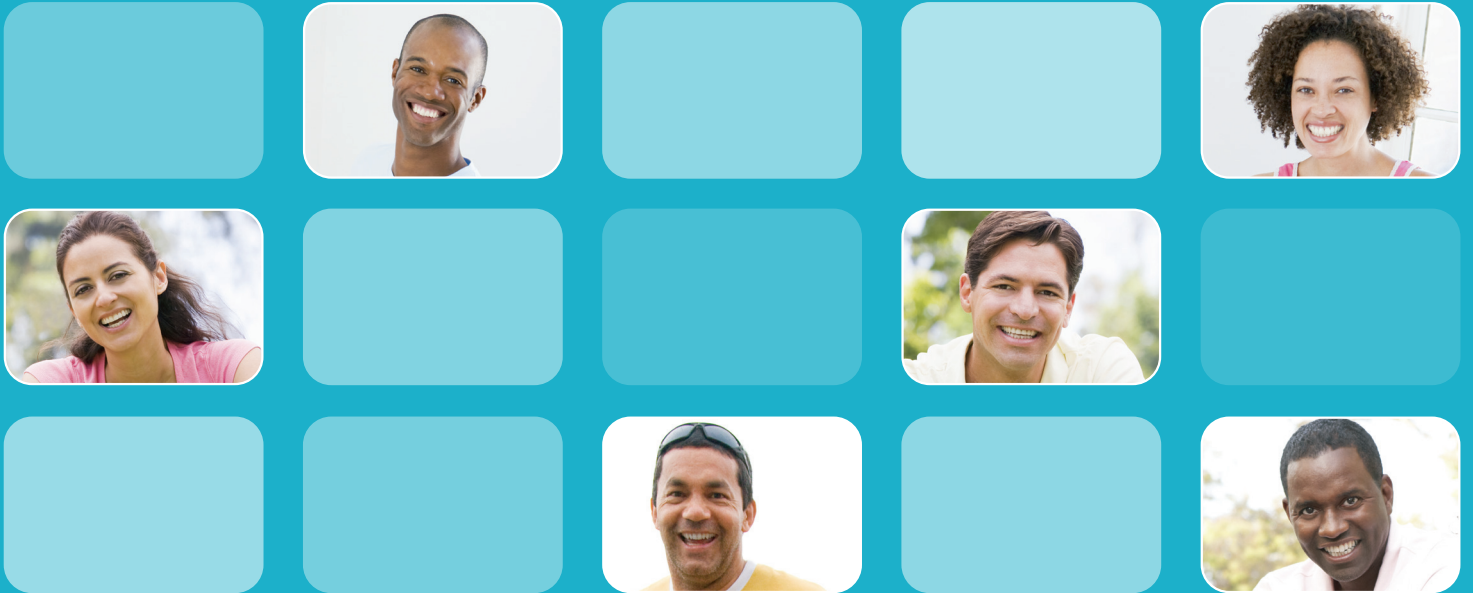


YOUR PENSION PLAN GUIDE



The retirement plan for DPS-covered employees
of Dallas Fort Worth International Airport Board

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ABOUT THIS GUIDE

This is a summary description of the Retirement Plan for DPS-Covered Employees of Dallas Fort Worth International Airport Board. This description uses simple language to make it easy to read and understand. However, the legal plan documents and contracts govern the terms, conditions, and provisions of this Plan, not this summary. If an issue as to the interpretation or accuracy of this summary description arises, the applicable document will control.

If you are a participant in the Plan or are a beneficiary entitled to receive benefits, you have the right to read the plan documents at any time. If you wish to do so, you may contact Human Resources.

A QUICK LOOK AT YOUR PENSION PLAN



Whether retirement is a distant dream or right around the corner, one thing is for sure: you're going to need money.

DFW helps you by providing at least one source of income through the Retirement Plan. The Retirement Plan works with your personal savings, Social Security, and the 457 Plan to provide you with a measure of financial security in your retirement years.

This guide explains, in simple terms, how the Plan works, how much you get, and the different ways you can choose to get it. By understanding the Retirement Plan now, before you retire, you'll be better prepared in planning for your retirement.

To receive a pension benefit, you must:

- » **Be an eligible employee.** This means you're an eligible, regular, full-time employee in a DPS-Covered Position and making contributions to the Plan.
- » **Make contributions to the Plan.** As a participant in the Plan, you must contribute 7% of your compensation. Your contribution is deducted directly from your paycheck on a pre-tax basis.
- » **Be vested.** You can get a pension benefit after you complete 5 years of service at DFW, even if you leave DFW before you are eligible for retirement.
- » **Retire.** To receive the full pension benefit, you must be 62 or older when you retire, or retire under the 25-Year Rule or the Rule of 80. If you don't qualify for either rule, you can retire beginning at age 55, but you'll receive a reduced benefit depending on your age for the extra years of payment.
 - » You will meet the 25-Year Rule when you have 25 years in a DPS-Covered Position.
 - » You will meet the Rule of 80 when your age plus your years of benefit service equals 80 and you're at least 50 years old.
 - » If you do not receive a benefit under either rule, your paycheck contributions will be returned to you at the time of retirement.

WHAT YOU GET

FigureItOut

If you were hired as a full-time regular employee before January 1, 2003, your monthly benefit is the result of formula A or B, whichever is more.

If you were hired as a full-time regular employee after December 31, 2002, your monthly benefit is the result of formula A.

A = 2.25% of your final average monthly compensation¹ multiplied by your benefit service²

B = 3.333% of your final average monthly compensation¹ multiplied by your benefit service² earned after age 45

Normal Retirement Example

Jim is retiring at the age of 62. He was hired before January 1, 2003, at the age of 32. He has worked for DFW for 30 years and 3 months, and 17 of those years came after he turned 45. Jim's average monthly compensation over his last 36 months of work is \$4,000. To figure out the amount of Jim's monthly pension, follow these steps:

1 Determine A
2.25% of his final monthly average compensation multiplied by his benefit service
 $2.25\% \times \$4,000 \times 30.25 = \$2,722.50$

2 Determine B
3.333% of his final average monthly compensation multiplied by his benefit service after age 45
 $3.333\% \times \$4,000 \times 17 = \$2,266.44$

3 Select the higher amount, A or B
\$2,722.50 is more than \$2,266.44

Jim's monthly benefit is \$2,722.50.

In addition to his monthly benefit, Jim will receive a return of his paycheck contributions since he did not retire under the 25-Year Rule or the Rule of 80.

¹ The average of your compensation (does not include overtime) for the 36 completed calendar months prior to your date of separation.

² You receive a month of benefit service for every completed month of employment. A completed month is based on the attainment of the monthly anniversary of your employment. To calculate your benefit service, divide your total months of service by 12.

NEED HELP ESTIMATING YOUR PENSION BENEFITS?

Go to **Employee Self Service** on **Connected Online** and click on the **Pension estimate** tile under **Retirement Plans** in the Benefits section. This helpful tool can create pension estimates based on your age and when you plan to retire. Try out different retirement dates to see how your pension benefits may be affected.

FigureItOut

If you are vested and want to retire before you turn 62, you have a couple of options. If you qualify for the 25-Year Rule or the Rule of 80, you can retire with full benefits. If you don't qualify for either of the rules, you can still retire, beginning at age 55, and receive a reduced benefit along with a return of your contributions. To figure out your benefit, you use the same formulas for A and B as the Normal Retirement Example to the left.

25-Year Rule/Rule of 80 Example

Robert is retiring at the age of 50. He was hired before January 1, 2003, at the age of 25. He has worked at DFW for 25 years and 9 months, and 5 of those years came after he turned 45. Robert's average monthly compensation over his last 36 months of work is \$4,000. To figure out the amount of Robert's unreduced early retirement benefit, follow these steps:

- 1 Determine A**
2.25% of his final monthly average compensation multiplied by his benefit service
 $2.25\% \times \$4,000 \times 25.75 = \$2,317.50$
- 2 Determine B**
3.333% of his final average monthly compensation multiplied by his benefit service after age 45
 $3.333\% \times \$4,000 \times 5 = \666.60
- 3 Determine the greater of A and B**
\$2,317.50 is more than \$666.60

Robert's monthly benefit is \$2,317.50.

Since Robert has 25 years of service in a DPS-Covered Position, he is eligible to retire under the 25-Year Rule. His benefit is not reduced for early retirement, and he will not receive a return of his paycheck contributions.

Early Retirement Example

Ann is retiring at the age of 55. She was hired before January 1, 2003, at the age of 32. She has worked at DFW for 23 years and 6 months, and 10 of those years came after she turned 45. Ann's average monthly compensation over her last 36 months of work is \$4,000. Because Ann does not qualify for the 25-Year Rule or the Rule of 80, she will receive Early Retirement. To figure out her monthly benefit, follow these steps:

- 1 Determine A**
2.25% of her final monthly average compensation multiplied by her benefit service
 $2.25\% \times \$4,000 \times 23.5 = \$2,115.00$
- 2 Determine B**
3.333% of her final average monthly compensation multiplied by her benefit service after age 45
 $3.333\% \times \$4,000 \times 10 = \$1,333.20$
- 3 Determine the greater of A and B**
\$2,115.00 is greater than \$1,333.20
- 4 Apply the Early Retirement reduction**
(5% per year)
 $\$2,115.00 \times 65\% = \$1,374.75$

Ann's monthly benefit is \$1,374.75.

In addition to her monthly benefit, Ann will receive a return of her paycheck contributions since she did not retire under the 25-Year Rule or the Rule of 80.

WAYS TO GET PAID

The options for how you can get paid are based on your benefit's lump sum value¹ and your marital status at the time you begin to receive benefits.

Depending on the lump sum value of your benefit when you retire or terminate employment, you have the following options:

Lump sum value of your pension benefit	Payment options
\$1,000 or less	Single payment immediately; monthly annuity is not an option
More than \$1,000, up to \$10,000	Single payment immediately or monthly annuity when you reach retirement age
More than \$10,000	Monthly annuity when you reach retirement age; single payment is not an option

Your marital status also affects your choices. If you are:

- » **Single**, you may choose any of the options on page 5.
- » **Married**, you may select any of the options on page 5, but if you choose the Single Life Annuity, Guaranteed Period Option, or Level Income Option, your spouse must sign a waiver.

IMPORTANT TAX INFORMATION

The benefits you receive from the Plan will be subject to ordinary income tax in the year in which you receive the payment. When you are eligible to receive pension payments, you must decide whether or not to have ordinary income taxes withheld from your monthly checks. You will be responsible for paying any federal and state amounts due on your individual tax return. Your pension is not considered as wages for Social Security purposes, so FICA tax does not apply.

¹ Employees will be notified of their benefit's lump sum value at the time of retirement or upon leaving the company.

Actuarial Adjustment Factors:

Your benefit amount is calculated using the plan formula in the Normal Form of Benefit. It will be actuarially adjusted for all optional forms of payment. No matter which option you choose, the value of your pension benefit is actuarially equivalent to your Normal Form of Benefit. The value is determined based on the interest rate and mortality table defined in the Plan.

PAYMENT OPTIONS

There are four different ways to receive your pension benefit.

Single Life Annuity

This option pays you each month until you die.

- » Normal form of payment for single retirees.
- » Married retirees can choose this option, as long as his/her spouse signs a waiver.
- » Provides equal monthly payments until you die (may be affected by COLA).
- » When you die, no further payments will be made.

Qualified Joint and Survivor Annuity

This option pays you each month until you die, and then pays your spouse.

- » Normal form of payment for married retirees.
- » Receive a monthly pension until you die. If you die before your spouse, every month he/she will receive 50% of your pension until he/she dies.
- » Choose to take a reduced monthly benefit at retirement so that your spouse can receive 75% or 100% of your benefit after your death, instead of the normal 50%.
 - » How much your monthly benefit is reduced depends on the percentage you choose for your spouse to receive, your age, and your spouse's age.
 - » If your spouse dies before you, you will continue to receive the reduced monthly payment until you die.

Guaranteed Period Option

This option guarantees payments to your beneficiary for a set number of years.

- » Receive a monthly pension until you die and choose a set period of time (5, 10, or 15 years) in which your beneficiary is guaranteed payments.
- » If you live longer than the guaranteed period, no additional benefits will be paid after your death.
- » If you die during the chosen set period of time, your beneficiary will receive the benefit for the remainder of the period. If you do not designate a beneficiary, a lump sum payment will be made to your estate.

Level Income Option

This option ensures a level income before and after Social Security.

- » Only available if you choose to begin receiving your pension benefits before age 65.
- » Benefits are payable for your lifetime only; no survivor benefits.
- » Receive higher benefits before reaching age 62 or 65.
- » Benefit payments are lowered after you reach age 62 or 65, around when you begin receiving Social Security, so your combined benefit will stay approximately the same throughout retirement.

FREQUENTLY ASKED QUESTIONS

This section answers some common questions about your Pension Plan. For full details about the Plan, you should refer to your summary plan description.

WHAT IS A DPS-COVERED POSITION?

A DPS-Covered Position is a Public Safety Recruit, a Fire Recruit, a Commissioned Public Safety Employee, or a Fire Certified Employee. For eligibility purposes, it does not include part-time, temporary, or leased employees, independent contractors, or an employee not carried as a regular employee.

WHAT ARE THE 25-YEAR RULE AND THE RULE OF 80?

These are rules that allow employees to retire with full benefits before age 62. You will meet the 25-Year Rule when you have 25 years in a DPS-Covered Position. You will meet the Rule of 80 when your age plus your years of benefit service equals 80, and you're at least 50 years old.

WHEN CAN I RETIRE?

You can retire:

- » At any age under the 25-Year Rule with full benefits.
- » Starting at age 50 under the Rule of 80 with full benefits.
- » At age 55, if vested, for Early Retirement with reduced benefits and returned contributions.
- » At age 62, if vested, for Normal Retirement with full benefits and returned contributions.
- » After age 62 for Late Retirement with full benefits and returned contributions.

HOW MUCH OF MY BENEFIT DO I GET WITH EARLY RETIREMENT?

You can retire on the first of any month, beginning at age 55, as long as you have completed at least five years of vesting service. However, depending on your age, you'll only receive a percentage of your benefit since you will be receiving payments for a longer period of time. For every year you retire before age 62, your benefit will decrease by 5%.

DO I NEED TO DO ANYTHING TO BE ENROLLED IN THE PLAN?

No, you'll become a participant in the Plan automatically upon meeting the eligibility requirements, though you must make contributions to the Plan. See page 1 for eligibility details.

WHAT HAPPENS IF I LEAVE AND THEN COME BACK TO DFW?

If you leave DFW for any reason and come back, you will again participate in the Plan immediately on your re-employment date in a DPS-Covered Position. If you were fully vested when you left, you will still be vested in the Plan. If you were not vested, your years of service only count toward vesting if they are more than the number of years you were gone from DFW.

WHAT HAPPENS IF I DIE?

- » When you're still working at DFW: Your designated beneficiary will receive a benefit payable for life. See your summary plan description for more details.
- » When you're retired: Whether your survivor receives a benefit depends on the payment option you chose at retirement.
- » When you've left DFW but haven't retired: If you were vested and had been married for at least one year at the time you left DFW, your spouse will receive an annuity. See your summary plan description for more details.

WHAT HAPPENS IF I TAKE A LEAVE OF ABSENCE?

You continue to receive credit for benefit and vesting service with DFW during any approved leave of absence, such as a short-term illness/injury or job-related injury. Any contributions you miss while on leave will be made up in future paychecks after returning to work.

WHAT IF I TRANSFER TO A NON-DPS-COVERED POSITION?

You will remain in this plan throughout your employment at DFW unless you leave for more than one year and return in a non-DPS-Covered Position. In this case, you will participate in the General Employees 401(a) Plan.

CAN I STILL RECEIVE SOCIAL SECURITY?

Yes. You will receive the Social Security payment for which you are eligible.

WHAT IF I BECOME DISABLED AND CAN'T WORK?

If your injury happened on the job, or if you are vested, you will remain a participant in the Plan and will continue to earn service credit toward your pension until the date your disability ends. If the cause of your disability is not work-related, you will not accrue service credit toward your pension. See your summary plan description for more details.

WHAT ABOUT INFLATION?

Every year, DFW reviews the amount of your benefit according to the annual Social Security Cost-of-Living Adjustment (COLA), the figure the government uses to track inflation. This is good for you because your retirement benefit could increase as the prices of the things you buy increase. COLA will not increase the benefit by more than 3% annually.

RETIRING FROM DFW?



DFW's Retirement Plan is designed to help provide a portion of the income you'll need during retirement. But to get all of the benefits you're entitled to—and get them when you expect to—you need to understand the retirement process and know the steps to take before you retire.

1 Apply for Your Pension

You should apply for your benefits 30 to 90 days before the date you wish to begin receiving benefits by filling out a “Notice of Intent to Voluntarily Retire” and sending it to Human Resources. This notice can be found online on Connected.

2 Choose Your Payment Option

Human Resources will send you a benefit election form with detailed information about your benefit, including a breakdown of your monthly benefit for each payment option. You must fill out this election form and return it to Human Resources to begin your benefit payments.

3 Keep Your Information Current

After you leave employment with DFW, it is important that you keep DFW informed about your contact information and your marital status. Contact Human Resources to report any changes.

PLAN IDENTIFICATION INFORMATION

PLAN NAME

Retirement Plan for DPS-Covered Employees of Dallas/Fort Worth International Airport Board

PLAN SPONSOR

Dallas Fort Worth International Airport Board
2400 Aviation Drive
P. O. Box 619428
DFW Airport, Texas 75261-9428

EMPLOYER ID NUMBER

75-1279194

PLAN YEAR END

December 31

TYPE OF PLAN

A defined benefit retirement plan

FUNDING

Plan is funded by DFW and by plan participants

ADMINISTRATOR

Executive Vice President – Administration, Diversity, Equity and Inclusion

PLAN REPRESENTATIVE

Assistant Vice President – Total Rewards and HR Operations

PLAN TRUSTEES

Retirement Plan Committee appointed by the Board
2400 Aviation Drive
P. O. Box 619428
DFW Airport, Texas 75261-9428

AGENT FOR SERVICE OF LEGAL PROCESS

Service of legal process may be upon the Administrator or Plan Representative



DALLAS FORT WORTH INTERNATIONAL AIRPORT
2400 AVIATION DRIVE, P.O. BOX 619428
DFW AIRPORT, TEXAS 75261-9428

The Board reserves the right to amend, modify, or terminate this Plan at any time.

Revised 2021