

Your Pension Benefits from The City of Atlanta and The Atlanta Board of Education



**Summary Plan Description for the
General Employees' Pension Plan
Police Officer's Pension Plan
Firefighter's Pension Plan**

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INTRODUCTION

The City of Atlanta (City) has three defined benefit pension plans for full-time employees—the General Employees’ Pension Plan, the Police Officers’ Pension Plan and the Firefighters’ Pension Plan and one defined contribution plan –the General Employees’ Defined Contribution Plan. The City also has one plan for part-time employees – the FICA Alternative Plan. These plans were created by City and state laws to provide you with a source of income when you retire. The laws also provide for death and disability benefits under certain circumstances.

In 1927, the Georgia General Assembly established the General Employees’ Pension Fund. The General Employees Pension Fund also covers permanent employees of the Atlanta Independent School District (AISD), except for those required to be members of the Teachers’ Retirement System of Georgia. Since 1927, the original act has been amended several times. Recent amendments will be discussed later in this booklet.

The Georgia General Assembly also established the Police Officers Pension Fund in 1933, which covers sworn officers in the Department of Police Services. The Georgia General Assembly also established the Firefighters Pension Fund in 1924, which covers sworn officers in the Department of Fire Services. As with the General Employees’ Pension fund, these funds have been amended several times. Recent amendments to these funds will also be discussed in this booklet

The General Employees’ Defined Contribution Plan was established for full-time general employees hired after July 1, 2001. Members of the General Employees’ Pension Plan were given a one-time opportunity to convert from their plan to the Defined Contribution Plan.

Effective April 1, 1999, City of Atlanta employees who are not covered by any of the City’s retirement plans are required to participate in the FICA Alternative Plan. This alternative plan to Social Security is authorized by Internal Revenue Code Sec. 3121(b)(7)(F).

This booklet has been prepared to give you the most important facts about how you will personally benefit from your retirement plan. This booklet is not an attempt to restate the laws; rather, it is intended to be a short summary of the benefits the laws provide. If there is any inconsistency between this summary and the laws governing your pension plan, the law will prevail. Also, this booklet is intended to describe the benefits provided to current employees of the City and the AISD. The benefits described in this booklet are in addition to any other retirement benefits you may have regardless of where they come from. You are, in fact, encouraged to develop other sources of retirement income that will supplement your benefits from your pension plan.

Please read this booklet carefully. If you have any questions about your retirement benefits that are not answered in this booklet, you are urged to contact the Employee Benefits Division at (404) 330-6260. The complete pension ordinance (Chapter 6 of the Code of Ordinances) may be found on the City’s website,

www.atlantaga.gov, under the City Council's Code of Ordinances link. Copies of the General Employee Defined Contribution Plan and the FICA Alternative Plan are available from the Finance Department.

ENHANCEMENTS TO THE DEFINED BENEFITS PLANS

A major change for all three pension funds became effective on April 1, 1978. This change resulted in upgraded retirement benefits for the vast majority of employees and it will be referred to in this booklet as the "1978 Amendment." In addition, other major changes for all three plans were effective January 1, 1986, the "1986 Amendment" and September 14, 2005, the "2005 Amendment." In addition, the Police Officers' and Firefighters' Pension Funds were amended March 1, 2001, the "2001 Amendment."

The 1986 Amendment made certain changes to the disability and survivors benefits offered by the plan as well as provided for interest to be paid on refunds of employee contributions. For example, under the 1986 Amendments, survivors are allowed to remarry without losing their survivor benefits.

The 2001 Amendment increased the multiplier (see Page 7 for a definition) for the Police Officers' Pension Fund from 2.0 to 3.0 for all years of service and placed an 80% cap on the Monthly Benefit Payments for their fund. The 2001 Amendment also increased the multiplier for the Firefighters' Pension Fund from 2.0 to 3.0 for all years of service starting in 2001, but left the multiplier at 2.0 for all years of service before 2001. The 2005 Amendment changed the vesting period from 15 years to 10 years for all three pension funds.

The 2005 Amendment also implemented a "30 and Out" provision for all three plans. This "30 and Out" provision allows any employee who has 30 years of service to retire at any age without any age adjustment or age penalty. However, sick leave can not be used to reach the 30 years of service. The employee must have worked for 30 years. The 2005 Amendment also increased the multiplier for the Firefighters' Pension Fund to 3.0 for all years of service and placed an 80% cap on the Average Monthly Salary. In addition, the 2005 Amendment increased the multiplier for the General Employees' Pension Fund from 2.0 to 2.5 for all years of service.

Lastly, the 2005 Amendment allowed members of the Defined Contribution Fund who or either classified (eligible for over time) or under pay grade 18 a one-time opportunity to move to the Defined Benefit Plan.

If you were hired after April 1, 1978, you automatically come under the provisions of the 1978 Amendment. If you were participating in one of the three City pension plans prior to April 1, 1978, then you had an option of bringing your service under the 1978 Amendment or staying under an old amendment. If you are still an active employee covered by an old amendment, you may convert your service to the 1978 Amendment (See the section entitled "Conversion To 1978 Amendment").

COST OF THE PLAN

The cost of your pension plan is shared by you and your employer. Your employer, either the City of Atlanta or the AISD, makes contributions to your pension fund to help offset the cost of your pension benefits.

Employer Contributions

The amount of the employer contribution is set by law and determined by the actuaries for each of the pension funds. Although the employer contribution rates have varied over the years, since 1978 they have substantially exceeded the employee contribution rates.

Employee Contributions

In addition to employer contributions, the 1978 Amendment requires that employee contributions be deducted from your salary or wages. The amount that is deducted depends on whether or not you provide beneficiary coverage for a spouse or minor children according to the following schedule:

Employee	Percent of Gross Pay
Without Beneficiary	7%
With Beneficiary	8%

If you have a spouse or an unmarried child under the age of 18 (natural or legally adopted), then you are required to provide beneficiary coverage.

Beginning in 1986, any overtime pay you receive is excluded from all pension calculations. This means that you do not have to contribute a percentage of your overtime pay to your plan. It also means that any overtime pay you receive after 1985 is not included in the calculation of your average monthly salary that is used to determine your benefit amount.

Supplemental Contributions

From time to time, the City or the AISD may contribute supplemental payments that serve to reduce your required contribution rate. The City has made supplemental contributions to the pension funds which have served to reduce the percentage of salary which City employees have had to contribute on their own behalf. The amount of the supplement by the City, expressed as a percentage of total payroll, has varied over the years.

Effective in March, 1994, the City adjusted its supplemental contribution rate to 1% of total payroll. Therefore, if you are a City employee, you are required to contribute 1% less than the rates set in the 1978 Amendment.

Employee	Percent of Gross Pay
Without Beneficiary	6%
With Beneficiary	7%

The City's supplemental contribution is not guaranteed and may increase or decrease in future years. The AISD has not made any supplemental contributions to the pension fund. Therefore, if you are an Atlanta Board of Education employee, you pay 7% or 8% of salary into the pension fund depending on whether or not you have an eligible pension beneficiary.

Tax Basis of Employee Pension Contributions

Since 1994, employee contributions to the pension funds have been made on a pre-tax basis. In other words, employees do not pay income tax on amounts they contribute to the pension fund in the year in which they make the contribution. Instead, tax is due on contributions when they are paid from the pension fund - normally upon the issuance of a refund of pension contributions or upon receipt of a monthly pension benefit. (See page 25 for more information on the tax treatment of pension refunds and page 24 for more information on the tax treatment of monthly pension benefits.)

Before 1994, employee contributions were made on an "after-tax" basis. That is, employees paid income tax on the amounts contributed to the pension funds in the year that the amounts were contributed. Because taxes have already been paid on these amounts, no tax is due on these amounts when they are paid, either as a refund or a monthly pension benefit. You and the Internal Revenue Service will be provided with a breakdown of taxable/non-taxable amounts when the amounts are distributed to you.

WHO LOOKS AFTER THE MONEY

The General Employees' Pension Fund Pension Plan is administered by a Board of Trustees, as provided by State law. Ten members make up the Board of Trustees, as follows:

- The Mayor or the Mayor's designee
- The Chief Financial Officer
- One member of the City Council, appointed annually by the Mayor
- One member of the AISD, elected annually by the AISD
- Two members elected for a 3-year term by eligible employees of the AISD
- One member elected for a 3-year term by eligible employees of the City
- One member elected for a 3-year term by eligible retired personnel of the City
- One member elected by retired personnel of the AISD

The Board of Trustees for the Police Officers and Firefighters Pension Funds consist of 6 members each, as follows:

- The Mayor or the Mayor's designee
- The Chief Financial Officer
- One member of the City Council, appointed annually by the Mayor
- Two members elected for 4-year terms by the employees
- One retired member elected for a 4-year term by the retired personnel of the respective funds

FACTORS USED TO DETERMINE BENEFITS

The amount of your monthly pension benefit depends on the following factors:

1. **Your Years of Service.** In most cases, a minimum number of years of service are required to be eligible to receive benefits. Also, your years of service are used to help determine the amount of your benefit. You will receive credit for partial as well as whole years of service when your benefit amount is calculated. Your years of service will include credit for any unused sick time (both regular and reserve) you may have when your benefit is calculated.

In addition, your years of service may include military service under certain circumstances. If you leave your employment with the City or AISD to undertake qualified military service and you are later re-employed by the City or AISD, you may be entitled to credit for your military service, if you make all required employee contributions for this period. You should contact the Pension Department for further information about qualified military service.

2. **Your Age.** Your age helps to determine the type of pension you are eligible for and, in some cases, the amount of your benefit. For the sake of simplicity, this booklet uses whole years of age in the examples. However, if the amount of your pension benefit depends on age, then the calculation will actually be made using years and months of age.
3. **Your Average Monthly Salary.** Your average monthly salary is the average of your 3 consecutive highest years of earnings divided by 36. Beginning with the first pay period in 1986, any overtime pay you received was excluded from the calculation of your Average Monthly Salary.

Federal law limits the amount of earnings that can be taken into account when determining your pension benefit. Annual earnings that exceed \$200,000 in a calendar year can not be taken into accounts when determining your pension benefit. This limit was increased to \$205,000 for 2004, \$210,000 for 2005 and \$220,000 for 2006. This limit will be adjusted in future years as the limit is increased by the IRS.

4. **Multiplier.** The percentage set by City Council that multiplied by your years of service and Average Monthly Salary determines your Monthly Pension Benefit.
5. **Type of Retirement.** The amount of your pension benefit also depends on the type of retirement benefit you are eligible for— normal monthly pension benefit, early monthly pension benefit, reduced monthly pension benefit or vested monthly pension benefit.

TYPES OF PENSIONS

When you meet certain age and service requirements, you will be able to retire with a pension. The following types of pensions are available:

Normal Monthly Pension Benefit. You qualify for a normal monthly pension benefit when you reach your normal retirement age. That is, if:

- You are enrolled under the 1978 Amendment, or later amendment, to the General Employees' Pension Fund **and**:
 - You are at least age 60 and have completed at least 10 years of service.

OR

- You are a member of the Police Officers or the Firefighters Pension Fund and:
 - You are at least age 55 and have completed at least 10 years of service.

Early Monthly Pension Benefit. You qualify for an early monthly pension benefit if you have at least 10 years of service regardless of your age. If you take an early monthly pension benefit, then the amount of your benefit will be reduced to allow for the fact that it will be paid for a longer period of time.

Reduced Monthly Pension Benefit. You qualify for a reduced monthly pension benefit if:

- **You were a member of one of the City's three pension funds on March 31, 1978 and**
- You have at least 25 years of service, **and**
- You are at least age 55 (age 50 for Police Officers and Firefighters).

If you take a reduced monthly pension benefit, then the amount of your benefit will be reduced to allow for the longer period of payment. The reduction for a reduced monthly pension benefit is less than the reduction for an early monthly pension benefit.

Vested Monthly Pension Benefit. You qualify for a vested monthly pension benefit if you terminate employment after earning at least 5 years of service.

Your vested monthly pension benefit becomes payable when you attain 60 years of age. If you are age 60 or older when you leave, your vested monthly pension benefit becomes payable on the first day after you leave.

If you are enrolled in the City's group hospitalization plan when you retire, you are eligible to participate in the City's group hospitalization plan for retirees upon retirement. Participation in the retiree group hospitalization plan is not a vested monthly pension benefit, but is considered by the City as a benefit of your employment and may be modified or cancelled at any time. If you are less than the normal retirement age when you leave, your employee life and

accident insurance, your dependent's life insurance and your group hospitalization insurance will be canceled and can not be reinstated.

Normal Monthly Pension Benefit

The amount of your normal monthly pension benefit is determined by a mathematical formula that depends on your years of service and your average monthly salary when you retire.

The formula for the **General Employees Pension Plan** is as follows:

2.0% x Years of Service x Average Monthly Salary (without the 2005 Amendment)

2.5% x Years of Service x Average Monthly Salary (with the 2005 Amendment)

Example:

Here is an example of how the formula works. Suppose you retire at age 60 with 25 years of service and an average monthly salary of \$2,500. In this case, your normal monthly pension benefit would be computed as follows:

2.0% x 25 years x \$2,500 = \$1,250, without the 2005 Amendment

2.5% x 25 years x \$2,500 = \$1,562.50, with the 2005 Amendment

Another example, which takes into account the 80% cap is as follows:

2.5% x 35 years x \$2,500 = \$2,187.50

However, with the 80% cap, the employee is limited to \$2,000 (\$2,500 x 80%)

Table I in the back of this booklet can be used to obtain rough estimates of normal monthly pension benefits for various lengths of service and average monthly salaries without the 2005 Amendment. Table II can be used to obtain rough estimates of normal monthly pension benefits with the 2005 Amendment.

The formula for the **Police Officers' and Firefighters' Pension Plans** is as follows:

3.0% x Years of Service x Average Monthly Salary

Example:

Here is an example of how the formula works. Suppose you retire at age 55 with 20 years of service and an average monthly salary of \$2,500. In this case, your normal monthly pension benefit would be computed as follows:

3.0% x 20 x \$2,500 = \$1,500

Another example, which takes into account the 80% cap is as follows:

3.0% x 30 years x \$2,500 = \$2,250

However, with the 80% cap, the employee is limited to \$2,000 (\$2,500 x 80%)

Table III in the back of this booklet can be used to obtain rough estimates of normal monthly pension benefits for various lengths of service and average monthly salaries.

Early Monthly Pension Benefit

The amount of your early monthly pension benefit is determined by using the same formula used to calculate a normal monthly pension benefit based on your years of service and average monthly salary as of the day you retire. The amount determined by the formula is then reduced because payments begin early. There is an age penalty of 6% for every year that the employee is under the normal retirement age of 60 (or 55 if you are a Police Officer or Firefighter) for the first five years (55 for General Employees and 50 for a Police Officer or Firefighter). There is an additional 3% age adjustment for every year the employee is more than five years under the normal retirement age of 60 (or 55 if you are a Police Officer or Firefighter).

The reduction for early retirement is determined as follows:

1. Subtract your age at retirement from 60 (subtract from 55 if you are a Firefighter or a Police Officer)
2. Multiply the 1st 5 years from step 1 above by 6% and multiply all years in excess of 5 by 3%. Add these two percentages.
3. Multiply the result of step 2 above by the amount determined using the normal monthly pension benefit formula.

Steps 1 through 3 above determine the early monthly pension benefit reduction amount. To determine your early monthly pension benefit amount, simply subtract the reduction amount from the normal monthly pension amount.

Example of Early Monthly Pension Benefit

General Employees

Here is an example of how the formula works. Suppose you retire at age 52, instead of the normal retirement age of 60, with 25 years of service and an average monthly salary of \$2,500. In this case, your early monthly pension benefit would be computed as follows:

- Subtract 52 from 60 = 8 years
 - Multiply
 - 5 years x 6% = 30%
 - 3 years x 3% = 9%
 - 8 years 39%
- $2.5\% \times 25 \text{ years} \times \$2,500 = \$1,562.50 \times 61\% (100\% - 39\%) = \953.13

Police Officer/Firefighter

Here is an example of how the formula works. Suppose you retire at age 47, instead of the normal retirement age of 55, with 20 years of service and an average monthly salary of \$2,500. In this case, your early monthly pension benefit would be computed as follows:

- Subtract 47 from 55 = 8 years
- Multiply

$$5 \text{ years} \times 6\% = 30\%$$

$$3 \text{ years} \times 3\% = 9\%$$

$$8 \text{ years} \quad 39\%$$

$$3.0\% \times 20 \text{ years} \times \$2,500 = \$1,500 \times 61\% (100\% - 39\%) = \$915$$

Table IV (General Employees) and Table V (Police Officers and Firefighters) in the back of this booklet can be used get rough estimates of early monthly pension benefits.

Reduced Monthly Pension Benefit

The amount of your reduced monthly pension benefit is determined using the formula used to calculate your normal monthly pension benefit based on your years of service and your average monthly salary as of the date you retire. This amount is then reduced because payments begin early. The amount of the reduction for a reduced pension benefit is determined as follows:

1. Subtract your age at retirement from 60 (subtract from 55 if you are a Police Officer or a Firefighter).
2. Multiply result of step 1 above by 2% if you are a General Employee or by 3% if you are a Police Officer or a Firefighter.
3. Multiply the result of step 2 above by the amount determined by the normal monthly pension benefit formula.

Steps 1 through 3 above determine the amount of the reduction to your normal monthly pension benefit. To determine the amount of your benefit, simply subtract the reduction amount from the normal monthly pension benefit amount.

Example of Reduced Monthly Pension Benefit

General Employees

Using the example shown above, here is an example of how the formula works. Suppose you retire at age 57, instead of the normal retirement age of 60, with 25 years of service and an average monthly salary of \$2,500. In this case, your early monthly pension benefit would be computed as follows:

- Subtract 57 from 60 = 3 years
- Multiply by 2% = 6%

$$2.0\% \times 25 \text{ years} \times \$2,500 = \$1,250 \times 94\% (100\% - 6\%) = \$1,175$$

Police Officer/Firefighter

Using the example shown above, here is an example of how the formula works. Suppose you retire at age 51, instead of the normal retirement age of 55, with 20 years of service and an average monthly salary of \$2,500. In this case, your early monthly pension benefit would be computed as follows:

- Subtract 51 from 55 = 4 years
- Multiply by 3% = 12%

$$3.0\% \times 20 \text{ years} \times \$2,500 = \$1,500 \times 88\% (100\% - 12\%) = \$1,320$$

Table VI (General Employees) and Table VII (Police Officers and Firefighters) in the back of this booklet can be used to get rough estimates of reduced monthly pension benefit amounts.

Vested Monthly Pension Benefit

The amount of your vested monthly pension beginning at age 60 (55 if you are a Police Officer or Firefighter) is determined by multiplying your normal monthly pension benefit amount, determined as of your termination date, by your vested percentage. Your vested percentage depends on your years of service as follows:

Years of Service

Vested Percentage

Less than 5

refund of contributions only

5	25%
6	30%
7	35%
8	40%
9	45%
10 or more	100%

For example, suppose your normal monthly pension benefit is \$1,000 and you have 5 years of service. You are then 25% vested and your vested monthly pension

benefit amount would be 25% x \$1,000, which is \$250. This is the amount that would be payable to you beginning at age 60 (55 if you are a Police Officer or Firefighter).

Disability Benefits

If you become totally and permanently disabled, your plan may pay monthly benefits to you. To qualify as being totally and permanently disabled, you must be unable to perform your regularly assigned (or comparable) duties the first 12 months of your disability; thereafter, you must be unable to work at any occupation for pay or profit for which you are qualified by education, training or experience. Your status will be reviewed annually to determine whether or not you continue to qualify as being totally and permanently disabled.

If your disability is not due to the performance of your job, then you are eligible for a disability pension if your disability occurs after you have completed at least 5 years of service with the City or the AISD. If your disability is due to the performance of your job, then you do not need 5 years of service to be eligible for a benefit.

The amount of your disability benefit will be either 50% of your average monthly salary or your accrued pension benefit, whichever is larger. Your accrued pension benefit is calculated like a normal monthly pension benefit except that, in the case of disability, no reductions are made if you do not meet the minimum age or service requirements. Also, your disability benefit will be coordinated with any Workers' Compensation benefits you may receive so that the total of your disability benefit from the plan plus your Workers' Compensation benefit will not be more than 75% of your monthly salary at the time you become disabled.

Your disability benefit will continue to be paid to you until the earliest of:

1. The date of your death, or
2. The date you are no longer disabled, or
3. The date you reach normal retirement age.

If you continue to be disabled after normal retirement age, your benefit amount will be recomputed according to the normal monthly pension formula using your average monthly salary at the time of your disability and including the years of service you earned while you were disabled. This recalculation does not include any Cost of Living Adjustments that you might have received while you were receiving a disability benefit.

If you recover from your disability and return to work for the City or any other employer, your benefits will be discontinued. Then the amount of any subsequent service pension benefit to which you may be entitled will include credit for the period of time you were disabled without any additional contribution from you.

Survivor's Benefits

Your pension plan provides coverage for your eligible pension beneficiaries in the event of your death while you are an active employee or a retiree. Your eligible pension beneficiaries are your spouse (as long as you have been married to him or her for at least 1 year prior to your death) and your unmarried children under the age of 18 provided you have identified them on the appropriate enrollment card and made the appropriate contributions. Your children can be either your natural children or your legally adopted children.

If you were receiving monthly pension benefits when you die, then 75% of the amount you were receiving will be paid to your eligible primary beneficiary, normally your spouse. Also, if you were receiving a disability pension when you die, the amount continued to your beneficiary will be limited to a maximum of 60% of your salary at the time of your disability.

If you were not receiving monthly pension benefits when you die, but you would have been eligible to receive them if you had elected to retire, then 75% of the amount you would have been eligible to receive will be paid to your eligible primary beneficiary.

If you die before you become eligible for a monthly pension benefit, or if you have no eligible pension beneficiary when you die, then your pension plan will pay your beneficiary or estate the amount by which your total employee contributions exceed the benefits already paid out by the plan. That is, the combination of the total benefits paid to you, if any, plus the benefits paid to your beneficiary or estate will always be at least equal to the total of your own contributions.

If your primary beneficiary begins to receive a pension and later becomes ineligible to continue receiving it, the pension will be continued to your eligible secondary beneficiary. A spouse becomes ineligible to receive a pension benefit only upon death. A child becomes ineligible upon marriage, attainment of age 18 or death.

FORFEITURE OF BENEFITS

Any participant that terminates employment without a vested benefit must apply for a refund within five years of termination or their contributions and any interest earnings will be forfeited to the respective Pension Fund.

COST OF LIVING ADJUSTMENTS

Under the 1978 Plan and later amendments, the amount of your pension benefit will be adjusted annually for the cost of living. The cost of living adjustment will result in an increase (or decrease if the cost of living goes down) of up to 3% of your benefit amount in any one year. However, regardless of what happens to the cost of living, your pension will not be reduced below the amount to which you were entitled when you retired.

FLOOR (MINIMUM) BENEFITS

In addition to the cost of living adjustments that are built into the 1978 Plan, the City and AISD have established floors (minimums) for pension benefits on several occasions in the past.

The floor that was enacted in 1981 guarantees that employees who retire under the most current pension plan in effect at the time of their retirement will receive a minimum of \$12.00 per month for each year of creditable service they have in the pension plan. Further, in 1986 the AISD increased the floor for its employees from \$12.00 per month to \$17.00 per month for each year of creditable service. These floors are applicable only to benefits that become payable on or after the attainment of normal retirement age. Floors that apply to payments that begin prior to normal retirement age are appropriately reduced.

The General Employees' Pension Fund does not duplicate floor benefits paid by the Teachers' Retirement System of Georgia to retired AISD personnel who are classified as "teachers" by that organization.

CONVERSION TO 1978 AMENDMENT

If you were working for the City or the AISD on March 31, 1978, and have been continuously employed since then, you may still convert to the 1978 Amendment if you have not already done so.

If you do not have an eligible beneficiary, then you must pay 6% of all salary or earnings earned prior to April 1, 1978, and 7% of all salary or earnings earned since that date to bring your service under the 1978 Amendment. If you do have an eligible beneficiary, then you must pay 7% of all salary or earnings earned prior to April 1, 1978, and 8% of all salary or earnings earned since that date to bring your service under the 1978 Amendment. These percentages will be reduced by any employer contributions which were specifically designated to reduce the employee contribution rate. Further, any amounts that you have already paid into your pension fund will be subtracted from the amount due in order to arrive at the amount you must pay before interest is added to the back pension payments.

Interest is charged on the required back pension contributions at the rate of 7% per year (simple interest) from July 1, 1979 (October 1, 1978 for members of the Firefighters and Police Officers Pension Funds) until the date you sign an enrollment card for the 1978 Amendment. You have 60 months to make the necessary contributions to your pension fund. During these 60 months, interest will be charged

at 7% per year on the declining balance. In some cases, an additional 60 months may be granted. However, an assignment of life insurance in an amount sufficient to cover the outstanding balance will be required for granting the extension. In addition, interest at the rate of 7% per year on the declining balance will be charged during the extension period.

If you retire and you still owe back pension payments, then you will continue with the 60-month payment schedule, except that any amount due in excess of the assigned life insurance amount must be paid during the first 15 months of retirement.

ADDING A PENSION BENEFICIARY

If you do not initially have an eligible pension beneficiary but subsequently acquire one, it is necessary for you to make some additional contributions to the pension fund. Your contribution rate to the pension fund on current and future earnings will increase by 1%. You must also pay an additional 1% for all your years of service prior to adding a beneficiary. It is necessary for you to pay an additional 1% for all your years of service because, in the event of your death, your beneficiary would receive a benefit based on all your years of service and not just on the years of service starting with the year in which you added your beneficiary to the pension plan. Any back pension contributions must be paid during a two year period, without any interest or penalties.

PREVIOUS SERVICE WITH THE CITY OR ATLANTA INDEPENDENT SCHOOL DISTRICT

If you worked for the City or the AISD prior to your current employment and withdrew the contributions you made to your pension fund during that period, then you may request that you be given credit for the time you worked. In order to receive credit for this previous service, you must pay back the amount you withdrew upon termination plus any amount necessary to bring the service under the 1978 Amendment. Interest will be charged at the rate of 7% per year for the period of time the amounts you must repay were not in the pension fund. You have 60 months to make the necessary payments. Interest is charged at 7% per year on the unpaid balance. In some cases, an extension beyond the normal 60 months will be granted. If an extension is granted, then an assignment of life insurance in an amount sufficient to cover the outstanding obligation will be required.

OTHER PRIOR SERVICE

You may be able to claim prior service credit for periods during which you were employed by the State of Georgia, DeKalb County or Fulton County or periods during which you were employed as a teacher in a public school system or in a public or private college or university. If you have such prior service, contact the Employee Benefits' Division for the terms and conditions under which prior service can be credited.

To claim prior service, you must file an application with the Board of Trustees of the pension fund and wait 5 years. You must be continuously employed by the City or

the AISD throughout the 5-year waiting period to become eligible for prior service credit. After you become eligible, prior service credit will be granted on a pay-period basis—one year of prior service credit for each year you stay continuously employed by the City or the AISD. A maximum of 10 years of prior service credit will be granted.

In order to receive benefits under the 1978 Amendment for prior service, you must pay both the employer and the employee contribution rates in effect when the prior service credit is granted. Contributions will be based on your salary or earnings at the time the prior service credit is granted.

PART-TIME OR TEMPORARY SERVICE

You may claim credit for part-time or temporary service with the City or the AISD. Such previous service credit will be on the basis of 1 day for each day worked on a part-time or temporary basis. The required contribution will be based on your gross salary at the time you apply for service credit. You will be required to pay the employee contribution rate in effect at the time you make application minus any amounts you already contributed for the periods involved. You will have 60 months from the date you apply to pay the required back pension contributions, and you will be charged 7% interest per year on the unpaid balance. The 60-month time period for payment may be extended in some cases. However, 7% interest per year will be added to any amounts not paid within the 60-month period originally allowed and an assignment of life insurance in an amount sufficient to cover the outstanding obligation must be made.

TRANSFERRING PENSION CREDIT TO/FROM FULTON COUNTY PENSION FUNDS

Laws governing the pension funds established for employees of the City of Atlanta and Fulton County governments provide for reciprocal transfers of pension credit. If you are a City employee now and later become employed by Fulton County, you may receive credit for your City service in the appropriate Fulton County Pension Fund provided you do not withdraw your pension contributions from the pension fund into which they were made. You should, instead, contact both the City and County pension funds and arrange for a direct transfer of your pension contributions as well as the employer contributions made on your behalf. A similar procedure is followed if you were a participant in one of the Fulton County Pension Funds and are now employed by the City of Atlanta. A direct transfer of funds must be arranged for you to receive credit in a City of Atlanta pension fund for your Fulton County service. (These provisions are also applicable to AISD employees who are members of the General Employees' Pension Fund).

RETIREMENT PLANNING

Requesting a Pension Estimate: If you intend to retire within one year, then you may complete a "Request for Pension Estimate Form" and return it to the Employee Benefits Division. Pension Section personnel will provide you with an estimate that may help you to plan your finances during your retirement years.

FILING AN APPLICATION FOR BENEFITS

To begin receiving your pension benefits, you must apply for them. You should obtain a "Pension Clearance Form" from the Employee Benefits Division about two weeks prior to your last day of active employment. After you complete the applicable portion of the form yourself, you should give or send the form to your department payroll clerk. The clerk will then complete the form and forward it to the Employee Benefits Division. A pension counselor will calculate your actual monthly pension benefit amount and contact you to set up a meeting to review your pension benefits and have you sign the necessary application forms. You will need to bring proof of your date of birth to this meeting, normally a birth certificate. Once your application has been approved by the Board of Trustees of the pension fund, you will begin to receive your monthly pension benefits.

Tax Treatment of Monthly Pension Benefits: When you retire, any contributions you made to the pension fund upon which you have already paid federal income tax are not taxed again when they are paid to you as part of your monthly pension benefit. However, IRS regulations require that any amounts on which you have already paid taxes be spread out equally over your projected life expectancy. Experience indicates that using this procedure results in only a very small percentage of each monthly pension check being nontaxable. (Most retirees find that at least 95% of each pension check is subject to federal tax.) More information can be found regarding the taxation of pension benefits in IRS Publication 575, entitled Pension and Annuity Income.

REFUND OF PENSION CONTRIBUTIONS

If you terminate your employment with the City or with the AISD, then you may apply for a refund of your contributions to the pension plan. If you elect a refund, however, you forfeit all further benefits from your pension plan. If you are involuntarily terminated from employment and receive a refund of pension contributions, you must repay those contributions, plus applicable interest, if you are reinstated by the Civil Service Board or pursuant to a Court Order. Effective January 1, 1986, refunds of employee pension contributions will include interest at the rate of 5% per year on all contributions on deposit as of December 31, 1985, and each December 31st thereafter.

Tax Implications of Pension Refunds. When you receive a refund of your contributions to the pension fund, you incur a tax liability on all amounts which have not been previously taxed. Since you have not paid taxes on any interest earned, all interest paid to you is taxable. In addition, you will also owe taxes on any contributions you made to the Pension Fund which have not previously been taxed.

You have the option of deferring taxes on amounts you withdraw from the pension fund which would ordinarily incur a tax liability at the time of withdrawal. To exercise this option, you must roll any taxable amounts over into an Individual Retirement Account or another employer plan that will accept the rollover. (You cannot roll over any amounts refunded to you on which you have already paid taxes.)

If you have any taxable amount paid directly to you, federal law requires that 20% of that amount be withheld and paid to the Internal Revenue Service to be applied to your federal income taxes. In addition, **if you receive your pension refund payment before you reach age 55, you will probably also incur a 10% early withdrawal penalty on any amounts that have not been previously taxed.**

Because, income tax law is complex and because it is subject to frequent changes, you should contact the Pension Section if you would like more detailed information regarding the tax implications of pension refunds.

Applying for a Pension Refund. To receive a refund, you must file an “Application for a Pension Refund” with the:

City of Atlanta
Pension Section
68 Mitchell Street, SW
Suite 1600
Atlanta, Georgia 30335-0317

Telephone: (404) 330-6260

Your contributions and any applicable interest will be refunded to you after you have been placed in inactive status on your department payroll and within 3 months following the issuance of your final salary check.

TABLE I
NORMAL MONTHLY PENSION BENEFITS
GENERAL EMPLOYEES PENSION PLAN
1978/1986 AMENDMENTS

Average Monthly Salary	10 Years	15 Years	20 Years	25 Years	30 Years	35 Years	40 Years
1,600	320	480	640	800	960	1,120	1,280
1,800	360	540	720	900	1,080	1,260	1,440
2,000	400	600	800	1,000	1,200	1,400	1,600
2,200	440	660	880	1,100	1,320	1,540	1,760
2,400	480	720	960	1,200	1,440	1,680	1,920
2,600	520	780	1,040	1,300	1,560	1,820	2,080
2,800	560	840	1,120	1,400	1,680	1,960	2,240
3,000	600	900	1,200	1,500	1,800	2,100	2,400
3,200	640	960	1,280	1,600	1,920	2,240	2,560
3,400	680	1,020	1,360	1,700	2,040	2,380	2,720
3,600	720	1,080	1,440	1,800	2,160	2,520	2,880
3,800	760	1,140	1,520	1,900	2,280	2,660	3,040
4,000	800	1,200	1,600	2,000	2,400	2,800	3,200
4,200	840	1,260	1,680	2,100	2,520	2,940	3,360
4,400	880	1,320	1,760	2,200	2,640	3,080	3,520
4,600	920	1,380	1,840	2,300	2,760	3,220	3,680
4,800	960	1,440	1,920	2,400	2,880	3,360	3,840
5,000	1,000	1,500	2,000	2,500	3,000	3,500	4,000
5,200	1,040	1,560	2,080	2,600	3,120	3,640	4,160
5,400	1,080	1,620	2,160	2,700	3,240	3,780	4,320
5,600	1,120	1,680	2,240	2,800	3,360	3,920	4,480
5,800	1,160	1,740	2,320	2,900	3,480	4,060	4,640
6,000	1,200	1,800	2,400	3,000	3,600	4,200	4,800
6,200	1,240	1,860	2,480	3,100	3,720	4,340	4,960
6,400	1,280	1,920	2,560	3,200	3,840	4,480	5,120
6,600	1,320	1,980	2,640	3,300	3,960	4,620	5,280
6,800	1,360	2,040	2,720	3,400	4,080	4,760	5,440
7,000	1,400	2,100	2,800	3,500	4,200	4,900	5,600
7,200	1,440	2,160	2,880	3,600	4,320	5,040	5,760
7,400	1,480	2,220	2,960	3,700	4,440	5,180	5,920
7,600	1,520	2,280	3,040	3,800	4,560	5,320	6,080
7,800	1,560	2,340	3,120	3,900	4,680	5,460	6,240
8,000	1,600	2,400	3,200	4,000	4,800	5,600	6,400

This chart is based on a 2.0 Multiplier, with no cap on the Average Monthly Salary.

**TABLE II
NORMAL MONTHLY PENSION BENEFITS
GENERAL EMPLOYEES PENSION PLAN
2005 AMENDMENT**

Average Monthly Salary	10 Years	15 Years	20 Years	25 Years	30 Years	32 Years
1,600	400	600	800	1,000	1,200	1,280
1,800	450	675	900	1,125	1,350	1,440
2,000	500	750	1,000	1,250	1,500	1,600
2,200	550	825	1,100	1,375	1,650	1,760
2,400	600	900	1,200	1,500	1,800	1,920
2,600	650	975	1,300	1,625	1,950	2,080
2,800	700	1,050	1,400	1,750	2,100	2,240
3,000	750	1,125	1,500	1,875	2,250	2,400
3,200	800	1,200	1,600	2,000	2,400	2,560
3,400	850	1,275	1,700	2,125	2,550	2,720
3,600	900	1,350	1,800	2,250	2,700	2,880
3,800	950	1,425	1,900	2,375	2,850	3,040
4,000	1,000	1,500	2,000	2,500	3,000	3,200
4,200	1,050	1,575	2,100	2,625	3,150	3,360
4,400	1,100	1,650	2,200	2,750	3,300	3,520
4,600	1,150	1,725	2,300	2,875	3,450	3,680
4,800	1,200	1,800	2,400	3,000	3,600	3,840
5,000	1,250	1,875	2,500	3,125	3,750	4,000
5,200	1,300	1,950	2,600	3,250	3,900	4,160
5,400	1,350	2,025	2,700	3,375	4,050	4,320
5,600	1,400	2,100	2,800	3,500	4,200	4,480
5,800	1,450	2,175	2,900	3,625	4,350	4,640
6,000	1,500	2,250	3,000	3,750	4,500	4,800
6,200	1,550	2,325	3,100	3,875	4,650	4,960
6,400	1,600	2,400	3,200	4,000	4,800	5,120
6,600	1,650	2,475	3,300	4,125	4,950	5,280
6,800	1,700	2,550	3,400	4,250	5,100	5,440
7,000	1,750	2,625	3,500	4,375	5,250	5,600
7,200	1,800	2,700	3,600	4,500	5,400	5,760
7,400	1,850	2,775	3,700	4,625	5,550	5,920
7,600	1,900	2,850	3,800	4,750	5,700	6,080
7,800	1,950	2,925	3,900	4,875	5,850	6,240
8,000	2,000	3,000	4,000	5,000	6,000	6,400

This chart is based on a 2.5 Multiplier and an 80% cap on the Average Monthly Salary. The employee's pension is maximized after 32 years, except for increases in salary, which would increase the Average Monthly Salary.

**TABLE III
NORMAL MONTHLY PENSION BENEFITS
POLICE OFFICERS AND FIREFIGHTERS PENSION PLAN
2005 AMENDMENT**

Average Monthly Salary	10 Years	15 Years	20 Years	25 Years	26.66 Years
1,600	480	720	960	1,200	1,280
1,800	540	810	1,080	1,350	1,440
2,000	600	900	1,200	1,500	1,600
2,200	660	990	1,320	1,650	1,760
2,400	720	1,080	1,440	1,800	1,920
2,600	780	1,170	1,560	1,950	2,079
2,800	840	1,260	1,680	2,100	2,239
3,000	900	1,350	1,800	2,250	2,399
3,200	960	1,440	1,920	2,400	2,559
3,400	1,020	1,530	2,040	2,550	2,719
3,600	1,080	1,620	2,160	2,700	2,879
3,800	1,140	1,710	2,280	2,850	3,039
4,000	1,200	1,800	2,400	3,000	3,199
4,200	1,260	1,890	2,520	3,150	3,359
4,400	1,320	1,980	2,640	3,300	3,519
4,600	1,380	2,070	2,760	3,450	3,679
4,800	1,440	2,160	2,880	3,600	3,839
5,000	1,500	2,250	3,000	3,750	3,999
5,200	1,560	2,340	3,120	3,900	4,159
5,400	1,620	2,430	3,240	4,050	4,319
5,600	1,680	2,520	3,360	4,200	4,479
5,800	1,740	2,610	3,480	4,350	4,639
6,000	1,800	2,700	3,600	4,500	4,799
6,200	1,860	2,790	3,720	4,650	4,959
6,400	1,920	2,880	3,840	4,800	5,119
6,600	1,980	2,970	3,960	4,950	5,279
6,800	2,040	3,060	4,080	5,100	5,439
7,000	2,100	3,150	4,200	5,250	5,599
7,200	2,160	3,240	4,320	5,400	5,759
7,400	2,220	3,330	4,440	5,550	5,919
7,600	2,280	3,420	4,560	5,700	6,079
7,800	2,340	3,510	4,680	5,850	6,239
8,000	2,400	3,600	4,800	6,000	6,399

This chart is based on a 3.0 Multiplier and an 80% cap on the Average Monthly Salary. The employee's pension is maximized after 26.66 years, except for increases in salary, which would increase the Average Monthly Salary.

**TABLE IV
EARLY RETIREMENT BENEFITS
GENERAL EMPLOYEES PENSION PLAN**

Normal Monthly Pension Benefit	Age 35 90% Reduction	Age 40 75% Reduction	Age 45 60% Reduction	Age 50 45% Reduction	Age 55 30% Reduction
320	32	80	128	176	224
360	36	90	144	198	252
400	40	100	160	220	280
440	44	110	176	242	308
480	48	120	192	264	336
520	52	130	208	286	364
560	56	140	224	308	392
600	60	150	240	330	420
640	64	160	256	352	448
680	68	170	272	374	476
720	72	180	288	396	504
760	76	190	304	418	532
800	80	200	320	440	560
840	84	210	336	462	588
880	88	220	352	484	616
920	92	230	368	506	644
960	96	240	384	528	672
1,000	100	250	400	550	700
1,040	104	260	416	572	728
1,080	108	270	432	594	756
1,120	112	280	448	616	784
1,160	116	290	464	638	812
1,200	120	300	480	660	840
1,240	124	310	496	682	868
1,280	128	320	512	704	896
1,320	132	330	528	726	924
1,360	136	340	544	748	952
1,400	140	350	560	770	980
1,440	144	360	576	792	1,008
1,480	148	370	592	814	1,036
1,520	152	380	608	836	1,064
1,560	156	390	624	858	1,092
1,600	160	400	640	880	1,120

This chart is based on Normal Retirement Age of 60, 6% age penalty for the first five years below the Normal Retirement and 3% for all years below five years.

TABLE V
EARLY RETIREMENT BENEFITS
POLICE OFFICERS/FIREFIGHTERS PENSION PLAN

Normal Monthly Pension Benefit	Age 30 90% Reduction	Age 35 75% Reduction	Age 40 60% Reduction	Age 45 45% Reduction	Age 50 30% Reduction
320	32	80	128	176	224
360	36	90	144	198	252
400	40	100	160	220	280
440	44	110	176	242	308
480	48	120	192	264	336
520	52	130	208	286	364
560	56	140	224	308	392
600	60	150	240	330	420
640	64	160	256	352	448
680	68	170	272	374	476
720	72	180	288	396	504
760	76	190	304	418	532
800	80	200	320	440	560
840	84	210	336	462	588
880	88	220	352	484	616
920	92	230	368	506	644
960	96	240	384	528	672
1,000	100	250	400	550	700
1,040	104	260	416	572	728
1,080	108	270	432	594	756
1,120	112	280	448	616	784
1,160	116	290	464	638	812
1,200	120	300	480	660	840
1,240	124	310	496	682	868
1,280	128	320	512	704	896
1,320	132	330	528	726	924
1,360	136	340	544	748	952
1,400	140	350	560	770	980
1,440	144	360	576	792	1,008
1,480	148	370	592	814	1,036
1,520	152	380	608	836	1,064
1,560	156	390	624	858	1,092
1,600	160	400	640	880	1,120

This chart is based on Normal Retirement Age of 55, 6% age penalty for the first five years below the Normal Retirement and 3% for all years below five years.

**TABLE VI
REDUCED MONTHLY PENSION BENEFITS
GENERAL EMPLOYEES PENSION PLAN**

Normal Monthly Pension Benefit	Age 45 30% Reduction	Age 50 20% Reduction	Age 55 10% Reduction
320	224	256	288
360	252	288	324
400	280	320	360
440	308	352	396
480	336	384	432
520	364	416	468
560	392	448	504
600	420	480	540
640	448	512	576
680	476	544	612
720	504	576	648
760	532	608	684
800	560	640	720
840	588	672	756
880	616	704	792
920	644	736	828
960	672	768	864
1,000	700	800	900
1,040	728	832	936
1,080	756	864	972
1,120	784	896	1,008
1,160	812	928	1,044
1,200	840	960	1,080
1,240	868	992	1,116
1,280	896	1,024	1,152
1,320	924	1,056	1,188
1,360	952	1,088	1,224
1,400	980	1,120	1,260
1,440	1,008	1,152	1,296
1,480	1,036	1,184	1,332
1,520	1,064	1,216	1,368
1,560	1,092	1,248	1,404
1,600	1,120	1,280	1,440

General Employees who were hired before March 1, 1978 are eligible for a reduced penalty of 2% per year that they are under the Normal Retirement Age of 60.

**TABLE VII
REDUCED MONTHLY PENSION BENEFIT
POLICE OFFICERS/FIREFIGHTERS PENSION PLAN**

Normal Monthly Pension Benefit	Age 45 30% Reduction	Age 50 15% Reduction
320	224	272
360	252	306
400	280	340
440	308	374
480	336	408
520	364	442
560	392	476
600	420	510
640	448	544
680	476	578
720	504	612
760	532	646
800	560	680
840	588	714
880	616	748
920	644	782
960	672	816
1,000	700	850
1,040	728	884
1,080	756	918
1,120	784	952
1,160	812	986
1,200	840	1,020
1,240	868	1,054
1,280	896	1,088
1,320	924	1,122
1,360	952	1,156
1,400	980	1,190
1,440	1,008	1,224
1,480	1,036	1,258
1,520	1,064	1,292
1,560	1,092	1,326
1,600	1,120	1,360

Police Officer and Firefighters who were hired before March 1, 1978 are eligible for a reduced penalty of 3% per year that they are under the Normal Retirement Age of 55.

APPENDIX I 1962 PLAN FOR GENERAL EMPLOYEES

House Bill #1162 was approved March 6, 1962 to establish benefit levels for General Employees. There are currently employees with the City that are still covered by this Bill since they have not elected to move to any of the amendments previously described in this booklet. The 1962 Plan was amended in 2005 to allow for a “30 and Out” provision for members. This would allow employees covered by this plan to leave with 30 years of service with no reduction in their pension irrespective of their age. **Any employee currently enrolled in the 1962 Plan who wishes to take advantage of the later amendments will be required to pay the difference between the current contribution rate (6%, 7% for the City of Atlanta and 7%, 8% for the Board of Education) and the contribution rate provided for in this plan (5%, 6%), plus interest.**

Cost of the Plan

- The employee contributes 5%, 6% if providing for a survivor benefit.

Normal Retirement Pension

- Employee must attain age 60 and,
- Have 25 years of service.

Reduced Pension

- Employee must attain age 55 and have 25 years of service.
- Pension will be reduced by 0.1667% per month for each month the employee is below age 60.
- Reduction does not apply to any employee claiming a pension because of a total and permanent disability.

Pension Benefit

- 2% of Average Monthly Salary (based on average of the highest 5 years' salary) up to and including \$300 and 1.5% of the Average Monthly Salary over \$300 multiplied by years of service.
- May not exceed 75% of the Average Monthly Salary or \$500, whichever is less.
- The Survivor Benefit shall be $\frac{1}{2}$ of the amount the pensioner was receiving, unless the survivor is more than 5 years younger than the pensioner. In that case, the survivor benefit shall be reduced by 0.1667% per month for each month that the survivor is more than 5 years younger. This reduction will not apply if the survivor is 60 or more years of age at the time the survivor benefit commenced.

APPENDIX II 1964 PLAN FOR POLICE OFFICERS/FIREFIGHTERS

House Bill #709 was approved March 10, 1964 to establish benefit levels for Police Officers. Senate Bill 209 was approved February 20, 1964 to establish pension benefits for Firefighters. There are currently employees with the City that are still covered by these Bills since they have not elected to move to any of the amendments previously described in this booklet. **Any employee currently enrolled in the 1964 Plans who wishes to take advantage of the later amendments will be required to pay the difference between the current contribution rate (6%, 7% for the City of Atlanta) and the contribution rate provided for in this plan (5%, 6%), plus interest.**

Cost of the Plan

- The employee contributes 5%, 6% if providing for a survivor benefit.

Normal Retirement Pension

- Employee must attain age 55 and,
- Have 25 years of service.

Reduced Pension

- Employee must attain age 50 and have 25 years of service .
- Pension will be reduced by 0.25% per month for each month the employee is below the age of 55.
- Reduction does not apply to any employee claiming a pension because of a total and permanent disability.

Pension Benefit

- 2% of Average Monthly Salary (based on average of the highest 5 years' salary) times years of service up to and including 25 years and 1.5% of the Average Monthly Salary for years of service over 25 years.
- May not exceed 75% of the Average Monthly Salary or \$500, whichever is less.
- The Survivor Benefit shall be $\frac{1}{2}$ ($\frac{3}{4}$ on disability or death incurred in the line of duty) of the amount the pensioner was receiving, unless the survivor is more than 5 years younger than the pensioner. In that case, the survivor benefit shall be reduced by 0.1667% per month for each month that the survivor is more than 5 years younger. This reduction will not apply if the survivor is 55 or more years of age at the time the survivor benefit commences.