

**SUMMARY PLAN DESCRIPTION**

**FOR**

**CITY OF FORT MEADE  
FIREFIGHTERS' RETIREMENT PLAN**

Approved 3/14/2023

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# CITY OF FORT MEADE FIREFIGHTERS' RETIREMENT PLAN SUMMARY PLAN DESCRIPTION

## ARTICLE 1 INTRODUCTION

The City of Fort Meade ("City") maintains the City of Fort Meade Firefighters' Retirement Plan formerly known as the Employees' Pension Plan of the City of Fort Meade, Florida (the "Plan") to provide retirement benefits for Firefighters and their beneficiaries. If you are a Firefighter for the City of Fort Meade, you may be entitled to participate in the Plan, provided you satisfy the conditions for participation as described in this Summary Plan Description ("SPD").

This SPD is designed to help you understand the retirement benefits provided under the Plan and your rights and obligations with respect to the Plan. This SPD contains a summary of the major features of the Plan, including the conditions you must satisfy to participate under the Plan, the amount of benefits you are entitled to as a Member of the Plan, when you may receive distributions from the Plan, and other valuable information you should know to understand your Plan benefits. We encourage you to read this SPD and contact the City or the Plan Administrator if you have any questions regarding your rights and obligations under the Plan. (See Article 2 below for the contact information for the City and Plan Administrator.)

This SPD does not replace the formal Plan document, which contains all of the legal and technical requirements applicable to the Plan. However, this SPD does attempt to explain the Plan language in a non-technical manner that will help you understand your retirement benefits. **If the non-technical language under this SPD and the technical, legal language under the Plan document conflict, the Plan document always governs.** You may request a copy of the Plan by contacting the Plan Administrator or the City.

The Plan document may be amended or modified due to changes in law, to comply with pronouncements by the Internal Revenue Service (IRS) or due to other circumstances. If the Plan is amended or modified in a way that changes the provisions under this SPD, you will be notified of such changes.

This SPD does not create any contractual rights to employment nor does it guarantee the right to receive benefits under the Plan. Benefits are payable under the Plan only to individuals who have satisfied all of the conditions under the Plan document for receiving benefits.

## ARTICLE 2 GENERAL PLAN INFORMATION AND KEY DEFINITIONS

This Article 2 contains information regarding the day-to-day administration of the Plan as well as the definition of key terms used throughout this SPD.

**Plan Name:** City of Fort Meade Firefighters' Retirement Plan

**Plan Number:** 002

**City/Employer:**

**Name:** City of Fort Meade

**Address:** 8 West Broadway Street  
Fort Meade, FL. 33841

**Telephone number:** (863) 285-1100

**Employer Identification Number (EIN):** 59-6000320

**Plan Administrator:**

While the Plan is administered by the Board of Trustees ("Board"), which is the City Commission of Fort Meade), the Board, has engaged the services of the Florida League of Cities, Inc. to handle the day-to-day administration and operation of the Plan. For example, the Florida League of Cities maintains the Plan records and provides you with forms necessary to request a distribution from the Plan. If you have any questions regarding your benefits, you may contact:

Florida League of Cities, Inc.  
Post Office Box 1757  
Tallahassee, Florida 32302-1757  
Phone: (850) 222-9684 FAX: (850) 222-3806

**Trustee:**

All amounts contributed to the Plan are held by the Plan Trustee in a qualified Trust. The Trustee is responsible for the safekeeping of the trust funds and must fulfill all Trustee duties in a prudent manner and in the best interest of you and your beneficiaries. The current Trustee of the Plan is:

Florida Municipal Pension Trust Fund  
P.O. Box 1757  
Tallahassee, Florida 32302-1757  
(850) 222-9684

**Designated Agent of Service of Legal Process:**

The City Attorney of the City of Fort Meade is the designated agent for Service of legal process.

**Effective Date of Plan:**

This Plan is a restatement of an existing Plan. This Plan was originally effective January 1, 1969. However, unless otherwise noted, the provisions of this SPD reflects the provisions of the Plan in effect as of January 1, 2023.

**Plan Year:**

Many of the provisions of the Plan are applied on the basis of the Plan Year. For this purpose the Plan Year is the calendar year running from January 1 – December 31.

**Member:**

Each Firefighter of the City who fulfills the eligibility requirements of Article 4 will become a member of the Plan.

**Beneficiary:**

You have the right to name the person(s) you wish to receive any benefits that may be payable by the Plan upon your death. You must complete and submit a designation of beneficiary form to the Plan Administrator in order to designate who you wish to receive these payments. If you name more than one beneficiary and you do not indicate the proportionate share each beneficiary will receive, your benefit payments will be divided equally among the beneficiaries named on your beneficiary designation form. If you fail to complete and submit a designation of beneficiary form and you are entitled to benefit payments from the Plan, the payment will be distributed to your estate. If your spouse is your designated beneficiary and your marriage is judicially dissolved or declared invalid by a court order prior to your death, your spouse is automatically rescinded as your beneficiary except to the extent provided by court order or State law or you elect after your divorce is final to name your former spouse as your beneficiary.

You may change your beneficiary at any time upon written notification to the Plan Administrator. Upon the Plan Administrator's receipt of your new designation of beneficiary form, the rights of all previous designated beneficiaries shall cease. However, once you have cashed your first benefits check you may only change your beneficiary two additional times.

*You can obtain a designation of beneficiary form from the Plan Administrator. It is important to review and update your beneficiary designation at least annually.*

**Normal Retirement Age:**

You will normally retire on the first day of the month coinciding with or next following the attainment of the ages shown in the following schedule:

<b>Age at Entry into the Plan</b>	<b>Retirement Age</b>
50 and under	60
51	61
52	62
53	63
54	64
55 to 60	65

In addition, you may also retire if you have satisfied any one of the following criteria:

- you have attained age fifty-five (55) and you have completed thirty (30) years of credited service;
- you have attained age sixty (60) and you have ten (10) years of Plan participation; or
- you have completed forty (40) years of credited service regardless of your age.

**Early Retirement Age:** If you receive approval from the City Manager, you will be eligible for an early retirement benefit if you are at least age 50 and you have completed at least 10 years of credited service.

**Earnings:** Your earnings over the course of your employment with the City is applied to the benefit formulas under the Plan to determine your benefit payment amount. Earnings you receive shall include your regular pay or salary, overtime - limited to 300 hours for compensation earned on and after July 1, 2011, amounts contributed by you to the cafeteria plan and 457(b) plan, bereavement pay, comp time pay, holiday pay, sick and vacation pay, accrued sick and vacation pay earned before July 1, 2011, jury duty, call out pay, car allowance (except imputed car allowance) and other pay but excludes the following: bonuses, paid uniform allowance, imputed car allowance, accrued vacation and sick leave pay earned on and after July 1, 2011, and all employer contributions made on behalf of you to the Plan and all other employer paid benefits such as life, health, dental and vision insurance.

The IRS restricts the amount of annual earnings that can be recognized for purposes of determining benefits under the Plan. For the 2023 Plan Year the limit is \$330,000. This amount will be adjusted in future years for cost of living increases.

**Crediting Service:** Crediting/counting your service is used to determine if you are eligible for a benefit, to compute the amount of your benefit payments, and determine when you are vested in your benefit. Your credited service is measured by the number of years or fractional parts of years you complete to the nearest full month starting with your last date of hire, including past service, until you either terminate employment or enter the DROP. You will not receive credit for partial months of service. You will also receive credited service for leave of absences due to vacation, sickness, maternity or paternity. You may also be entitled to receive credited service when you return to work after performing qualified military service if certain conditions are met. In addition, if you are reemployed by the City and you were not on an approved leave of absence or performing qualified military service, you may receive credit for all prior credited service if and only if all of the following conditions are met:

- (1) You have at least five (5) years of prior credited service at the time you are rehired and you are in good standing with the City;
- (2) You have completed at least one (1) year of credited service after you are rehired;
- (3) You are not currently receiving retirement benefit payments from the Plan;

- (4) The City Manager recommends that you be given credit for all credited service earned before they were rehired; and
- (5) The City Commission approves said recommendation.

Please note that if you have started your retirement benefit payments and you are rehired by the City, you will continue to receive your retirement benefit payments but will not be eligible to participate in this Plan or be credited with any additional service.

Contact the Plan Administrator if you have any questions regarding how credited service is determined.

### **ARTICLE 3 DESCRIPTION OF PLAN**

The Plan is a special type of retirement plan commonly referred to as a governmental defined benefit plan. The intent of a defined benefit plan is to define an exact benefit that will be payable over your lifetime, and your beneficiary's life, if elected. The exact benefit you will receive is determined by a specific formula that is based on how long you work for the City and the earnings you receive while working for the City. The Plan is funded entirely by contributions the City makes to the Plan. Thus, you need not contribute any amounts to the Plan to be entitled to Plan benefits, provided you satisfy the conditions described in this SPD.

You will not be taxed on any benefits provided under the Plan until such time as you take a distribution of such benefits from the Plan. (See Article 8 for information regarding the distribution options under the Plan, the taxation rules applicable to Plan distributions and the options for rollover to another qualified plan or IRA.)

### **ARTICLE 4 ELIGIBILITY REQUIREMENTS**

To be a member under the Plan, you must:

- be an eligible employee; and
- satisfy the Plan's minimum age and service conditions, if any.

#### **Eligible Employee**

You are considered an Eligible Employee if you are employed by the City of Fort Meade as a Firefighter or volunteer Firefighter.

#### **Rehired Employees**

If you are rehired by the City you will become eligible to participate in this Plan once you meet the minimum age and service requirements described below. However, if you are currently receiving benefit payments from this Plan or you are current receiving or will be eligible to receive benefit payments from another City defined benefit plan (City of Fort Meade General Employees' Retirement Plan or the City of Fort Meade Police Officers' Retirement Plan) you will not be eligible to participate in this Plan. You may also be eligible to receive credit for the prior service you performed. See "Credited Service" in Article 2 for information regarding how service you perform or performed is credited.

#### **Minimum Age and Service Requirements**

There are no minimum age or service requirements to participate in the Plan. You will become a member of the Plan on the first day of the calendar month coinciding with or next following your date of hire.

If you are not an eligible member on your date of hire, but you subsequently change status to an eligible member, you will be eligible to enter the Plan immediately. If you are an eligible member and subsequently become ineligible to participate in the Plan, all benefit accruals under the Plan will cease as of the date you become ineligible to participate.

## ARTICLE 5 PLAN BENEFITS

If you are eligible to receive a benefit under the Plan, we will make contributions to the Plan as necessary to fund your retirement benefit. The amount of your retirement benefit is determined based on the benefit formula under the Plan. However, the amount you are entitled to receive as a distribution from the Plan will vary depending on various factors, including when you begin receiving distributions from the Plan, how long you have worked for us, and the form in which your distribution is paid. (See Article 8 below for a discussion of the distribution provisions that apply to the Plan.)

### Normal Retirement Benefit

**Benefit Formula.** Once you reach the Plan's normal retirement age, as defined in Article 2, you will be entitled to receive a monthly benefit beginning on the first day of the month coinciding with or following your retirement and continuing until death. The amount of benefit you will receive will be calculated as follows:

1.75% X average monthly earnings X years of credited service = your monthly retirement benefit payment  
during the last 5 years  
of credited service

*For example:* Assume a member who has completed 20 years of credited service retires at age 60. Further assume the member's annual earnings for the last 5 years of credited service is as follows, \$50,000, \$52,000, \$54,000, \$56,000 and \$58,000. This member will receive a monthly benefit of \$1,575.00, determined as follows:

1.75% X \$4,500 (\$50,000+\$52,000+\$54,000+\$56,000+\$58,000=\$270,000÷60= \$4,500) X 20 = \$1,575.00

If you work past your normal retirement age you will continue to earn years of credited service toward your retirement benefit. With limited exception, if you do not perform at least 10 years of credited service you will not be entitled to a retirement benefit.

**Benefit payments.** Benefit payments will be made monthly beginning with the first month of retirement and continuing until the later of: (i) your death; or (ii) you have received 120 benefit payments, unless you elected a retirement annuity option that will pay benefit payments over your life and the life of your beneficiary, in which case payments will be made in accordance with that option.

### Early Retirement Benefit

Your retirement benefit is generally determined as a benefit payable at normal retirement age. However if you terminate employment prior to attaining normal retirement age and you receive approval, you may commence early distribution of your benefit, provided you are at least age 50 and you have completed at least 10 years of credited service. The early retirement benefit you receive will be actuarially reduced so that the value of the benefit you receive before you reach your normal retirement age is equivalent to the value of the benefit you would have received had you waited to commence your benefit at your normal retirement age under the Plan. If you elect to take an early retirement benefit, your benefit will be reduced by 5/12<sup>th</sup> of 1% of the amount for each month that precedes your 60<sup>th</sup> birthday. Please contact the City Manager if you are interested in applying for an early retirement benefit.

*For example:* Assume a member who has completed 12 years of credited service elects to retire early. Further assume the member's average monthly earnings for the last 5 years of service is \$3,500.00 and they will be age 55 and 2 months when they retire. This member will receive an early retirement monthly benefit of \$557.38 determined as follows:

*first*, determine the member's benefit at normal retirement age →

1.75% X average monthly earnings X years of credited service = monthly retirement benefit payment  
during the last 5 years  
of credited service

$$1.75 \times \$3,500.00 \times 12 = \$735.00$$

next, determine the reduction percentage →

$$5/12 \times (720 \text{ months (age 60 converted into months)} - \text{the member's age at early retirement in months}) = \text{reduction percentage}$$

$$5/12 \times (720 - 662 = 58) = 24.166\%$$

lastly, determine the early retirement benefit →

$$\text{normal retirement benefit} - (\text{reduction percentage} \times \text{normal retirement benefit}) = \text{early retirement benefit payment}$$

$$\$735.00 - (24.166\% \text{ of } \$735.00 = \$177.62) = \$557.38$$

### Death Benefit

#### Death before retirement benefit payments begin.

*Death before you reach normal retirement age.* If you die before you reach your normal retirement age, you will not be entitled to receive a benefit from the Plan. However, if you are married and die before you reach normal retirement age (but prior to actual retirement), a survivor benefit equal to the actuarial equivalent of 75% of the your vested accrued benefit shall be payable to your spouse in one lump sum payment as soon as administratively practicable following your death. This means your monthly benefit payment will be actuarially converted into the dollar amount it would take to purchase an annuity that would provide you with the monthly payments you have earned up to your death and your spouse will get 75% of that dollar amount. No benefit will be paid from the Plan if you are not married.

*Death after you reach normal retirement age.* If you die after you have reached your normal retirement age under the Plan and you were employed by the City at the time of your death, you will be entitled to a survivor benefit that will be paid to your designated beneficiary. Your benefit will be determined by treating you as retired on the day before your death and you elected to take your benefit as a joint and two-thirds (2/3) survivor annuity option, which is defined in Article 8. However, your designated beneficiary can elect to take the commuted value of 75% of your vested accrued benefit in a one-time lump sum payment as soon as administrative practicable after you die. A detailed description of this payment option will be provided to your designated beneficiary at the time of your death.

**Death after retirement benefit payments have been made.** If you die after you have started to receive your retirement benefit, additional benefit payments will be made to your previously designated beneficiary or estate until a total of one hundred twenty (120) monthly benefit payments have been made, unless you elected the joint and two-thirds (2/3) survivor annuity option, in which case benefit payments will be made in accordance with the provisions of the annuity option. See Section 8 for additional information.

### Disability Benefit

**Become disabled while working for the City.** You will be eligible for disability benefits, if in the opinion of the City Commission, you are unable to perform each and all of the material duties of a Firefighter because of a disability or because of mental or physical incapacity resulting from and out of the discharge of your duties in the course of your employment by the City, and, if in the opinion of the commission, you are likely to remain so disabled continuously and permanently. Any opinion of the City Commission rendered shall be final and conclusive and shall not be subject to further review. However, you will not be entitled to any disability benefits if you meet any of the criteria listed under the "no disability benefits" section below.

*How your disability benefit will be determined.* Your monthly disability benefit payment will be equal to your accrued normal retirement benefit determined as of the date of disability. Therefore, the earnings and years of credited service until the day you become disabled will be included in determining your disability benefit. However, in no event will your disability payments be less than 30% of your earnings in effect as of the date of your disability.

*When will my disability benefit payments start.* Disability benefit payments will begin on the first day of the month coincident with, or next following, the date the City Commission determines such entitlement.



*When will my disability benefit payments end.* Your last payment will be either (1) if you have recovered from your disability prior to your normal retirement date, the payment due next preceding the date of such recovery, or (2) if you die without recovering from your disability or attains his normal retirement date while still disabled, the payment due next preceding your death.

**Become disabled outside of work** You will be eligible for non-service disability benefits, if in the opinion of the City Commission, you are unable to perform each and all of the material duties pertaining to your current occupation because of disability or because of mental or physical incapacity resulting from a non-service connected injury, disease or disability, and, if in the opinion of the City Commission, you are likely to remain so disabled continuously and permanently. Any opinion of the City Commission rendered shall be final and conclusive and shall not be subject to review by anyone. However, you will not be entitled to any disability benefits if you meet any of the criteria listed under the "no disability benefits" section below.

*How your disability benefit will be determined.* If you have completed at least ten (10) years of credited service and you retire from service with the City due to a non-service incurred disability you will receive an amount equal to the pension credit you have earned as of the date of your disability. If you have completed less than ten (10) years of credited service and terminates employment due to a non-service incurred disability you will not be entitled to any disability benefits.

*When will my disability benefit payments start.* Disability benefit payments will begin on the first day of the month coincident with, or next following, the date the City Commission determines such entitlement.

*When will my disability benefit payments end.* Your last payment will be either (1) if you have recovered from your disability prior to your normal retirement date, the payment due next preceding the date of such recovery, or (2) if you die without recovering from your disability or attains his normal retirement date while still disabled, the payment due next preceding your death.

*No disability benefits.* You will not be entitled to receive any disability retirement income if, in the opinion of the City Commission, the disability is a result of:

- Excessive or habitual use of any drugs, intoxicants or narcotics.
- Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections, or while committing a crime.
- Injury or disease sustained while serving in any branch of the Armed Forces.
- Injury or disease sustained after your employment with the City had terminated.
- Injury or disease sustained after commencing employment with the City while working for anyone other than the City and arising out of such employment.
- Injury or disease sustained as a result of an act of war, whether or not such act arises from a formally declared state of war.

If you have any questions regarding the disability benefits and/or procedures for applying for disability benefits from the Plan you may contact the Plan Administrator.

## ARTICLE 6 LIMIT ON BENEFITS

The law imposes limits on the amount of benefits that can be paid under the Plan. Under the applicable limits, you cannot accrue a benefit that would provide you with an annual benefit at retirement that exceeds the lesser of 100% of your average compensation or the defined benefit dollar limit which was \$245,000 for 2022. The defined benefit dollar limit for the calendar year 2023 is \$265,000. This dollar limit may increase in future years due to cost-of-living adjustments. In addition, the limit may need to be adjusted depending upon when you receive your benefits. The Plan Administrator will apply the appropriate limits at the time you are entitled to benefits.

**ARTICLE 7  
DETERMINATION OF VESTED BENEFITS**

**Less than 10 years of credited service**

If you terminate employment from the City or die prior to attaining 10 years of credited service all your rights under the Plan will terminate. You will not be entitled to receive a retirement benefit from the Plan. However, if you are married when you die your spouse will be entitled to a survivor benefit. See "Death Benefits" in Article 5 for a detail description of how this benefit is determined.

**10 or more years of credited service**

If you terminate employment from the City prior to reaching your normal retirement age, as defined in Article 2, but you have completed at least 10 years of credited service, you will be entitled to receive a retirement benefit when you reach your normal retirement age. With limited exception, no benefit payments are made from the Plan prior to you reaching your normal retirement age. Once you reach your normal retirement age, you may make a written request to the Plan Administrator to start your benefit payments. Your benefit payments will be calculated in the same manner as defined in Article 5.

*For example:* Assume a member who has completed 12 years of credited service terminates employment at age 45. Further assume the member's average monthly earnings is \$3,000. Further assume the member applies for benefit payments when the member attains age 60. This member will receive a monthly benefit of \$630.00 determined as follows:

$$1.75\% \times \$3,000 \times 12 = \$630.00$$

Once you have earned your retirement benefit, it cannot be sold, used as collateral for a loan, given away, or otherwise transferred, garnished, or attached by creditors, except as provided by law.

**ARTICLE 8  
PLAN DISTRIBUTIONS**

The Plan contains detailed rules regarding when you can receive a distribution of your benefits from the Plan. As discussed in Article 7 above, if you have at least 10 years of credited service you will be entitled to a retirement benefit. This Article 8 describes when you may request a distribution and the tax effects of such a distribution. Article 9 describes when you may request a distribution prior to your retirement.

If you terminate employment from the City before you reached your normal retirement age under the Plan and you are eligible for a retirement benefit, your retirement benefit payments will begin at your normal retirement age and in the manner described below. You *must* make a written request to the Plan Administrator to start your benefit payments.

You are solely responsible for the effect and validity of the distribution option you select. Neither the City nor any other Plan representative is responsible for the distribution election you make on the distribution election form (provided by the Plan Administrator). It is strongly suggested that you seek the advice of a financial advisor and/or legal counsel if there is any concern as to whether the election you make accomplishes your intentions. If you have any questions regarding your distribution options, please contact your Plan Administrator.

**Monthly benefit payments**

**Normal form of benefit payments.** The Plan provides for the payment of your benefit to be provided to you in a single life annuity with a 10 year certain. This means that your benefit payments will begin on the first day of the month coinciding with or following your retirement and end when you die. However, if you should die before you have received 10 years of benefit payments (120 monthly payments), your designated beneficiary or estate will receive any remaining benefit payments.

*For example:* Assume a member retires on November 20, 2019 and begins benefit payments on December 1, 2019. Further assume the member designates his daughter as the beneficiary and dies on June 24, 2024. The member's daughter would receive 65 (120 minimum payments – 55 payments already received by retiree = 65) monthly payments beginning on July 1, 2024 and ending on November 1, 2029.

With limited exception, if you do not elect to take the optional form of benefit discussed next, your benefit will be paid to you for your life and stop when you die, unless you have not received 120 monthly benefit payments.

**Optional form of benefit payments.** With the approval of the Board of Trustees, you can elect to receive your retirement benefit in a form of payment that pays you a retirement benefit for your life and the life of your beneficiary, referred to as a joint and survivor annuity. What makes joint and survivor annuities different is the percentage/amount of benefit payment that the beneficiary will receive upon the death of the member. The Plan provides for a joint and 2/3 survivor annuity. This means you will receive a benefit payment for your life and your designated beneficiary will receive 2/3 of the payment you were receiving. For example, if you receive a monthly benefit payment of \$1,500, your beneficiary will receive \$1,000 a month. If you elect to take your benefit in the form of a joint and 2/3 survivor annuity you need to be aware of the following issues:

- Your portion of the benefit payment will be reduced to take into account that benefit payments will be determined using 2 lives.
- The younger your beneficiary the lower your benefit payments. The younger the beneficiary the more likely they will live longer, therefore, expected to receive additional benefit payments.
- If your beneficiary dies before or at the same time you die, no additional benefit payments will be made.

**Social Security option.** If you retire before you are entitled to receive monthly benefits under the federal Social Security system you may elect to receive increased benefit payments before Social Security benefits begin, and decreased benefit payments after you begin to receive Social Security benefits. This will allow you to have a more consistent income throughout your retirement years. The benefit payment amounts you will receive both before and after you become eligible for Social Security payments will be calculated by an actuary so that the total benefit you receive with this payment election will be equivalent to what you would have received if you had selected a life annuity with 10 years certain, as described above.

**Changing your form of benefit.** Once you have cashed or deposited your first check you may not change the form of your benefit payments. In addition, once you have cashed your first benefits check you may only change your joint pensioner two times. Your retirement benefit will be adjusted to account for the new joint pensioner. The Plan's actuary will take into account the life expectancies and other factors in determining your adjusted benefit. In addition, you will be responsible to pay all expenses that are incurred to recalculate your benefit. Therefore, it is recommended that you speak with your financial advisor before you make an election to receive your Plan benefit.

**Small benefit payments.** If the commuted value of your retirement benefit is less than \$10,000 the City Commission may elect to pay your benefit to you in one (1) lump sum, provided you consent, in writing, to such distribution. However, if your lump sum benefit is \$1,000 or less, and you fail to make a distribution election, the plan will automatically distribute your benefit in a lump sum without your consent.

### **Distribution upon termination of employment**

If you terminate employment from the City before you have reached your normal retirement age under the Plan and you are eligible for a retirement benefit, your retirement benefit payments will begin at your normal retirement age and in the manner described above. You *must* make a written request to the Plan Administrator to start your benefit payments.

If you terminate employment from the City before you have reached your normal retirement age under the Plan and you are *not* eligible for a retirement benefit, you will not be entitled to receive a retirement benefit from the Plan.

### **Distributions prior to termination of employment**

Except for required distributions described below and in-service distributions described in Article 9, the Plan generally may not pay benefits to you prior to your death, termination of employment, or the termination of the Plan.

#### **Required distributions**

If you have not begun taking distributions before you attain your required beginning date, the Plan must commence distribution to you as of such date. Effective for the 2023 calendar year, your required beginning date is April 1 following the end of the calendar year in which you attain age 73; or the year in which you retire, whichever is later.

Once you attain your required beginning date, the Plan Administrator will commence distributions to you as required under the Plan. The Plan Administrator will inform you of the amount you are required to receive once you attain your required beginning date.

#### **Taxation of Distributions**

**Taxation.** Generally, you must include any benefit payments in your taxable income in the year you receive the payments. In addition, if you receive your benefit payment from the Plan in the form of a lump sum and do not elect to have your distribution directly rolled over to another qualified plan or IRA, your benefit payment will be subject to an automatic withholding equal to 20% of the taxable distribution. This withholding will be sent to the IRS on your behalf to pay the applicable taxes on the taxable amount. You will also be responsible for any other or additional taxes you may owe for this payment above the 20% that was withheld. How much, if any, additional taxes you will have to pay will depend on your personal financial situation. You should consult your tax advisor regarding the tax treatment of your benefits from the Plan.

**Distributions before age 59½.** If you receive your retirement benefit from the Plan in any one of the following forms of payment, you *will not* be subject to a 10% penalty tax that is in addition to the regular income tax you would owe on the amount of the distribution that is subject to taxation:

- monthly payments for your life; or
- monthly payments for your life and the life of your beneficiary; or
- lump sum payment, such as distribution of your DROP account, after you terminate employment, provided you are at least age 50.

#### **Rollovers**

Only a lump sum distribution of your entire benefit from the Plan and/or your DROP account of \$200.00 or more are eligible for rollover. You may elect to rollover your distribution to an IRA or another qualified plan and avoid current taxation. You may accomplish a rollover in either one of two ways; a direct rollover or an indirect rollover. In a direct rollover, you instruct the Plan Administrator that you wish to have your distribution deposited directly into another plan or an IRA. In an indirect rollover, the Plan Administrator actually makes the distribution to you and you rollover that distribution to an IRA or another qualified plan within 60 days after you receive the Plan distribution. The Plan Administrator will provide you with the applicable forms prior to your distribution if you have a distribution from the Plan that is eligible for rollover.

#### **Domestic Relations Orders (DROs)**

The State of Florida's domestic relations law requires that certain court orders could require that part of your benefit be paid to someone else—your spouse or children, for example. This type of court order is known as a Domestic Relations Order (DRO), also referred to as an income deduction order. As soon as you become aware of any court proceedings that might affect your Plan benefits, please contact the Plan Administrator. You may request a copy of the procedures concerning DROs, including those procedures governing the qualification of a domestic relations order, without charge, from the Plan Administrator.

**ARTICLE 9  
IN-SERVICE DISTRIBUTION AND DROP OPTION**

The Plan contains two beneficial options for qualifying members, in-service distributions and a DROP arrangement. These options are limited to members who have attained the later of (i) age 62 or (ii) normal retirement age.

**In-Service Distribution**

Under this alternative, you may elect to commence your benefit payments while you are still employed. After making this election, your monthly benefit payments are calculated in the same manner as if you actually retired at that time (i.e., based on your years of credited service and your average monthly earnings during your last 5 years of service, as well as your elected method of benefit payment, i.e., a life annuity or a joint and 2/3 survivor annuity). Your monthly benefit payment (as calculated above) will commence (while you are still employed) on the first day of the month after your election is approved by the Board of Trustees and will continue until your death (if you elected a life annuity) or the death of your surviving beneficiary (if you elected a joint and 2/3 survivor annuity). In other words, the amount of your monthly retirement benefit is unaffected by your subsequent termination of employment.

For example: Assume member X attains age 62 on October 2, 2018 after completing 30 years of credited service and elects the in-service distribution option (which election is approved by the Board of Trustees on October 7, 2018). Further assume X's average monthly earnings during his/her previous 5 years of service equals \$4,000 and that X elects a life annuity with a ten year certain form of retirement benefit. Under these circumstances, X will receive monthly retirement payments of \$2,100 (i.e., 30 years of credited service x 1.75% x \$4,000 = \$2,100) commencing on November 1, 2018 (in addition to his/her regular paycheck) which will continue each month (even after X's termination of employment) until X's death.

Please see below for restrictions applicable to in-service distributions that you will want to be aware of before making the determination of whether or not you wish to elect to take an in-service distribution.

**DROP Option**

The **Deferred Retirement Option Program** ("DROP") is an option which allows you the ability to elect to receive a portion of your retirement benefit in a lump sum. However, in order to participate in the DROP you *must* resign from your job with the City no later than 36 months from the date you enter DROP. Please see below for additional restrictions you will want to be aware of before making the determination of whether or not you wish to elect to enter DROP.

After your DROP election is approved, the amount of your retirement benefit is calculated as if you actually retired (in the same manner as if you elected the in-service distribution option). However, instead of receiving in-service retirement distributions, a hypothetical account is created under the Plan on your behalf that is generally referred to as your "DROP Account" and every month an amount equal to the calculated monthly benefit is credited to this DROP Account for up to a maximum of 36 consecutive months beginning on the day you enter the DROP and ending on the day you terminate employment. In addition, your DROP Account is credited with 6% interest, compounded monthly. Upon termination of employment with the City, you will receive a lump sum distribution equal to the balance of your DROP Account. Thereafter, the amount of the previously calculated monthly retirement benefit will be paid to you until your death (assuming you elected a life annuity) or the death of your surviving beneficiary (if you elected a joint and survivor annuity).

In order to illustrate the operation of the DROP arrangement, assume the same facts in the example relating to the in-service distribution option, except that member X elects to participate in the DROP arrangement. Under these circumstances, instead of receiving monthly in-service distributions, \$2,100 will be credited to X's DROP Account under the Plan on the first day of every month beginning November 1, 2018 and continuing until X's termination of employment. During this same period, X's DROP Account will be credited with 6% interest. As soon as administratively practicable after termination of employment, X will receive a lump sum distribution equal to the accumulated value of his/her DROP Account.

**Restrictions applicable to in-service and DROP options.** Although these options may be very appealing, once benefit payments commence under either option there are certain negative aspects applicable to both that you need to understand.

- Your election to participate is **irrevocable** and **cannot** be changed.
- Benefit accruals under the Plan will cease. Your future earnings and additional years of credited service will be disregarded for benefit calculation purposes. This means you will be treated as if you retired, therefore, you will no longer earn any future retirement benefits.
- You will no longer be eligible for a disability benefit under the Plan.
- There is no longer a pre-retirement death benefit and therefore, a death benefit will only be payable to your beneficiary if you elected a joint and survivor annuity form of benefit. However, if you die while participating in the DROP arrangement, the accumulated value of your DROP Account will be paid to your beneficiary in one lump sum distribution.
- If you are subsequently rehired by the City after you actually retire, you will not accrue any additional benefits under the Plan. However, you will continue to receive benefit payments under either option after your reemployment.

Please note that the City has the right to make administrative procedures regarding the operation of the DROP. If you have any questions regarding the DROP or the in-service distribution provisions contact the Plan Administrator.

## ARTICLE 10 AMENDMENT AND TERMINATION

### Plan Amendments

We have the authority to amend this Plan at any time. Any amendment, including the restatement of an existing Plan, may not reduce or eliminate the benefit you have already earned (protected benefit) under the Plan, except to the extent permitted under State Law or the Internal Revenue Code or any regulation issued thereunder determined immediately prior to the adoption or effective date of the amendment (whichever is later). However, we may amend the Plan to increase, decrease or eliminate benefits on a prospective basis.

### Plan Termination

Although we expect to maintain this Plan indefinitely, we have the ability to terminate the Plan at any time. If the Plan is terminated, you are entitled to the benefit you have accrued/earned up to the date of Plan termination. This means that you will receive retirement benefit payments, as described in Section 5, which will be based upon the years of credited service you have performed and earnings you have received from your last date of hire through the date of Plan termination. Distribution of your retirement benefit will begin after all of the Plan accounting has been completed. You will receive notification from the City detailing the timing and options for receiving your retirement benefit payments.

## ARTICLE 11 CLAIM PROCEDURES

All claims for benefits under the Plan **must** be filed in writing to the Plan Administrator. Distribution forms may be obtained by contacting the Plan Administrator listed in Article 2. Your written request will be treated as a claim for your Plan benefit, and it will be subject to a full and fair review. The Plan Administrator will evaluate your claim (including all relevant documents and records you submit to support your claim) to determine if benefits are payable to you under the terms of the Plan. The Plan Administrator may solicit additional information from you if necessary to evaluate the claim.

If the Plan Administrator determines the claim is valid, then you will receive a statement describing the amount of benefit, the methods of payment, the timing of distributions and other information relevant to the payment of your benefit.

If the Plan Administrator denies all or any portion of your claim, you will receive, within a reasonable period of time, a written or electronic notice setting forth the following reasons for the denial:

- the specific reason(s) for the denial;
- references to the specific provisions of the Plan on which the decision is based;
- a description of any additional information needed to perfect your claim, if applicable;
- the steps you must take to submit the claim for review; and
- a description of the Plan's review procedures, including the time limits applicable to those procedures, if applicable.

If your claim is for a disability benefit, the notice will describe any internal rule, guideline, protocol, or other similar criterion upon which the Plan Administrator relied on in making the adverse determination, or contain a statement that such a rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination.

If the Plan Administrator denies your claim, you will have 60 days from the date you receive notice of the denial of your claim to appeal the adverse decision of the Plan Administrator. You may submit to the Plan Administrator written comments, documents, records and other information relating to your claim for benefits. You will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim. The Plan Administrator's review of the claim and of its denial of the claim shall take into account all comments, documents, records and other information relating to the claim, without regard to whether these materials were submitted or considered by the Plan Administrator in its initial decision on the claim. In addition, if your claim is for a disability benefit, you will be required to show proof of your disability. Such proof may include a statement certifying as to your permanent disability from a duly licensed physician selected by you and also a statement certifying to the same disability from a duly licensed physician selected by the Board of Trustees. Disability retirement may be approved if these two statements concur. If they do not concur, a third certification may be requested from a duly licensed physician selected by the Board of Trustees, or, with the Board of Trustees' approval, by the first two physicians concerned in the matter. If the third physician's statement does not recognize the existence of a disability, disability retirement may be denied.

If you have a claim for benefits which is denied upon review, in whole or in part, you may file suit in a state or Federal court.

**ACKNOWLEDGEMENT OF RECEIPT**  
**FOR THE**  
**CITY OF FORT MEADE**  
**FIREFIGHTERS' RETIREMENT PLAN**

I hereby acknowledge receipt of the Summary Plan Description ("SPD"). I also hereby acknowledge that I have read the SPD and that I understand the same. I also hereby acknowledge that I understand my rights thereunder and acknowledge that if I do not understand anything contained in the SPD, that I may ask questions, and that I should direct any questions I may have to my Employer or the Plan Administrator specified in Article 2 of the SPD.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Participant's Name - Printed

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

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02/28/23