

**CITY OF PALM COAST VOLUNTEER FIREFIGHTERS' RETIREMENT SYSTEM
SUMMARY PLAN DESCRIPTION**

November 1, 2015

IS YOUR BENEFICIARY FORM CURRENT? IN THE EVENT YOU DIE, YOUR BENEFIT OR CONTRIBUTIONS WILL BE DISTRIBUTED TO THE PERSON OR PERSONS DESIGNATED BY NAME ON THE BENEFICIARY FORM ON FILE WITH THE PENSION PLAN. NO PROVISION IN YOUR LAST WILL AND TESTAMENT WILL CHANGE THIS SELECTION. PLEASE BE SURE THAT YOUR BENEFICIARY FORM DESIGNATES THE PERSON OR PERSONS YOU INTEND TO RECEIVE YOUR BENEFITS AND THAT YOU REVIEW THIS CHOICE IN THE EVENT OF A MAJOR LIFE CHANGE SUCH AS A DIVORCE OR THE DEATH OF YOUR BENEFICIARY.

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INTRODUCTION

The Board of Trustees of the City of Palm Coast Volunteer Firefighters' Retirement System is pleased to present this booklet which briefly explains the provisions of your Firefighters' Pension Plan. As a participant in the plan, you are included in a program of benefits to help you meet your financial needs at retirement, or in the event of disability or death.

This booklet can assist you in preparing for your retirement and financial future. If you need further information on any of the topics presented in this booklet, please contact any member of the Board of Trustees. They will either answer questions you might have to help you understand your benefits or otherwise get you an answer to your questions. We urge you to read and understand this booklet in order to become familiar with the benefits of the plan and how they contribute to your financial security and how they will enrich your retirement years.

The information presented is only a summary of the pension plan ("Plan") as provided in the ordinances of the City of Palm Coast. If there are any conflicts between the information in this booklet and the ordinances of the City of Palm Coast, the ordinances shall govern. The provisions of this Summary Plan Description shall not constitute a contract between the Member and the Board of Trustees. The Plan shall be administered in accordance with state and federal law, notwithstanding any provisions in this booklet or ordinances to the contrary. A copy of the ordinance establishing the Plan can be obtained from the City Clerk's office, which is located at 160 Cypress Point Parkway, Palm Coast, Florida 32164-8436



Chairman, Board of Trustees, City of Palm
Coast Volunteer Firefighters' Retirement
System

13 Nov 2015
Date

1. **BOARD OF TRUSTEES AND PLAN ADMINISTRATION**

A. Administration. The City of Palm Coast Volunteer Firefighters' Retirement System is a defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the plan. The Board consists of 5 Trustees, 2 of whom shall be legal residents of the City who are appointed by the City Council, 2 of whom are Members of the plan who are elected by a majority of the Firefighters who are Members of the plan and a fifth Trustee who is chosen by a majority of the first 4 Trustees. Each Trustee serves a two year term.

B. The names and addresses of the current Trustees are attached to this Summary Plan Description as Exhibit "A". The Chairman of the Board is designated as agent for the service of legal process.

2. **ELIGIBILITY FOR PLAN MEMBERSHIP**

All volunteer firefighters as of February 17, 2009, and all future new volunteer firefighters, shall become members of this system as a condition of employment or upon being added to the roll of volunteer firefighters by the fire chief. All volunteer firefighters are therefore eligible for plan benefits as provided for in the plan document and by applicable law.

3. **PLAN BENEFITS**

All claims for benefits under the plan shall be made in writing to the Board.

A. Normal Retirement Eligibility. You are eligible for retirement upon the earlier of the attainment of age 62 and the completion of 5 years of credited service, the attainment of age 55 and the completion of 10 years of credited service or the completion of 25 years of credited service.

B. Amount of Normal Retirement Benefits. The amount of the normal retirement benefit is based on your credited service and average final compensation:

"Credited Service" is generally your period of employment as a volunteer firefighter in the Fire Department measured in full fiscal years for which you earn credited service in accordance with the "Length of Service Award Program" (LOSAP), attached hereto.

Credited service will include credit for up to 5 years for a break in employment for military service, pursuant to conditions provided for under state or federal law, provided that you are reemployed within 1 year of discharge under honorable conditions. Additional credited service time may also be available (See subsection K. below).

You shall be eligible to receive up to 5 years of credited service if you have consecutive service to the City as a volunteer prior to July 1, 2002 provided you satisfied pension requirement points in at least one of the two years following July 1, 2002. Otherwise, no credited service shall be awarded for any period prior to July 1, 2002.

If you become temporarily disabled as a result of an injury sustained during the performance of providing volunteer firefighter services to the City, you may, as determined by the Board, be granted credited service equal to the period of time you were disabled, not to exceed one-half year.

The normal retirement benefit is \$65.00 per month for each year of credited service.

Normal and early retirement payments will commence on the first day of the month coincident with or next following your last day of employment. Early retirees may defer the commencement of benefits. The benefit is paid to you for your life, but you or your beneficiary shall receive at least 120 monthly benefit payments in any event.

Each vested Plan Member shall be entitled, at the Fund's expense, to receive two actuarial studies to estimate his or her retirement benefits. Any additional studies shall be provided only at the Member's expense.

C. Early Retirement. You are eligible for early retirement upon the attainment of age 50 and the completion of 10 years of credited service.

D. Amount of Early Retirement Benefits. The amount of the early retirement benefit is calculated in the same manner as for normal retirement and is available as follows:

- (1) Beginning on the date on which you would have qualified for normal retirement; or
- (2) Beginning immediately upon retirement, but if beginning immediately, the amount of the monthly benefit is reduced by 3% for each year by which the commencement of benefits precedes the date that would have been your normal retirement date based upon your actual years of credited service.

E. Supplemental Benefit - Share Plan. There is a separate member "share account" created for each current and future retiree and each current and future member of the plan. At retirement, termination (vested), in-line-of duty disability or death, there shall be an additional benefit paid to you. The share plan is funded solely with state premium tax money and the funding that is received for this Share Plan is allocated to your share account based on a formula which gives you an allocation based on your years of credited service. Your share account receives its proportionate share of the income or loss on the assets in the plan.

F. Optional Forms of Retirement. In lieu of the amount and form of retirement income payable under normal and early retirement, you may elect to receive a retirement benefit in a different form so long as the form you elect is of equal actuarial value as the normal benefit. The optional forms of benefits which are available are:

- (1) A retirement income of a monthly amount payable to you for your lifetime only.
- (2) A retirement income of a modified monthly amount, payable to you during your lifetime and following your death, 100 percent, 75 percent, 66 2/3 percent or 50 percent of such monthly amount payable to a joint pensioner for his lifetime.

G. Disability Retirement. You are considered disabled when you become totally and permanently unable to perform useful and efficient service as a volunteer firefighter. A written application is made to the Board for a disability pension and the Board receives evidence of the disability and decides whether or not the pension is to be granted. If the pension is granted, the benefit amount shall be:

- (1) If the injury or disease is service connected, a monthly pension calculated in the same manner as for normal retirement.

- (2) If the injury or disease is not service connected, a monthly pension calculated in the same manner as for normal retirement. This non-service connected benefit is only available if you have at least 10 years of credited service.

Terminated persons, either vested or non-vested, are not eligible for disability benefits. Except, however, if you were terminated by the City for medical reasons, and if you apply within 30 days after your termination date, your application will be processed and fully considered by the board. If you voluntarily terminate your employment after filing the application, you will not be eligible to be considered for any disability benefit.

Your disability benefit terminates upon the earlier of death, with 120 payments guaranteed, or recovery. You may, however, select a "life only" or "joint and survivor" optional form of benefit as described above under "Optional Forms of Retirement".

Any condition or impairment of health caused by hypertension or heart disease resulting in death or total and permanent disability is presumed to have been suffered in the line of duty unless the contrary is shown by competent evidence; provided that you have successfully passed a physical examination on entering into service and there is no evidence of the condition at that time.

For conditions diagnosed on or after January 1, 1996, if you suffer a condition or impairment of health that is caused by hepatitis, meningococcal meningitis, or tuberculosis, which results in total and permanent disability, it shall be presumed that the disability is in the line of duty, unless the contrary is shown by competent evidence as provided for in Section 112.181, Florida Statutes; provided that the statutory conditions have been met.

To receive disability benefits, you must establish to the satisfaction of the Board, that such disability was not occasioned primarily by:

- (1) Excessive or habitual use of any drugs, intoxicants or narcotics.
- (2) Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections or while committing a crime.
- (3) Injury or disease sustained while serving in any branch of the Armed Forces.
- (4) Injury or disease sustained after your employment as a Firefighter with the City of Palm Coast shall have terminated.

As a disabled pensioner, you are subject to periodic medical examinations as directed by the Board to determine whether a disability continues. You may also be required to submit statements from your doctor, at your expense, confirming that your disability continues.

Upon eligibility for a benefit under this Section G., you may also have a right to a lump sum payment of any supplemental benefit provided pursuant to Section E., above.

H. Death Before Retirement. If you die prior to retirement from the Fire Department, your beneficiary shall receive the following benefit:

- (1) Prior to Vesting or Eligibility for Retirement. If you were not receiving monthly benefits or were not yet vested or eligible for early or normal retirement, your beneficiary shall receive a refund of 100% of your accumulated contributions, if any.

(2) Deceased Members Vested or Eligible for Retirement with Spouse as Beneficiary. If you die and, at the date of your death were vested or eligible for early or normal retirement, your spouse beneficiary shall be entitled to a benefit as follows:

- (a) If you were vested, but not eligible for normal or early retirement, your spouse beneficiary shall receive a benefit payable for 10 years, beginning on the date that you would have been eligible for early or normal retirement, at the option of your spouse beneficiary. The benefit shall be calculated as for normal retirement based on your credited service as of the date of your death and reduced as for early retirement, if applicable. Your spouse beneficiary may also elect to receive an immediate benefit, payable for 10 years, which is actuarially reduced to reflect the commencement of benefits prior to your early retirement date.
- (b) If you were eligible for normal or early retirement, your spouse beneficiary shall receive a benefit payable for 10 years, beginning on the first day of the month following your death or at your otherwise normal or early retirement date, at the option of your spouse beneficiary. The benefit shall be calculated as for normal retirement based on your credited service as of the date of your death and reduced as for early retirement, if applicable.
- (c) Your spouse beneficiary may not elect an optional form of benefit, however, the Board may elect to make a lump sum payment.
- (d) Your spouse beneficiary may, in lieu of any benefit provided for in (a) or (b) above, elect to receive a refund of your accumulated contributions, if any.
- (e) If your spouse beneficiary commences receiving a benefit under (a) or (b) above, but dies before all payments are made, the remaining benefit shall be paid to the estate of the spouse beneficiary.

(3) Deceased Members Vested or Eligible for Retirement with Non-Spouse Beneficiary. If your beneficiary is not your spouse, the benefits payable to your non-spouse beneficiary are the same as those to a spouse beneficiary, however, the date of commencement of those benefits may be required to be earlier, with the resulting reduction in the amount.

I. Termination of Employment and Vesting. If your employment is terminated, either voluntarily or involuntarily, the following benefits are payable:

- (1) If you have less than 5 years of credited service upon termination, you shall be entitled to a refund of the money you have contributed, if any, or you may leave it deposited with the plan.
- (2) If you have 5 or more years of credited service upon termination, you shall be entitled to a monthly retirement benefit. The benefit shall be determined in the same manner as for normal or early retirement and

shall be based upon your credited service as of the date of termination. The benefit shall be payable to you starting at your otherwise normal or early retirement date, determined based upon your actual years of credited service, provided you do not elect to withdraw your contributions and provided you survive to your otherwise normal or early retirement date. If you do not withdraw your accumulated contributions and do not survive to your otherwise normal or early retirement date, your designated beneficiary shall be entitled to a benefit as provided herein for a deceased member, vested or eligible for retirement under Death Before Retirement.

The Internal Revenue Code provides that certain eligible lump sum distributions from the pension plan may be directly rolled over into qualified individual retirement accounts, annuities or certain other pension plans. A 20% withholding shall be required on taxable portions of such lump sum distributions not directly transferred to a new custodian.

J. Reemployment After Retirement. If you retire under normal or early retirement and wish to be reemployed by the city, you should be aware that your ability to continue to receive your pension benefit upon reemployment may be restricted.

K. Additional Credited Service. In addition to credited service actually earned in the employment of the Fire Department, you may also receive credited service as follows:

- (1) "Buy-Back" for Prior Fire Service. The years or fractional parts of years that you previously served as a Firefighter with the City of Palm Coast during a period of previous employment and for which period accumulated contributions were withdrawn from the plan shall be added to your years of credited service provided that within the first 90 days of your reemployment you pay into the plan the withdrawn contributions, if any, with interest.
- (2) Rollovers or Transfers of Funds to Purchase Service. In the event you are eligible to purchase additional credited service as provided above, you may be eligible to rollover or transfer funds from another retirement program in which you participate (traditional IRA, deferred compensation plan maintained by a government employer 457 plan, 401k plan, profit sharing plan, defined benefit plan, money purchase plan, annuity plan or tax sheltered annuity) in order to pay all or part of the cost of purchasing such additional credited service.

L. Contributions and Funding. The City is paying the portion of the cost of the pension plan over and above any amounts received from the state insurance rebates.

M. Maximum Benefits. Pursuant to Code Section 457(e)(11)(B)(ii), the aggregate amount of length of service awards (including all benefits under the Plan, such as retirement, disability, supplemental benefits) accruing for any member under the system with respect to any year of credited service shall not exceed three thousand dollars (\$3,000).

N. Forfeiture of Pension. If you are convicted of the certain crimes listed in the plan document committed prior to retirement, or if your employment is terminated by reason of your admitted commission, aid or abetment of these crimes, you shall forfeit all rights and benefits under the plan, except for the return of your contributions as of the date of your termination.

O. Conviction and Forfeiture; False, Misleading or Fraudulent Statements. It is unlawful for you to willfully and knowingly make, or cause to be made, or to assist, conspire with, or urge another to make, or cause to be made, any false, fraudulent, or misleading oral or written statement or withhold or conceal material information to obtain any benefit from the plan.

If you violate the previous paragraph, you commit a misdemeanor of the first degree, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

In addition to any applicable criminal penalty, upon conviction for a violation described above, you or your beneficiary may, in the discretion of the Board, be required to forfeit the right to receive any or all benefits to which you would otherwise be entitled under the plan. For purposes of this subsection, "conviction" means a determination of guilt that is the result of a plea or trial, regardless of whether adjudication is withheld.

P. Claims Procedure Before the Board. You may request, in writing, that the Board review any claim for benefits under the plan. The Board will review the case and enter a decision as it deems proper within not more than 180 days from the date of the receipt of such written request, or in the case of a disability claim, from receipt of a medical release and completed interrogatories. The time period may be extended if you agree to the extension.

The Board's decision on your claim will be contained in an order which will be in writing and will include:

- (1) The specific reasons for the Board's action;
- (2) A description of any additional information that the Board feels is necessary for you to perfect your claim;
- (3) An explanation of the review procedure next open to you which includes a formal evidentiary hearing.

4. NON-FORFEITURE OF PENSION BENEFITS

A. Liquidation of Pension Fund Assets. In the event of repeal, or if contributions to the plan are discontinued by the City, there will be a full vesting of benefits accrued to date of repeal.

B. Interest of Members in Pension Fund. At no time prior to the satisfaction of all liabilities under the plan shall any assets of the plan be used for any purpose other than for the Firefighters' exclusive benefit. In any event, your contributions to the plan are non-forfeitable.

5. VESTING OF BENEFITS

Your retirement benefits are vested after 5 years of credited service.

6. APPLICABLE LAW

The plan is governed by certain federal, state and local laws, including, but not limited to the following:

- A. Internal Revenue Code and amendments thereto.
- B. Chapter 175, Florida Statutes, "Municipal Firefighters' Retirement Trust Funds".

- C. Part VII, Chapter 112, Florida Statutes, "Actuarial Soundness of Retirement Systems".
- D. Ordinances of the City of Palm Coast.
- E. Administrative rules and regulations adopted by the Board of Trustees.

7. **PLAN YEAR AND PLAN RECORDS**

The plan year begins on October 1 of each year and ends on September 30 of the following year. All records of the plan are maintained on the basis of the plan year.

8. **APPLICABLE PROVISIONS OF COLLECTIVE BARGAINING AGREEMENTS**

There is no collective bargaining agreement between the Firefighters and the City.

9. **FINANCIAL AND ACTUARIAL INFORMATION**

- A. A report of pertinent financial and actuarial information on the solvency and actuarial soundness of the plan has been prepared by the Pension Plan's actuary, Foster & Foster, Inc., and is attached as Exhibit "B".
- B. A copy of the detailed accounting report of the plan's expenses for the previous fiscal year is available for review upon request to the Board Secretary.
- C. A copy of the administrative expense budget for the plan, for each fiscal year is available for review upon request to the Board Secretary.

10. **DIVORCE OR DISSOLUTION OF MARRIAGE**

Federal and state law provides certain restrictions regarding the payment of your pension benefits in the event of your divorce or dissolution of marriage. Immediately upon your involvement in such a legal proceeding, you should provide a member of the Board with the name and address of your attorney or your name and address if you have no attorney. The Board's attorney will then provide you or your attorney with information concerning the legal restrictions regarding your pension benefits. In addition, a copy of any proposed order must be submitted to the Board prior to entry by the court. Failure to do so may require you to pay any expenses incurred by the Board in correcting an improper court order.

11. **EX-SPOUSES AS BENEFICIARY OR JOINT PENSIONER**

The Florida Legislature has adopted Section 732.703, Florida Statutes. This law nullifies the designation of your ex-spouse as a Beneficiary or Joint Annuitant / Joint Pensioner on your pension plan retirement benefits. This law went into effect on July 1, 2012.

After July 1, 2012, if you want your ex-spouse to be a beneficiary or joint annuitant/joint pensioner for your plan benefit, you will have to make that designation AFTER the dissolution of marriage. If you currently have an ex-spouse as a beneficiary or joint annuitant/joint pensioner, and want to keep this designation, you will have to designate the ex-spouse again after July 1, 2012.

To reconfirm your current beneficiary, or to designate a new beneficiary, complete a new Designation of Beneficiary Form (PF-3).

To reconfirm your current joint annuitant/joint pensioner, or to designate a new joint annuitant/joint pensioner (if authorized by the current plan provisions), indicate such change on a Change or Confirmation of Designated Joint Annuitant or Joint Pensioner Form (PF-25). If necessary, the plan administrator will submit the new form to the actuary of the plan for recalculation of your benefit. There may be a charge to you to make this change.

To obtain either of the above forms, or if you have any questions, please contact your plan administrator.

12. **EXCLUSION OF HEALTH INSURANCE PREMIUMS FROM INCOME.**

When you retire because of disability or have worked to the date you are immediately eligible for normal retirement (not early retirement), you can elect to exclude from income, distributions made from your benefit that are used to pay the premiums for accident or health insurance or long-term care insurance. The premium can be for coverage for you, your spouse, or dependents. The distribution must be made directly from the plan to the insurance provider using pension form PF-22 which authorizes the distribution. (This form may be obtained from your plan administrator) You can exclude from income the smaller of the amount of the insurance premiums or \$3,000.00. You can only make this election for amounts that would otherwise be included in your income.

EXHIBIT "A"

BOARD OF TRUSTEES

The names and addresses of the members of the Board of Trustees are:

Chairman: Charles Esposito
160 Cypress Point Parkway
Suite B-106
Palm Coast, Florida 32164-8436

Vice-Chairman: Tim Wilsey
160 Cypress Point Parkway
Suite B-106
Palm Coast, Florida 32164-8436

Secretary: Robert Schroeder
160 Cypress Point Parkway
Suite B-106
Palm Coast, Florida 32164-8436

Member: Daniel Brazzano
160 Cypress Point Parkway
Suite B-106
Palm Coast, Florida 32164-8436

Member: John Pickard
160 Cypress Point Parkway
Suite B-106
Palm Coast, Florida 32164-8436



August 19, 2015

Via EMAIL

Mr. Charles Esposito, Chairman
Palm Coast Volunteer Firefighters' Retirement System
160 Sypress Point Pkwy Suite B-106
Palm Coast, FL 32164-8436

Re: Palm Coast Volunteer Firefighters' Retirement System

Dear Mr. Esposito:

Enclosed is the Exhibit "B", which is based upon the October 1, 2014 Actuarial Valuation for attachment to the Summary Plan Description for the above referenced retirement program.

If you have any questions, please let us know.

Sincerely,

Mary Jean Gloudeman

Mary Jean Gloudeman

Enclosure

cc: Scott Christiansen w/Enclosure

C. Liabilities - (Continued)	<u>10/1/2014</u>	<u>10/1/2013</u>
Present Value of Future Salaries	0	0
Present Value of Future Member Cont.	0	0
Normal Cost (Entry Age Normal)		
Retirement	86,903	91,576
Disability	2,260	2,835
Death	968	999
Vesting	14,577	19,249
Refunds	0	0
Total Normal Cost	<u>104,708</u>	<u>114,659</u>
Present Value of Future Normal Costs	488,375	541,430
Accrued Liability (Entry Age Normal)		
Retirement	377,339	327,431
Disability	7,734	7,683
Death	3,887	3,247
Vesting	71,422	73,985
Refunds	0	0
Inactives	883,664	885,549
Excess State Monies Reserve	1,505,738	1,268,077
Total Actuarial Accrued Liability	<u>2,849,784</u>	<u>2,565,972</u>
Unfunded Actuarial Accrued Liability	(744,583)	(531,668)
 D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives	883,664	885,549
Actives	175,961	108,149
Member Contributions	0	0
Total	<u>1,059,625</u>	<u>993,698</u>
Non-vested Accrued Benefits	<u>145,744</u>	<u>167,899</u>
Total Present Value Accrued Benefits	1,205,369	1,161,597
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	69,958	
Benefits Paid	(110,810)	
Interest	84,624	
Other	0	
Total:	<u>43,772</u>	