receives half the amount your spouse would have received based on the specific circumstances indicated above; if you have one parent, he/she receives the total amount your spouse would have received</li> </ul>

Appendix G

SUMMARY OF SURVIVOR BENEFITS FOR SERVICE RETIRED MEMBERS		
YOUR STATUS AND LENGTH OF SERVICE	CAUSE OF YOUR DEATH	BENEFITS PAID
You retired before 11/3/1992	From any cause	<ul style="list-style-type: none"> <li>To your designated beneficiary, \$10,000 death benefit</li> <li>Elected J&amp;S option to your designated beneficiary, if applicable</li> <li>If no J&amp;S option elected at retirement or someone other than your spouse is named as J&amp;S beneficiary, to Surviving Spouse, \$500 per month increased by all cost of living adjustments applied since 1999</li> </ul>
You're retired, you were an active employee on 11/3/1992, and you Service Retired by 12/31/2012	From any cause	<ul style="list-style-type: none"> <li>To your designated beneficiary, \$10,000 death benefit</li> <li>Benefits paid based on the form of retirement payment you elected</li> <li>If no J&amp;S option elected at retirement, to Surviving Spouse, a benefit as if you had elected the 50% Joint and Survivor benefit</li> <li>If elected a J&amp;S beneficiary other than your spouse, then to the Surviving Spouse, \$750 per month increased by all cost of living adjustments applied since 2014, payable for his/her lifetime</li> </ul>
You were Service Retirement eligible by 12/31/2012 but retired at a later date	From any cause	<ul style="list-style-type: none"> <li>To your designated beneficiary, \$10,000 death benefit</li> <li>Benefits paid based on the form of retirement payment you elected</li> <li>If no J&amp;S option elected at retirement, to Surviving Spouse, a benefit as if you had elected the 50% Joint and Survivor benefit</li> </ul>
You're retired and were not Service Retirement eligible by 12/31/2012	From any cause	<ul style="list-style-type: none"> <li>To your designated beneficiary, \$10,000 death benefit</li> <li>Benefits paid based on the form of retirement payment you elected</li> </ul>

SUMMARY OF SURVIVOR BENEFITS FOR TERMINATED-VESTED MEMBERS		
YOUR STATUS AND LENGTH OF SERVICE	CAUSE OF YOUR DEATH	BENEFITS PAID
Vested; Terminated employment, (not yet receiving benefits)	From any cause	<ul style="list-style-type: none"> <li>To your designated beneficiary, \$10,000 death benefit</li> <li>To your estate, a full refund of all employee contributions to the Fund</li> </ul>
Vested (reduced benefits have commenced)	From any cause	<ul style="list-style-type: none"> <li>To your designated beneficiary, \$10,000 death benefit</li> <li>Benefits paid based on the form of retirement payment you elected</li> </ul>