

**RETIREMENT PLAN AND TRUST FOR THE FIREFIGHTERS OF  
THE CITY OF MARATHON, FLORIDA  
Summary Plan Description**

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**Plan Trustee**

Florida Municipal Pension Trust Fund  
P.O. Box 1757  
Tallahassee, FL 32302

**Plan Administrator**

Florida League of Cities, Inc.  
P.O. Box 1757  
Tallahassee, FL 32302

**Plan Sponsor**

City of Marathon  
9805 Overseas Hwy  
Marathon, FL 33050

**Agent for Legal Process**

The Board of Trustees  
8900 Overseas Highway  
Marathon, FL 33050

**Plan**

Plan representing the Full-Time Firefighters of  
the City of Marathon

**Plan Attorney**

Klausner, Kaufman, Jensen & Levinson  
7080 N.W. 4<sup>th</sup> Street  
Plantation, FL 33317

**Effective Date**

10/01/2005

**Plan Anniversary Date**

October 1 each year

**Plan Year**

Fiscal Year: Twelve-month  
Beginning 10/01 and ending 09/30

**Average Final Monthly Compensation**

One-twelfth of the highest average earnings during the five **(5)** best years of creditable service, prior to separation as an active Participant or the career average, whichever is greater.

**Credited Service**

Shall mean the total number of years and fractional parts of years of service as a Participant during which the Participant made required contributions to the Plan, omitting intervening years or fractional parts of years when such Participant is not employed by the City of Marathon as a full-time firefighter.

**Early Retirement Benefit**

The accrued benefit will be reduced by three percent (3%) for each year by which early retirement precedes normal retirement.

**Early Retirement Date**

The first day of the month coincident with, or next following attainment of age fifty (50) and six (6) years of Credited Service, excluding any service which is purchased.

**Eligibility**

All full-time firefighters are immediately eligible to participate in the Plan upon completion of a medical examination.

### **Normal Form of Benefit**

The normal form of benefit is a single life annuity with 10 years certain.

### **Normal Retirement Benefit**

The monthly retirement benefit shall be equal to the number of years and fractional parts of years of Credited Service multiplied by 3.5% and multiplied by Average Final Compensation.

### **Normal Retirement Date**

The first day of the month coincident with, or next following attainment of age fifty-five (55) and six (6) years of Credited Service or twenty (20) years of Credited Service excluding purchased Credited Service, excluding any service which is purchased.

### **Participant**

All full-time Firefighters of the City of Marathon, excluding volunteers are eligible for participation. The Fire Chief may opt out from participation.

### **Purchase of Credited Service**

Participants in the Plan shall have the option to purchase up to five (5) years of Credited Service for either military service or full-time employment as a firefighter with any state, county, or city government, or the federal government only if the Participant does not receive credit towards any other retirement benefit based upon such service. Participants shall pay the full actuarial cost of any purchased Credited Service as determined by the Board of Trustees of the Plan. Purchased Credited Service does not count for vesting or eligibility for a benefit, only for the benefit accrued.

### **Salary**

The fixed monthly remuneration paid to a Plan Participant for services rendered.

## **DISABILITY BENEFITS**

### **Disability Benefits In-the-Line-of-Duty**

A Participant determined by the Board of Trustees to be totally and permanently disabled from a service-connected injury or disease, will receive the greater of a monthly pension equal to 65% of average monthly salary or an amount equal to the accrued retirement benefit.

### **Disability Benefits Off-Duty**

A Participant determined to be totally and permanently disabled by the Board of Trustees from a non-service connected injury or disease must have completed at least eight (8) years of service. A Participant who has completed the required years of service will receive the greater of their accrued benefit or 25% of average monthly salary, whichever is greater. A Participant who has not completed the required years of service will receive a return of Accumulated Employee Contributions.

## **DEATH BENEFITS**

### **Death Prior to Vesting - In-Line-Of-Duty**

If a Participant dies prior to retirement in-the-line-of-duty, and he/she is not vested, his/her beneficiary shall receive a lifetime benefit equal 50% of last monthly salary payable immediately.

### **Death After Vesting - In-Line-Of-Duty**

If a Participant dies prior to retirement in-the-line-of-duty, and he/she is vested, having completed the required years of Credited Service, his/her beneficiary shall receive the greater of a lifetime benefit equal 50% of last monthly salary payable immediately or the benefit otherwise payable to the Participant at the Participant's early or normal retirement date.

### **Death Prior to Vesting - Off -Duty**

If a Participant dies prior to retirement other than in-the-line-of-duty, and he/she is not vested, his/her beneficiary shall receive a refund of one hundred percent (100%) of the Participant's Accumulated Contributions.

### **Death After Vesting - Off-Duty**

If a Participant dies prior to retirement other than in-the-line-of-duty, but he/she is vested, having completed the required years of Credited Service (excluding years of service purchased), his/her beneficiary shall receive the benefits otherwise payable to the Participant at the Participant's early or normal retirement date.

### **Termination of Employment and Vesting**

If a Participant has less than six (6) years of Credited Service (excluding years of service purchased) upon termination, the Participant shall be entitled to a refund of the Participant's accumulated employee contribution, or the Participant may leave it deposited with the Fund pending future employment with the City of Marathon Fire Department

If a Participant has six (6) or more years of Credited Service upon termination, the Participant shall be entitled to the Participant's accrued monthly retirement benefit, starting at the Participant's otherwise normal or early retirement date, provided he/she does not withdraw his/her contributions and provided he/she survives to his/her normal or early retirement date.

### **Employee Contributions**

Participants of the Plan shall be required to make regular contributions of five percent (5%) of salary on a pre-tax basis to the Fund.

### **Cost of Living Adjustment**

Participant retiring prior to April 1, 2012<sub>±</sub> are entitled to an annual COLA of three percent (3%) beginning on October 1, 2006, and on October 1<sup>st</sup> of each year thereafter. Participants retiring on or after April 1, 2012<sub>±</sub> are entitled to an annual COLA of one and one-half percent (1 ½ %) beginning on October 1, 2012<sub>±</sub> and on October 1<sup>st</sup> of each Plan year thereafter.

### **Source of Financing Plan**

The Plan will be funded by three sources; employer and employee contributions and Chapter 175 Fl. Statutes Excise Tax and by all rights, bequests and devises when donated for the Fund, by all accretions to the Fund by way of interest on bank deposits or otherwise, and by all other sources of income now or hereafter authorized by law for the augmentation of the Retirement Plan and Trust for the Firefighters of the City of Marathon.

### **Deferred Retirement Option Program "DROP"**

A Participant who reaches his/her or her normal retirement date as a firefighter is eligible to participate in the DROP by submitting a written election to participate to the Board of Trustees and a written resignation of employment to the City. Upon commencement of participation in the DROP, the employee shall no longer earn or accrue additional vesting credits or credited years of service towards retirement benefits; shall not be eligible for disability or pre-retirement death benefits from the Plan; and the employee's and the City's contributions to the Plan will be discontinued. The DROP Participant's retirement benefit shall be paid into the Participant's DROP account. After each fiscal quarter, the average daily balance in the participant's DROP account shall be credited at a rate of six and one-half percent (6 1/2%) annual interest compounded monthly. DROP participation is limited to a maximum eighty-four (84) months. Upon termination from employment, retirement benefits shall be paid to either the Participant or the Participant's beneficiary. In addition, the Participant's DROP account shall be distributed as designated by the Participant (i) in a single lump-sum payment; (ii) as a direct rollover to the custodian of an eligible retirement plan; or (iii) as a partial lump sum distribution.

### **Share Plan**

A separate Participant "share account" is created for each active Participant of the Plan. Each Participant employed on October 1, 2017, is eligible for the initial allocation of Chapter 175 monies ("Chapter Dollars"). Participants with ten or more years of Credited Service are vested in and entitled to a share plan distribution upon reaching both retirement and separation from service. Chapter Dollars will be credited to each individual Participant in an amount directly proportionate to the number of years of Credited Service (excluding years of service purchased) for a Participant, as compared to the total number of completed years of Credited Service for a Participant. Chapter Dollars are not available for payment into the share plan unless the annual premium tax distribution exceeds \$195,515.00 and the City's contribution is less than 12% of Salary/Compensation.

For each year following the initial allocation, Participants who have completed at least one year of Credited Service is eligible for an equal share of the Chapter Dollars. Upon separation or after retirement, each Participant is entitled to a lump sum payment of their share. The share plan shall be funded exclusively with available Chapter Dollars received from the State of Florida and will be in addition to the monthly defined benefit payable by the Plan.

If a vested actively employed Participant dies and is eligible for benefits from the Share Plan, then the Participant's share account shall be payable to the beneficiary designated in accordance with the Plan.

## **Forfeiture of Pension**

Pension benefits are subject to forfeiture pursuant to §112.3173, Florida Statutes. Any Participant who is convicted of any of the following offenses committed prior to retirement, or whose employment is terminated by reason of his/her admitted commission, aid or abetment of the following specified offenses, shall forfeit all rights and benefits under this Fund, except for the return of his/her accumulated contributions as of the date of termination.

- (A) Specified offenses are as follows:
- (1) The committing, aiding or abetting of an embezzlement of public funds;
  - (2) the committing, aiding or abetting of any theft by a public officer or employee from employer;
  - (3) bribery in connection with the employment of a public officer or employee;
  - (4) any felony specified in Chapter 838, Florida Statutes;
  - (5) the committing of an impeachable offense.
- (B) The committing of any felony by a public officer or employee who willfully and with intent to defraud the public or the public agency, for which he/she acts or in which he/she is employed, of the right to receive the faithful performance of his/her duty as a public officer or employee, realizes or obtains or attempts to obtain a profit, gain, or advantage for himself or for some other person through the use or attempted use of the power, rights, privileges, duties or position of his/her public office or employment position.
- (1) Conviction shall be defined as follows: An adjudication of guilt by a court of competent jurisdiction; a plea of guilty or a nolo contendere; a jury verdict of guilty when adjudication of guilt is withheld and the accused is placed on probation; or a conviction by the Senate of an impeachable offense.
  - (2) Court shall be defined as follows: Any state or federal court of competent jurisdiction which is exercising its jurisdiction to consider a proceeding involving the alleged commission of a specified offense. Prior to forfeiture, the Board shall hold a hearing on which notice shall be given to the Participant whose benefits are being considered for forfeiture. Said Participant shall be afforded the right to have an attorney present. No formal rules of evidence shall apply, but the Participant shall be afforded a full opportunity to present his/her case against forfeiture.

Pension benefits may also be subject to forfeiture under §175.195, Florida Statutes, titled “False, misleading, or fraudulent statement made to obtain public retirement benefits prohibited; penalty.”

Any Participant who has received benefits from the Plan in excess of his/her accumulated contributions after Participant's rights were forfeited pursuant to this section shall be required to pay back to the Fund the amount of the benefits received in excess of his/her accumulated contributions. The Board may implement all legal action necessary to recover such funds.

## **Applicable Regulations Governing Establishment, Operation and Administration of the Plan**

Chapter 112, Part VII, Florida Statutes, Chapter 175, Florida Statutes, Chapter 60T-1, FAC, Internal Revenue Code, City Code of the City of Marathon, Florida

### **Federal Income Tax Consequences**

The Plan is intended to qualify under Section 401 of the Internal Revenue Code as a qualified Plan. It is important that you consult qualified experts to determine whether or not you must pay taxes on the pension benefits you receive.

### **Domestic Relations Orders in Divorce**

The Retirement Plan and Trust for Firefighters of The City of Marathon is a governmental plan, and therefore, is not subject to Qualified Domestic Relations Orders (“QDROs”) under federal law, or court orders to effectuate an equitable distribution of marital assets.

The Plan is subject to §61.1301, Florida Statutes, entitled Income Deduction Orders (“IDOs”). Section 61.1301 is limited to the collection of alimony and child support. Therefore, if the Plan receives an IDO for alimony or child support, the Plan will comply with the Order. Additionally, pension benefits may be distributed by using an “Order Distributing Marital Interest in a Public Retirement Plan.” A copy of this order may be obtained from the Fund office.

Effective January 1, 2019, changes in the federal tax laws have eliminated tax deductions for alimony if a marriage was dissolved or a property settlement agreement was made on or after January 1, 2019. Tax deductions for alimony may be available for existing orders modified on or after January 1, 2019, if both parties agree.

### **Relevant Provisions of the Collective Bargaining Agreement**

The current collective bargaining agreement between the Employer and the Union expires September 30, 2020. Article 15 refers to pension matters.

### **Board of Trustees**

Eric Dunford, Chair – Firefighter, Elected  
Adam Geaneas, Vice Chair & Sec. – Firefighter, Elected  
Melissa Grady – Council Appointed  
Sarah Cizmas – Council Appointed  
5<sup>th</sup> Trustee Not Yet Filled – At Large

### **Mailing Address for Board of Trustees:**

City of Marathon  
8900 Overseas Highway  
Marathon, FL 33050

### **The following documents are attached:**

1. Claims procedures
2. Report of actuarial summary

**RETIREMENT PLAN AND TRUST FOR THE FIREFIGHTERS  
OF THE CITY OF MARATHON**

**CLAIMS REVIEW POLICY**

**A. Appeal Procedure.**

1. The applicant for benefits under these Administrative Rules may, within thirty (30) calendar days after being informed of the denial of his or her request for pension benefits, appeal the denial by filing a written reply to the denial with the Pension Administrator with a copy to the Pension Plan's legal counsel. The written reply will contain the reasons for the appeal. If no appeal is filed within the time period, then the proposed decision shall be final.
2. The Board of Trustees shall hold a hearing after the receipt of the appeal within a reasonable period of time. Written notice of the hearing shall be sent by certified mail to the applicant at the address listed on his or her application or to his or her attorney at least ten (10) calendar days prior to the hearing.
3. The procedures at the hearing shall be as follows:
  - a. All parties shall have an opportunity to respond, to present physical and testimonial evidence and argument on all issues involved, to conduct cross-examination, submit rebuttal evidence, and to be represented by counsel. Medical reports and depositions may be accepted in lieu of live testimony, at the Pension Board's discretion.
  - b. All witnesses shall be sworn.
  - c. The applicant and the Board shall have an opportunity to question all witnesses.
  - d. Formal rules of evidence and formal rules of civil procedure shall not apply. The proceedings shall comply with the essential requirements of due process and law.
  - e. The record in a case governed by this subsection shall consist only of:
    - (1) A tape recording of the hearing, to be taped and maintained as part of the official files of the Board of Trustees, and by the Plan Administrator.
    - (2) Evidence received or considered.
    - (3) All notices, pleadings, motions and intermediate rulings.
    - (4) Any decisions, opinions, proposed or recommended orders or reports by the Board of Trustees.
    - (5) The Board's pension fund file related to the claimant or the

claim at issue.

4. The Board may continue the hearing regarding the approval or denial of the claim because additional information is required. If so, the hearing will be rescheduled after the additional information is received and presented to the Board. The continuation of the hearing to consider the claim will be scheduled on the next available agenda or on a date that is agreeable to all parties.
5. At the close of the hearing, the Board shall take one of the following actions:
  - a. Grant the pension benefits by overturning the denial by majority vote.
  - b. Deny the benefits and enter a final order after making any changes in initial denial that the Board feels is necessary.
6. Findings of fact by the Board shall be based on competent, substantial evidence on the record.
7. After rendering its order, the Board of Trustees shall send a copy of the order to the applicant by a method in which delivery can be determined, such as, U.S. Postal Service (certified or priority), electronic delivery with return receipt, or commercial courier.
8. The applicant may seek further review of the order of the Board of Trustees by filing a petition for writ of certiorari with the circuit court within thirty (30) calendar days of the rendering of the decision.

**B. Subpoenas.**

1. The Pension Board has the power to subpoena witnesses or documentation in all proceedings under these rules and regulations. The Pension Board shall retain a copy of each subpoena that is issued. The Pension Board will also issue a check with each subpoena for mileage or witness fees as provided by law on any subpoena that the Pension Board initiates on its own behalf.
2. At the request of any applicant in a retirement pension proceeding, the Pension Board will execute and issue subpoenas. The subpoena shall be prepared on a form acceptable to the Pension Board. The Pension Board will not be responsible for the payment of any mileage or witness fees as required by law. Such fees shall be the responsibility of the person requesting the subpoena.



# Report of Actuarial Summary