November 3, 2026

RE: Proposed Amendment to Beneficiary Designation Rule

Dear Members,

At its September 28, 2026 meeting, the Board of Trustees (the "Board") of the Austin Firefighters Retirement Fund (the "Fund") approved, on first reading, a proposed amendment to Section VI of the Fund Rules (the "Rule") governing beneficiary designations (the "Proposed Amendment"). The Proposed Amendment was then posted for member comment.

In accordance with the Fund's rule adoption procedure, the Board held the second reading of the Proposed Amendment at its regular meeting on Monday, October 19, 2026. At that meeting, the Board reviewed the member comments received and revised the language in response to several of them.

This letter summarizes the key changes, including those made in response to member comments, explains the reasons for them, and outlines the next steps in the process.

Summary of the Proposed Amendment

The Proposed Amendment, which applies to all Group A active members and retirees, makes three principal changes to the Rule:

- Discontinues the ability to change beneficiary designations after retirement except in two limited situations: (1) a post-retirement marriage of a retiree or (2) a retiree's youngest dependent child turning age 22 or otherwise no longer qualifying as a dependent child;
- For a limited group of active or retired members, invalidates beneficiary designation forms on file with the Fund if under the Fund's governing statute, survivor benefits are already automatically provided to a spouse or dependent child, including forms on file for (1) a member who is married as of December 1, 2026, (2) a member who has a dependent child, or (3) that improperly name a current or former spouse; and
- Disregards all existing contingent (backup) beneficiary designations.

The Board is proposing these changes in order to: (1) avoid unexpected actuarial costs by ensuring survivor benefits operate consistently with how they are funded and valued at the time of retirement; (2) minimize IRS compliance risk; (3) eliminate the practice of delaying beneficiary changes to the detriment of the Fund; and (4) safeguard the integrity of beneficiary designations.

Summary of Updated Language

After the first reading, the Proposed Amendment was posted to the Fund's website for member comments. The Board considered the comments received by the Fund and added language to the Proposed Amendment to reflect the following changes:

- **Waiting period clarification**. When a retiree designates a new spouse after retirement, the retiree's previous designation will remain in effect during the 24-month waiting period.

- **Protection against changes in marriage law**. If a change in state or federal law retroactively invalidates a member's marriage, the member may name that spouse as beneficiary within 90 days after the law takes effect at no additional cost to the member.

An updated redlined text of the Proposed Amendment is available for member comment on the Fund's website at: https://www.afrfund.org/News/48/Proposed-Fund-Rules-Revision/news-detail/.

Next Steps

The Board will consider the Proposed Amendment for final adoption at its regular meeting on November 16, 2026. If adopted, the rule will take effect on **December 1, 2026**.

Beneficiary Changes Before December 1, 2026

Between now and December 1, 2026, Group A retirees may still submit a new beneficiary designation or change an existing one under the current Rule, subject to the applicable actuarial reduction. After December 1, 2026, no further changes will be permitted except in the two limited circumstances described above.

If you have questions, please do not hesitate to contact the Fund office at (512) 454-9567 or staff@afrfund.org.

Sincerely,



Anumeha Kumar
Executive Director