Please note that revisions highlighted below are proposed changes made after the first reading of these Rules and which were made pursuant to comments received from members.

DRAFT FOR MEMBER COMMENT

AUSTIN FIREFIGHTERS RETIREMENT FUND

Fund Rules

Amended and Restated, Effective ~~June 2~~December 1, 2026

I. Purpose

Pursuant to Section 2.11 of Vernon's Texas Civil Statutes Article 6243e.1 (the "***Act***"), the board of trustees (the "***Board***") of the Austin Firefighters Retirement Fund (the "***Fund***") may adopt rules desirable for the efficient administration of the Fund and in order to ensure that the Fund may satisfy the qualified plan requirements under the Internal Revenue Code of 1986, as amended (the "***Code***"). In addition, the Board has specific authority to adopt rules and procedures under various sections of the Act. These rules (the "***Rules***") are adopted pursuant to the applicable provisions of the Act as referenced below.

II. General Fund Rules

1. Definitions. Unless otherwise specifically provided in these Rules, the terms and phrases used herein have the meanings assigned by Section 1.02 of the Act.

2. Operating Name. Pursuant to the authority granted to the Board in Section 1.031 of the Act, the Fund has adopted the name "Austin Firefighters Retirement Fund" as the name under which the Fund may operate and brand itself. Notwithstanding the previous sentence, the Fund's legal name shall remain as the "Austin Fire Fighters Relief and Retirement Fund" as prescribed by Section 1.03 of the Act. References to "Austin Firefighters Retirement Fund" and "Austin Fire Fighters Relief and Retirement Fund" in any Fund documents and communications shall be understood as synonymous.

III. Qualified Plan Rules

1. Qualified Plan. All assets contributed to the Fund will be held in trust, separate from the assets of the municipality, and maintained and administered by the Board for the exclusive purpose and benefit of all members, retirees, and beneficiaries of the Fund. At no time before the termination of the Fund and the satisfaction of all liabilities with respect to members, retirees, and their beneficiaries shall any part of the principal or interest of the assets of the Fund be used for or diverted to purposes other than the exclusive benefit of members, retirees, and their beneficiaries. The Fund and the assets held in trust thereunder are intended to qualify under Section 401(a) of the Code, be exempt from federal taxes under Section 501(a) of the Code, and conform at all times to applicable requirements of law, regulations, and orders of duly constituted federal governmental authorities. Pursuant to Section 2.015 of the Act, the Fund shall be administered in a manner that maintains the qualified status of the Fund under Section 401(a) of the Code. Accordingly, if any provision of the Act and these Rules is subject to more than one construction, one of which will permit the qualification of the Fund, that construction that will permit the Fund to qualify and conform will prevail. At no time shall any part of the assets of the

Fund revert back to the municipality unless the reversion is due to a good faith mistake of fact.

2. Required Minimum Distributions. Effective January 1, 2003, a member's entire interest under the Fund shall be distributed, or begin to be distributed, by the required beginning date prescribed by Code Section 401(a)(9) and Treasury Regulations §§1.401(a)(9)-1 through 1.401(a)(9)-9 (the "***401(a)(9) Requirements***"), and any distribution under the Fund shall at all times comply with the 401(a)(9) Requirements. Any distribution required under the incidental death benefits requirements of Code Section 401(a) shall be treated as a distribution required by the 401(a)(9) Requirements. For purposes of clarity, provisions of the Act and these Rules may provide for the timing of distribution of benefits that is earlier than the required beginning date under the 401(a)(9) Requirements, including distributions from the DROP (as defined in Section V of these Rules), as long as such distributions otherwise comply with the 401(a)(9) Requirements.

3. Rollovers. Effective January 1, 1993, any member or eligible beneficiary who is entitled to receive any distribution that is an eligible rollover distribution is entitled to have that distribution transferred directly to another eligible retirement plan of the member's or eligible beneficiary's choice on providing direction to the Fund regarding that transfer in accordance with procedures established by the Board. For purposes of this Rule, the following terms shall be defined as provided below:

   (a) 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 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 eligible beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code section 401(a)(9); the portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities described in Code section 402(e)(4)); and other amounts determined to not be eligible rollover distributions under applicable law, including the Code and regulations issued pursuant to the Code (see, e.g., Regulation § 1.402(c)-2, Q&A-4).

   Effective January 1, 1999, an "eligible rollover distribution" also does not include any amount that is distributed on account of hardship or unforeseeable emergency.

   (b) An "eligible retirement plan" is an individual retirement account described in Code section 408(a), an individual retirement annuity (other than an endowment contract) described in Code section 408(b), that accepts the distributee's eligible rollover distribution, a qualified retirement plan described in section 401(a) or section 403(a), of the Code. The definition of

eligible retirement plan shall also apply in the case of a distribution to an eligible beneficiary, or to a spouse or former spouse who is the alternate payee under a qualified domestic relation order, as defined in section 414(p) of the Code; provided, however, if the distributee is an eligible beneficiary of a deceased member who is not a surviving Spouse, a direct rollover is only available to an individual retirement account described in Code section 408(a) or an individual retirement annuity (other than an endowment contract) described in Code section 408(b) that has been established on behalf of the eligible beneficiary as an inherited IRA (within the meaning of Code section 408(d)(3)(C)) and is subject to the requirements of Code section 401(a)(9).

Effective January 1, 2002, an "eligible retirement plan" also includes a tax sheltered annuity plan described in section 403(b) of the Code, and an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Fund.

(c) A "distributee" includes a member and a participant's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code section 414(p).

Effective January 1, 2007, a "distributee" also includes the eligible beneficiary of a deceased member to the extent permitted in Code Section 402(c)(11).

(d) A "direct rollover" is a payment by the Fund to the eligible retirement plan specified by the distributee. The Fund shall be responsible for providing, within a reasonable period of time prior to making an eligible rollover distribution, an explanation to a member of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.

4. Nonforfeitability upon Plan Termination. The retirement benefit earned by a member shall become nonforfeitable, to the extent funded (if not already nonforfeitable), upon the termination or partial termination of the Fund or the complete discontinuance of contributions to the Fund.

5. Forfeitures. Amounts representing forfeited nonvested benefits of terminated members may not be used to increase benefits payable from the Fund but may be used to offset obligations for future plan years.

6. Code Section 401(a)(17) Limits. Effective for plan years beginning on or after January 1, 1996, the total compensation taken into account for any purpose for any member of the Fund may not exceed that annual compensation limit under Code Section 401(a)(17), as shall be periodically adjusted in accordance with guidelines provided by the United States Secretary of the Treasury. For plan year 2021, such annual compensation limit is $290,000.

7. USERRA. Notwithstanding any provision in the Act to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code Section 414(u), effective January 1, 1998, and Code Section 401(a)(37), effective as set forth below, including, without limitation, in accordance with the provisions set forth below.

(a) Definitions. For purposes of this paragraph 7, the following terms shall be defined as provided below:

(i) Differential Wage Payment. The term "Differential Wage Payments" means any payment as defined in Code Section 3401(h) which is made by the municipality for a pay period after December 31, 2008, and that (a) is made to a member with respect to any period during which a member is performing Qualified Military Service; and (b) represents all or a portion of the remuneration such member would have received from the municipality if the individual was performing services for the fire department.

(ii) Qualified Military Service. The term "Qualified Military Service" means any service in the uniformed services (as defined in chapter 43 of title 38, United States Code) by any member if such member is entitled to USERRA Reemployment Rights under such chapter with respect to such service.

(iii) USERRA Reemployment Rights. The term "USERRA Reemployment Rights" means the rights and benefits to which a member covered under USERRA is entitled upon his or her return from Qualified Military Service. A member will not be entitled to USERRA Reemployment Rights if (a) such member did not provide advance notice of his or her military service to the fire department; or (b) such individual had more than five years of cumulative Qualified Military Service measured from his or her date of hire to his or her date of return to employment with the fire department.

(b) Death Benefits.

(i) Deemed Reemployment Date. A member who dies on or after January 1, 2007, while performing Qualified Military Service (an "***Eligible Deceased Member***") will be deemed (a) to have resumed employment with the fire department as of the day preceding the date of his or her death (the "***Deemed Reemployment Date***" for purposes of this paragraph); and (b) to have terminated service on the date of his or her death.

(ii) Additional Benefits. To the extent the Fund provides for any benefits that are contingent upon the member's death, then an Eligible Deceased Member will be provided with such benefits. Such benefits must be

provided to all similarly-situated individuals in a uniform, non-discriminatory manner.

(iii) Service. An Eligible Deceased Member shall receive service under the Fund for the period of the Qualified Military Service during which the member died for purposes of attaining eligibility to receive the benefits provided under the Fund and, to the extent the requirements of Section 4.02 of the Act and Rule XV are otherwise satisfied, for purposes of calculating benefits. For purposes of Section 4.02 and consistent with subparagraph 7(b)(i) above, an Eligible Deceased Member will be treated as returning to service on the day preceding the date of his or her death, and an eligible spouse or other beneficiary may file the application, make the required contributions, and provide the proof required under Section 4.02 of the Act and in accordance with Rule XV.

(c) Differential Wage Payments.

(i) Employee Status. Effective January 1, 2009, an individual receiving Differential Wage Payments from the municipality will be treated as an active member and will receive service under the Fund during such period for purposes of attaining eligibility to receive the benefits under the Fund and the calculation of such benefits.

(ii) Compensation. The term "Compensation" as used under the Act for purposes of calculating benefits or determining contributions will include any amounts paid by the municipality as a Differential Wage Payment.

8. Code Section 415 Limits. Pursuant to Section 9.03(a) of the Act, a member or beneficiary of a member of the Fund may not accrue a benefit, in excess of the benefit limits applicable to the Fund under Section 415 of the Code. The Board shall reduce the amount of any benefit that exceeds those limits by the amount of the excess. If the total benefits under this Fund and the benefits and contributions to which any member is entitled under any other qualified defined benefit plan maintained by the municipality that employs the member would otherwise exceed the applicable limits under Section 415 of the Code, the benefits the member would otherwise receive from the Fund shall be reduced to the extent necessary to enable the benefits to comply with Section 415 of the Code. For purposes of determining applicable benefit limitations under Code section 415, the limitation year shall be the calendar year.

9. Actuarial Assumptions. The Fund's actuarial equivalence assumptions shall be those as specified in Appendix A of these Rules.

(a) Notwithstanding such Appendix A or any other plan provisions to the contrary, effective January 1, 2008, the applicable mortality table used for purposes of adjusting any benefit or limitation under §415(b)(2)(B), (C), or

(D) of the Code and the applicable mortality table used to satisfy the requirements of §417(e) of the Code (if and as such requests are applicable) is the table prescribed in Treasury Regulation § 1.430(h)(3)-1.

(b) For distributions with annuity starting dates after December 31, 2002 and before January 1, 2008, the applicable mortality table shall be the applicable mortality table provided in Rev. Rul. 2001-62.

(c) For distributions with annuity starting dates on or prior to December 31, 2002, the applicable mortality table shall be the applicable mortality table provided in Rev. Rul. 92-19.

10. Exemption of Benefits from Judicial Process, Assignment or Alienation.

(a) All assets held in trust under the Fund, and all rights and all accrued and accruing benefits of any member, may not be (A) held, seized, taken, subjected to, or detained or levied on by virtue of any execution, attachment, garnishment, injunction, or other writ, order, or decree, or any process or proceedings issued from or by any court for the payment or satisfaction, in whole or in part, of any debt, damage, claim, demands, or judgment against any member entitled to benefits, or (B) assigned or otherwise alienated.

(b) The preceding provisions of these Rules shall not preclude the withholding of Federal taxes from pension benefits, the recovery by the Board of overpayments of benefits previously made to any person, the direct deposit of benefit payments to an account in a bank, savings and loan association or credit union (provided such arrangement is not an alienation), or, pursuant to any policy adopted by the Board and uniformly applied to any voluntary arrangement for the withholding and direct payment of health care or life insurance premiums or similar payments from his or her monthly benefit payments. An attachment, garnishment, levy, execution or other legal process is not considered a voluntary arrangement.

IV. Trustee Nomination Procedures

1. Background. Section 2.03(b) of the Act provides that, in the event only one firefighter or retiree is nominated for a position pursuant to Section 2.03(c) of the Act, the Board may appoint the sole nominated candidate through procedures established by the Board prior to any nominations, with such appointment to be held at the first board meeting in January in lieu of holding an election. The Rules in this Section IV set forth such procedures and take effect for the nominations period beginning September 1, 2015.

2. Notice of Nomination Period. Pursuant to Section 2.03(c) of the Act, the period for nominating candidates for the election of a member of the Board begins on September 1 and ends September 15 of each calendar year ("***Nomination Period***"). Prior to each election period, the Fund will provide notice to active members of the Nomination Period through posting at fire stations (either electronically or in a

physical location where postings typically are made) and will provide notice to retirees through regular mail. In addition, notice of the Nomination Period will be posted on the Fund's website.

3. Form of Nominations. Pursuant to Section 2.03(c) of the Act, nominations may be made in person, by mail, by telephone, or by any other method approved by the Board, including by e-mail or facsimile. Nominations must be received prior to the end of the Nomination Period, between September 1 and September 15. A nomination sent prior to the end of the Nomination Period, but not received by the Fund until after the Nomination Period, does not satisfy the above requirement.

4. Re-opening of Nominations Period. In the event that no candidate has been nominated following the Nomination Period ending September 15, the Board will re-open the Nomination Period and establish the final day of such period, which will not be later than October 31 of the same calendar year. Notice of the re-opening of the Nomination Period will be provided in the same manner as described in paragraph 2 in this Section IV.

5. Nomination of Sole Candidate. If at the end of a Nomination Period, only one candidate has been nominated, the Fund will notify members and retirees in the same manner as described in paragraph 2 in this Section IV that only one candidate has been nominated and that no election will be held. The Board will appoint this candidate to the Board at its January meeting following the nomination.

V. DROP Distributions

1. Background. Section 8.05(d) of the Act provides that the Board may adopt rules that modify the availability of distributions under the deferred retirement option plan (the "***DROP***"), provided that the modifications do not (A) impair the distribution rights under Section 8.05(a) of the Act, which provides for four lifetime payments prior to April 1 of the year after the member attains 70 ½ years of age or (B) cause distributions to occur later than as required under Section 401(a)(9) of the Code. The Rules in this Section V modify the availability of DROP distributions as contemplated under Section 8.05(d) of the Act.

2. Additional Distributions from DROP Account for Members. In addition to the distribution options available under Section 8.05(a) of the Act, a member who participates in the DROP may take up to twelve distributions prior to April 1 of the year after the member attains 70 ½, but no more than four distributions in any given calendar year.

3. Distributions from DROP Account by Non-Member.

   (a) *Alternate Payees*. In accordance with Section 9.11(b) of the Act, any portion of a member's DROP account that is awarded to an alternate payee pursuant to a qualified domestic relations order (QDRO) shall be distributed in a single lump-sum payment as soon as administratively practicable after the

alternate payee is first entitled to the distribution of such amounts as determined by the Fund.

(b) *Designated Beneficiaries*. In accordance with Section 8.07 of the Act, if a member who participates in the DROP dies before distribution of the member's entire DROP account, distributions will be made to the designated beneficiary for the DROP account. Distributions to the designated beneficiary must begin no later than one (1) year after the member's death and shall be made as either a single-payment distribution or in not more than four equal annual installments over a period of not more than 37 months.

4. Implementation. The distribution option under paragraph 2 of this Section V will apply (A) to all DROP accounts established on or after the effective date of these Rules as amended, and (B) to DROP accounts of a member established prior to the effective date of these Rules as amended, provided that any distributions taken by a member from his or her DROP account prior to the effective date of these Rules as amended will be counted against both the twelve total distribution limit and the four annual distribution limit provided in paragraph 2 of this Section V.

VI. Beneficiary Designations

1. Background. Section 7.09 of the Act provides that a retiree or member eligible to retire may designate a beneficiary for a survivor benefit on a form provided by the Fund if the Act does not otherwise provide a benefit payable to a spouse or child of the member or retiree upon his or her death. Pursuant to Section 2.11 of the Act, the Board may adopt rules it considers necessary or desirable for the efficient administration of the Fund. In addition, Section 7.09 of the Act provides that the Board may adopt rules to establish procedures for and requirements governing beneficiary designations. Through this Section VI, the Board adopts rules and procedures for designating beneficiaries under Section 7.09 of the Act, including limiting the circumstances under which such designations can be made. This Section VI is intended to replace and supersede any previous policy relating to beneficiary designations established by the Board and only applies to Group A members.

2. Form. A form established by the staff of the Fund shall be utilized for purposes of designating a beneficiary under Section 7.09 of the Act, and such form shall be the only method by which a beneficiary may be designated under such section. Any attempt by the member to designate a beneficiary other than through the form established by the Fund's staff, whether electronically, in writing or verbally, shall have no effect.

3. Eligibility—Active Members. An active member who is vested and eligible to retire may designate or change a beneficiary under Section 7.09 if such member (A) is unmarried and (B) does not have a living child who is unmarried and under the age of twenty-two (a "***Dependent Child***"). Any form submitted to the Fund ~~following~~

~~September 1, 2012~~ that is executed on a date on which the member submitting the form is either married or has a Dependent Child shall have no effect and be null and void. An active member is not subject to a benefit reduction described in paragraph 4 below for any change in beneficiary while an active member.

4. Eligibility—Retired Members.

(a) A ~~retired~~ member who is retiring may designate ~~or change~~ a beneficiary under Section 7.09 at the time of retirement if no survivor benefit is otherwise payable to a surviving spouse or Dependent Child of the member~~ if such member agrees to the benefit adjustment described in subsection (d) below.~~. Effective December 1, 2026, after a member's date of retirement, a retired member may not designate or change a beneficiary except in the following circumstances and only if no survivor benefit is otherwise payable to a surviving spouse or Dependent Child of the member:

i. Post-Retirement Marriage. A retiree who marries after retirement may designate the retiree's new spouse as a beneficiary within ninety (90) days after the date of marriage, provided that such beneficiary designation will only take effect if (i) the spouse is married to the retiree for at least twenty-four (24) consecutive months following the designation of the beneficiary and (ii) the retiree does not have a Dependent Child who is otherwise entitled to a survivor benefit at the time of such designation. Until such beneficiary designation takes effect after the twenty-four (24) month period, any beneficiary designation previously on file with the Fund shall remain in effect.

ii. Youngest Dependent Child Reaches Age Twenty-Two (22). If, at the time of retirement, the retiree had a Dependent Child, and the youngest such Dependent Child subsequently reaches age twenty-two (22), or otherwise no longer qualifies as a Dependent Child, such that the retiree no longer has a Dependent Child entitled to benefits under Section 7.05 of the Act, the retiree may designate a beneficiary within ninety (90) days after the date such child attains age twenty-two (22), or otherwise no longer qualifies as a Dependent Child, provided that such beneficiary designation will only take effect if the retiree does not have a surviving spouse who is otherwise entitled to a survivor benefit at the time of such designation.

~~(b)~~ Notwithstanding the above, except as provided in paragraph 9 below, any beneficiary designation or change in beneficiary occurring after the member's date of retirement is subject to the actuarial reduction described in subsection (c) below. For purposes of clarity, this reduction will take effect at the time of the beneficiary change even if such designation has not taken effect due to the 24-month waiting period referenced in subsection 4(a)(i). Additionally, notwithstanding the above, a retiree will not be eligible to

designate or change a beneficiary after retirement if such retiree has already made two designations or changes following his or her date of retirement~~, and such two designations or changes occurred on or after January 1, 2017~~.

(b) ~~(c) For a~~The following rules shall apply with respect to a retiree's post-retirement marriage ~~that occurs on or after September 1, 2025,~~and the eligibility of the retiree's spouse ~~will not automatically become eligible~~ for a survivor benefit from the Fund~~. The retiree may name such individual as a designated beneficiary in accordance with this rule if the member is otherwise eligible to do so.~~:

i. Post-Retirement Marriage Prior to September 1, 2025. For a post-retirement marriage that ~~occurs~~occurred prior to September 1, 2025, the retiree's spouse will be eligible for the survivor benefit provided under Section 7.02 of the Act if the spouse was married to the retiree on the retiree's death and for at least 24 consecutive months prior to the retiree's death. In the event a spouse's entitlement to a survivor benefit described in this subsection (b) results in a change to the individual entitled to receive survivor benefits, this change ~~in beneficiary~~ shall occur without a reduction to the member's benefit as described in subsection (~~d~~c) below, and any existing beneficiary designation on file at the time the retiree's spouse becomes entitled to a survivor benefit under this subsection (b)(i) shall be treated as null and void in accordance with subsection 6(b)(i) below.

ii. Post-Retirement Marriage On or After September 1, 2025. For a post-retirement marriage that occurs on or after September 1, 2025, the retiree's spouse will not automatically become eligible for a survivor benefit from the Fund. The retiree may name such new spouse as a designated beneficiary in accordance with subsection (a)(i) above subject to the actuarial reduction described in subsection (c) below.

(c) ~~(d)~~ A retiree who designates or changes a beneficiary as provided in subsection (a) above must agree to a benefit reduction for the designation or change to take effect. The benefit reduction will be determined by treating the monthly benefit amount that the retiree is receiving at the time of the designation or change of beneficiary as a single life annuity for the life of the retiree and converting ~~such~~the actuarial present value of that single life annuity ~~into the form of benefit that the retiree was receiving under the Fund at the~~, as of the time of the designation or change of beneficiary, into an actuarially equivalent benefit in the retiree's existing benefit form, reflecting the newly designated beneficiary and the applicable survivor percentage, taking into account the current ~~age~~ages of the retiree and the beneficiary~~. The method~~ as of the same date. The conversion described above ~~will be determined by the Fund's actuary and~~is based on the actuarial

~~assumptions~~equivalence described in Appendix A in effect under the Fund at the time of the designation or change. The reduction described in this paragraph will apply to any designations or changes in beneficiaries on or after ~~January~~December 1, ~~2017~~2026, and such reduction will take effect at the time of the change in beneficiary.

5. Requirements for Beneficiaries. A beneficiary may be any living person selected by the member.

6. Termination and Nullification of Certain Beneficiary Designations. The following rules shall apply with respect to the termination and nullification of certain beneficiary designations, even if previously accepted by, and currently on file with, the Fund:

(a) *Active Members*.

i. Married Active Members. Any beneficiary designation form on file with the Fund of an active member that is married as of December 1, 2026 shall be treated as null and void. Any beneficiary designation form on file with the Fund of an active member that marries after December 1, 2026 shall be treated as null and void as of the date of the active member's marriage.

ii. Spouse Named on Beneficiary Designation Form. Any beneficiary designation form on file with the Fund of an active member that names a current or former spouse as a primary beneficiary shall be treated as null and void.

iii. ~~6. Termination of~~Birth or Adoption of a Dependent Child. In the event of the birth or adoption of a Dependent Child, any beneficiary designation~~. A previously submitted beneficiary designation form shall become~~ form on file with the Fund of an active member shall be treated as null and void as of ~~(i) in the event of a post-retirement marriage prior to September 1, 2025,~~ the date that the member's ~~spouse~~Dependent Child would be eligible for survivor benefits under Article 7 of the ~~Fund (if at all), or (ii) in~~ Act.

(b) *Retired Members*.

i. Married as of December 1, 2026. Any beneficiary designation form on file with the Fund of a retired member who is married as of December 1, 2026 shall be treated as null and void as of such date, except for any such form of a married retired member who: (A) married after his or her retirement and on or after September 1, 2025; or (B) married prior to September 1, 2025 but his or her spouse is not eligible for a survivor benefit under Section 7.02 of the Act as of December 1, 2026. Any beneficiary designation form of a retired member designated under subsection (b)(i)(B) above will be null and

void as of the date the spouse of such retired member becomes eligible for a survivor benefit under Section 7.02 of the Act.

ii. Spouse Named on Beneficiary Designation Form. Any beneficiary designation form on file with the Fund of a retired member that names a current or former spouse as a primary beneficiary shall be treated as null and void unless the retiree agreed to and accepted an actuarial reduction to his or her benefit at the time of designation as set forth in the rule at the time of the designation.

iii. Birth or Adoption of a Dependent Child. In the event of the birth or adoption of a Dependent Child, any beneficiary designation form on file with the Fund of a retired member shall be treated as null and void as of the date that the retired member's Dependent Child would be eligible for survivor benefits under Article 7 of the ~~Fund. For the avoidance of doubt, a post-retirement marriage that occurs on or after September 1, 2025 shall not nullify a previously submitted beneficiary designation form.~~ Act. At such time that the retired member's youngest Dependent Child reaches age twenty-two (22), or otherwise no longer qualifies as a Dependent Child, the retired member is eligible to designate a beneficiary in accordance with subsection 4(a)(ii) above.

(c) Notwithstanding the foregoing, any beneficiary designation under which benefits have commenced and are being received by the designated beneficiary as of December 1, 2026 shall not be nullified.

(d) The nullification of a beneficiary designation pursuant to this paragraph 6 shall be permanent and shall not be reinstated.

7. Contingent Beneficiary Designations. All contingent beneficiary designations on file with the Fund shall be disregarded. If the form providing for a contingent beneficiary also contains an otherwise valid primary beneficiary designation, the primary beneficiary designation shall remain valid and will not be invalidated by this paragraph 7.

8. ~~7.~~ Reduction of Benefit for Beneficiary 10 or More Years Younger. The reduction of a beneficiary's benefit as described in Section 7.09(c) for a beneficiary of a member (active or retired) who is 10 or more years younger than the member at the time of the member's death will be determined in accordance with tables provided by the Fund's actuary and approved by the Board, as may be updated from time to time at the recommendation of the Fund's actuary. The tables as approved by the Board are set forth in Appendix B. For the purposes of clarity, this paragraph 8 applies to post-retirement beneficiary designations and changes made pursuant to paragraph 4(a) above, including, without limitation, any designations of a spouse pursuant to paragraph 4(a)(i).

9. Change in Law Invalidating Marriage. Notwithstanding paragraph 4 above, if a change in applicable law causes a retiree's marriage to be invalid, such that the retiree's spouse is no longer entitled to a survivor benefit, the retiree may designate the individual to whom the retiree was married immediately prior to such change in law as a beneficiary within ninety (90) days after the effective date of such change in law. Such designation shall not be subject to the actuarial reduction described in paragraph 4(c) above and shall not be treated as null and void under paragraph 6 above.

10. ~~8.~~ Administration. The application, administration and interpretation of this Section VI shall be at the full and absolute discretion of the Fund. Any decision relating to a beneficiary designation under this policy by the Fund shall be final and binding.

~~9. Termination of Provisional Beneficiary Designation. All provisional beneficiary designations made by members during the period beginning May 1, 2016 through June 1, 2016, on the special form provided by the Fund for such purpose (the "Provisional Designations") will expire at 12:00 am on November 1, 2016 (the "Expiration Date") and be null and void. No individual named under Provisional Designations will have any right or interest in the Fund following the Expiration Date solely by virtue of being named in such Provisional Designation. The Board did through action at its meeting of August 18, 2016 extend the survival period for Provisional Designations through the Expiration Date.~~

VII. [Repealed]

VIII. [Repealed]

IX. [Repealed]

X. Optional Forms of Benefit

1. Background. Section 9.10 of the Act provides the Board with the authority to approve optional forms of retirement benefits that members may elect in lieu of such member's normal form of retirement benefit payable under the Act (the "***Normal Form of Benefit***"), provided that such optional form must be certified by the Fund's actuary to be the actuarial equivalent of the member's Normal Form of Benefit.

   The Rules under this Section X are intended to establish the optional forms of retirement benefits that Group A and Group B members may elect upon retirement and the requirements and procedures with respect to the member's election of such optional forms. This Rule, as amended, will take effect on June 2, 2026.

2. Optional Forms of Benefit for Group A Members. Under the Act, the Normal Form of Benefit for a Group A member is a **75% joint and survivor annuity**, pursuant to which the Fund (i) will pay a monthly annuity benefit to the member for life and (ii) upon the member's death, will continue to pay a reduced survivor annuity benefit to the member's spouse or other beneficiary (as determined under the Act) for life.

   (a) Single Life Annuity. Upon retirement and in lieu of the Normal Form of Benefit, a Group A member may elect the "***Single Life Annuity Option***", provided that the requirements of this paragraph (a) are satisfied. The Single Life Annuity Option will provide the member with an increased monthly annuity benefit to the member for life, but will provide no survivor benefit.

      i. *Calculation of Single Life Annuity*. The Single Life Annuity Option will be actuarially equivalent to the Normal Form of Benefit. The amount of the member's monthly annuity will be increased if the Single Life Annuity Option is selected so that such benefit is the actuarial equivalent of the Normal Form of Benefit that the member would have otherwise been eligible to receive. The method and process for such conversion to the Single Life Annuity Option will be determined by the Fund's actuary and shall be based on the actuarial assumptions set forth in Appendix A with the assumption that the member's spouse or designated beneficiary under the Normal Form of Benefit is the same age as the member, regardless of the actual age of the spouse or designated beneficiary.

      ii. *Participation in DROP*. If the member elects to participate in the Fund's deferred retirement option plan ("***DROP***"), the amounts credited to a member's DROP account that relate to annuity payment amounts will be adjusted to reflect the Single Life Annuity Option election.

      iii. *Spousal Consent*. The spouse of a Group A member who elects the Single Life Annuity Option must consent to such election for the election to be valid and take effect. The consent must be in writing and witnessed by an employee or officer of the Fund or acknowledged by a notary public. If a member's spouse has been adjudicated incompetent, the consent may be given by the spouse's guardian in accordance with Section 9.10(g) of the Act and or by the member in accordance with Section 9.10(h) of the Act.

      Notwithstanding the above, spousal consent is not required if the Board determines that (A) no spouse exists, (B) the spouse cannot be located, (C) the first anniversary of the marriage will not occur before the date that the first annuity from the Single Life Annuity Option becomes payable, or (D) a former spouse is entitled to receive a portion of the member's optional retirement benefit under

a qualified domestic relations order (see Section 9.10(i) of the Act). To clarify (D) above, the spousal consent requirement will still apply as to any current spouse of a member, even if the member has a qualified domestic relations order on file with the Fund for a former spouse.

With respect to all Board determinations under this paragraph 2(a)(iii) of Section X, (A) the Board may request further action, information and documentation as it deems necessary to make any determinations, including, without limitation, a statement by an independent physician of the spouse's mental condition, and shall not be required to make a determination if it has not received such requested information or documentation; and (B) all such determinations will be made at sole and absolute discretion of the Board, and its determination shall be final and binding.

(b) Guaranteed Term of Payments. Upon retirement, a Group A member may elect the "***Guaranteed Term Option***" (also referred to as "***Option 2***"), provided that the requirements of this paragraph (b) are satisfied. The Guaranteed Term Option will provide a reduced monthly annuity benefit to the member for life and will guarantee that either the member's spouse, designated beneficiary or estate, as applicable, would receive a 100% survivor benefit if the member dies within the first ten (10) years (the "***Guaranteed Period***") after annuity payments commence to the member for the remainder of such ten-year Guaranteed Period. Following the end of the Guaranteed Period, the amount of the survivor benefit (if any) to be paid under the Guaranteed Term Option will be based on the applicable terms of the Fund and these Rules, the member's monthly annuity at the time of death, the form of benefit that the member elected at retirement, and in the case of a survivor who is a designated beneficiary, the age of such beneficiary. An estate is not eligible to receive a survivor benefit beyond the Guaranteed Period.

i. *Eligibility for Guaranteed Term Option.* The Guaranteed Term Option may be elected by a Group A member who chooses either the Normal Form of Benefit or the Life Annuity Option.

ii. *Calculation of Guaranteed Term Annuity*. The Guaranteed Term Option will be actuarially equivalent to the Normal Form of Benefit. The amount of the member's monthly annuity will be reduced if the Guaranteed Term Option is selected so that such benefit is the actuarial equivalent of the Normal Form of Benefit (taking into consideration any Life Annuity Option election, if applicable) that the member would have otherwise been eligible to receive. The method and process for such conversion to the Guaranteed Term Option will be determined by the Fund's actuary and shall be based on the actuarial assumptions set forth in

Appendix A with the assumption that the member's spouse or designated beneficiary under the Normal Form of Benefit is the same age as the member, regardless of the actual age of the spouse or designated beneficiary.

iii. *Participation in DROP*. If the member elects to participate in DROP, (A) the amounts credited to a member's DROP account that relate to annuity payment amounts will be adjusted to reflect the Guaranteed Term Option election, and (B) the Guaranteed Period will commence as of the retirement date that is selected by the member for purposes of DROP (i.e., the DROP Effective Date) and not the member's actual date of termination of active service.

iv. *Beneficiary During Guaranteed Term*. For purposes of payments to be made during the Guaranteed Term Option, (i) if the member was married at the time of death, the member's spouse will receive the payments, (ii) if the member was not married but had dependent children at the time of death, the payments will be made to the member's dependent children in equal shares, or (iii) if the member had no spouse or dependent children at the time of death, the beneficiary that the member designated to receive the survivor annuity benefit will receive the payments.

3. Optional Forms of Benefit for Group B Members. Under the Act, the Normal Form of Benefit for a Group B member is a **single life annuity**, pursuant to which the Fund will pay a monthly annuity benefit to the member for life, but no survivor benefit shall be payable. In lieu of the Normal Form of Benefit, a Group B member may elect one of the following options at retirement:

(a) Joint and Survivor Annuity. Upon retirement, a Group B member may elect a "***Joint and Survivor Option***", provided that the requirements of this paragraph (a) are satisfied. The Joint and Survivor Option will provide (i) a reduced monthly annuity benefit to the member for life and (ii) upon the member's death, a survivor annuity benefit in the amount elected by the member to the member's designated beneficiary for the beneficiary's life.

i. *Survivor Benefit Percentage.* The amount of the survivor annuity benefit payable to the member's designated beneficiary may be equal to 75% or 50%, as selected by the member at retirement.

ii. *Calculation of Joint and Survivor Annuity*. The Joint and Survivor Option will be actuarially equivalent to the Normal Form of Benefit. The amount of the member's monthly annuity will be reduced if the Joint and Survivor Option is selected so that such benefit is the actuarial equivalent of the Normal Form of Benefit that the member would have otherwise been eligible to receive. The method and process for such conversion to the Joint and

Survivor Option will be determined by the Fund's actuary and shall be based on the actuarial assumptions set forth in Appendix A.

iii. *Participation in DROP*. If the member elects to participate in DROP, the amounts credited to a member's DROP account that relate to annuity payment amounts will be adjusted to reflect the Joint and Survivor Option election.

(b) Joint and Survivor Plus Pop-Up Option. Upon retirement, a Group B member may elect the "***Pop-Up Option***", provided that the requirements of this paragraph (b) are satisfied. The Pop-Up Option will provide (i) a reduced monthly annuity benefit to the member for life and (ii) upon the member's death, a survivor annuity benefit in the amount elected by the member to the member's designated beneficiary for the beneficiary's life, with the provision that if the designated beneficiary predeceases the member, the amount being paid to the member will increase (or "pop-up") to the amount that would have been payable if the member had elected the Normal Form of Benefit.

i. *Survivor Percentage.* The amount of the survivor annuity benefit payable to the member's designated beneficiary may be equal to 75% or 50%, as selected by the member at retirement.

ii. *Calculation of Pop-Up Annuity*. The Pop-Up Option will be actuarially equivalent to the Normal Form of Benefit. The amount of the member's monthly annuity will be reduced if the Pop-Up Option is selected so that such benefit is the actuarial equivalent of the Normal Form of Benefit that the member would have otherwise been eligible to receive. The method and process for such conversion to the Pop-Up Option will be determined by the Fund's actuary and shall be based on the actuarial assumptions set forth in Appendix A.

iii. *Participation in DROP*. If the member elects to participate in DROP, the amounts credited to a member's DROP account that relate to annuity payment amounts will be adjusted to reflect the Pop-Up Option election.

(c) 10-Year Certain and Life. Upon retirement, a Group B member may elect the "***10-Year Certain and Life Option***", provided that the requirements of this paragraph (c) are satisfied. The 10-Year Certain and Life Option will provide a reduced monthly annuity benefit to the member for life and guarantees that, if the member dies within the first ten (10) years (the "***Certain Period***") after annuity payments commence to the member, the member's designated beneficiary would receive a monthly survivor benefit equal to 100% of the benefit that the member was receiving for the

remainder of such ten-year Certain Period. Benefits will continue to be paid to the member beyond the Certain Period as long as the member is alive, but will cease at the later of the member's death or the last day of the Certain Period.

i. *Calculation of 10-Year Certain and Life Annuity*. The 10-Year Certain and Life Option will be actuarially equivalent to the Normal Form of Benefit. The amount of the member's monthly annuity will be reduced if the 10-Year Certain and Life Option is selected so that such benefit is the actuarial equivalent of the Normal Form of Benefit that the member would have otherwise been eligible to receive. The method and process for such conversion to the 10-Year Certain and Life Option will be determined by the Fund's actuary and shall be based on the actuarial assumptions set forth in Appendix A.

ii. *Participation in DROP*. If the member elects to participate in DROP, (A) the amounts credited to a member's DROP account that relate to annuity payment amounts will be adjusted to reflect the 10-Year Certain and Life Option election, and (B) the Certain Period will commence as of the retirement date that is selected by the member for purposes of DROP (i.e., the DROP Effective Date) and not the member's actual date of termination of active service.

(d) Naming a Designated Beneficiary. A Group B member is only eligible to name a beneficiary (a "designated beneficiary") at retirement in accordance with the terms of this section and other procedures adopted by the Fund.

i. *Beneficiary Designation at Retirement*. If a Group B member selects an optional form of benefit that provides a survivor benefit after the member's death, (i) the member's spouse shall be deemed to be the designated beneficiary to receive such survivor benefit if the member is married at retirement, or (ii) the member may name one individual to receive the survivor benefit after the member's death if the member is not married at retirement.

ii. *No Post-Retirement Beneficiary Designations*. No post-retirement beneficiary designations are permitted for Group B members.

4. Election Forms. All elections for optional forms of benefit and beneficiary designations under this Section X will be made through forms and procedures established by the Fund and shall not be valid unless made pursuant to these forms and procedures. In the event of any inconsistencies between the terms of the election forms and the Act or these Rules, the Act and these Rules shall control.

5. Irrevocability. All elections made by members for optional forms of benefit shall be irrevocable and cannot be changed by members after monthly annuity payments have commenced.

XI. Procedure to Adopt or Amend Certain Rules or Policies

1. Background. Section 2.11 of the Act provides the Board with the authority to adopt rules it considers necessary or desirable for the efficient administration of the Fund. The Rule under this Section XI is intended to set out a standard process that the Board must follow to create, approve, or revise certain rules or policies of the Fund that have a direct impact on the benefits payable to members and beneficiaries. Any rule or policy shall be consistent with applicable laws and regulations, case law, and other Fund rules and policies.

2. Application. This procedure only applies to the adoption (or subsequent amendment) of a rule or policy (or section thereof) that has a direct impact on a member or beneficiary's eligibility for a Benefit (as such term is defined in Rule XIII), service credit under the Fund, or the amount or determination of a Benefit. This procedure does not apply to the adoption (or subsequent amendment) of a rule or policy that (i) does not have a direct impact on Benefits, including but not limited to the Board of Trustees' Governance Policy, Code of Ethics, the Investment Policy Statement or related procedures, or any staff related employment policies or (ii) is required to comply with federal or state law or otherwise necessary to maintain the qualified status of the plan.

3. Raising a Rule or Policy Issue. Any member of the Board may request that an item be placed on the agenda of a future meeting of the Board relating to the consideration of a new rule or policy or amendment to an existing one.

4. Proposed Draft of a Rule or Policy. Following discussion of a proposed rule or policy, or amendment to a rule or policy, at a meeting of the Board, the Board may instruct staff or legal counsel to prepare a draft of a proposed rule or policy or an amendment to an existing rule or policy for consideration at a future meeting ("***Proposed Draft***"). The Board may consider and, at its discretion, approve the Proposed Draft during any regular or special meeting of the Board. Once approved, a copy of the Proposed Draft shall be included with the Board meeting minutes and posted on the Fund's website. The posting on the website will include a request for Member comments.

5. Membership Comment Period and Adoption of the Proposed Draft. The approved Proposed Draft may not be considered for final adoption by the Board before the first regular monthly Board meeting that is two months following the month during which the Board approved the Proposed Draft. Prior to final adoption of the Proposed Draft, the Board shall consider any written comments from Members and provide the opportunity for Members to provide public comments at a Board meeting.

After hearing the Member's comments, the Board may (1) vote to adopt the Proposed Draft during the same meeting without changes or with minor changes, (2) defer the vote to adopt the Proposed Draft until any subsequent meeting if the Board determines that significant revisions to the Proposed Draft should be considered, or (3) determine not to proceed with the Proposed Draft.

6. Emergency Procedure. The Board may be faced with an emergency situation in which the need for a rule or policy or amendment to existing rule or policy is immediate and urgent. The Board may expedite the adoption process by introducing and adopting a proposed rule or policy during a single meeting if the Board determines that the expedited timing of such adoption is required for the best interest of the Fund and the circumstances surrounding the adoption were unforeseeable.

7. Posting of Rules. All Benefit-related rules and policies that are subject to this Rule XI will be posted on the Fund's website.

XII. Retirement Upon Indefinite Suspension

1. Background. The purpose of the Rule in this Section XII is to establish a standard procedure to address the circumstance in which a member who is indefinitely suspended commences his or her service retirement benefit upon the indefinite suspension.

2. Election to Commence Retirement Benefit. If a member is indefinitely suspended from active service, the member may elect to commence his or her service retirement benefit if he or she is otherwise eligible for such benefit under Article V of the Act in accordance with the requirements under this Section XII and procedures established by the Fund. A member is not required to immediately commence his or her benefit upon an indefinite suspension.

3. Indefinite Suspension with No Intent to Appeal. If the member is indefinitely suspended and does not intend to appeal such suspension, the member must certify in writing to the Fund his or her intent not to appeal. Upon receiving such certification, the Fund will treat the indefinite suspension as a standard termination of active service for purposes of the Fund as of the effective date of the suspension. If the Fund subsequently obtains knowledge that such member in fact has appealed the indefinite suspension, the Fund will take any action it deems appropriate with respect to the member's benefits, including suspend all annuity payments, prohibit distributions from DROP, or treat the member as if the member agreed to the terms of the Indefinite Suspension Addendum described below.

4. Indefinite Suspension with Intent to Appeal. If the member is indefinitely suspended and does intend to appeal such suspension, the member shall agree to the terms and conditions set forth in an Indefinite Suspension Addendum (the "Addendum") to his or her retirement benefit election forms. The terms and

conditions of the Addendum will be established by the Fund and shall provide for the following:

(A) The member's service retirement benefit shall be calculated as if the effective date of the member's indefinite suspension was the member's date of termination of active service;

(B) If the member elects to participate in the Deferred Retirement Option Plan ("DROP") upon his or her indefinite suspension, no DROP distributions shall be made until a final ruling denying the member's appeal;

(C) If the member is reinstated to active service upon appeal, the member's retirement benefit election shall be deemed to be revoked as of the effective date of the member's return to active service, and all monthly annuity payments will immediately cease and the member's DROP account will be discontinued in the records of the Fund; and

(D) The member shall make repayments to the Fund to account for all monthly benefit payments made to the member during the period from the commencement of service retirement benefits upon indefinite suspension through the effective date of the member's return to active service (the "Suspension Period") in accordance with paragraph 5 below.

5. Repayment Obligation Upon Reinstatement. If the member commenced his or her service retirement benefit upon indefinite suspension and is reinstated following appeal, the member shall pay to the Fund the aggregate amount of all monthly annuity payments received by the member during the Suspension Period (the "***Repayment Amount***") within six (6) months of the effective date of the member's return to active service. If a member does not fully repay the Repayment Amount within six (6) months, the Fund has the authority to take any and all action necessary to recover the Repayment Amount plus interest accrued at the actuarially assumed rate of return of the Fund for the period beginning with the commencement date of the member's service retirement benefit through the date that no further repayment obligation under this paragraph 5 exists, including taking legal action against the member or adjusting or otherwise recovering such amounts from a member's monthly annuity payments or DROP account upon a subsequent retirement from the Fund.

6. Qualified Domestic Relations Orders.

(a) If a court of competent jurisdiction has issued a domestic relations order as part of a member's divorce proceedings and the Fund has determined that such order is a qualified domestic relations order ("***QDRO***"), the service retirement benefits provided under this Section XII shall be subject to division between the member and the alternate payee pursuant to such QDRO and this paragraph 6.

(b) The Fund shall make a reasonable attempt to contact the alternate payee and provide the alternate payee with notice of his or her rights under this Section XII once a member elects to commence a service retirement benefit upon his or her indefinite suspension.

(c) If the member certifies to the Fund that the member does not intend to appeal his or her indefinite suspension as provided in paragraph 3 above, the Fund shall administer the service retirement benefits in accordance with the terms of the QDRO as if the indefinite suspension was a standard termination of active service as of the effective date of the suspension.

(d) If the member does intend to appeal his or her indefinite suspension and has completed the Addendum such that the member's service retirement benefits paid during the Suspension Period are subject to a potential repayment obligation as set forth in paragraphs 4 and 5 above, the Fund will hold any portion of the benefit due to an alternate payee under the QDRO in escrow until a final ruling denying the member's appeal has been entered, unless the alternate payee agrees in writing to repay the aggregate amount of all monthly annuity payments received during the Suspension Period to the Fund in accordance with the terms and conditions set forth in the Addendum.

(e) In the event the member is reinstated to active service following appeal and the alternate payee did not agree to the terms and conditions of the Addendum, all payments will immediately cease, the entire balance of the escrow account will be immediately returned to the Fund, and the alternate payee will not be entitled to receive any other payment from the Fund until benefits from the Fund subsequently commence and in accordance with the terms of the QDRO.

(f) In the event the member is reinstated to active service following appeal and the alternate payee agreed to the terms and conditions of the Addendum, all payments will immediately cease, and the alternate payee shall pay to the Fund the aggregate amount of all monthly annuity payments received by the alternate payee during the Suspension Period within six (6) months of the effective date of the member's return to active service in accordance with paragraph 5. If the alternate payee does not fully repay such amount, the Fund has the authority to take any and all action necessary against the alternate payee in accordance with paragraph 5.

(g) If the member is not reinstated to active service following appeal and the alternate payee did not agree to the terms and conditions of the Addendum, the Fund shall pay any amount accumulated in the escrow account to the alternate payee as soon as administratively feasible after the final ruling denying the member's appeal. The Fund shall continue to make all

subsequent payments owed to the alternate payee pursuant to the QDRO directly to the alternate payee.

7. Subsequent Service Retirement. If a member who commenced a retirement benefit under this Section XII is reinstated and has satisfied the requirements in paragraph 5, when the member subsequently retires from active service, the member's service retirement benefit upon such retirement will be calculated as of the member's subsequent retirement date and as if the member never commenced retirement under this Section XII.

8. Effective Date. The Rules under this Section XII will apply to any member who is indefinitely suspended on or after September 1, 2017.

XIII. Appeal of Benefit Determinations

1. Purpose. Pursuant to Section 2.09 of the Act, the Board is responsible for determining all matters related to a Member's participation in the Fund and eligibility for any benefits provided under the Fund. The Board has determined that it is in the best interest of the Fund and its Members to set forth a process for Members and other beneficiaries of the Fund to appeal a decision of the Board or the Executive Director with respect to benefit determinations under the Fund. All appeals must be made in accordance with this Rule and otherwise be consistent with the provisions of the Act.

   The Board has delegated authority to the Benefits Committee of the Board to review and make recommendations to the Board regarding appeals of benefit determinations by the Fund. The Benefits Committee will perform a full and fair review of all appeals in an independent and impartial manner and will make a recommendation to the full Board based on such review. The decision of the Board on appeals will be final and binding.

2. Defined Terms. As used in this Rule, the following terms shall have the meanings prescribed to them below:

   (a) "***Adverse Decision***" means any determination made by the Board or the Executive Director that denies or adversely impacts a Benefit of an individual Member (whether active or retired), a surviving spouse or child, alternate payee or other eligible beneficiary under the Fund. An Adverse Decision may be made in connection with a Member's application or other request for a Benefit under the Fund or a determination that relates to a Member or other beneficiary's Benefit including, without limitation, a determination related to the eligibility of any person to participate in the Fund or to receive, or continue to receive, a Benefit and the amount of that Benefit. An Adverse Decision does not include a determination or decision that (i) does not involve or directly impact Benefits or (ii) generally impacts Benefits under the Fund for all similarly-situated individuals.

(b) "***Benefit***" means any amount payable by the Fund to a Member, a surviving spouse or child, alternate payee or other eligible beneficiary under the Act, including, without limitation, a service retirement benefit under Article 5 of the Act, a disability retirement benefit under Article 6 of the Act, a survivor's benefit under Article 7 of the Act, a Member's participation in the Deferred Retirement Option Plan ("***DROP***") under Article 8 of the Act, or the right of an alternate payee to receive a portion of a Member's benefit under a qualified domestic relations order.

(c) "***Claimant***" means any Member, surviving spouse or child, alternate payee or other eligible beneficiary who appeals an Adverse Decision of his or her Benefit pursuant to this Rule.

3. Adverse Decision relating to Benefits.

(a) *Notice of Adverse Decision.* If the Executive Director or the Board make an Adverse Decision with respect to a Benefit under the Fund, the Executive Director will provide the Member, surviving spouse or child, alternate payee or other eligible beneficiary, as applicable, with written notice of such Adverse Decision within a reasonable period of time, but not later than thirty (30) days after the Adverse Decision was made (the "***Notice of Adverse Decision***"). The Notice of Adverse Decision may be mailed or emailed to the Claimant.

(b) *Content of Notice of Adverse Decision.* The Notice of Adverse Decision will include, at a minimum, the following information:

(i) the specific reason(s) for the Adverse Decision,

(ii) reference to the provisions of the Act upon which the Adverse Decision is based and/or the section of the Fund's Rules or policies that was relied upon in making the Adverse Decision,

(iii) description of any information that was not provided which may have been a reason for such Adverse Decision and an explanation of why such information is necessary,

(iv) notice of the right of the Member, surviving spouse or child, alternate payee or other eligible beneficiary to appeal the Adverse Decision, a copy of this Rule (or directions for where to find the Rule on the Fund's website), and the deadline for filing such appeal, and

(v) a statement that the Member, surviving spouse or child, alternate payee or other eligible beneficiary is entitled to receive, upon request and free of charge, reasonable access to and copies of all

public documents, records, and other information relevant to the Adverse Decision.

4. Initiating the Appeal Process.

(a) *Filing a Notice of Appeal.* To begin an appeal, the Claimant, or an authorized representative of the Claimant, must send written notice of the appeal to the Executive Director ("***Notice of Appeal***") which must be delivered or postmarked no later than sixty (60) days after the date that the Notice of Adverse Decision was received by the Claimant. The Notice of Appeal may be hand-delivered or mailed to the Executive Director at the Fund's address or emailed to the Executive Director.

(b) *Content of Notice of Appeal.* The Notice of Appeal must include all relevant information regarding the Claimant and the Adverse Decision being appealed, including, without limitation, the following information:

(i) the Claimant's name, address, phone number, TX FIR number (if applicable), and the last four (4) digits of his or her social security number,

(ii) the Adverse Decision being appealed and the specific reason(s) that the Claimant disagrees with the Adverse Decision, and

(iii) any additional evidence that the Claimant wants the Board to consider in connection with the appeal, including, without limitation, written comments, documents, records, medical records, and other information related to the appeal, even if the Claimant had not previously submitted such documents or information to the Fund.

(c) *Failure to Timely Submit a Notice of Appeal.* A Claimant will forfeit his or her right to appeal an Adverse Decision if the Notice of Appeal is not received or postmarked within sixty (60) days after the Claimant's receipt of the Notice of Adverse Decision.

(d) *No Third-Party Rights.* No person other than the Claimant, or the Claimant's authorized representative, may appeal an Adverse Decision with respect to the Benefit payable to such Claimant.

5. Board's Review of Appeal.

(a) *Standard of Review*. All appeals will be given a full and fair review, and the Benefits Committee will take into account all comments, documents, records, and other information submitted by the Claimant with the Notice of Appeal, without regard to whether such information was submitted or considered in the initial Adverse Decision.

(b) *Meeting for Review of Appeal*. The Benefits Committee will review the Claimant's appeal. The date of the meeting at which the appeal will be

considered will be communicated to the Claimant at least fifteen (15) days prior to the meeting. The Claimant may request a delay or rescheduling of the meeting within five (5) days after receiving notice of the meeting if he or she can demonstrate good cause for such request, and the Executive Director will consider and respond to any such request. Portions of the meeting may be held in closed session for consultation with the Fund's attorney, discussions involving disability determinations or personal medical records, or otherwise as permitted under the Texas Open Meetings Act.

(c) *Right of Claimant to Appear*. During the meeting at which the appeal is reviewed, the Claimant, or his or her representative, may appear before the Benefits Committee to make a brief statement concerning any facts or arguments he or she wishes to present with respect to the appeal. The Benefits Committee may ask the Claimant to respond to its questions or ask the Claimant to provide additional information related to the appeal. The Chairman of the Benefits Committee has final authority to set the amount of time the Claimant may have to present information. The Claimant may be represented by legal counsel or another duly authorized representative to appear on the Claimant's behalf.

(d) *Independent Evaluation.* With respect to an appeal related to a disability retirement Benefit, the Benefits Committee may request that an Independent Evaluation (as defined in the Fund's "Disability Retirement Benefit Policy") be performed in connection with its review of the appeal. Any Independent Evaluation performed in connection with the Benefits Committee's review of an appeal must be performed by an individual who was neither consulted in connection with the original Adverse Decision nor served on the Medical Board that reviewed the Member's application for disability retirement Benefits. The Fund will be responsible for any fees or costs incurred to obtain an Independent Evaluation requested by the Benefits Committee under this section. The Fund will provide the results of such Independent Evaluation, and any tests, reports, images, documents or other information generated in connection with such Independent Evaluation, to the Claimant within a reasonable period of time prior to its final decision of the appeal in order to provide the Claimant an opportunity to respond to the results. The Benefits Committee may employ the Medical Board to assist with the review of any appeal involving a disability determination, including an appeal in which an Independent Evaluation is performed.

6. Final Decision on Appeal.

(a) *Timing of Final Decision.* The Benefits Committee will make its recommendation to the Board no later than the next regularly scheduled meeting of the Board. The Board will make a final decision on an appeal, or determine that an extension of time to make a final decision is required,

on or before the next regularly scheduled meeting following the meeting at which the Benefits Committee makes its recommendation. If the Board requires more time to make a final decision, the Executive Director will provide the Claimant notice of such extension within fifteen (15) days following the Board's determination that such extension is required and will indicate the special circumstances requiring an extension of time and the date by which the Board expects to make its final decision. Such extension will generally not exceed more than sixty (60) days from the date of such extension notice unless good reason exists for a longer extension period. Once the Board has made a final decision on an appeal, the Executive Director will communicate the Board's final decision to the Claimant in writing no later than fifteen (15) days after the meeting at which the Board makes its final decision ("***Notice of Final Decision***").

(b) *Content of Notice of Final Decision.* The Notice of Final Decision will include, at a minimum, the following information:

(i) the reason(s) for the Board's final decision,

(ii) any new or additional evidence or rationale that formed the basis for the Board's final decision,

(iii) the provisions of the Act upon which the final decision is based and/or the section of the Fund's Rules or policies that was relied upon in making the Board's final decision,

(iv) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all public documents, records, and other information relevant to the Board's final decision, and

(v) a statement of the Claimant's rights to seek judicial review of the Board's final decision.

(c) *Effect of Final Decision*. The Board's final decision following a full and fair review of the appeal and recommendation by the Benefits Committee will be made in its sole and absolute discretion and shall be final and binding on all involved parties.

XIV. Designation of Member Trustee Positions

1. Background. In connection with the legislative changes to the Act during the 89th Legislative session, the number of members of the Fund who may be elected to serve on the Board increased from three to four. Pursuant to Section 2.02(c), the Legislature granted the Board authority to specify by rule the number of such elected members who must be firefighters or retirees of the Fund. The Board

believes it is in the best interest of the Fund to ensure the Board is composed of representatives from both the active firefighter members and retired members.

2. Designation. Effective as of January 1, 2026, (i) one of the four member Trustee positions is designated for and shall be filled by an active firefighter member, and (ii) one of the four member Trustees positions is designated for and shall be filled by a retired member. The two remaining member Trustee positions will continue to be elected at large from the entire member population and may be either an active firefighter or a retiree.

3. Exception. Notwithstanding as otherwise provided above, the Board may suspend the requirements set forth in Paragraph 2 above in the event the Fund does not receive a nomination for an eligible individual to serve in one of the designated positions in a given year. The Board may adopt reasonable procedures to fill such position.

XV. Military Service Credit Purchase

1. Background. Pursuant to Section 4.02 of the Act, a member of the Fund who performs active military service on or after January 1, 2026 while actively employed by the Austin Fire Department is permitted to purchase service credit under the Fund for each month that the member actively serves in the armed forces or armed forces reserves of the United States (or their auxiliaries) in accordance with rules adopted by the Board as well as the applicable requirements of Section 414(u) of the Code and USERRA. The purpose of this Rule is to outline the requirements to purchase such service credit and establish a standard process for purchasing such service credit under the Fund. This Rule shall take effect as of January 1, 2026.

2. Qualified Military Service. For purposes of this Rule, the term "***Qualified Military Service***" means any service in the uniformed services (as defined in chapter 43 of title 38, United States Code) by any member on or after January 1, 2026 if such member is entitled to reemployment rights under USERRA with respect to such service. In order to be recognized as Qualified Military Service, the member must have been honorably discharged.

3. Requirements to Purchase Military Service Credit.

   (a) A Member who is absent from employment with the Austin Fire Department because of active duty military service may – but is not required to – purchase one month of service credit for each month during which the member performs Qualified Military Service ("***Military Service Credit***"), provided that in no event shall a member be entitled to purchase more than a total of sixty (60) months of Military Service Credit under the Fund.

   (b) To be eligible to purchase Military Service Credit, the Member must (1) return to employment with the Austin Fire Department no later than the

180th day after the date of discharge or release from Qualified Military Service or from hospitalization continuing after discharge for no more than one year and (2) leave the member's accumulated contributions in the Fund during the period of absence.

(c) After returning to employment with the Austin Fire Department, the member must submit a written application with the Fund to purchase Military Service Credit which must be accompanied by satisfactory proof of such service, including at a minimum a copy of the military service record related to such Qualified Military Service showing the member's dates of service and discharge/separation, such as a DD-214 or equivalent documentation.

(d) To purchase Miliary Service Credit, the member must pay to the Fund an amount equal to the total amount of contributions that the member would have made during the period of Qualified Military Service if the member had remained in active employment with the Austin Fire Department during such period.

(e) After the member makes the contribution set forth in subsection (d), the Fund will notify the City of the amount of Military Service Credit purchased by the member and the applicable period of Qualified Military Service. As soon as reasonably practicable, the City shall deposit an amount equal to the total amount of contributions that the City would have made during the period of Qualified Military Service if the member had remained in active employment with the Austin Fire Department during such period.

(f) Once the Fund has received contributions from both the member and the City, the member's records in the Fund shall be updated to reflect the purchased Military Service Credit. Military Service Credit shall be recognized by the Fund for all purposes, including to determine eligibility for retirement and benefit accrual.

4. Timing and Form of Contributions.

(a) Military Service Credit may only be purchased in increments of one (1) full month.

(b) Contributions required to be paid to the Fund by this rule shall be made in a single lump-sum payment. The member may make the lump-sum contribution payment either: (1) using after-tax funds paid to the Fund via check, wire transfer, or other method approved by the Fund, or (2) through a pre-tax rollover from an eligible retirement plan or account. A member may be required to provide a statement from the eligible retirement plan or

account or other satisfactory proof of the qualified status of such plan or account before a rollover will be accepted by the Fund.

(c) The Member must complete the purchase of Military Service Credit within five (5) years from the date of discharge associated with the Qualified Military Service to which the Military Service Credit relates.

(d) All service purchases must be made prior to the commencement of a monthly annuity benefit from the Fund.

(e) Notwithstanding the above, a member will not be eligible to purchase Military Service Credit under the Fund if the member has established credit for the same military service with another retirement system.

5. Purchase of Military Service Credit After Member's Death.

(a) If a member dies while performing Qualified Military Service, the member's spouse may purchase Military Service Credit on behalf of the member in accordance with the terms of this rule, provided that such purchase must be made no later than ninety (90) days after the member's death.

(b) In no event will a designated beneficiary of a member or other non-spousal beneficiary be eligible to purchase Military Service Credit on behalf of the member.

ADOPTED at the meeting of the Board of Trustees of the Fund on ~~June 2~~[ ], 2026, as recorded in the minutes of such meeting.

APPENDIX A

Actuarial Assumptions for Actuarial Equivalence Factors

The Board will review these actuarial assumptions periodically as needed and at least every five (5) years in conjunction with an actuarial experience study. To the extent the Board approves a change to any of these assumptions in connection with an actuarial experience study, this Appendix A will be updated without formal amendment of the Fund Rules.

Mortality:	PubS(A)-2010 Mortality Table projected to 2026 with improvement scale MP-2021 ~~based on a calculation year of 2026~~
Mortality Weighting for Member:	Males: 93% Females: 7%
Mortality Weighting for Spouse:	Males: 7% Females: 93%
Mortality Weighting for Non-spouse Beneficiary (only applicable to Group A):	Males: 50% Females: 50%
Interest Rate:	7.30%
COLA:	Group A Members: 0.25% Group B Members: 1.00%

To determine the continuation percentage payable to a designated beneficiary under Appendix B, it assumes the member retires at age 50, the spouse is age 50, and the designated beneficiary is the age specified in Appendix B.

APPENDIX B

Factors for Reduction of Benefit for Group A Designated Beneficiary Who Is 10 or More Years Younger Than the Member

10-Year Rule Joint & Survivor Benefit Factors	
Age Difference (Retiree Age *less* Designated Beneficiary Age)	Percentage Payable To Designated Beneficiary
Less than 10	75%
10 – 14	45%
15 – 19	40%
20 – 34	35%
35+	30%

Please note the above table represents the percentage of a Group A retiree's accrued benefit that is payable to the Designated Beneficiary if the Group A retiree predeceases the Designated Beneficiary.

Summary report: Litera Compare for Word 11.16.3.1 Document comparison done on 10/23/2026 10:31:33 AM	
Style name: Default	
Intelligent Table Comparison: Active	
Original DMS: iw://jw.cloudimanage.com/jwdocs/56745853/1 - DRAFT Fund Rules December 2026.docx	
Modified DMS: iw://jw.cloudimanage.com/jwdocs/56745853/13 - DRAFT Fund Rules December 2026.docx	
Changes:	
Add	78
~~Delete~~	40
~~Move From~~	4
Move To	4
Table Insert	0
~~Table Delete~~	0
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	126

MINUTES
BOARD OF TRUSTEES MEETING
MONDAY SEPTEMBER 28, 2026, 9:00AM

Board Members Present	Staff and Consultants Present	Community Members Present
Aaron Woolverton, Chair	Anumeha Kumar, AFRF Executive Director	Virtual attendees not listed
Doug Fowler, Vice Chair	John Perryman, AFRF CFO	
Belinda Weaver	Debbie Hammond, AFRF Benefits Manager	
John Bass (virtual)	Gina Gleason, AFRF Board & Operations Specialist (virtual)	
Andrew Ratoza	Shira Herbert, AFRF Accounting & QC Specialist	
Ryan Alter	Amy Thibaudeau, AFRF Benefits Specialist	
Jie Li	Chuck Campbell, Jackson Walker	
	Laurel Malone, Jackson Walker	

Chair Woolverton called the meeting to order at 9:06am.

Public Comments:

No public comments.

I. Consent Agenda for the following:

a. Minutes of the regular meeting of August 28, 2026

b. Service retirement benefits for new retirees, beneficiaries, and alternate payees

Chair Woolverton requested a moment of silence for the two retired firefighters who had passed in August. Vice Chair Fowler made a motion to approve both items on the consent agenda. Trustee Weaver seconded the motion. The motion passed unanimously.

II. Receive report on Policy Committee meeting held September 15, 2026, regarding Group A Proposed Rule Change for Beneficiary Designations, including Post-Retirement Changes

Vice Chair Fowler reported that the Policy Committee had met to discuss potential changes to the current rule governing post-retirement beneficiary changes with four main objectives: to protect the Fund from unexpected actuarial costs, reduce any IRS liabilities or compliance risks, end the practice of delaying beneficiary changes to the Fund's detriment, and to eliminate opportunities for fraud.

Trustee Alter transitioned from virtual to in-person attendance at 9:14am.

Anumeha Kumar explained that the board had first considered the issues surrounding unlimited, no-cost post-retirement beneficiary changes around 2015–2016, such as the designation of

significantly younger beneficiaries, but in consideration of the legal landscape and actuarial health of the Fund at the time, and to accommodate members who had grown accustomed to having no restrictions, adopted the current rules which allow retirees two beneficiary changes with reductions. Since that time, she continued, staff had seen how the rule had been implemented and used in practice by the membership and had identified some patterns of anti-selection and potential fraud. She cited specific recent examples to illustrate her point, including last-minute changes made shortly before or on the day of a member's death. Ms. Kumar reported that, according to the actuaries' estimates, retaining the current provision would increase liabilities by roughly $10 million and could raise the normal cost, which the Fund had recently worked to reduce through legislative changes, and would affect the Fund's ability to grant future COLAs. She provided an overview of the rule change, which would do three things: end post-retirement beneficiary changes, invalidate improper designation forms filed by married members, and disregard contingent backup designations. She noted that two exceptions would be made for post-retirement beneficiary changes: one for post-retirement marriages, which would have a 90-day filing window, an immediate reduction, and a 24-month wait before the designation would take effect, and the other for unmarried retirees with dependent children, who could designate a beneficiary once the youngest child turned 22, also within a 90-day filing window. Ms. Kumar noted that the changes would only impact Group A due to Group B having different plan provisions for beneficiary designations. She reviewed the rule adoption process which, if approved upon first reading, would be followed by a second reading in October and a final reading in November, to be implemented on December 1, 2026. She explained that if any of the current 150 unmarried retirees wished to change their beneficiary under the current rules, they would have until December 1, 2026, to do so. Chuck Campbell detailed the redlined language and noted that the reduction calculation remained substantively unchanged.

Trustee Alter left the meeting at 9:34am. A quorum of five trustees remained present in person.

Trustee Bass expressed support for the work of the Policy Committee and the Benefits Committee to protect the Fund for all members. He emphasized the economic implications of the board's decision and the importance of addressing identified issues rather than pushing them onto a future generation. Chair Woolverton advised that the Fund's rule adoption procedure required three readings to approve the proposed changes with the earliest adoption in November. Vice Chair Fowler made a motion to approve the proposed Group A rule change for beneficiary designations as presented to be posted for member comment. Trustee Weaver seconded the motion. The motion passed unanimously. Trustee Alter was absent for the vote.

III. Update and consideration of 30-Month Review for Continuation of Disability Retirement Benefit for Applicant #2023-01 (Closed Session)

The board entered closed session at 9:40am in accordance with the Texas Open Meetings Act pursuant to Texas Government Code Section 551.0785 for deliberations involving medical records of a disability applicant.

Trustee Alter returned to the meeting at 9:48am.

The board resumed open session at 10:04am with no action having been taken during the closed session. Trustee Weaver made a motion to suspend the disability benefit of Applicant #2023-01 as of October 2, 2026, if requested documentation is not provided to the Fund. Trustee Ratoza seconded the motion. The motion passed unanimously.

IV. Executive Director Report, including the following (Discussion Only)

a. General comments

No general comments.

b. Board of Trustees Nomination and Election Update

Anumeha Kumar reported that the Place 3 position had received only one nomination, for incumbent Doug Fowler. She explained that since the position was uncontested, no election would be held and the board would certify a renewed four-year term for Chief Fowler at their January meeting.

c. Pension Administration System (PAS) software implementation update

Anumeha Kumar announced that the member portal had been made available to all active and retired members, noting that there had been a significant spike in both enrollments and benefit estimates produced on the date that the portal PIN letters were delivered. She relayed positive feedback from the membership, who had long been requesting an estimate calculation tool. Trustee Ratoza reported that he had also received positive feedback from his colleagues at the training academy, but suggested prioritizing electronic communication due to the tendency of many firefighters to dispose of physical documents. Ms. Kumar noted that the PINs had to be mailed for security purposes and encouraged any members who disposed of their PIN letter to call the office. She thanked Trustee Ratoza as well as Trustees Woolverton, Fowler, and Bass for testing the portal prior to its launch.

d. Fund Newsletter Update

Anumeha Kumar stated that the newsletter was released mid-September and had been emailed to members and posted to the Fund's website.

e. Internal financial statements, transactions, and Fund expense reports for month ending August 31, 2026

Anumeha Kumar reported that the financial statements were all in line with the budget. The trustees had no further questions.

V. Roadmap for future meetings

The trustees had no questions or requests regarding the roadmap.

VI. Call for future agenda items

Trustee Li confirmed that the October board meeting was listed in the Important Dates section of the newsletter. No future agenda items were called for.

Hearing no objections, Chair Woolverton adjourned the meeting at 10:13am.

Board Members

Aaron Woolverton, Chair
Doug Fowler, Vice Chair
Belinda Weaver
John Bass
Ryan Alter
Andrew Ratoza
Jie Li

MINUTES
BOARD OF TRUSTEES MEETING
MONDAY OCTOBER 19, 2026, 1:30PM

Board Members Present
Aaron Woolverton, Chair (virtual)
Doug Fowler, Vice Chair
Belinda Weaver
John Bass (virtual)
Andrew Ratoza
Jie Li

Staff and Consultants Present
Anumeha Kumar, AFRF Executive Director
John Perryman, AFRF CFO
Gina Gleason, AFRF Board & Operations Specialist
Shira Herbert, AFRF Accounting & QC Specialist
Chuck Campbell, Jackson Walker
Laurel Malone, Jackson Walker

Community Members Present
Jan Wesson
Jeanne Bulla
Rene Vallejo
Virtual attendees not listed

Vice Chair Fowler called the meeting to order at 1:38pm.

Public Comments:

Jan Wesson introduced herself as a member of the Fund and of the Austin Retired Fire Fighters Association (ARFFA). She thanked the board and staff for their efforts to protect the pension and shared that she had initially been worried that the proposed rule change could leave her wife unrecognized as her beneficiary if marriage equality were ever overturned because a 2015 change had previously impacted her ability to name a beneficiary. She shared that Anumeha Kumar had provided reassurance that a designated beneficiary would stay in place unless a member changed it. Ms. Wesson expressed confidence in the current board, but requested that clear rule language be added so that the outcome wouldn't depend on a future board's discretion.

Jeanne Bulla thanked the board and staff for keeping the pension solvent. She voiced support for Jan Wesson and other LGBTQ members, noting that while this board is supportive, the broader political climate is uncertain. She asked that the rule ensure beneficiary protections can't be taken away in the future, regardless of changes to equality in Texas or in the United States.

I. Consent Agenda for the following:

a. Minutes of the regular meeting of September 28, 2026

b. Service retirement benefits for new retirees, beneficiaries, and alternate payees

Trustee Weaver made a motion to approve the consent agenda. Trustee Li seconded the motion. The motion passed unanimously.

II. Consider proposed changes to Fund Rules, including member comments

Vice Chair Fowler introduced the item, noting that the Board approved the proposed rule changes

on first reading at its September meeting and posted them for member comment and that this meeting served as the second reading, with final adoption anticipated at the November meeting with an effective date of December 1, 2026. Anumeha Kumar reported that the Fund had notified all active and retired members of the proposed change, the open comment period, and the December 1 deadline for Group A retirees to make beneficiary changes. Of the member comments received, she explained, most concerned individual situations or sought clarification, while the substantive comments included those from Jan Wesson and Jeanne Bulla, another asserting that Group A beneficiary provisions should not change, and another with questions and concerns regarding some of the language included in the proposed rule changes. Ms. Kumar stated that full copies of all comments would be provided to the trustees after the meeting. Chuck Campbell addressed the comments, explaining that the statute already defined a spouse as a person in a legal marriage in any jurisdiction, so the definition need not be repeated in policy. He noted that changes in law are generally prospective and would not invalidate existing marriages, but even if a change were retroactive, the policy could allow a member to designate their invalidated spouse as beneficiary without an actuarial reduction, since the beneficiary would be the same person. He further clarified that members who marry after retirement are not required to replace an existing beneficiary designation; if they choose to name a new spouse, the prior designation remains in effect during the 24-month waiting period, so they are never without a beneficiary. He recommended adding non-substantive clarifying language on these points for the Board's consideration in November. Ms. Kumar stated that the clarifications do not require a Board motion and would be added to the posted draft for public comment, with the updated version presented for adoption in November. Trustee Weaver asked whether, in the event of a retroactive invalidation, the designation would be limited to the person who was the spouse at that time. Mr. Campbell confirmed it would; he added that a member could instead designate someone else, but that designation would be subject to an actuarial reduction. Ms. Kumar addressed a member comment concerning rule language that would grant the Fund full and absolute discretion and make beneficiary designations final and binding. Mr. Campbell explained that the language mirrored existing statutory authority and was intended to protect the board's benefit determinations from unnecessary litigation. Ms. Kumar reported that the clarifying language would be added to the draft and staff would notify members of the revisions, the open comment period, and the approaching deadline for beneficiary changes. No motion necessary.

III. Update and consideration of 30-Month Review for Continuation of Disability Retirement Benefit for Applicant #2023-01 (Possible Closed Session)

The board entered closed session at 1:55pm in accordance with the Texas Open Meetings Act pursuant to Texas Government Code Sections 551.0785 for deliberations involving the medical records of recent disability applicants and Section 551.071 for consultation with the Fund's attorney. The board resumed open session at 2:28pm with no action taken during the closed session. Vice Chair Fowler made a motion to reduce the disability benefit of Applicant #2023-01 in the amount as presented in accordance with the Fund's Disability Policy. Chair Woolverton seconded the motion. The motion passed unanimously.

IV. Executive Director Report, including the following (Discussion Only)

a. General comments

No general comments.

b. Update on 2027 Investment Practices and Performance Evaluation

Anumeha Kumar updated the board on the 2027 Investment Practices and Performance Evaluation (IPPE), which the Pension Review Board (PRB) requires every three years. She explained that the last IPPE was completed in 2024 and under its existing contract, the independent consultant, Callan, will conduct the evaluation again. She provided a timeline and informed that board that staff had already begun providing requested documents, Meketa will assist with Callan's questions, and Callan will also follow up on the implementation of its 2024 recommendations. Ms. Kumar stated that the goal was for Callan to present the completed report to the Board by April or May, ahead of the PRB's May 31 deadline.

c. Draft internal financial statements, transactions, and Fund expense reports for month ending September 30, 2026

Anumeha Kumar explained that the financial statements were provided in draft form because the books for September had not closed as of the meeting date. She stated that the final September financial statements and the draft October financial statements would be presented in November. She added that the Fund had been in talks with a potential new insurance provider, Gallagher, for cybersecurity and director and officers' fiduciary liability insurance, and would provide an update to the board in November.

V. Roadmap for future meetings

Anumeha Kumar stated that she would provide an update regarding legislative initiatives at the November meeting.

VI. Call for future agenda items

Trustee Li asked when the Baillie Gifford investment was slated to be discussed again, to which Anumeha Kumar confirmed that further discussion would occur at the November meeting.

Hearing no objections, Vice Chair Fowler adjourned the meeting at 2:35pm.

Board Members
Aaron Woolverton, Chair
Doug Fowler, Vice Chair
Belinda Weaver
John Bass
Ryan Alter
Andrew Ratoza
Jie Li

DRAFT