

# RETIREMENT PLAN FOR EMPLOYEES OF NORTH TEXAS MUNICIPAL WATER DISTRICT

## SUMMARY PLAN DESCRIPTION



NORTH  
TEXAS  
MUNICIPAL  
WATER  
DISTRICT

*Regional. Reliable. Everyday.*



PRODUCTION DATE: AUGUST 2025



## INTRODUCTION

The Retirement Plan for Employees of North Texas Municipal Water District (the “Pension Plan”) was originally established effective February 1, 1962 to provide participants an additional monthly income for their comfort and financial security during their retirement years. The plan operates for the exclusive benefit of the members and beneficiaries.

This Summary Plan Description serves as a guide and is provided to help you understand how your Pension Plan benefit works. This summary describes the main provisions of the Pension Plan in effect on January 1, 2025. This summary is not the official plan document, which consists of the formal document setting forth the terms of the plan and any amendments thereto. To make the plan more understandable, we have prepared this Summary Plan Description in the form of a question and answer booklet. It contains answers to the most frequently asked questions.

The official plan document for the Pension Plan governs the terms, conditions, and provisions of the benefits offered under the Pension Plan. **If there is any discrepancy between this summary and the official plan document, the terms of the official plan document control.** A copy of the official plan document is on the NTMWD intranet if you would like to review it.



# TABLE OF CONTENTS

	<u>Page</u>
A. <a href="#">Basic Information</a> .....	1
B. <a href="#">Summary of Basic Plan Provisions</a> .....	2
C. <a href="#">Plan Definitions</a> .....	4
D. <a href="#">Membership and Service</a> .....	5
<a href="#">When may I join the retirement plan?</a> .....	5
<a href="#">Do I have to join the plan?</a> .....	5
<a href="#">What if I change to part-time employment?</a> .....	5
<a href="#">What if I leave the District and then am rehired?</a> .....	5
<a href="#">What happens if I am temporarily absent from work?</a> .....	5
<a href="#">Can I receive credit for service with other employers?</a> .....	5
E. <a href="#">Normal Retirement</a> .....	6
<a href="#">How is my normal retirement benefit calculated?</a> .....	6
<a href="#">What is an example of a normal retirement benefit calculation?</a> .....	7
<a href="#">When do my retirement benefits begin?</a> .....	8
<a href="#">What choices do I have on how my benefits will be paid?</a> .....	8
<a href="#">When do I have to make the choice?</a> .....	8
<a href="#">How does the Cost-of-Living Adjustment (COLA) operate?</a> .....	8
<a href="#">What happens to my benefit if I return to work after I have retired?</a> .....	9
<a href="#">Are there any limits on my pension benefits?</a> .....	9
F. <a href="#">Early Retirement</a> .....	9
<a href="#">May I retire early?</a> .....	9
<a href="#">When will early retirement payments begin?</a> .....	9
<a href="#">How much will my early retirement benefits be?</a> .....	9
<a href="#">What is an example of a reduced early retirement benefit calculation?</a> .....	10
<a href="#">What is an example of an unreduced early retirement benefit calculation?</a> .....	11
G. <a href="#">Late Retirement</a> .....	11
<a href="#">What if I continue to work after my normal retirement date?</a> .....	11
H. <a href="#">Disability Retirement</a> .....	12
<a href="#">Are disability benefits provided?</a> .....	12
<a href="#">What are my disability benefits?</a> .....	12
I. <a href="#">Termination of Employment</a> .....	12
<a href="#">What is the Vesting Schedule?</a> .....	12
<a href="#">What if I terminate employment before I am eligible to retire?</a> .....	12
J. <a href="#">Death Benefits</a> .....	13
<a href="#">What if I die while I am still employed?</a> .....	13
<a href="#">What happens if I die after terminating employment but</a> <a href="#">before my benefit payments begin?</a> .....	13
<a href="#">What happens if I die after my benefit payments begin?</a> .....	13
K. <a href="#">Plan Administration</a> .....	14
<a href="#">Who pays for the plan?</a> .....	14
<a href="#">How does the plan operate?</a> .....	14

	<u>Page</u>
<a href="#">What are the plan duties of the District?</a> .....	14
<a href="#">What are the plan duties of the Plan Administrator?</a> .....	14
<a href="#">May I borrow money from the Plan?</a> .....	14
<a href="#">May I assign or pledge any part of my benefit?</a> .....	14
<a href="#">May the plan be changed or terminated?</a> .....	14
<a href="#">What if I have questions about the plan?</a> .....	15
L. <a href="#">Claims Procedure</a> .....	15
<a href="#">Do I, or my beneficiary, need to do anything to start receiving benefits when I retire or die?</a> .....	15
<a href="#">What should be done if I, or my beneficiary, think a benefit should be paid and none is paid?</a> .....	15
<a href="#">How can a claim be filed?</a> .....	15
M. <a href="#">PensionCenter Website Access</a> .....	16
<a href="#">What is PensionCenter and how do I access it?</a> .....	16
<a href="#">How do I register to use PensionCenter?</a> .....	16
<a href="#">Is there a User Guide to help me navigate PensionCenter?</a> .....	16

## A. BASIC INFORMATION

NAME OF PLAN:	Retirement Plan for Employees of North Texas Municipal Water District
EMPLOYER AND PLAN SPONSOR:	North Texas Municipal Water District 501 E. Brown Street Wylie, Texas 75098 <a href="mailto:hrbenefits@ntmwd.com">hrbenefits@ntmwd.com</a>
PLAN ADMINISTRATOR	North Texas Municipal Water District Retirement Plans Committee
TYPE OF PLAN:	Defined Benefit Pension Plan
PLAN YEAR:	January 1 through December 31
PERIOD USED FOR MAINTAINING PLAN RECORDS	Plan Year

## B. SUMMARY OF BASIC PLAN PROVISIONS

ELIGIBILITY:	
<i>ELIGIBLE CLASS:</i>	All full-time employees, excluding leased employees
<i>MINIMUM AGE AT HIRE:</i>	None for employees hired on or after January 1, 2018; 21 for employees hired prior to January 1, 2018
<i>MAXIMUM AGE AT HIRE:</i>	None
<i>WAITING PERIOD:</i>	None for employees hired on or after January 1, 2018; Two years of service for employees hired prior to January 1, 2018
<i>ENTRY DATE:</i>	First day of full-time employment for employees hired on or after January 1, 2018; First day of the month coinciding with or next following satisfaction of eligibility requirements for employees hired before January 1, 2018
NORMAL RETIREMENT AGE:	The later of age 65 or the member's age when the member begins to participate in the plan
NORMAL RETIREMENT BENEFIT:	For each plan year after April 30, 1990, 3% of annual pensionable earnings plus 1% of annual pensionable earnings in excess of covered compensation for the plan year
EARLY RETIREMENT DATE:	Age 55 with 20 years of service, or any age if sum of age and years of service is at least 80 years (Rule of 80)
EARLY RETIREMENT BENEFIT:	The benefit determined using the same formula as for normal retirement, reflecting pensionable earnings up to early retirement date; the benefit amount is reduced if the member does not meet the Rule of 80; the benefit amount is not reduced if the member meets the Rule of 80
LATE RETIREMENT DATE:	Date of actual retirement for members who continue working beyond their normal retirement date
LATE RETIREMENT BENEFIT:	The benefit determined using the same formula as for normal retirement, reflecting pensionable earnings up to actual late retirement date



EMPLOYEE (MEMBER) CONTRIBUTIONS:	Members hired or rehired on or after January 1, 2018 contribute 5% of their pensionable earnings to the plan												
EMPLOYER CONTRIBUTIONS:	The employer contributes all additional funds needed to provide the member's benefits at retirement, based upon recommendations made by an independent actuary												
VESTING SCHEDULE:	<p>For members whose termination of employment occurs after December 31, 2008:</p> <table border="1"> <thead> <tr> <th>Years of Service</th><th>Vested Percentage for Employer Provided Benefits</th></tr> </thead> <tbody> <tr> <td>Less than 5</td><td>0%</td></tr> <tr> <td>5 or more</td><td>100%</td></tr> </tbody> </table> <p>For members whose termination of employment occurred prior to January 1, 2009:</p> <table border="1"> <thead> <tr> <th>Years of Service</th><th>Vested Percentage for Employer Provided Benefits</th></tr> </thead> <tbody> <tr> <td>Less than 10</td><td>0%</td></tr> <tr> <td>10 or more</td><td>100%</td></tr> </tbody> </table> <p>A member is always 100% vested in his/her member contributions.</p>	Years of Service	Vested Percentage for Employer Provided Benefits	Less than 5	0%	5 or more	100%	Years of Service	Vested Percentage for Employer Provided Benefits	Less than 10	0%	10 or more	100%
Years of Service	Vested Percentage for Employer Provided Benefits												
Less than 5	0%												
5 or more	100%												
Years of Service	Vested Percentage for Employer Provided Benefits												
Less than 10	0%												
10 or more	100%												
AUTOMATIC COST-OF-LIVING ADJUSTMENT (COLA):	Following retirement, the monthly pension for each eligible member shall be adjusted each January 1 to reflect increases in the cost of living, with a minimum adjustment of 0% and a maximum adjustment for any January 1 of 3%. The adjustments are based on the Consumer Price Index (Urban Wage Earners and Clerical Workers).												

## C. PLAN DEFINITIONS

The following definitions are to help you to better understand some of the plan terms used throughout this document:

**Accrued Benefit:** The amount of retirement benefit that the member has earned to date to be received at the member's normal retirement date, based on pensionable earnings through the date of calculation.

**Beneficiary:** The person or persons named by the member to receive the death benefits, if any, from the plan on the member's behalf.

**Benefit Formula:** The basis for determining the amount of benefit to be received by the member from the plan.

**Covered Compensation:** The average of the Social Security taxable wage bases in effect for each calendar year during the 35-year period ending with the year in which the member reaches full Social Security Retirement Age.

**Defined Benefit Plan:** A retirement plan (or pension plan) which states the benefits to be received by members at their normal retirement date. It also states the method of determining such benefits (which is called the "benefit formula").

**Eligibility Requirements:** The rules that determine which employees may enter into the retirement plan.

**Normal Retirement Age:** The later of age 65 or the member's age when the member begins to participate in the plan.

**Normal Retirement Benefit:** The benefit payable to the member upon reaching normal retirement age.

**Normal Retirement Date:** The first day of the month coincident with or next following attainment of normal retirement age.

**Pensionable Earnings:** Base salary and any lump sum merit and/or employee of the year recognition awards; excludes any other bonuses, overtime payments and other forms of additional compensation

**Service:** The years of District employment plus certain approved prior service with a state, municipality, county, other water district or the United States armed forces.

**Vesting:** Refers to the right of the member to receive the benefit called for in the benefit formula. Vested status is determined by reference to a vesting schedule which is based on years of service.

## **D. MEMBERSHIP AND SERVICE**

### ***When may I enroll in the retirement plan?***

If you were hired after December 31, 2017, you are enrolled in the plan immediately upon employment as a full-time employee.

If you were hired before January 1, 2018, you are enrolled in the plan on the first of the month coinciding with, or following satisfaction of, the eligibility requirements of: (a) minimum age of 21 and (b) two years of service.

### ***Do I have to join the plan?***

Yes, participation in the plan is required of all eligible District employees.

### ***What if I change to part-time employment?***

If you begin working less than full-time, you will no longer be an eligible member of the plan. You will once again become an eligible member if you return to full-time status.

### ***What if I leave the District and then am rehired?***

Your service during your prior period of employment will be taken into account for all purposes under the plan. In addition, your pensionable earnings during your prior period of employment will be used in the calculation of your plan benefits unless you requested and received a refund of your member contribution balance.

### ***What happens if I am temporarily absent from work?***

A temporary absence due to sickness, accident or other authorized leaves of absence is not considered termination of service. If your earnings continue during the absence, you will continue to accrue pension benefits. If your earnings cease during the absence, you will not accrue any additional pension benefits until your earnings resume. If your temporary absence becomes permanent, you will be considered a terminated member of the plan.

### ***Can I receive credit for service with other employers?***

Certain applicable prior employment with a state, municipality, county, other water district or the United States armed forces may be recognized as service under the plan upon confirmation of this service by the District. You must apply for recognition of this service on a form furnished by the District, and provide supporting documentation, within 180 days of starting employment with the District. The Plan Administrator decides if this prior employment service qualifies as service under the plan.

## E. NORMAL RETIREMENT

### *How is my normal retirement benefit calculated?*

For each plan year after April 30, 1990 during which you are an eligible plan member, you earn a benefit credit equal to three percent (3%) of your pensionable earnings plus one percent (1%) of your pensionable earnings that exceed your covered compensation for the year.

Your pensionable earnings include your base salary and any lump sum merit and/or employee of the year recognition awards, but exclude any other bonuses, overtime payments and other forms of additional compensation. For each two-week pay period during which you receive regular earnings of at least eighty (80) hours, you are credited with eighty (80) hours of base earnings, regardless of your shift schedule or rotation.

Covered compensation amounts change every year and are based upon your year of birth. The table below, provided by the Internal Revenue Service, shows the amounts of covered compensation used in the calculation of normal retirement benefits in effect for 2025 for years of birth after 1950:

Calendar Year of Birth	2025 Covered Compensation	Calendar Year of Birth	2025 Covered Compensation	Calendar Year of Birth	2025 Covered Compensation
1951	\$77,880	1965	\$125,508	1979	\$159,900
1952	80,532	1966	128,580	1980	161,784
1953	83,244	1967	131,544	1981	163,572
1954	86,052	1968	134,400	1982	165,264
1955	91,884	1969	137,124	1983	166,908
1956	95,172	1970	139,740	1984	168,552
1957	98,616	1971	142,284	1985	169,944
1958	102,180	1972	144,804	1986	171,312
1959	105,684	1973	147,264	1987	172,548
1960	109,140	1974	149,604	1988	173,640
1961	112,524	1975	151,848	1989	174,600
1962	115,824	1976	153,960	1990	175,428
1963	119,100	1977	155,940	1991	175,884
1964	122,340	1978	157,920	1992 or later	176,100

These amounts will change each year as the Social Security maximum taxable wage base changes.

**What is an example of a normal retirement benefit calculation?**

Suppose you were born on 6/15/1960 which means your normal retirement date is 7/1/2025. Further, suppose you were hired as a full-time employee with the District on 1/1/2014. You turn age 65 on 6/15/2025, and decide to retire from employment with the District on 6/30/2025. An example of your earnings history as a plan member is as follows:

Calendar Year	(A) Pensionable Earnings	(B) Covered Compensation	(C) = (A) – (B), but not less than \$0  Pensionable Earnings in Excess of Covered Compensation
2025	\$30,000	\$109,140	\$0
2024	\$59,000	\$108,492	\$0
2023	\$58,000	\$107,532	\$0
2022	\$57,000	\$105,648	\$0
2021	\$56,000	\$104,928	\$0
2020	\$55,000	\$103,908	\$0
2019	\$54,000	\$102,804	\$0
2018	\$53,000	\$101,652	\$0
2017	\$52,000	\$101,304	\$0
2016	\$51,000	\$98,580	\$0
<b>Total</b>	<b>\$525,000</b>	<b>N/A</b>	<b>\$0</b>

You would use the benefit formula and the bolded totals in the table above to calculate your normal retirement benefit:

$$\begin{aligned} & 3\% \times \$525,000 \\ & \text{plus} \\ & 1\% \times \$0 \\ & \text{equals} \\ & \$15,750 \text{ per year} \\ & (\text{divided by } 12 = \$1,312.50 \text{ per month}) \end{aligned}$$

So your normal retirement benefit starting on 7/1/2025 would be \$1,312.50 payable in the 120 Months Certain and Life Thereafter form of payment. Your benefit would be subject to Cost-of-Living Adjustments starting on 1/1/2026 (see the response to “*How does the Cost-of-Living Adjustment (COLA) operate?*” further below).

You would be able to elect one of the other equivalent forms of payment if you prefer (see the response to “*What choices do I have on how my benefits will be paid?*” further below).

Keep in mind that this is just an example. Your actual benefit will be based on your own pay and service records.

### ***When do my retirement benefits begin?***

You are eligible to receive your normal retirement benefits beginning on your normal retirement date (as defined under the plan). If you are no longer employed by the District on your normal retirement date, you must commence the benefits at that time. You may be eligible to elect to receive early retirement benefits in reduced amounts as discussed in the "Early Retirement" section below.

### ***What choices do I have on how my benefits will be paid?***

120 Months Certain and Life Thereafter: The full amount of benefit determined using the plan's benefit formula will be paid in this normal form of payment. This benefit provides a monthly income as long as you live. If you die prior to receiving 120 monthly payments, the same monthly pension benefit will be paid to your designated beneficiary until the remainder of the 120 payments are made.

Alternatively, you may choose any of the actuarially equivalent options below:

Joint and 50% Contingent: This benefit option is a reduced amount payable monthly as long as you live. If you die before your joint annuitant does, then 50% of the monthly amount you were receiving is payable for the life of your joint annuitant.

Joint and 2/3 Contingent: This benefit option is a reduced amount payable monthly as long as you live. If you die before your joint annuitant does, then 2/3 of the monthly amount you were receiving is payable for the life of your joint annuitant.

Joint and 75% Contingent: This benefit option is a reduced amount payable monthly as long as you live. If you die before your joint annuitant does, then 75% of the monthly amount you were receiving is payable for the life of your joint annuitant.

Joint and 100% Survivor: This benefit option is a reduced amount payable monthly as long as you or your joint annuitant is alive.

Social Security Adjustment Option: This benefit option provides an increased amount payable until you reach your Social Security Full Retirement Age and a decreased amount, or no payments in some cases, after that age until your death. This payment option is designed to provide you with a level income, as nearly as possible, for your lifetime from the combination of the plan and Social Security.

### ***When do I have to make the choice?***

Prior to your retirement date, Human Resources will provide you with a written explanation of the terms and conditions of your pension payment options. You will be requested to complete the forms indicating how you wish to receive your pension payments. Before your pension payments begin, you may revoke any form of pension payment you have elected. Once you begin to receive your pension benefit, the form of payment cannot be changed.

### ***How does the Cost-of-Living Adjustment (COLA) operate?***

Each January 1<sup>st</sup> after your benefits commence, your monthly pension will be adjusted to reflect changes in the cost of living as measured by changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). The maximum adjustment for any year is 3% of the preceding year's benefit. Your monthly pension will not be reduced if the CPI-W decreases.

### ***What happens to my benefit if I return to work after I have retired?***

Your pension benefits will pause if you return to work as either a full time or part time employee with the District after your retirement. Payments will resume should you terminate employment again.

### ***Are there any limits on my pension benefits?***

Federal law imposes maximum limits on the amount of earnings used in the benefit formula and on the amount of pension payments. You will be notified if your pension benefit is affected by one, or both, of these limits.

## **F. EARLY RETIREMENT**

### ***May I retire early?***

Yes, you may retire as early as age 55 if you have at least 20 years of service, or you may retire at any age if your age plus your years of applicable service is at least 80 years.

### ***When will early retirement payments begin?***

When you choose early retirement, you may elect to have the payments begin on the first of any month after you terminate employment.

### ***How much will my early retirement benefits be?***

If you elect early retirement, you will receive the benefits that you have earned (called your accrued benefit) as of your early retirement date. If you retire at age 55 with at least 20 years of service, but your age plus your years of service is less than 80 years, then your benefits will be reduced by 5% for each year that your early retirement date precedes your normal retirement date to reflect the longer period over which you are expected to receive your benefits. The table below summarizes the early retirement reduction factors for whole ages from 55 to 64:

<b>Early Retirement Age</b>	<b>Number of Years Early</b>	<b>Percentage of Accrued Benefit Payable at Early Retirement Age</b>
64	1	95%
63	2	90
62	3	85
61	4	80
60	5	75
59	6	70
58	7	65
57	8	60
56	9	55
55	10	50

There will be no reduction in your accrued benefit if your age plus your years of service is at least 80 years when you terminate employment.

### ***What is an example of a reduced early retirement benefit calculation?***

Suppose you were born on 12/15/1966 which means your normal retirement date is 1/1/2032. Further, suppose you began employment with the District on 1/1/2019 and you have 13 years of prior government service granted under the plan due to your previous employment with another eligible employer. You cease employment with the District on 12/31/2025, resulting in 20 total years of service (i.e., 7 years with the District and 13 years of prior service). Because you are at least age 55, and you have at least 20 years of service, you are eligible for early retirement on 1/1/2026 (i.e., age 59). Your age plus service equals 79, therefore, your accrued benefits are subject to a reduction. An example of your pensionable earnings history as a plan member is as follows:

	(A)	(B)	(C) = (A) – (B), but not less than \$0
Calendar Year	Pensionable Earnings	Covered Compensation	Pensionable Earnings in Excess of Covered Compensation
2025	\$140,000	\$128,580	\$ 11,420
2024	\$135,000	\$126,660	\$ 8,340
2023	\$130,000	\$124,260	\$ 5,740
2022	\$125,000	\$120,108	\$ 4,892
2021	\$120,000	\$118,668	\$ 1,332
2020	\$115,000	\$116,772	\$ 0
2019	\$110,000	\$114,852	\$ 0
<b>Total</b>	<b>\$875,000</b>	<b>N/A</b>	<b>\$ 31,724</b>

#### **Step 1: Calculate your Normal Retirement Benefit**

You would use the benefit formula and the bolded totals in the table above to calculate your normal retirement benefit:

$$\begin{aligned} & 3\% \times \$875,000 \\ & \text{plus} \\ & 1\% \times \$31,724 \\ & \text{equals} \\ & \$26,567.24 \text{ per year} \\ & (\text{divided by } 12 = \$2,213.94 \text{ per month}) \end{aligned}$$

So your normal retirement benefit starting on 1/1/2032 would be \$2,213.94 payable monthly in the 120 Months Certain and Life Thereafter form of payment.

#### **Step 2: Calculate your Early Retirement Reduction Percentage**

At your early retirement date of 1/1/2026, you are age 59. Your early retirement date precedes your normal retirement date by 6 years. So your early retirement reduction percentage is:

$$\begin{aligned} & 5\% \times 6 \text{ years} \\ & \text{equals} \\ & 30\% \text{ reduction} \end{aligned}$$

Thus, the percentage of your normal retirement benefit payable at your early retirement date is 70% (i.e., 100% minus the 30% reduction).



### Step 3: Calculate your Early Retirement Benefit

Your early retirement benefit is your normal retirement benefit multiplied by the percentage of your normal retirement benefit payable at your early retirement date:

$$\begin{array}{r} \$2,213.94 \times 70\% \\ \text{equals} \\ \$1,549.76 \end{array}$$

So your early retirement benefit starting on 1/1/2026 would be \$1,549.76 payable monthly in the 120 Months Certain and Life Thereafter form of payment.

You would be able to elect one of the other equivalent forms of payment if you prefer (see the response to “*What choices do I have on how my benefits will be paid?*” in the Normal Retirement section above).

Keep in mind that this is just an example. Your actual benefit will be based on your own employment records.

### ***What is an example of an unreduced early retirement benefit calculation?***

Assuming all of the same facts as in the Reduced Benefit Example above, except assume you have 14 years of prior government service granted under the plan due to your previous employment with another eligible employer, instead of 13 years.

In this example, when you cease employment with the District on 12/31/2025, you would have 21 total years of service (i.e., 7 years with the District and 14 years of prior service). The sum of your age of 59 years and your 21 total years of service equals 80 years. Because this sum is at least 80 years, there is no reduction applied when calculating your early retirement benefit.

Therefore, your early retirement benefit starting on 1/1/2026 would be \$2,213.94 (i.e., your full Normal Retirement Benefit from Step 1 above without reduction) payable monthly in the 120 Months Certain and Life Thereafter form of payment.

You would be able to elect one of the other equivalent forms of payment if you prefer (see the response to “*What choices do I have on how my benefits will be paid?*” in the Normal Retirement section above).

Keep in mind that this is just an example. Your actual benefit will be based on your own employment records.

## **G. LATE RETIREMENT**

### ***What if I continue to work after my normal retirement date?***

If you continue working beyond your normal retirement date, no benefit payments would be made until you actually retire. However, you would benefit from the extra years of pensionable earnings. In figuring your benefit using the plan formula, you would count pensionable earnings earned up until the actual retirement date.

## H. DISABILITY RETIREMENT

### ***Are disability benefits provided?***

Yes. If you are permanently and totally disabled as defined by the plan and you completed at least two years of service with the District as of the date of disability certification, then you are entitled to receive a disability benefit, if any.

### ***What are my disability benefits?***

If you are disabled, you will receive a monthly benefit equal to 60% of your average earnings for the month prior to your disability date minus 64% of your monthly Social Security disability benefit.

Disability payments begin six months after the date of disability certification and end at the earliest of:

- (a) your death,
- (b) your recovery from permanent and total disability,
- (c) your failure to provide proof of continued permanent and total disability, and
- (d) your normal retirement date, or early retirement date, if elected by you.

## I. TERMINATION OF EMPLOYMENT

### ***What is the Vesting Schedule?***

Vesting is based on years of service as shown in the table below for members who terminate employment after December 31, 2008.

Years of Service	Vested Percentage
Less than 5	0%
5 or more	100%

After you have completed five years of service, you are fully vested in your accrued benefit payable beginning at your normal retirement date.

You are always 100% vested in your member contributions plus accrued interest.

### ***What if I terminate employment before I am eligible to retire?***

If you terminate employment before you are eligible to retire and you are not yet vested, then you can request and receive a refund of your member contributions plus accrued interest at the rate of 3.5% per year, compounded annually.

If you terminate employment before you are eligible to retire and you are fully vested, then you will be entitled to a deferred vested benefit payable at your normal retirement date. Your deferred vested benefit is calculated in the same manner as a normal retirement benefit, but your deferred vested benefit only considers your earnings through your termination of employment. If you earned at least 20 years of service, then you can elect to start your benefit as early as age 55. If you made member contributions to the plan, you can choose to receive a refund of your member contributions plus accrued interest as long as you make this election within 90 days after your termination of employment. If you choose the refund option, then you shall have no further rights or benefits under the plan.

## **J. DEATH BENEFITS**

### ***What if I die while I am still employed?***

Your beneficiary will receive a lump sum death benefit which is the greater of:

- (a) the present value of your vested accrued benefit on your date of death, or
- (b) your current annual earnings multiplied by your vested percentage on your date of death.

### ***What happens if I die after terminating employment but before my benefit payments begin?***

If you have not already withdrawn your member contribution balance, then your beneficiary will receive a refund of your member contributions plus accrued interest.

If you have either already withdrawn your member contribution balance or you did not make member contributions during your employment, then no death benefit is payable to your beneficiary.

### ***What happens if I die after my benefit payments begin?***

Your beneficiary will receive any benefits due under the form of benefit payment that you elected at retirement.

For example, if you are receiving monthly benefit payments under one of the Joint and Contingent options, then your joint annuitant will continue to receive benefits for the remainder of his/her life in an amount determined according to the option you selected. If, however, you elected a 120 Months Certain and Life Thereafter annuity and die before receiving 120 months of benefit payments, your designated beneficiary will continue to receive the same monthly benefit for the remainder of the 120 months, after which payments will cease.

## **K. PLAN ADMINISTRATION**

### ***Who pays for the plan?***

Members hired or rehired after December 31, 2017 are required to contribute 5% of their pensionable earnings, to the plan. The District pays the entire remaining cost of plan benefits. The recommended employer contributions are determined each year by an independent Actuary.

### ***How does the plan operate?***

The District has appointed a Plan Administrator to perform administrative duties of the plan. It has also established a Trust Fund for the purpose of accumulating assets to pay plan benefits.

### ***What are the plan duties of the District?***

The District makes the contributions in order to fund the plan, authorizes and pays administrative expenses of the plan, appoints a Plan Administrator, appoints the Trustee, furnishes records of plan members, reviews the performance of the Plan Administrator and Trustee and determines funding policy.

### ***What are the plan duties of the Plan Administrator?***

The Plan Administrator maintains records of members, receives claims for benefits, determines eligibility for benefits, makes determinations on appeals of claim denials, authorizes payment of benefits, interprets and administers the plan document, maintains accounting records, and employs an actuary, accountant, attorney or other specialists at their discretion.

### ***May I borrow money from the Plan?***

No. Loans are not permitted.

### ***May I assign or pledge any part of my benefit?***

No, except with a Qualified Domestic Relations Order (QDRO). A QDRO is an order that meets certain requirements of state law and assigns an alternate payee the right to receive all or a portion of the plan benefits payable to a member. QDROs are sometimes used in divorce proceedings to assign a portion of the pension to a former spouse.

### ***May the plan be changed or terminated?***

Yes. The District reserves the right to change the plan or to terminate it. However, in no event can the benefits accrued prior to the day of any change in the plan be taken away.

***What if I have questions about the plan?***

Please contact us at [hrbenefits@ntmwd.com](mailto:hrbenefits@ntmwd.com) or you can visit the NTMWD PensionCenter website at <https://ntmwd.ruddwisdom.com>.

## **L. CLAIMS PROCEDURE**

***Do I, or my beneficiary, need to do anything to start receiving benefits when I retire or die?***

Yes. Payment of benefits is subject to selecting what benefits you want. You or your beneficiary may apply to the District for payment under one or more optional forms available under the plan. You, or your beneficiary, will need to sign some forms to make this election.

***What should be done if I, or my beneficiary, think a benefit should be paid and none is paid?***

A claim should be filed with the Plan Administrator.

***How can a claim be filed?***

To file a claim for a benefit for which you think you are eligible, contact the District at:

North Texas Municipal Water District  
501 E. Brown Street  
Wylie, Texas 75098  
[hrbenefits@ntmwd.com](mailto:hrbenefits@ntmwd.com)

Your claim should indicate:

- a. the type of benefit to which you believe you are entitled (for example, retirement, disability, etc.);
- b. your estimation of the amount of the benefit; and
- c. the form of payment you wish to elect (for example, 120 Months Certain and Life Thereafter, Joint and 50% Contingent, etc.).

If your claim for a benefit is denied by the Plan Administrator, you will receive a written explanation stating why the claim was denied. You will have the opportunity to have your claim reviewed if you disagree with the Plan Administrator's decision.

## M. PensionCenter WEBSITE

### ***What is PensionCenter and how do I access it?***

*PensionCenter* is a secure website that provides you with valuable information about your pension plan and allows you to perform your own benefit estimates and modeling. To access *PensionCenter*, go to <https://ntmwd.ruddwisdom.com>.

### ***How do I register for PensionCenter?***

You will be provided with a *PensionCenter* registration code via email shortly after you begin eligible employment with the District. To register for *PensionCenter*, go to <https://ntmwd.ruddwisdom.com> and enter the registration code, your date of birth, social security number, email address and new user ID (chosen by you). If the personal information entered matches the information in the portal, you will receive an email at the address that you provided. This email will contain a link to complete your registration.

### ***Is there a User Guide to help me navigate PensionCenter?***

Yes. To access the guide, go to <https://ntmwd.ruddwisdom.com/userguide.pdf>. This guide includes detailed registration instructions and provides an overview of each *PensionCenter* website feature.

**Note: If there is any discrepancy between this Summary Plan Description and the official plan document, the terms of the official plan document control.**



