

# RETIREMENT PLAN AND TRUST FOR THE GENERAL EMPLOYEES OF THE TOWN OF INDIAN RIVER SHORES

## Summary Plan Description

### Plan Trustee

Florida Municipal Pension Trust Fund

### Plan Administrator

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

### Plan

The Plan represents the Full Time General Employees of the Town of Indian River Shores who enrolled prior to the Plan's closing on May 1, 2013; the Town Manager; and the retirees who have been collecting benefits since or before 2006.

### Agent for Legal Process

Plan Chairman  
6001 North A-1-A  
Indian River Shores, FL 32963

### Effective Date

05/01/99

### Plan Anniversary Date

October 1 each year

### Plan Year

Fiscal Year: Twelve month period beginning 10/01 and ending 09/30.

### Eligibility

As of May 1, 2013, this plan is closed to new participants.

### Year of Service

Each plan year in which an employee is credited with at least 1,000 hours of service

### Salary

Means the total cash remuneration paid to a member for services rendered excluding overtime pay.

### Credited Service

Total number of years and fractional parts of years 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 Employer.

### Final Monthly Compensation

One-twelfth of the average annual earnings during the last five years of creditable service prior to separation as an active member or the career average, whichever is greater.

### Accrued benefit

Means a fraction of the benefit to which a participant would be entitled at their Normal Retirement Date. The numerator of the fraction is the years of participation completed to date and the denominator is the years of participation in the Plan that would have been earned if the Participant continued employment until their Normal Retirement Date.

### Normal Form of Benefit

The normal form of benefit shall be a single monthly retirement benefit for life, ceasing upon death.

### Normal Retirement Date

The normal retirement date shall be the first day of the month coincident with, or next following attainment of age Sixty-two (62) and Seven (7) years of service for General Employees.

For the Town Manager, the Normal Retirement Date shall be the first day of the month coincident with or next following attainment of age 55 and five (5) years of service.

### Normal Retirement Benefit

The retirement benefit shall be equal to the number of years of credited service multiplied by 2.75% and multiplied by Average Final Compensation.

### Early Retirement

A member may retire on his early retirement date, which shall be the first day of the month coincident with or next following the attainment of age Fifty-five (55) and Seven (7) years of service.

### Early Retirement Benefit

The amount of accrued benefits will be reduced a maximum of 2% for each year before the Normal Retirement Age.

### Late Retirement Date (LRD)

A member's retirement benefit on his Late Retirement Date shall be equal to the greater of (a) or (b) below:

- (a) The accrued benefit on the Late Retirement Date (LRD).
- (b) The accrued benefit at Normal Retirement Date, multiplied by the factor shown below corresponding to the number of years the LRD follows the Normal Retirement Date.

<u># of Years</u>	<u>LRD Follows NRD</u>	<u>Factor</u>
1		1.06
2		1.12
3		1.19
4		1.26
5		1.34
6		1.42
7		1.50
8		1.59
9		1.69
10		1.79

**Termination of Service Benefit**

If a member terminates before completing 3 years of credited service all contributions are returned. After the completion of 3 years of credited service, any member who elects to leave their contributions in the fund will receive their accrued benefit at their normal retirement date.

<u>Vesting Schedule:</u>	<u>Years of Service</u>	<u>VESTING PERCENTAGE</u>
	1	0%
	2	0%
	3	20%
	4	40%
	5	60%
	6	80%
	7	100%

**Forfeiture of Pension**

Any Participant who is convicted of the any of the following offenses committed prior to retirement, or whose employment is terminated by reason of his 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 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 acts or in which he is employed, of the right to receive the faithful performance of his 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 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 case against forfeiture.

Any Participant who has received benefits from the Plan in excess of his 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 accumulated contributions. The Board may implement all legal action necessary to recover such funds.

**Source of Financing Plan**

The Plan is funded through contributions made by the Town and the participating members.

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

Chapter 112, Part VII, Florida Statutes; Chapter 60T-1, FAC, Internal Revenue Code.

**Board of Trustees**

Brian M. Barefoot, Chairman  
Gerard Weick  
Thomas Cadden  
Richard Haverland  
Thomas Slater

**Mailing Address for Board of Trustees:**

Town of Indian River Shores  
6001 North A-1-A  
Indian River Shores, FL 32963

**The following documents are attached:**

- 1. Claims procedures
- 2. Report of actuarial summary

*Town of Indian River Shores, Florida*  
*Defined Benefit Pension Plan – General Employees*  
**Operating Rules and Procedures**

**RULE 14**  
**CLAIMS PROCEDURES**

**14.1 CLAIMS OF AFFECTED PERSONS**

A. The Board of Trustees shall grant an initial hearing upon receipt of a written request ("Claim"), on matters which affect the substantial rights of any person ("Claimant"), including Members, Retirees, Beneficiaries, or any person affected by a decision of the Board of Trustees.

B. The Board shall review the Claim at an initial hearing and enter an order within 90 days from the date of receipt of the Claim and, in the case of disability claims, receipt by the Board of a written medical release authorization in a form approved by the General Counsel and a completed set of interrogatories prepared by the General Counsel and provided to the Claimant. The Board may extend the time for entering the order at an initial hearing for an additional 90 days if it determines such time is necessary for full discovery and adequate review. The General Counsel and the Claimant may stipulate to further extensions of time.

C. It shall be the function of the General Counsel, throughout the claims procedure, to assist the Board in the discovery and presentation of evidence in order to assure that the Board receives all relevant information prior to the Board's decision.

D. The Claimant shall have the right to be represented by counsel at any or all times throughout the claims procedure.

**14.2 INITIAL HEARING**

A. At the initial hearing, the only evidence to be considered by the Board shall be documentary evidence contained in the pension file, including but not limited to, correspondence, medical records and reports of treating physicians and/or examining physicians and evidence received pursuant to paragraph B.

B. Other than questions from the Trustees, there will be no taking of additional evidence at the initial hearing, except that the Claimant will be afforded 15 minutes to make a presentation, which shall be limited to comments and/or arguments as to the evidence or information already contained in the pension file, including the report of the examining physician.

C. Upon completion of the review of the Claim at the initial hearing, the Board shall enter an order setting forth its findings and conclusions on the Claim. The written order shall be provided to the Claimant. The order shall include:

(1) The specific findings and conclusions of the Board, including specific references to pertinent provisions of the Plan on which such conclusions are based;

(2) A description of any additional material or information that the Board may deem necessary for the Claimant to perfect his Claim, together with the reasons why such material or information is necessary; and

(3) An explanation of the right to a full hearing on the Claim and the time limit in which a full hearing must be requested in writing.

D. The decision of the Board at the initial hearing shall not be final until after the time has expired to request a full hearing or, if a full hearing is requested, until the Board makes a decision at the conclusion of the full hearing.

**14.3 FULL HEARING**

A. Any Claimant may request a full hearing on the issues presented to the Board at an initial hearing and upon which the Board has entered an order as provided in subsection 2.C. above.

B. A full hearing must be requested by the Claimant within 90 days of the receipt of the Board's order. The order will be deemed received three days following the date it is mailed to Claimant at the address provided to the Board by Claimant.

C. Upon receipt of the request for a full hearing and considering the amount of discovery which might be conducted, the Board shall establish a date for the full hearing and cause notice to be given to the Claimant. The full hearing shall be held within 90 days from the receipt of the request from the Claimant. The full hearing may be postponed, if necessary and with the consent of the Claimant, to permit full discovery of the facts.

D. Copies of all documents to be offered into evidence at the full hearing, including depositions, and a complete witness list with names and addresses of witnesses expected to be called, shall be furnished to the Board and the General Counsel by the Claimant at least 20 days prior to the full hearing. Documents not furnished to the Board within the prescribed time limit may be excluded from evidence at the full hearing if a reasonable explanation is not provided for the delay in providing the documents.

E. A Claimant or the General Counsel may obtain discovery by deposition and/or interrogatories prior to the full hearing. Written notice of any depositions and/or interrogatories shall be given to the General Counsel and the Claimant.

F. The costs of any discovery, except discovery requested by the Board or the General Counsel, the appearance of witnesses at the hearing, and the making of a verbatim record of the proceedings shall be the responsibility of the Claimant.

G. The Claimant shall be responsible for the appearance of any witnesses which he wishes to have testify at the hearing. The Board shall, however, have the power to subpoena and require the attendance of witnesses and the production of documents for discovery

prior to and at the proceedings provided for herein. The Claimant may request in writing the issuance of subpoenas by the Board. A reasonable fee may be charged for the issuance of any subpoenas not to exceed the fees set forth in Florida Statutes.

H. Testimony at the full hearing may be submitted in the form of a deposition.

Depositions timely submitted will be part of the record before the Board at the full hearing and will not be read in totality at the full hearing; provided, however, that this does not preclude the Claimant or the General Counsel from reading parts of depositions in an opening or closing statement.

I. Irrelevant and unduly repetitious evidence shall be excluded.

J. Any person who knowingly gives false testimony is guilty of a misdemeanor of the first degree, punishable as provided in Section 775.082 or 775.083, Florida Statutes.

K. The file maintained by the Board, including but not limited to various medical reports therein, is part of the record before the Board at the full hearing.

L. All proceedings of the Board shall be conducted in public.

M. In cases concerning an application for pension benefits, including applications for disability retirement benefits, the burden of proof, except as otherwise provided by law, shall be on the Claimant seeking to show entitlement to such benefits.

N. In cases concerning termination of pension benefits, including re-examination of Retirees receiving disability retirement benefits, the burden of proof shall be on the Board.

O. Except as to those records which are exempted from the provisions of Chapter 119, Florida Statutes, Florida's Public Record Law, records maintained by the Board are open for inspection and/or copying during normal business hours at a reasonable cost for the copying.

P. Should a Claimant requesting an initial or full hearing decide to appeal any decision made by the Board, with respect to any matter considered at such hearing, the Claimant requesting an initial or full hearing will need a record of the proceedings and may need to assure that a verbatim record of the proceeding is made. The Claimant requesting an initial or full hearing will be responsible for obtaining a court reporter or otherwise making a record of the proceedings before the Board.

Q. The decisions of the Board after the requested full hearing shall be final and binding.

R. Within 15 days after making a decision at the full hearing, the Board shall enter a final order setting forth its findings and conclusions and a copy of the order shall be provided to the Claimant.

S. Judicial review of decisions of the Board shall be sought by the filing of a timely petition for writ of certiorari with the Clerk of the Circuit Court, in the appropriate county.

#### **14.4 CONDUCT OF THE FULL HEARING**

A. The Chairman shall preside over the hearing and shall rule on all evidentiary, procedural, and other legal questions that arise during the hearing. The Chairman's rulings shall stand unless overruled by a majority of the Trustees present. The Chairman shall open the full hearing by explaining the procedures to be followed.

B. The Claimant shall have the right to be represented by counsel or be self-represented. The General Counsel shall advise the Board.

C. The Claimant shall be allowed to make an opening statement not to exceed ten minutes.

D. Testimony of witnesses shall be under oath or affirmation. Depositions and affidavits shall be admissible.

E. The Chairman, any Trustee, the General Counsel, the Claimant or the Claimant's counsel, upon recognition by the Chairman, may direct questions to any witness during the proceedings.

F. Both the Claimant or the General Counsel shall have the right to present evidence relevant to the issues, to cross-examine witnesses, to impeach witnesses and to respond to the evidence presented.

G. The Claimant shall be permitted a closing argument not to exceed 15 minutes.

H. The Board shall deliberate and make a decision following closing argument and thereafter enter an order as provided herein.

#### **14.5 DISABILITY CLAIMS - ADDITIONAL PROCEDURES**

A. All applications for disability pensions shall be in writing. Forms for such applications may be provided by the Board.

B. Upon receipt of the application for disability, the General Counsel will provide the Claimant with a set of interrogatories or questions to be answered under oath and a medical release authorization. Both documents will be completed by the Claimant and returned to the General Counsel.

C. Upon receipt of the properly completed interrogatories and medical release authorization, the General Counsel will request medical records from all relevant treating physicians; personnel records from the employer, copies of relevant workers' compensation records, and copies of other records deemed to be relevant to the Claim. The Board shall pay, from the Fund, the cost of any medical examinations required by the Board and for copies of medical records.

D. The General Counsel will, if authorized by the Board, upon receipt of the medical records from the treating physicians, schedule an independent medical examination (IME) or examinations with an appropriate independent examining physician or physicians who will be asked to render an opinion about Claimant's physical condition as it relates to the claimed disability.

E. Upon receipt of the IME report or reports from the examining physician or physicians, the General Counsel will provide all records of treating physicians, relevant workers' compensation claims records, the independent medical evaluation, and all other relevant documents to the Board for inclusion in the pension file and the Board shall then schedule the initial hearing.

City/District Name: Indian River Shores

Employee group(s) covered: General

Current actuarial valuation date: 10/1/2013

Date prepared: 1/21/2015

<b>Number of plan participants:</b>	6		
<b>Actuarial Value of Plan Assets:</b>	\$422,700		
<b>Actuarial Accrued Liability (AAL):</b>	\$738,908		
<b>Unfunded Accrued Liability (UAL):</b>	\$316,208		
<b>Market Value of Plan Assets:</b>	\$422,700		Averages for all plans with 2013 current actuarial valuation date
<b>Funded Ratio (5-year history):</b>			
Current valuation	57.21%	78.08%	*
1 year prior	43.47%	74.07%	*
2 years prior	48.17%	73.07%	*
3 years prior	N/A	75.26%	*
4 years prior	56.36%	75.40%	*
<b>Rate of Return:</b>			
Actuarial Value, Actual (2013 Plan Year)	31.47%	9.10%	
Market Value, Actual	12.08%	12.20%	
Assumed	5.90%	7.60%	
<b>Funding requirement as percentage of payroll:</b>	50.57%	52.00%	**
<b>Percentage of payroll contributed by employee:</b>	9.00%	6.15%	**

**Benefit Formula Description:** 2.75% X AME X SC -IRSPP

**AFC Averaging Period (years):** 5

**Employees covered by Social Security?** Yes

**Actuarial Value of Plan Assets:** Assets calculated under an asset valuation method smoothing the effects of volatility in market value of assets. Used to determine employer contribution.

**Market Value of Plan Assets:** Market Value of Assets less DROP Account Balances, if any.

**Actuarial Accrued Liability (AAL):** Portion of Present Value of Fully Projected Benefits attributable to service credit earned as of the current actuarial valuation date.

**Unfunded Accrued Liability (UAL):** The difference between the actuarial accrued liability and the actuarial value of assets accumulated to finance the obligation.

**Funded Ratio:** Actuarial Value of Plan Assets divided by Actuarial Accrued Liability (GASB)

**Assumed Rate of Return:** Assumed long-term rate of return on the pension fund assets.

**Funding requirement as percentage of payroll:** Total Required Contribution (employer and employee) divided by total payroll of active participants

**AFC:** Average Final Compensation or some variant of compensation (e.g., AME (Average Monthly Earnings), FAC (Final Average Compensation), FMC (Final Monthly Compensation) etc.)

**SC:** Service Credit

\*Adjusted by excluding plans from average whose Funded Ratios were not within two standard deviations from the mean

\*\*Plans with zero payroll excluded from averages