

# AUSTIN FIREFIGHTERS RELIEF AND RETIREMENT FUND

## OPTIONAL RETIREMENT ANNUITY ELECTION

NAME: \_\_\_\_\_ SOCIAL SECURITY #: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

ADDRESS: \_\_\_\_\_

Street, City, State, Zip

### BY SIGNING THIS ELECTION, I ACKNOWLEDGE THE FOLLOWING:

- I have read and understand the provisions of Article 6243e.1, Vernon's Texas Civil Statutes (the Act governing the Fund), which provide for an Optional Retirement Annuity available to members of the Austin Firefighters Relief and Retirement Fund (Fund).
- I have had the opportunity to meet with the Fund's administrative staff and ask them questions regarding the operation of the Optional Retirement Annuity and its effect on my benefits under the Fund, and any potential benefit that my survivors may receive under the Fund.
- I have had the opportunity to seek advice from a professional tax advisor, and understand that the administrative staff of the Fund, although providing some general information, cannot and has not rendered legal advice to me on the effect the Optional Retirement Annuity will or may have on the taxation of any benefit I may receive under the Fund, or any potential benefit that my survivors may receive under the Fund.
- In electing to receive an Optional Retirement Annuity, I have not relied upon information provided by the Fund's administrative staff. My decision to elect to receive an Optional Retirement Annuity is based solely on my understanding of the program as provided in the Act governing the Fund and in the policy and procedure for the optional retirement annuities, as adopted by the Board.
- I understand that if I elect an Optional Retirement Annuity, then the amount of my retirement annuity will be adjusted to the actuarial equivalent of the annuity provided under Section 5.04 and the survivor's benefits provided under Article 7 of the Act.
- I understand that my retirement annuity and my DROP benefits, if any, are subject to the provisions of Article 9.03 of the Act governing the Fund (the Internal Revenue Code Section 415 limitations).
- I understand that the Optional Retirement Annuity Election will be deemed not received if incomplete.

Initial here: \_\_\_\_\_

Name \_\_\_\_\_

SSN \_\_\_\_\_

Whether or not you choose to participate in the DROP, you must elect an Annuity Option for receiving your Retirement Annuity. The options are different, depending on your marital status. Please read the descriptions of these options carefully and make your election on page 4 of this form.

**If you fail to elect an Annuity Option, your Retirement Annuity will automatically be paid as if you had elected Option 1.**

### **DESCRIPTION OF ANNUITY OPTIONS**

#### **If you are married:**

**Option 1:**     ***Service Retirement Annuity.*** Your service retirement annuity is payable to you monthly for your lifetime. If you have a surviving spouse at your death, your surviving spouse will receive a monthly annuity for life equal to 75% of the retirement benefit you were receiving before your death. If you have no surviving spouse at your death, a benefit may be payable to your surviving children if certain conditions are met.

**Option 2:**     ***Optional Retirement Annuity.*** A reduced service retirement annuity is payable to you monthly for your lifetime. If you have a surviving spouse at your death, your surviving spouse will receive a monthly annuity for life. If you die within ten years after annuity payments start, your surviving spouse will receive 100% of the retirement benefit you were receiving for the remainder of the ten-year period and 75% of that amount for life after the ten-year period. If you die after you have received annuity payments for at least ten years, your surviving spouse will receive a monthly annuity for life equal to 75% of the retirement annuity you were receiving before your death. If both you and your spouse die within ten years after annuity payments start, 100% of the benefit you or your spouse were receiving will continue for the remainder of the ten-year period to your (or your spouse's) designated beneficiary or to your (or your spouse's) estate, and all payments will stop at the end of the ten-year period.

Name \_\_\_\_\_

SSN \_\_\_\_\_

**If you are not married:**

**Option 1: Service Retirement Annuity.** Your service retirement annuity is payable to you monthly for your lifetime. You may designate a beneficiary to receive a survivor annuity after your death if you have no surviving spouse or dependent children when you die. Your designated beneficiary will receive a monthly annuity for life after your death equal to a percentage of the retirement benefit you were receiving before your death. The percentage is determined according to the table below.

**Option 2: Optional Retirement Annuity.** A reduced service retirement annuity is payable to you for your lifetime. If you have a surviving designated beneficiary at your death, your surviving designated beneficiary will receive an annuity for life. If you die within ten years after annuity payments start, your surviving designated beneficiary will receive 100% of the retirement benefit you were receiving for the remainder of the ten-year period and a percentage (according to the table below) of that amount for life after the ten-year period. If you die after you have received annuity payments for at least ten years, your surviving designated beneficiary will receive an annuity for life equal to a percentage (according to the table below) of the retirement annuity you were receiving before your death. If both you and your designated beneficiary die within ten years after annuity payments start, 100% of the benefit you or your designated beneficiary were receiving will continue for the remainder of the ten-year period to a secondary designated beneficiary or to your (or your designated beneficiary's) estate, and all payments will stop at the end of the ten-year period.

<b><i>If your designated beneficiary is:</i></b>	<b><i>The percentage of your retirement annuity payable to your designated beneficiary for life after you die is:</i></b>
Not 10 or more years younger than you	75%
At least 10, but less than 15 years younger than you	50%
At least 15, but less than 20 years younger than you	45%
At least 20, but less than 35 years younger than you	40%
At least 35 years younger than you	35%

Name \_\_\_\_\_

SSN \_\_\_\_\_

**ELECTION OF ANNUITY OPTION**

**If you fail to elect an Annuity Option, your Retirement Annuity will be paid as if you had elected Option 1.**

\_\_\_\_\_ I am married

\_\_\_\_\_ I am not married

**I elect the following annuity option (see Description of Annuity Options on pages 2 and 3).**

\_\_\_\_\_ Option 1. Service Retirement Annuity starting on \_\_\_\_\_ in the amount of \$\_\_\_\_\_ per month.

\_\_\_\_\_ Option 2. Optional Retirement Annuity starting on \_\_\_\_\_ in the amount of \$\_\_\_\_\_ per month.

**SPOUSE'S ACKNOWLEDGEMENT**

As the spouse of the member listed above, I have read the "Description of Annuity Options" on page 2 of this form, and I understand the effect that my spouse's election of an annuity option may have on any potential benefits that may be payable to me in the event of my spouse's death. (Your signature must be witnessed by a notary public.)

Spouse's Signature: \_\_\_\_\_ Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Notary's Signature: \_\_\_\_\_ Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Notary Seal

Name \_\_\_\_\_

SSN \_\_\_\_\_

**BENEFICIARY DESIGNATION FOR ANNUITY PAYMENTS**

I wish to designate the following person to be my beneficiary. I understand that if I am married, my spouse will automatically be my beneficiary provided that my spouse survives me. If I am unmarried and have no dependent children or parents and do not designate a beneficiary, then no survivor annuity will be payable.

Beneficiary Name: \_\_\_\_\_

Relationship: \_\_\_\_\_

Beneficiary's Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Date of Birth: \_\_\_\_\_ Social Security No.: \_\_\_\_\_

\* \* \* \* \*

Contingent Beneficiary Name: \_\_\_\_\_

Relationship: \_\_\_\_\_

Contingent Beneficiary's Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Date of Birth: \_\_\_\_\_ Social Security No.: \_\_\_\_\_

This beneficiary election will continue to be effective unless I submit (and the Fund's Administrative Office receives) a new beneficiary designation on a form adopted by the Board.

\_\_\_\_\_  
Signature of Participant

\_\_\_\_\_  
Print or Type Name of Participant