

KILLEEN FIREFIGHTER’S RELIEF AND RETIREMENT FUND

Plan Restated, Effective as of January 1, 2025

The participating members of the Killeen Firefighter’s Relief and Retirement Fund (the “**Fund**” or “**Plan**”) held an election by secret ballot as required under Section 7 of Article 6243e, Vernon’s Texas Civil Statutes, which may be cited as the Texas Local Fire Fighters’ Retirement Act (“**TLFFRA**”) from June 6, 2025 through June 13, 2025 with at least two hundred eighteen (218) of the two hundred fifty-six (256) participating members (85% of the total) voting in the election (TLFFRA requires at least 50% of the participating members must vote in the election). The additions or changes considered in the election are described in the 2025 election ballot. The number of members voting on each addition or change that received a majority vote of those voting on the addition or change is shown below:

Addition or Change	Description of Addition or Change	Number Voting On Addition or Change		
		Votes in Favor	Votes Against	Total Votes
Amendment to Death Benefit	Beginning on or after January 1, 2025, amended to provide a death benefit for the surviving spouse and eligible children of any active firefighter who dies <u>for any reason</u> with 10 or more years of Service.	218	0	218

The Board of Trustees of the Fund (the “**Board of Trustees**”) met on June 20, 2025 and approved the changes elected by the members as described above. These changes are effective January 1, 2025. As required under TLFFRA, the Plan’s actuary, who is either a Member of the American Academy of Actuaries or a Fellow of the Society of Actuaries, has reviewed and approved these changes.

At its meeting of June 20, 2025, the Board of Trustees approved a restatement of this Plan document, effective as of January 1, 2025, which supersedes the previous restated Plan document that was effective as of October 1, 2023. This restatement incorporates the changes elected by the members as described above and all previous amendments to the Plan approved by the Board of Trustees, and, if applicable, the members through election, since July 1, 2007.

The following provisions, along with TLFFRA, are applicable to all members of the Fund on January 1, 2025 and to those who enter the Fire Department of the City of Killeen, Texas (the “**Fire Department**”) thereafter, except as may be otherwise provided herein. When appropriate, the masculine gender shall include the feminine and vice versa.

I. ACTIVE PAID FIREFIGHTERS WITH NO VOLUNTEER SERVICE

A. BASIS FOR DETERMINING RETIREMENT BENEFIT

The amount of income payable upon retirement will depend upon the firefighter’s age when he retires and upon his number of years of “Service” and his “Highest 60-Month Average Salary” as described below.

1. ***“Service”*** will be equal to the period of time during which a firefighter and/or the City of Killeen, as applicable, pays into and keeps on deposit in the Fund the contributions required by this Plan. For the period prior to September 25, 1978, the number of years of continuous employment will be determined from the records of the Fire Department. The number of years of continuous employment after September 25, 1978 will include the period of uninterrupted employment after that date with the Fire Department. Service will be equal to the firefighter’s number of years, months and days of continuous employment, dividing the number of days worked above the total number of completed years by 365. Service shall be expressed in years and fractions thereof to three decimal places.

If a firefighter’s Service is terminated after September 25, 1978, he will be treated in the same manner as a new employee if he is later reemployed. Absence from active employment with the Fire Department by reason of leave of absence, including a leave of absence due to active military service by a participant reservist called to duty during national emergencies, will not terminate a firefighter’s Service, provided he returns to active employment prior to the expiration of his leave, except that if he withdraws his contributions from the Fund, he will be treated in the same manner as though his Service had been terminated even though he returns to active employment prior to the expiration of his leave. Periods of leave of absence, determined by the policy of the City of Killeen, shall be deemed continuous employment.

2. ***“Highest 60-Month Average Salary”*** will be equal to average biweekly pay multiplied by 2.167. Average biweekly pay is the average of the firefighter’s total pay for the 130 consecutive biweekly pay periods with the Fire Department during which his total biweekly pay was highest. Pay received during a period of sick leave or vacation as regular and longevity pay will be considered as pay for Service and included in total pay for the 130 consecutive biweekly pay periods with the highest biweekly pay. A lump sum distribution for unused sick leave or vacation made upon termination of employment will not be considered as pay for Service and will be excluded from total pay for the 130 consecutive biweekly pay periods with the highest biweekly pay; provided, however, no such exclusion shall apply to lump sum distributions for unused sick leave or vacation made during the course of employment (as opposed to upon termination of employment). Deployment pay received by a firefighter during a pay period beginning on or after January 1, 2019 for the performance of disaster response services outside of the City of Killeen, including, without limitation, in response to a hurricane, wildfire, or other natural disaster, whether or not under contract with another federal, state or local agency (such as the Texas Emergency Management Assistance Team, Texas Task Force, Texas A&M Forest Service, Texas Intrastate Fire Mutual Aid System, etc.) will not be considered as pay for Service and will be excluded from total biweekly pay for the 130 consecutive periods with the highest biweekly pay. If a firefighter received deployment pay during a pay period beginning prior to January 1, 2019, such deployment pay will be considered as pay for Service and included as part of the firefighter’s total biweekly pay for the 130 consecutive periods with the highest biweekly pay. If a firefighter’s total biweekly pay has been offset (reduced) by

workers' compensation benefits, then total biweekly pay shall also include the amount by which his total biweekly pay was offset (reduced) as required by Section 504.051 of the Texas Labor Code. In accordance with the Internal Revenue Code ("**IRC**"), the annual total pay used in determining the Highest 60-Month Average Salary will be limited by the IRC 401(a)(17) limitations. For 2025, the 401(a)(17) limitation is \$350,000.

If at the time of death or disability the firefighter has been paid for less than 130 consecutive biweekly pay periods, his Highest 60-Month Average Salary will be computed as though he had been employed for the 130 consecutive biweekly pay periods immediately preceding his death or disability. For the period prior to his employment, the firefighter is deemed to have held the same rank at which he entered the Fire Department. His pay, based upon the rank mentioned above, is assumed to be the amount he would have received if he had been employed by the Fire Department during that period.

3. ***"Maximum Service Retirement Benefit"*** - Service retirement benefits for firefighters retiring after December 31, 1990 are subject to a maximum amount of the greater of (a) the maximum employer financed benefit permitted by IRC Section 415, or (b) the vested accrued benefit as of December 31, 1990 according to the Plan provisions of the Plan effective December 28, 1987. As permitted by IRC Section 415(b)(10)(C)(ii), the previous election under Section 415(b)(10) providing a minimum benefit to firefighters hired before January 1, 1990 based on Plan provisions in effect on October 14, 1987 is revoked for all prior and subsequent years.

The benefits subject to the Section 415 limits must be adjusted if the payments are made in a form other than a life annuity or a qualified joint and survivor benefit. Solely for purposes of determining the Maximum Service Retirement Benefit, the adjustments for optional forms of payments other than a life annuity or a qualified joint and survivor benefit will be based on an interest rate of 5% and the applicable mortality table required under Section V(C)(5) of this Plan.

The Maximum Service Retirement Benefit permitted by IRC Section 415 is the sum of the maximum employer financed benefit and the employee financed benefit. The maximum employer financed benefit is \$280,000 in 2025 for firefighters retiring with at least 15 years of Service at ages 65 and younger. The \$280,000 limit is adjusted for older ages at retirement based on an interest rate of 5% and the applicable mortality table required under Section V(C)(5) of this Plan. The \$280,000 limit is adjusted annually, on a rounded basis per IRC rules, for changes in the Consumer Price Index.

The employee financed benefit is the monthly benefit annuitized from the employee's after-tax accumulated contributions. Solely for purposes of determining the Maximum Service Retirement Benefit, the conversion of the employee's after-tax accumulated contributions to a life annuity will be based on the interest rate on 30-year Treasury securities as specified by the IRC using a plan year stability period and a look back month of the fourth calendar month preceding

the first day of the stability period. The mortality table used in the employee's after-tax contribution conversion will be the applicable mortality table required under Section V(C)(5) of this Plan. The plan year and the limitation year shall be the year ending September 30.

If a firefighter has filed an irrevocable election to receive benefits under a Retroactive Deferred Option Plan (RETRO DROP), then solely for the purpose of determining the Maximum Service Retirement Benefit, the total amount available for a lump sum distribution and the monthly benefit will be converted to an actuarially equivalent annual straight life benefit based on an interest rate of 5% and the applicable mortality table required under Section V(C)(5) of this Plan. The actuarially equivalent annual benefit of the lump sum will be added to the annual equivalent of the monthly benefit the firefighter will receive after retirement. This combined amount will be subject to the Maximum Service Retirement Benefit limitation described above in this subsection.

If the United States Congress and/or the Internal Revenue Service later amend laws and regulations pertaining to Section 415 in order to permit higher service retirement benefits, then for any retired firefighter who had previously had a benefit reduced because of Section 415 benefit limitations, the Plan will be amended again to cause the Board of Trustees to recalculate the retired firefighter's benefit to be the smaller of (a) the unreduced benefit based on the Plan's service retirement benefit formula in effect on the date the firefighter retired, or (b) the Maximum Service Retirement Benefit calculated under revised Section 415 laws and regulations. The Board of Trustees shall pay the retired firefighter in a single payment an amount equal to the difference between the adjusted higher monthly benefit and the reduced benefit for the number of months the firefighter has received the reduced benefit.

In the event a benefit exceeds the limits provided under IRC Section 415, the Board of Trustees shall reduce the amount of any benefit that exceeds those limits by the amount of the excess. If the total benefits under the Fund and the benefits and contributions to which any firefighter is entitled under any other qualified defined benefit plan maintained, or at one time maintained, by the employer that employs the firefighter would otherwise exceed the applicable limits under IRC Section 415, the benefits that the firefighter would otherwise receive from the Fund shall be reduced to the extent necessary to enable the benefits to comply with IRC Section 415. With respect to a vested termination benefit calculated using less than 15 years of Service and beginning before age 62, such benefit is limited as follows:

(i) if the annuity starting date is in a limitation year beginning before July 1, 2007, the annual amount of a benefit payable in the form of straight life annuity ("*SLA*") commencing at the firefighter's annuity starting date that is the actuarial equivalent of the dollar limitation, with the actuarial equivalence computed using a 5 percent interest rate assumption and the applicable mortality table under Section V(C)(5) of this Plan;

(ii) if the annuity starting date is in a limitation year beginning on or after July 1, 2007, and the Plan does not have an immediately commencing SLA payable

at both age 62 and the age of benefit commencement, the annual amount of a benefit payable in the form of an SLA commencing at the firefighter's annuity starting date that is the actuarial equivalent of the dollar limitation, with the actuarial equivalence computed using a 5 percent interest rate assumption and the applicable mortality table under Section V(C)(5) of this Plan, and expressing the firefighter's age based on completed calendar months as of the annuity starting date; and

(iii) if the annuity starting date is in a limitation year beginning on or after July 1, 2007, and the Plan has an immediately commencing SLA payable at both age 62 and the age of benefit commencement, the lesser of (1) the adjusted dollar limitation determined in accordance with (ii); and (2) the product of the dollar limitation multiplied by the ratio of the annual amount of the immediately commencing SLA under the Plan at the firefighter's annuity starting date to the annual amount of the immediately commencing SLA under the Plan at age 62, both determined without applying the limitations of IRC Section 415.

4. ***“Social Security Leveling Option”*** - A firefighter who is provided Social Security coverage by the City of Killeen and retires prior to attaining age 62 may elect to receive at retirement an actuarially equivalent benefit in the form of a Social Security Leveling Option. Under this option the firefighter will receive a higher monthly benefit from his date of retirement to his attainment of age 62. After the firefighter's sixty-second birthday, the benefit from this Plan is reduced. The purpose of this option is to provide the firefighter at retirement an expected future total monthly retirement income from this Plan and Social Security which is approximately level. Actuarial equivalence used to determine this option will be based on an interest rate of 8% and the UP-1994 mortality tables with no age adjustment or projection. An estimated future Social Security amount is used at the firefighter's date of retirement in order to determine the Plan's benefits under this option. If the firefighter dies prior to attaining age 62 and is survived by an eligible spouse, the spouse will receive two-thirds of the benefit the firefighter was receiving on his date of death until the firefighter would have attained age 62. Thereafter, the spouse will receive two-thirds of the benefit the firefighter would have received after his sixty-second birthday. If the firefighter dies after attaining age 62 and is survived by an eligible spouse, the spouse will receive two-thirds of the benefit the firefighter was receiving on his date of death.

The Board of Trustees has the right to provide post-retirement ad hoc monthly benefit increases to a firefighter who has chosen a Social Security Leveling Option in any manner the Board of Trustees chooses, regardless of whether the ad hoc monthly benefit increases maintain the “approximately level” aspect of the benefits provided from the Plan combined with Social Security before and after age 62. Further, the Board of Trustees is not obligated to pay additional monthly benefits from the Plan in the event that the actual amount of the Social Security benefit payable at age 62 is less than the estimated Social Security benefit at retirement, or if the actual amount of the Social Security benefit payable at age 62 and the reduced monthly benefit payable at age 62 from this Fund are less than the monthly benefit payable from this Fund immediately prior to attainment of age 62.

5. ***“Accumulated Contributions”*** - The sum of all amounts deducted from the compensation of a firefighter and credited as a contribution to the Fund. A firefighter’s Accumulated Contributions shall not include or earn interest from the Fund.

B. *SERVICE RETIREMENT BENEFIT*

1. ***Eligibility for Service Retirement Benefit*** - A firefighter will be eligible for a service retirement benefit after he meets either of the following requirements:
 - a. attainment of age 55 and completion of 20 years of Service; or
 - b. attainment of age 50 and completion of 25 years of Service.
2. ***Amount of Service Retirement Benefit*** - A firefighter who qualifies for a service retirement benefit will receive a monthly retirement benefit not to exceed the Maximum Service Retirement Benefit payable beginning the last day of the calendar month following the month in which the firefighter terminates employment with the City of Killeen equal to the sum of:
 - a. a standard benefit equal to 58.40% of his Highest 60-Month Average Salary;

plus
 - b. an additional benefit in an amount equal to 2.275% of his Highest 60-Month Average Salary for each whole year and fraction thereof of Service in excess of 20 years of Service.

For the month in which the firefighter terminates employment, a partial monthly service retirement benefit will also be paid at the same time as the first full monthly service retirement benefit. This partial service retirement benefit is equal to the monthly service retirement benefit described above multiplied by the number of days from the date of employment termination to the end of the month in which employment termination occurs divided by the total number of days in such month.

3. ***Optional Forms of Payment*** - A paid firefighter eligible for a service retirement benefit, with or without the RETRO DROP option, may elect one of these optional forms of payment at the time the monthly service retirement benefit commences. A vested terminated paid firefighter may also elect an optional form of payment at the time the monthly vested termination benefit commences. If a firefighter elects one of these optional forms, the monthly benefit that would have otherwise been payable will be multiplied by the adjustment percentage shown below. Once an optional form of payment has been elected at retirement, the option cannot be changed following retirement.

If the firefighter elects the RETRO DROP option, the adjustment percentage will be applied to the monthly benefit determined at the RETRO DROP benefit

calculation date and will be reflected in the monthly benefits that accumulate in the RETRO DROP lump sum and the monthly benefits payable after employment termination.

The actuarially equivalent optional forms of monthly retirement benefit which are available instead of the standard Joint and 66.67% to Surviving Spouse, and the adjustment percentages are as follows:

Optional Form of Monthly Retirement Benefit	Adjustment Percentage
Joint and 75% to Surviving Spouse	99%
Joint and 100% to Surviving Spouse	96%

The adjustments are determined using 8% interest and the UP-1994 Male and Female Mortality Tables with no age adjustments or projections. The factors are approximated using an average retirement age of 55 and assuming a female spouse two years younger.

4. ***Eligibility for Participation in Retroactive Deferred Retirement Option Plan (RETRO DROP)*** - A firefighter can elect at termination of employment a RETRO DROP benefit calculation date no earlier than a date which is:

- a. 24 months prior to the first day of the month preceding or coincident with the date of employment termination, and
- b. three and one-half (3.5) years following the firefighter's earliest eligibility for service retirement as described in Section I(B)(1).

5. ***Amount of RETRO DROP Benefit*** - A firefighter who qualifies for and elects the RETRO DROP will receive the following amounts described as (a) and (b):

- a. a monthly service retirement benefit equal to the amount determined in Section I(B)(2), or Section III(B) if the firefighter has both paid and volunteer Service, as of the RETRO DROP benefit calculation date, and based on the Plan provisions in effect on the RETRO DROP benefit calculation date. The monthly benefit will not include any ad hoc retiree benefit increases provided between the RETRO DROP benefit calculation date and the date of employment termination. Only those ad hoc benefit increases provided after the month of employment termination will be applicable.

If the firefighter's date of termination of employment is on or before the 15th day of a calendar month, the first monthly benefit payment will be paid at the end of the month of employment termination. If the firefighter's date of termination of employment is after the 15th day of a calendar month, the first monthly benefit for the month of employment termination will be deferred to the end of the month following employment termination.

Therefore, for a firefighter who terminates employment after the 15th of a month, two monthly payments will be paid at the end of the month following the month of employment termination.

- b. an amount equal to (i) and (ii):
 - i. the difference between (1) and (2), where (1) equals the amount of the firefighter's Accumulated Contributions as of the date of termination of employment and (2) equals the amount of the firefighter's Accumulated Contributions as of the RETRO DROP benefit calculation date; plus
 - ii. the total of the monthly service retirement benefits described in Section I(B)(5)(a) which would have been received between the RETRO DROP benefit calculation date and the first day of the month in which the firefighter terminates employment with the City of Killeen. These benefits will not include any ad hoc retiree benefit increases provided between the RETRO DROP benefit calculation date and the date of employment termination.
- c. The benefits payable under this section are subject to the provisions of the Maximum Service Retirement Benefit as described in Section I(A)(3).
- d. To the extent permissible under federal tax laws, payment of the amount determined in Section I(B)(5)(b) can be made in one of the following two forms:
 - i. a lump sum distribution of the total amount payable at the end of the first full month after a Benefit Distribution Form has been received or accepted by the Fund's administrator, or
 - ii. a maximum of five payments as needed by the RETRO DROP participant within 36 months of the participant's date of termination of employment.

6. *General Rules for RETRO DROP Participation*

- a. A firefighter's election to participate in RETRO DROP is irrevocable.
- b. The RETRO DROP benefit calculation date will always be on the first day of a month.
- c. A firefighter's election to participate must be in writing on an election form prepared by the Board of Trustees.
- d. A RETRO DROP participant can elect to receive his or her form of benefit distribution by filing a completed Benefit Distribution Form with the Fund's administrator. A RETRO DROP participant can amend the Benefit

Distribution Form at any time prior to the distribution of the entire amount determined under Section I(B)(5)(b).

- e. Should the RETRO DROP participant fail to file a Benefit Distribution Form with the Fund's administrator by the time he or she attains the age specified in IRC Section 401(a)(9) ("RMD Age"), such RETRO DROP participant will be deemed to have elected to receive his or her RETRO DROP benefits in the form of annual payments over three years as of the date he or she attains RMD Age.
- f. Any filing of a Benefit Distribution Form, whether an original filing or an amendment to an earlier filing, will not take effect until the end of the first full month following acceptance of the form by the Fund's administrator. Therefore, no benefit distribution can be made until the end of the first full month following acceptance of the Benefit Distribution Form by the Fund's administrator.
- g. If a firefighter who elects the RETRO DROP dies after termination of employment but before the RETRO DROP lump sum amount described in Section I(B)(5)(b) above has been completely paid to the firefighter, then the firefighter's eligible surviving spouse, or estate if there is no eligible surviving spouse, will receive the remaining portion of the RETRO DROP lump sum payment. The surviving spouse must have been married to the firefighter at the time of the firefighter's termination of employment to be eligible to receive this payment.

An additional death benefit equal to two-thirds of the monthly retirement benefit described in Section I(B)(5)(a) will be paid to the firefighter's eligible surviving spouse with payments beginning on the last day of the calendar month following the month in which the firefighter dies. However, if the firefighter elected an optional form of payment described in Section I(B)(3), then the eligible surviving spouse's monthly benefit will be determined in accordance with the elected option rather than two-thirds. The surviving spouse is eligible for this benefit if married to the firefighter at the time of the firefighter's termination of employment. If there is no eligible surviving spouse, then the firefighter's eligible child or children will receive the benefit described in Section I(E)(2) of the Plan. If there is no eligible surviving spouse and no eligible child, then the amount the spouse would have received will be payable to the firefighter's dependent parent.

If there is no eligible surviving spouse, eligible child or dependent parent, an amount will be paid to the firefighter's estate equal to the excess, if any, of the firefighter's Accumulated Contributions (without interest) to the Fund as of the RETRO DROP benefit calculation date over (i) the amount of the payment described in Section I(B)(5)(b)(ii) and (ii) the amount of any monthly payments which have been made to the eligible surviving spouse, eligible child or dependent parent.

- h. A firefighter electing to participate in RETRO DROP will not be eligible to receive the service retirement benefit described in Sections I(B)(1) and I(B)(2) or the disability retirement benefit described in Section I(C).

C. *DISABILITY RETIREMENT BENEFIT*

1. ***Eligibility for Disability Retirement Benefit*** - An active firefighter will qualify for a disability retirement benefit if he becomes disabled as a result of his duties as a firefighter. The firefighter need only be disabled to the extent of being unable to perform the duties of a position offered to him in the Fire Department that provides the firefighter with pay that is greater than or equal to the pay the disabled firefighter would have been receiving had his disability not occurred and he continued in his former position with the Fire Department to be entitled to disability retirement benefits for the first 2 and 1/2 years; thereafter, he must be unable to perform the duties of any occupation for which he is reasonably suited by education, training and experience.
2. ***Amount of Disability Retirement Benefit*** - The disability retirement benefit will commence after the firefighter's regular salary, including vacation and sick leave pay, has ceased as the result of his disability (disability commencement date) and will continue thereafter as long as the firefighter remains alive and is eligible under Section I(C)(1) above. The monthly disability retirement benefit will equal the sum of:
 - a. a standard benefit equal to 58.40% of his Highest 60-Month Average Salary as computed through the last full month in which the firefighter received a salary;
 - plus*
 - b. an additional benefit in an amount equal to 2.275% of his Highest 60-Month Average Salary for each whole year and fraction thereof of Service in excess of 20 years of Service.

The disability retirement benefit will begin on the last day of the calendar month following the disability commencement date. For the month of the disability commencement date, a partial monthly disability retirement benefit will also be paid at the same time as the first full monthly disability retirement benefit. This partial disability retirement benefit is equal to the monthly benefit described above multiplied by the number of days from the disability commencement date to the end of the month in which the disability commencement date occurs divided by the total number of days in such month.

3. ***Recovery from Disability***
 - a. Prior to completion of 20 years of Service, if a disabled firefighter recovers to the extent that his disability retirement benefit is terminated and he does not return to the employ of the Fire Department, then an amount equal to

the excess, if any, of the firefighter's Accumulated Contributions (without interest) over the amount of payments which have been made on his behalf will be paid to him in a lump sum payment.

- b. If a disabled firefighter recovers to the extent that his disability retirement benefit would otherwise be terminated or reduced, a full disability retirement benefit will continue to be paid if the firefighter meets one of the following requirements:
 - i. attainment of age 55 and completion of 20 years of Service; or
 - ii. attainment of age 50 and completion of 25 years of Service.
- c. After the completion of at least 20 years but less than 25 years of Service and prior to the attainment of age 55, the disability retirement benefit may be terminated if the firefighter ceases to be eligible under Section I(C)(1) above. The firefighter will become eligible for the vested termination benefit described in Section I(D) below.
- d. After the completion of 25 or more years of Service, but prior to the attainment of age 50, the disability retirement benefit may be terminated or reduced if the firefighter ceases to be eligible under Section I(C)(1) above. The firefighter will become eligible for the vested termination benefit described in Section I(D) below.

- 4. ***Determination of Recovery from Disability and Continued Eligibility for Disability Retirement Benefit*** - In determining the extent to which a disabled firefighter has recovered from his disability, if any, and whether the disabled firefighter continues to be eligible for disability retirement benefits hereunder, the Board of Trustees may require the firefighter to undergo periodic medical examinations and vocational rehabilitation examinations and to provide periodic financial information.

Any disabled firefighter receiving disability retirement benefits must fully cooperate with the Board of Trustees and must comply with examinations required by the Board of Trustees and must provide all financial and medical information as requested by the Board of Trustees in order to establish continued eligibility for disability retirement benefits. Failure to do so will result in termination or suspension of the firefighter's disability retirement benefits.

D. *VESTED TERMINATION BENEFIT*

If a firefighter has completed at least 10 years of Service but is not eligible for a service retirement benefit described in Section I(B)(1) at the time of termination of his Service, he will receive a monthly deferred retirement benefit, or a vested termination benefit. This vested termination benefit commences at the end of the month in which the firefighter attains age 55 and would have had at least 20 total years of Service had the firefighter not terminated

employment. If a firefighter has completed at least 25 years of Service but has not attained the age of 50 at the time of termination of Service, the firefighter will be entitled to receive a monthly vested termination benefit commencing at the end of the month in which he attains age 50.

The amount of the firefighter's vested termination benefit will be equal to a vesting percentage of the service retirement benefit in Section I(B)(2) above, calculated based on the firefighter's Highest 60-Month Average Salary at employment termination and Service equal to the greater of (i) 20 years or (ii) the firefighter's completed years of Service at the date of termination of employment. The vesting percentages are shown below:

Completed Years of Service	Vesting Percentage
10	50%
11	55
12	60
13	65
14	70
15	75
16	80
17	85
18	90
19	95
20 or more	100

The firefighter's vesting percentage will be based on completed years, months and days as of his date of termination of employment. It will be determined by interpolation between the vesting percentage for the completed years of Service and the vesting percentage for the completed years of Service plus one year.

To be entitled to receive this vested termination benefit, the former firefighter is required to leave his Accumulated Contributions in the Fund but is not required to make additional contributions between his date of termination of employment and the date the monthly benefits commence.

E. *DEATH BENEFITS*

1. The firefighter's eligible surviving spouse will receive an immediate monthly death benefit for as long as she is alive under the conditions and in the amounts described below as (a, b, c, d, or e):
 - a. a standard death benefit equal to 38.93% of the Highest 60-Month Average Salary plus 1.517% of the Highest 60-Month Average Salary for each year and fraction thereof of Service in excess of 20 years if the firefighter's death occurred while an employee of the Fire Department and:
 - i. if the death occurred on or after July 1, 2007 as a result of the performance of his duties as a firefighter; or

- ii. if the death occurred on or after January 1, 2025 for any reason after having completed 10 or more years of Service;
- b. if the firefighter's death occurred after service retirement and service retirement was effective on or after July 1, 2007 and the firefighter did not elect an optional form described in Section I(B)(3), a standard death benefit equal to two-thirds of the service retirement benefit the firefighter was receiving at the time of death;
- c. if the firefighter's death occurred after disability retirement and disability retirement was effective on or after July 1, 2007, a standard death benefit equal to two-thirds of the disability retirement benefit the firefighter was receiving at the time of death;
- d. if the firefighter's death occurred after termination of employment with 20 or more years of Service and termination of employment was effective on or after July 1, 2007 and the firefighter did not elect an optional form described in Section I(B)(3), a standard death benefit equal to two-thirds of the vested termination benefit the firefighter was entitled to receive at the time of death;

or

- e. if (i) the firefighter's death occurred after termination of employment with more than 10 years of Service but less than 20 years of Service, (ii) the termination of employment was on or after July 1, 2007, and (iii) the death occurred after the vested termination benefits had begun to be paid to the firefighter, a standard death benefit equal to two-thirds of the amount of the vested termination benefit the firefighter was receiving unless the firefighter elected an optional form described in Section I(B)(3).

If the firefighter did elect an optional form described in Section I(B)(3), the eligible surviving spouse will receive a death benefit in accordance with the election of the optional form.

In order for a retired or terminated firefighter's spouse to qualify for the benefit above, she must have been married to the firefighter at the time of the first to occur of his date of retirement or his date of termination of Service.

2. Children's benefits will be payable upon the following circumstances:

- upon the duty-related death of a firefighter,
- upon the off-duty death of a firefighter with 10 or more years of Service,
- upon the death of a firefighter who was receiving a monthly service retirement benefit or a disability retirement benefit at the time of death,
- upon the death of a firefighter who was receiving a monthly vested termination retirement benefit, or

- upon the death of a firefighter who terminated employment with 20 or more years of Service who had not begun to receive a monthly vested termination retirement benefit.

The children's benefits payable in the above circumstances where the death occurs after July 1, 2007 are as follows:

- a. if the eligible surviving spouse is also receiving a benefit, each eligible child will receive a monthly benefit of 7.79% of the firefighter's Highest 60-Month Average Salary;
- b. if the eligible surviving spouse dies after being entitled to her death benefit or if there is no surviving spouse who would otherwise be eligible to receive a death benefit, eligible children will receive a monthly death benefit, in the aggregate, equal to 38.93% of the firefighter's Highest 60-Month Average Salary. The benefit will be divided equally among the eligible children.

The death benefits described above are payable to the eligible children of a firefighter to age 18 and from age 18 to age 25 as long as the child remains a full-time student between these ages. If the child becomes totally disabled before age 18, or before 25 if a full-time student, as a result of a physical or mental illness, injury or retardation, the child's death benefit is payable after age 17, or after 25 if a full-time student, and for as long as the child remains totally disabled.

An eligible child shall be defined as the unmarried, dependent offspring, either natural-born or adopted, of a Killeen firefighter. In order for a natural-born child to be eligible to receive a death benefit under this section, the child's date of birth must be no later than 10 months following the first to occur of the date the firefighter retires or terminates his Service with a vested benefit, or the firefighter's date of death if the firefighter died while in active Service with the Fire Department. In order for an adopted child to be eligible to receive a death benefit under this section, the child must have been adopted prior to the first to occur of the date the firefighter retires or terminates his Service with a vested benefit, or the firefighter's date of death if the firefighter died while in active Service with the Fire Department.

3. If no surviving spouse or child is entitled to a benefit under (1) or (2) above at the time of the firefighter's death, the amount the spouse would have received will be paid to the firefighter's dependent parent. A firefighter's parent is considered a dependent if the parent was claimed as a dependent on the firefighter's most recent Internal Revenue Code tax filing.
4. Payment of monthly death benefits under this Section I(E) will be paid at the end of the month beginning with the calendar month following the month of the firefighter's death. Following the death of a retired firefighter, the benefit the firefighter was receiving will be paid for the month of the firefighter's death with the survivor's death benefit beginning the month following the date of death. If the firefighter's death occurs prior to retirement, a partial monthly death benefit will be paid for the calendar month of the firefighter's death at the same time as the first

full monthly death benefit. The partial death benefit is equal to the monthly death benefit described above multiplied by the number of days from the date of death to the end of the month in which the death occurs divided by the total number of days in such month.

5. The sum of all benefits being paid or payable at any point in time to the eligible surviving spouse and/or eligible children of a firefighter shall not exceed:
 - a. for a retired firefighter, the amount of service retirement benefit or disability retirement benefit the firefighter was receiving;
 - b. for a firefighter who was not retired but was eligible for service retirement at his time of death, the service retirement benefit the firefighter would have received had he retired on his date of death; and
 - c. for a firefighter who was not retired and was not eligible for service retirement at his time of death, the disability retirement benefit the firefighter would have received had he become disabled on his date of death.

If the sum of all benefits payable on behalf of the firefighter's eligible surviving spouse and eligible children would otherwise exceed the limits set forth above, then the benefit attributable to the eligible surviving spouse and each eligible child shall be reduced by the same percentage so that the sum of the reduced benefits equals the applicable limit. If the benefit for the eligible surviving spouse or one or more of the eligible children should subsequently be terminated, then the benefits for the remaining beneficiaries shall be recalculated to provide the full benefits specified in this Plan or a larger pro-rata share of those benefits if the sum of the benefits still exceeds the above-mentioned limit.

6. If no spouse, child or dependent parent is entitled to a death benefit under Section I(E)(1), Section I(E)(2), or Section I(E)(3) above, an amount equal to the excess, if any, of the firefighter's Accumulated Contributions (without interest) over the amount of payments which have been made to the firefighter, spouse, child or dependent parent will be paid to the firefighter's estate. This section will be applicable for the off-duty death of an employed firefighter with less than 20 years of Service or the death of a vested terminated firefighter with less than 20 years of Service entitled to a vested termination benefit prior to the benefit commencement date.

F. *RETURN OF FIREFIGHTER'S ACCUMULATED CONTRIBUTIONS*

If a firefighter terminates his Service and he is not entitled to a benefit as described above, he will receive an amount equal to the excess of his Accumulated Contributions to the Fund over the amount of benefits which he has previously received from the Fund. A firefighter who retires or whose Service is terminated may elect to receive, at the time of his retirement or termination, the excess of his Accumulated Contributions to the Fund over the amount of benefits which he has previously received from the Fund; however, if he makes such an election, he will forfeit his right to all benefits which he otherwise would have been entitled to

receive. The amount refunded shall not include any interest on the firefighter's Accumulated Contributions.

G. CONTRIBUTIONS

1. Effective October 1, 2023, each Killeen firefighter will make contributions of 12% of his total pay (including (a) pay received during a period of sick leave or vacation as regular and longevity pay and (b) lump sum distributions for unused sick leave or vacation made during the course of employment, but excluding (i) lump sum distributions for unused sick leave or vacation made upon termination of employment and (ii) effective January 1, 2019, deployment pay). If a firefighter's total pay has been offset (reduced) by workers' compensation benefits, then total pay shall also include the amount by which his total pay was offset (reduced) as required by Section 504.051 of the Texas Labor Code. The firefighter contribution rate may be changed by vote of the firefighters in accordance with Section 29 of TLFFRA.
2. The City of Killeen will make contributions effective October 1, 2020 of 15% of each firefighter's total pay (including (a) pay received during a period of sick leave or vacation as regular and longevity pay and (b) lump sum distributions for unused sick leave or vacation made during the course of employment, but excluding (i) lump sum distributions for unused sick leave or vacation made upon termination of employment and (ii) effective January 1, 2019, deployment pay). If a firefighter's total pay has been offset (reduced) by workers' compensation benefits, then total pay shall also include the amount by which his total pay was offset (reduced) as required by Section 504.051 of the Texas Labor Code. The City of Killeen's contribution rate is annually determined as a part of the City of Killeen's budget, subject to the minimum contribution rate in Section 29 of TLFFRA.

II. ACTIVE VOLUNTEER FIREFIGHTERS WITH NO PAID SERVICE

A. ELIGIBILITY FOR BENEFITS

1. ***Eligibility for Service Retirement Benefit*** - a volunteer firefighter will be eligible for a service retirement benefit after he meets both of the following requirements:
 - a. attainment of age 55 and
 - b. completion of 20 years of Service.
2. ***Eligibility for Disability or Death Benefits*** - A volunteer firefighter will become eligible for disability retirement or death benefits under the same conditions that a paid firefighter would become eligible. These requirements are stipulated in Section I above.

B. *AMOUNT OF SERVICE RETIREMENT OR DISABILITY RETIREMENT BENEFITS*

A volunteer firefighter who qualifies for a service retirement benefit or on-duty disability retirement benefit on or after October 1, 1999 will receive \$155.00 per month.

These benefits are payable beginning the last day of the calendar month following the month in which the firefighter terminates volunteer Service with the City of Killeen. For the month in which the firefighter terminates volunteer Service, a partial monthly retirement benefit will also be paid at the same time as the first full monthly benefit. This partial monthly retirement benefit is equal to the monthly benefit described above multiplied by the number of days from the date of Service termination to the end of the month in which Service termination occurs divided by the total number of days in such month.

C. *VESTED TERMINATION BENEFIT*

If a volunteer firefighter has completed at least 20 years of Service but has not attained the age of 55 years at the time of termination of volunteer Service on or after October 1, 1999, he will receive a vested termination benefit of \$155.00 per month commencing at the end of the month in which he attains age 55.

To be entitled to receive this vested termination benefit, the volunteer firefighter is not required to make additional contributions between the date of termination of volunteer Service and the date the monthly benefits commence.

D. *DEATH BENEFITS*

The eligible surviving spouse of a volunteer firefighter will receive a \$105.00 monthly death benefit for as long as she is alive. In order for a retired or terminated firefighter's spouse to qualify for the benefit above, she must have been married to the firefighter at the time of the first to occur of his date of retirement or his date of termination of Service.

Children's benefits upon the on-duty death of a volunteer firefighter or the death of a vested terminated or retired volunteer firefighter where the death occurs on or after October 1, 1999 are:

1. if the eligible surviving spouse is also receiving a benefit, each eligible child will receive \$37.20 per month;
2. if the eligible surviving spouse dies after being entitled to her death benefit or if there is no eligible surviving spouse, each eligible child will receive \$105.00 per month.

The death benefits described above are payable to the eligible children of a volunteer firefighter to age 18 and from age 18 to age 25 as long as the child remains a full-time student between these ages. If the child becomes totally disabled before age 18, or before 25 if a full-time student, as a result of a physical or mental illness, injury or retardation, the child's death benefit is payable after age 17, or after 25 if a full-time student, and for as long as the child remains totally disabled.

An eligible child shall be defined as the unmarried, dependent offspring, either natural- born or adopted, of a volunteer firefighter with the Killeen Fire Department. In order for a natural-born child to be eligible to receive a death benefit under this section, the child's date of birth must be no later than 10 months following the first to occur of the date the firefighter retires or terminates his volunteer Service with a vested benefit, or the firefighter's date of death if the firefighter died while in active Service with the Fire Department. In order for an adopted child to be eligible to receive a death benefit under this section, the child must have been adopted prior to the first to occur of the date the firefighter retires or terminates his Service with a vested benefit, or the firefighter's date of death if the firefighter died while in active Service with the Fire Department.

Payment of monthly death benefits under this Section II(D) will be paid at the end of the month beginning with the calendar month following the month of the firefighter's death. Following the death of a retired firefighter, the benefit the firefighter was receiving will be paid for the month of the firefighter's death with the survivor's death benefit beginning the month following the date of death. If the firefighter's death occurs prior to retirement, a partial monthly death benefit will be paid for the calendar month of the firefighter's death at the same time as the first full monthly death benefit. The partial death benefit is equal to the monthly death benefit described above multiplied by the number of days from the date of death to the end of the month in which the death occurs divided by the total number of days in such month.

The sum of all benefits being paid or payable at any point in time to the eligible surviving spouse and/or eligible children of a volunteer firefighter shall not exceed the monthly benefit the firefighter was receiving or would have received if he had retired on his date of death.

If the sum of all benefits payable on behalf of the firefighter's eligible surviving spouse and eligible children would otherwise exceed the limits set forth above, then the benefit attributable to the eligible surviving spouse and each eligible child shall be reduced by the same percentage so that the sum of the reduced benefits equals the applicable limit. If the benefit for the eligible surviving spouse or one or more of the eligible children should subsequently be terminated, then the benefits for the remaining beneficiaries shall be recalculated to provide the full benefits specified in this Plan or a larger pro-rata share of those benefits if the sum of the benefits still exceeds the above-mentioned limit.

E. *CONTRIBUTIONS*

1. Contributions of \$102.00 per year shall be made by or on behalf of each Killeen volunteer firefighter.
2. For each calendar year through December 31, 2007, the City of Killeen will contribute \$16,010 per year.

III. ACTIVE FIREFIGHTERS WITH BOTH PAID AND VOLUNTEER SERVICE

A. *ELIGIBILITY FOR BENEFITS*

In order to be eligible for a benefit, a firefighter with both paid and volunteer Service who is a paid firefighter at the time he applies for a benefit must meet the eligibility requirements of the

benefit for which he is applying under Section I of this Plan based on the combined paid and volunteer Service.

In order to be eligible for a benefit, a firefighter with both paid and volunteer Service who is a volunteer firefighter at the time he applies for a benefit must meet the eligibility requirements of the benefit for which he is applying under Section II of this Plan based on the combined paid and volunteer Service.

B. *AMOUNT OF SERVICE RETIREMENT BENEFIT*

A firefighter with both paid and volunteer Service who qualifies for a service retirement benefit will receive a “prorated” monthly service retirement benefit payable beginning the last day of the calendar month following the month in which the firefighter terminates employment with the City of Killeen equal to the sum of:

1. the paid firefighter service retirement benefit described in Section I(B)(2) based on paid firefighter Service only. If the firefighter has less than 20 years of paid Service, then this amount is multiplied by the number of paid firefighter years and months of Service and then divided by 20;

plus

2. the volunteer firefighter service retirement benefit described in Section II(B). If the firefighter has less than 20 years of volunteer Service, then this amount is multiplied by the number of volunteer firefighter years and months of Service and then divided by 20.

For the month in which the firefighter terminates employment or volunteer Service, a partial monthly service retirement benefit will also be paid at the same time as the first full monthly service retirement benefit. This partial service retirement benefit is equal to the monthly service retirement benefit described above multiplied by the number of days from the date of employment termination to the end of the month in which employment termination occurs divided by the total number of days in such month.

A firefighter with both paid and volunteer Service who is a paid firefighter at the time of service retirement may elect the RETRO DROP option as described in Sections I(B)(4), I(B)(5) and I(B)(6) subject to the eligibility conditions as described in Section I(B)(4) based on combined Service. However, the monthly benefit described in Section I(B)(5)(a) should be determined based on the provisions of Section III(B) rather than Section I(B)(2).

C. *AMOUNT OF DISABILITY RETIREMENT BENEFIT*

A firefighter will be eligible for a disability retirement benefit under the conditions described in Section I(C). The amount of the disability retirement benefit payable as described in Section I(C)(2) for paid firefighters and Section II(B) for volunteer firefighters is as follows:

1. ***For firefighters who are paid at the time of disability:***
 - a. If the paid Service is less than 20 years, the duty-related disability retirement benefit payable will be the entire paid firefighter disability retirement benefit described in Section I(C)(2) based on paid Service only.

- b. If the paid Service is 20 years or greater, the duty-related disability retirement benefit payable will be the disability retirement benefit described in Section III(B).

2. ***For firefighters who are volunteers at the time of disability:***

- a. If the paid Service is less than 20 years, the duty-related disability retirement benefit will be the entire volunteer firefighter disability retirement benefit described in Section II(B). A refund of the firefighter's Accumulated Contributions made to the Fund as a paid firefighter will also be payable.
- b. If the paid Service is 20 years or greater, the duty-related disability retirement benefit payable will be the entire volunteer firefighter disability retirement benefit described in Section II(B). In addition, the paid vested termination benefit described below will be payable, deferred to age 55.

D. VESTED TERMINATION BENEFIT

1. ***For firefighters who are paid at employment termination:***

If a paid firefighter with both paid and volunteer Service has at least 10 years of combined Service but less than 20 years of combined Service and is not eligible for a service retirement benefit, then the vested termination benefit payable will be described in Section I(D) and based on the firefighter's combined Service.

If a paid firefighter with both paid and volunteer Service has more than 20 years of combined Service and is not eligible for a service retirement benefit, then the vested termination benefit payable will be described in Section III(B).

For a paid firefighter, the benefit commences at a date at which the firefighter will be at least age 55 and would have had at least 20 total years of Service had the firefighter not terminated employment. If a firefighter has completed at least 25 years of total Service at the time of employment termination, the firefighter will be entitled to receive a vested termination benefit commencing at age 50.

2. ***For firefighters who are volunteers at employment termination:***

If a volunteer firefighter with both paid and volunteer Service has at least 10 years of paid Service but less than 20 years of combined Service and is not eligible for a service retirement benefit, then the vested termination benefit payable will be described in Section III(B).

If a paid firefighter with both paid and volunteer Service has more than 20 years of combined Service and is not eligible for a service retirement benefit, then the vested termination benefit payable will be described in Section III(B).

For a volunteer firefighter with less than 10 years of paid Service, the vested termination benefit commences at a date at which the firefighter will be at least age 55 and would have had at least 20 total years of Service had the firefighter not terminated employment.

For a volunteer firefighter with more than 10 years of paid Service, the vested termination benefit commences at a date at which the firefighter will be at least age 55 and would have had at least 20 total years of Service had the firefighter not terminated employment. If a firefighter has completed at least 25 years of total Service at the time of employment termination, the firefighter will be entitled to receive a vested termination benefit commencing at age 50.

3. To be entitled to receive this vested termination benefit, the firefighter is not required to make additional contributions between the date of termination of employment and the date the monthly benefits commence.

E. DEATH BENEFITS

1. The eligible surviving spouse of a firefighter with both paid and volunteer Service will receive an immediate monthly death benefit for as long as she is alive.
 - a. ***For firefighters who are retired at the time of death*** - The amount of this death benefit will be equal to two-thirds of the amount the firefighter was receiving at his date of death.
 - b. ***For firefighters who are paid at the time of death*** - monthly death benefits paid immediately at the end of the month following the death are:
 - i. If the paid Service is less than 20 years, the duty-related death benefit payable will be the entire paid firefighter death benefit described in Section I(E)(1) based on paid Service only.
 - ii. If the paid Service is 20 years or greater, the duty-related death benefit will be two-thirds of the retirement benefit described in Section III(B).
 - iii. If the firefighter has at least 20 combined years of paid and volunteer Service, the off-duty death benefit will be two-thirds of the retirement benefit described in Section III(B).
 - c. ***For firefighters who are volunteers at the time of death*** - monthly death benefits paid immediately at the end of the month following the death are:
 - i. If the paid Service is less than 20 years, the duty-related death benefit will be the entire volunteer firefighter death benefit described in Section II(D). A refund of the firefighter's Accumulated Contributions made to the Fund as a paid firefighter will also be payable.
 - ii. If the paid Service is 20 years or greater, the duty-related death benefit will be the entire volunteer firefighter death benefit described in Section II(D). In addition, the death benefit attributable to the paid vested termination benefit will be deferred to age 55.

- iii. If the firefighter has at least 20 combined years of paid and volunteer Service, the off-duty death benefit will be two-thirds of the retirement benefit described in Section III(B).

In order for a retired or terminated firefighter's surviving spouse to qualify for the benefit above, she must have been married to the firefighter at the time of the first to occur of his date of retirement or his date of termination of Service.

2. Children's benefits upon the death of a paid firefighter with both paid and volunteer Service are equal to the children's benefits described under Section I(E)(2) above. Children's benefits upon the death of a volunteer firefighter with both paid and volunteer Service are equal to the children's benefits described in Section II(D) above. The eligibility for and termination of the children's benefits under this Section III(E)(2) will be as described in Sections I(E)(2) or II(D), as applicable.
3. If no surviving spouse or child is entitled to a benefit under Section III(E)(1) or Section III(E)(2) above at the time of the firefighter's death, the amount the spouse would have received will be paid to the firefighter's dependent parent. A firefighter's parent is considered a dependent if the parent was claimed as a dependent on the firefighter's most recent Internal Revenue Code tax filing.
4. Payment of monthly death benefits under this Section III(E) will be paid at the end of the month beginning with the calendar month following the month of the firefighter's death. Following the death of a retired firefighter, the benefit the firefighter was receiving will be paid for the month of the firefighter's death with the survivor's death benefit beginning the month following the date of death. If the firefighter's death occurs prior to retirement, a partial monthly death benefit will be paid for the calendar month of the firefighter's death at the same time as the first full monthly death benefit. The partial death benefit is equal to the monthly death benefit described above multiplied by the number of days from the date of death to the end of the month in which the death occurs divided by the total number of days in such month.
5. If no spouse, child or dependent parent is entitled to a death benefit under Section III(E)(1), Section III(E)(2) or Section III(E)(3) above, an amount equal to the excess, if any, of the firefighter's Accumulated Contributions (without interest) over the amount of payments which have been made to the firefighter, spouse, child or dependent parent will be paid to the firefighter's estate.

F. *MINIMUM BENEFIT*

Section 7(e) of TLFFRA prohibits the reduction of a vested benefit. Therefore, for firefighters with more than 20 years of combined paid and volunteer Service as of July 1, 1996, a minimum vested accrued benefit based on the Plan provisions in effect on June 30, 1996 (the plan effective October 1, 1993) will be applicable. The minimum vested accrued benefit is a benefit that is no longer contingent upon the continuation of the firefighter's employment and is based on only the pay and combined Service as of June 30, 1996.

G. *CONTRIBUTIONS*

Contributions for active paid firefighters are described under Section I(G) above.
Contributions for active volunteer firefighters are described under Section II(E) above.

IV. BENEFIT INCREASES TO RETIRED FIREFIGHTERS AND SPOUSES

- A. *RETIREE INCREASE EFFECTIVE JULY 1, 2007*** - Monthly benefits to retired paid firefighters and eligible surviving spouses of paid firefighters where the employment termination date occurred prior to July 1, 2007 (of the retiree, in the case of a current eligible surviving spouse) will be increased by \$40.00 as of July 1, 2007. Vested terminated paid firefighters who terminated employment prior to July 1, 2007 and are entitled to a deferred vested termination benefit from the Plan will also receive a \$40.00 increase in the deferred monthly vested termination benefit. The first increased payment will be made for July 2007 payable at the end of July 2007.

V. MISCELLANEOUS PROVISIONS

A. *PAYMENTS TO FORMER SPOUSES AND OTHER ALTERNATE PAYEES*

Notwithstanding the anti-alienation limits of Section 5 of TLFFRA, withdrawn employee contributions, service retirement benefits, disability retirement benefits and death benefits under the Plan may be paid to a former spouse or other alternate payee under the terms of a domestic relations order, but only if the Board of Trustees determines that the order constitutes a Qualified Domestic Relations Order within the meaning of Chapter 804 of the Texas Government Code (referred to herein as a "QDRO"). The Board of Trustees shall make such determination under the Policies Regarding Domestic Relations Orders and Qualified Domestic Relations Orders adopted by the Board of Trustees. Benefit payments shall be made to alternate payees only when and to the extent permitted by the QDRO. The amount of any withdrawn employee contributions or benefit payments under the Plan made to an alternate payee under a QDRO shall reduce and offset the amount otherwise payable to the Participant or other beneficiary under the provisions of the Plan. If a portion of a withdrawn employee contributions or benefit payments under the Plan exceeds the amount awarded by the QDRO, such excess portion will be distributed in accordance with the Plan provisions. Upon the death of an alternate payee under a QDRO, the interest of the alternate payee in the benefits under the Plan shall cease, and thereafter, remaining Plan benefits shall be paid as if the QDRO had not existed.

B. *TRANSFERS OF ELIGIBLE ROLLOVER DISTRIBUTIONS*

1. This section applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this section, a distributee may elect, at the time and in the manner prescribed by the Plan administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

2. *Definitions*

- a. *Eligible rollover distribution:* 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 designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under IRC Section 401(a)(9); and the portion of any distribution that is not includible in gross income.

Effective with respect to distributions made after December 31, 2001, a portion of the distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be paid only to an individual retirement account or annuity described in IRC Section 408(a) or (b) or to a qualified defined contribution plan described in IRC Section 401(a) or 403(a) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

Effective with respect to distributions made after March 28, 2005, if the amount of an eligible rollover distribution is greater than \$1,000 and is not being distributed to a surviving spouse, beneficiary or alternate payee under a QDRO, then the amount to be distributed may not be distributed without the participant's written consent. Such consent shall include specific participant direction to the Plan administrator to either (i) pay the amount in a direct trustee to trustee transfer to an eligible plan identified by the participant or (ii) pay the amount (less applicable federal income tax withholding) directly to the participant.

- b. *Eligible retirement plan:* An eligible retirement plan is an individual retirement account described in IRC Section 408(a), an individual retirement annuity described in IRC Section 408(b), an annuity plan described in IRC Section 403(a), or a qualified trust described in IRC Section 401(a), that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

Effective with respect to distributions after December 31, 2001, an eligible retirement plan shall also mean an annuity contract described in IRC Section 403(b) and an eligible plan under IRC Section 457(b) 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 Plan. The definition of an eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a Qualified Domestic Relations Order within the meaning of Chapter 804 of the Texas Government Code.

- c. *Distributee*: A distributee includes a firefighter or former firefighter. In addition, the firefighter's or former firefighter's surviving spouse and the firefighter's or former firefighter's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 804.003 of Title 8 of the Texas Government Code, are distributees with regard to the interest of the spouse or former spouse.
- d. *Direct rollover*: A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

C. **QUALIFIED PLAN AND FEDERAL REQUIREMENTS**

1. **Qualified Plan.** All assets contributed to the Fund will be held in trust, separate from the assets of the City of Killeen and maintained and administered by the Board of Trustees 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 revert back to the City of Killeen (unless due to a good faith mistake of fact) or 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 IRC Section 401, be exempt from federal income taxes under IRC Section 501(a), and conform at all times to applicable requirements of law, regulations, and orders of duly constituted federal governmental authorities. Accordingly, if any provision of this section 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. This Plan intends to satisfy certain applicable provisions of IRC Section 401(a) through its status as a governmental plan under IRC Section 414(d).
2. **Normal Retirement Age.** The normal retirement age for a firefighter shall be the earlier of (a) attainment of age 50 and the completion of 25 years of Service or (b) attainment of age 55 and completion of 20 years of Service. The retirement benefit earned by a firefighter shall become nonforfeitable upon attainment of normal retirement age. In addition, the retirement benefit earned by a firefighter 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 from the City of Killeen to the Fund.
3. **IRC Section 401(a)(9).** All benefit distributions must comply with IRC Section 401(a)(9). This section of the IRC, together with the Regulations promulgated thereunder, are hereby incorporated by reference in this Plan. The requirements of

IRC Section 401(a)(9) and the Regulations shall supersede any distribution option in this Plan which is inconsistent with IRC Section 401(a)(9). As such, a firefighter benefit shall commence by April 1 following the later of the calendar year in which the Participant attains RMD Age or retires. Notwithstanding as may be otherwise provided in this Plan document:

(i) a firefighter's interest must be paid over the lives of a firefighter and the applicable beneficiary (or beneficiaries);

(ii) if distributions from the Fund have commenced before the firefighter's death, the death benefit will be distributed at least as rapidly as under the method used at the date of the firefighter's death; and

(iii) the benefit payable to a beneficiary (or beneficiaries) will be distributed over the life of the beneficiary (or beneficiaries), commencing not later than the calendar year immediately following the calendar year in which the firefighter died.

4. ***USERRA and HEART Act.*** Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with IRC Section 414(u) and 401(a)(37), including, without limitation, in accordance with the provisions set forth below.

a. Definitions. For purposes of this Section 4, the following terms shall be defined as provided below:

i. Differential Wage Payment. The term "Differential Wage Payments" means any payment as defined in IRC Section 3401(h) which is made by the City of Killeen for a pay period after December 31, 2008, and that (a) is made to a firefighter with respect to any period during which a firefighter is performing Qualified Military Service; and (b) represents all or a portion of the remuneration such firefighter would have received from the City of Killeen 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 firefighter if such firefighter 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 firefighter covered under USERRA is entitled upon his or her return from Qualified Military Service. A firefighter will not be entitled to USERRA Reemployment Rights if (a) such firefighter 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 firefighter 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 Section); 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 firefighter’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 firefighter died for purposes of attaining eligibility to receive the benefits provided under the Fund, but shall not receive (i) Service under the Fund for purposes of the calculation of the benefits, if and to the extent Service is utilized in the calculation of such benefits or (ii) any other benefit accrual for such period.

c. Differential Wage Payments.

- i. Employee Status. Effective January 1, 2009, an individual receiving Differential Wage Payments from the City of Killeen will be treated as an active firefighter and will receive Service under the Fund during such period for purposes of attaining eligibility to receive the benefits under the Fund, but will not receive Service under the Fund for purposes of the calculation of benefits, if and to the extent Service is utilized in the calculation of such benefits.
- ii. Total Pay. The term “total pay” as used in the Fund document for purposes of calculating benefits or determining contributions will not include any amounts paid by the Fire Department as a Differential Wage Payment, and Differential Wage Payments shall not be used in calculating any benefit to which a firefighter is or may become entitled.

5. ***Mortality Table of IRC Section 415.*** Notwithstanding any provision of this Plan to the contrary, the applicable mortality table used for the purposes of adjusting any

benefit due to the limitations provided under IRC Section 415(b)(2)(B) or (D) is the table prescribed in Revenue Ruling 2001-62.

6. ***Pick-Up Contributions.*** All contributions made by the Killeen firefighters to the Plan shall be picked up by the City of Killeen pursuant to IRC Section 414(h)(2) and treated as employer contributions.

IN WITNESS WHEREOF, this Plan document was approved by action of the the Board of Trustees of the Killeen Firefighter's Relief and Retirement Fund at its meeting of June 20, 2025.

**TRUSTEES OF THE KILLEEN FIREFIGHTER'S
RELIEF AND RETIREMENT FUND**

Gerald Pittman
Chairman, Board of Trustees