



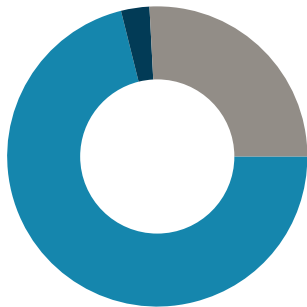
Plan Snapshot

HMEPS is a defined benefit pension plan covering all municipal employees (except firefighters and most police officers) employed full-time by the City of Houston, elected City officials, and the full-time employees of HMEPS. The System includes three groups – A, B and D – and provides service, disability and survivor benefits for eligible participants. Newly hired Employees on or after January 1, 2008 automatically become members of Group D. For Groups A and B, retirement eligibility is calculated on a points system based on age and years of credited service.

MEMBER BENEFITS BY GROUP (A, B AND D)

Group	Years for 50%	Employee Contributions	Retirement Eligibility	COLA	DROP
A 6,366 members	20	5% of salary	75 Points	2-3%	YES
B 1,590 members	25	None	75 Points	2-3%	YES
D 3,993 Members	30	None	Age 62 /5YCS	None	NO

WHO PAYS FOR BENEFITS?



For the last 5 years HMEPS revenues came from:

- 62% - Investment Returns
- 33% - City
- 5% - Members

WHO ADMINISTERS THE HMEPS PLAN?



HMEPS is administered by an 11-member Board of Trustees:

- 4 Trustees elected by the active employees
- 2 Trustees elected by the retired employees
- 1 Trustee appointed by the elected Trustees
- 4 Trustees appointed by the City: 1 Mayoral appointee, 1 Controller appointee, and 2 City Council appointees