CITY OF PALM COAST FIREFIGHTERS' RETIREMENT SYSTEM

SUMMARY PLAN DESCRIPTION

Adopted February 23, 2026

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. YOU MAY REVIEW YOUR BENEFICIARY FORM OR REQUEST A NEW FORM BY CONTACTING THE PLAN OFFICE.

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INTRODUCTION

The Board of Trustees of the City of Palm Coast 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 the Plan's administrative office. The contact information appears at the end of this document. The administrative office will assist in answering questions you might have about the Plan and/or your benefits. 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 is any conflict 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 applicable 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 Lake Avenue, Palm Coast, Florida 32164-8436.

Robert Ballou

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

Date: February 23, 2025

1. BOARD OF TRUSTEES AND PLAN ADMINISTRATION

A. Administration. The City of Palm Coast 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 five trustees, two of whom shall be legal residents of the City who are appointed by the City Council, two of whom are Members of the plan who are elected by a majority of the Members of the plan and a fifth Trustee who is chosen by a majority of the other four trustees. Each trustee serves a two-year term. DROP participants can be elected to serve as trustees, but may not vote for elected trustees.

B. Trustees. 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

Effective February 2, 2025, Membership in the System shall be composed of two tiers:

Tier A shall include all full-time, non-Volunteer Firefighters employed by the City as of February 2, 2025 whose employment with the City as non-Volunteer firefighters commenced prior to said date, and who have elected (or who are deemed to have elected) as provided below to participate in the System. The membership of said Firefighters in the System shall be effective as of February 2, 2025. Tier A shall also include all non-Volunteer Firefighters hired by the City on or after February 2, 2025. The latter shall become members of the System each as of the date of his or her employment as a non-Volunteer Firefighter.

Tier B shall include all Volunteer Firefighters who were members of the System as of February 2, 2025 and whose membership in the System commenced prior to said date. The membership of said Volunteer Firefighters in the System shall be effective as of the date defined in the applicable provisions of the System in effect prior to February 2, 2025. Tier B shall also include all Volunteer Firefighters added on or after February

2, 2025 to the roll of Volunteer Firefighter by the Fire Chief. The latter shall become members of the System each as of the date upon which he or she is added to the roll of Volunteer Firefighters.

Non-Volunteer Firefighters employed by the City as of February 2, 2025 whose employment with the City as non-Volunteer firefighters commenced prior to said date, may, at any time during the 30-day period commencing on February 2, 2025, make an irrevocable election to remain in the City's defined contribution plan or to participate in this System effective retroactively to February 2, 2025. Any non-Volunteer Firefighter who fails to make an election is deemed to have elected to participate in the System effective February 2, 2025.

An individual who becomes employed by the city in the position of Fire Chief, and who was not an employee of the City immediately prior to his or her employment as Fire Chief, may elect not to participate in the System.

Members become 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 and addressed to the Plan's administrative office.

A. Normal Retirement Eligibility. A member becomes eligible for normal retirement upon attainment of Normal Retirement Age.

B. Amount of Normal Retirement Benefits. The amount of the normal retirement benefit is based on your Credited Service, and, with respect to Tier A service, your Average Final Compensation.

(1) For Tier A Service – The amount of monthly retirement income payable for Tier A service to a Member who retires on or after his or her Tier A Normal Retirement Date shall be an amount equal to the number of his or her years of Tier A Credited Service multiplied by three (3) percent of his or her Tier A Average Final Compensation.

(2) For Tier B Service – The amount of monthly retirement income payable for Tier B service to a Member who retires on or after his or her Tier B Normal Retirement Date shall be $85.00 per month for each year of Tier B Credited Service, if the Member has fewer than ten years of Tier B Credited Service; the amount of monthly retirement income shall be $100 for each year of Tier B Credited Service, if the Member has ten or more years of Tier B Credited Service.

C. Early Retirement. You are eligible for early retirement upon the attainment of your Early Retirement Age.

D. Amount of Early Retirement Benefits. The amount of the early retirement benefit is calculated in the same manner as for normal retirement, based upon the number of years of Credited Service as of your early retirement date, 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, based upon your actual years of Credited Service, but since 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.

Normal and early retirement payments will commence on the first day of the month coincident with or next following your retirement. Early retirees may defer the commencement of benefits, as provided above. Unless you elect an optional form of benefit, the benefit is paid to you in the Normal Form.

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.

E. Supplemental Benefit - Share Plan. Members with Tier B service prior to October 1, 2024 have been allocated “share accounts. The member share accounts were funded solely with state premium tax money, which was allocated to each share account based on years of credited service. Share accounts also receive a proportionate share of the investment income or loss on the assets in the plan.

No premium tax money relating to Plan Years beginning on or after October 1, 2024 shall be used to fund share accounts.

A share account holder is entitled to receive the value of his or her share account: 1) upon retirement; (2) if he or she is vested and terminates service as a Volunteer Firefighter prior to reaching eligibility for early or normal retirement; or (3) if he or she is determined by the Board of Trustees to be eligible for a disability benefit. The beneficiary of the share account holder will be entitled to the value of the share account if the share account holder is vested and dies while an active Volunteer Firefighter, or if the member has retired and dies prior to all funds being distributed.

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 one of the following optional forms that are actuarially equivalent to Normal Form. 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.

(3) Deferred Retirement Option Plan (DROP) (Retirement from Tier A only)

(i) Once you become eligible for normal retirement, and are still employed by the City as a Firefighter, you have the option of "retiring" from the pension plan but continuing your employment as a Firefighter for an additional sixty months. An election to participate in the DROP shall constitute an irrevocable election to resign from the service of the City not later than 60 months from the commencement of DROP participation. Notwithstanding the foregoing, the maximum 60-month period shall be reduced by one month for each month by which you delay your entry into the DROP following attainment of normal retirement eligibility.

(ii) Once you enter the DROP, the monthly retirement payments that would otherwise be paid to you, are paid into your DROP account, which is an account maintained by the System for accounting purposes only. As a DROP participant, you are not eligible for the disability retirement benefits described in Subsection (G) below. In the event of your death, your Beneficiary will receive the balance of your DROP account, but will not be entitled to any pre-retirement death benefits described in Subsection (H) below. Any future monthly retirement benefits that are payable to a Beneficiary or Joint-Pensioner in accordance with the form of benefit that you elected, will be paid to the Beneficiary or Joint Pensioner that you designated.

(iii) The balance in your DROP account is credited with earnings, determined as of the last business day of each fiscal year quarter and credited as of such date, determined as follows: The average daily balance in a member's DROP account shall be credited at a rate equal to the net investment return realized by the System for that quarter, but in no event less than zero (0) percent. "Net investment return" for the purpose of this paragraph is the total return of invested Plan assets, net of brokerage commissions, transaction costs and management fees.

(iv) Upon termination of employment, whether at the end of the DROP period or earlier, you will receive your DROP account balance in a lump sum, and your future monthly benefit payments (determined in accordance with the Form of Payment that you elected) will be paid to you directly.

(v) Participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants.

(vi) Additional information about the DROP can be obtained from the Board.

G. Disability Retirement. You are considered disabled when you become totally and permanently unable to perform useful and efficient service as a Non-Volunteer (Tier A Members) or as a Volunteer Firefighter (Tier B Members). 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, except that, with respect to Tier A Members, the benefit shall be equal to the greater of: (i) the amount so calculated, and (ii) forty-two percent (42%) of the Member's average monthly salary at the time of disability.

(2) If the injury or disease is not service connected, a monthly pension calculated in the same manner as for normal retirement, except that, with respect to Tier A Members, the benefit shall be equal to the greater of: (i) the amount so calculated, and (ii) twenty-five percent (25%) of the Member's average monthly salary at the time of disability. This nonservice 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 90 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 is payable in the Normal Form unless you recover from disability, in which case the last payment shall be the payment immediately preceding 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.

In addition, effective July 1, 2019, in accordance with Chapter 2019-21, Laws of Florida, certain types of cancer resulting in death or total and permanent disability are presumed under certain conditions to have originated in the line of duty unless the contrary is shown by competent evidence. Please inquire at the plan administrative office if you are diagnosed with cancer.

Disability benefits are not payable if the disability was 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 service as a Volunteer Firefighter or Non-Volunteer 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 Subsection G., you may also have a right to a lump sum payment of any supplemental benefit provided pursuant to Subsection E., above.

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

(1) If you were vested–

(i) a benefit with respect to your Tier A and Tier B Credited Service in the amount otherwise payable to you at Early Retirement Age or Normal Retirement Age. The benefit shall be payable in the Normal Form, with the remainder, if any, upon the Beneficiary's death, being paid to the designated beneficiary of the Beneficiary. Benefits commencing prior to your Normal Retirement Date shall be adjusted for early retirement. Benefits shall be payable as follows:

(I) If you had a Spouse at the time of death and the Spouse is your sole designated Beneficiary,

(a) and you were not eligible for normal or early retirement, the benefit shall be payable to your Spouse for ten 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) and you were eligible for normal or early retirement, the benefit shall be payable to your Spouse for ten years, beginning on the first day of the month following your death or, if later, at your otherwise normal 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) 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.

(II) If you did not have a Spouse or your Spouse is not your sole designated Beneficiary, the benefits payable 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. The beneficiary may not elect an optional form of benefit, however the board may elect to make a lump sum payment.

(2) If you were not vested, your Beneficiary, or if none, your heirs as prescribed by Florida Statutes, Chapter 732, Part 1, “Intestate Succession” shall be entitled

to a refund of 100 percent, without interest, of your accumulated contributions to the Fund related to your Tier A service.

(3) In addition to the benefits in (1) or (2) above, the Beneficiary of a deceased Tier B Member may also be entitled to a lump sum payment of the Member' share account, if any.

I. Vesting and Termination of Employment. Tier A Credited Services becomes vested upon the attainment of ten years of Tier A Credited Service. Tier B Credited Service becomes vested upon the attainment of five years of Tier B Credited Service.

If your Tier A or Tier B benefits are vested, or both are vested, and you terminate service under the System prior to reaching eligibility for early or normal retirement for the vested benefit(s), you shall be entitled to a monthly retirement benefit equal to the vested accrued benefit. The benefit shall be determined in the same manner as for normal or early retirement and shall be based upon your vested 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. If you 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. In lieu of the foregoing with respect to your Tier A credited service, you may elect at any time prior to the commencement of benefits, to receive a refund of your contributions.

If your Tier A benefits are not vested and you terminate service under the System, you may voluntarily leave your member contributions in the Fund for a period of five (5) years after separation from employment with the City, without losing credit for active employment as a Firefighter with the City. If you do not re-enter the service of the City as a Tier A member within five (5) years of separation, the member contributions shall be refunded as provided by the Plan. You shall not receive credit for any years or fractional parts of years of service as a Non-Volunteer Firefighter for the City, for which you have received a refund of your member contributions, unless you repay into the Fund the amount withdrawn, plus interest, compounded monthly, at a rate equal to the Plan's assumed rate of investment return on the date of repayment. You must make repayment or arrange for repayment by rollover or payroll deduction within ninety (90) days of reentering the service of the City as a Tier A Member.

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, you may be entitled to additional Tier A Credited Service as follows:

(1) Family and Medical Leave Act – If, while you are a Tier A Member, you are absent on unpaid leave under the Family & Medical Leave Act, you may purchase lost Credited Service by making an actuarially determined contribution to the Plan, such that there is no cost to the Plan in allowing such Credited Service, within strict time periods provided for in the plan document. The Credited Service thus purchased shall be added to your Tier A Credited Service.

(2) Prior Fire Service – Unless otherwise prohibited by law, a Tier A Member may purchase Credited Service for up to fifteen (15) years that the member served as a full-time Non-Volunteer Firefighter with the City of Palm Coast prior to February 2, 2025, provided that The Member contributes to the fund the sum that he or she would have contributed, based on his or her salary and the Member contribution rate in effect during the credited service requested, for the years or fractional parts of years requested, plus an amount actuarially determined such that the crediting of such prior service does not result in any cost to the fund, plus payment of costs for all professional services rendered to the Board in connection with the purchase. The cost to purchase prior service shall be calculated based on the most recent of the Member's years of service, earned immediately prior to February 2, 2025.

L. Contributions and Funding.

Member Contributions – Tier A members shall make regular contributions to the Fund at a rate equal to five (5) percent of their Compensation, which contributions shall be picked up by the City in accordance with s. 414(h) of the Internal Revenue Code. The picked-up contributions shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code, but shall be treated as employee contributions for all other purposes. No Member shall have the option to receive the contributed amounts directly instead of having them paid by the City to the Fund.

City Contributions – The City shall make an annual contribution to the fund during the first quarter of the Plan year or in quarterly installments in an amount equal to the total cost for the year as shown by the most recent actuarial valuation and report for the System conducted under part VII of chapter 112, after taking into account all other amounts contributed to the Plan.

State Contributions – the monies received or receivable by reason of laws of the State of Florida, for the express purpose of funding and paying for retirement benefits for Non-Volunteer and Volunteer Firefighters of the City, shall be deposited in the fund comprising part of this System immediately and under no circumstances more than five days after receipt by the City. Such funds may not be used for any purpose except as provided under Chapter 175, Florida Statutes.

M. <u>Maximum Benefits</u>. Notwithstanding any other provision of the System, no benefit shall be paid under the System that exceeds the applicable limits of the Internal Revenue Code.

N. <u>Forfeiture of Pension</u>. If you are convicted of the certain crimes listed in the plan document committed prior to retirement, or if your service is terminated by reason of your admitted commission, aid or abetment of these crimes, you shall forfeit all rights and benefits under the plan.

O. <u>Conviction and Forfeiture: False, Misleading or Fraudulent Statements</u>. 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 submit in writing 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. 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. Chapter 112, Florida Statutes,

D. Ordinances of the City of Palm Coast.

E. Administrative rules and regulations adopted by the Board of Trustees.

6. PLAN YEAR AND PLAN RECORDS

The plan year begins on October I 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.

7. APPLICABLE COLLECTIVE BARGAINING AGREEMENTS

With respect to Tier A Members, the benefits described herein are as determined in the collective bargaining agreement between IAFF Local 4807 and the City of Palm Coast.

8. 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^{t}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.

9. DIVORCE OR DISSOLUTION OF MARRIAGE

Federal and state law provide 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 the Plan office 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.

10. 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.

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. 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.

11. GLOSSARY

The following terms are defined as follows in the pension ordinances governing the System:

(1) Average Final Compensation –

(i) For periods of service as a Tier A Member, Average Final Compensation means one-twelfth of the average annual compensation of the 5 best years of the last 10 years of credited service before retirement, DROP entry, termination, or death. A year shall mean any 12 consecutive months and each year used in computing Average Final Compensation need not have the same starting month.

(2) Compensation – Compensation means the fixed monthly remuneration paid to a Tier A Firefighter. Compensation shall include up to 300 hours per year in overtime compensation but shall not include payments for accrued unused sick or annual leave. For the avoidance of doubt, such 300 hours of overtime, shall be calculated as those hours worked by an eligible Firefighter in excess of their regular annual schedule of 2,912 hours pursuant to Family and Medical Leave Act (FMLA). Compensation shall include amounts contributed as employee-elective salary reductions or deferrals to any salary reduction, deferred compensation, or tax-sheltered annuity program authorized under the Code. Compensation may not include any amounts in excess of the Code s. 401(a)(17) limitation, as amended by the Omnibus Budget Reconciliation Act of 1993, which limitation of $150,000 shall be adjusted as required by federal law for qualified government plans and further adjusted for changes in the cost of living in the manner provided by Internal Revenue Code s. 401(a)(17)(B).

(3) Credited Service –

(i) For periods of service as a Tier A Member, "Credited Service" is the aggregate number of years and fractional parts of years, excluding periods prior to February 2, 2025 (except as otherwise provided herein), during which you are employed as a Non-Volunteer Firefighter in the Palm Coast Fire Department. For the aggregate number of years and fractional parts of years prior to February 2, 2025 during which you were employed as a non-Volunteer Firefighter in the Palm Coast Fire Department, you will receive Credited Service solely for purposes of vesting or eligibility for retirement, but not for benefit calculation purposes; notwithstanding the foregoing, you will receive Credited Service for all purposes for any years and fractional parts of years of employment as a non-Volunteer Firefighter in the Palm Coast Fire Department prior to February 2, 2025 that are purchased as Prior Fire Service (See Paragraph 3.K(2)). In the event that you also have accumulated credited service in another pension system maintained by the City, then such other credited service shall be used in determining vesting, and eligibility for early or normal retirement under this system, but not for calculation of benefits under this System. Credited Service shall not include years or fractional parts of years of service with respect to which the Member has received a refund of his or her Member Contributions, unless said contributions are repaid to the System in accordance with the conditions set forth in Section 3.1.

(ii) For periods of service as a Tier B Member, "Credited Service" is generally your length of continuous service 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. You shall be eligible to receive up to 5 years of credited service if you have consecutive service to the City as a Volunteer Firefighter 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 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 a period of one-half-year, if the Board finds that you are unable to respond to fire alarms, and unable to attend required activities during such period of disability.

If you terminate service or are dropped from the rolls as a Volunteer Firefighter and thereafter rejoin service or are reinstated on the rolls as a Volunteer Firefighter, your previous credited service shall be restored but the annual benefit accrual rate that was in effect on the date of termination of service or the date you were dropped from the rolls shall be applied to all prior credited service. Failure to accrue a year of credited service in a given year will not automatically result in a member being dropped from the rolls.

In the event you terminate your employment or membership as a Volunteer, your year of partial service as of your termination date shall be awarded only if you have met the entire annual point requirement for the Plan year as of your termination date.

Credited Service shall also include a break in Tier A or Tier B service for military service in accordance the Federal law known as USERRA, and in accordance with any applicable State law, and subject to the conditions set forth in the ordinances of the City of Palm Coast.

(4) Early Retirement Age – Early Retirement Age means the date as of which the Member has ten or more years of Credited Service and has attained age 50.

(5) Normal Form – Normal Form means a monthly retirement benefit payable until the death of the Member receiving such benefit, except that, in the event the Member dies before he or she has received 120 payments, the remaining payments shall be paid to the Member's Beneficiary.

(6) Normal Retirement Age –

(i) For Tier A service, Normal Retirement Age means the earlier of (I) and (II) below:

(I) the date as of which the Member has ten or more years of Credited Service and has attained age 55;

(II) the date as of which the Member has twenty-five or more years of Credited Service regardless of age.

(ii) For Tier B service, Normal Retirement Age means the earlier of (I), (II) and (III) below:

(I) the date as of which the Member has five years of Credited Service and has attained age 62;

(II) the date as of which the Member has ten years of Credited Service and attained age 55;

(III) the date as of which the Member has twenty-five years of Credited Service and attained age 52.

Exhibit "A"

Board of Trustees

Robert Ballou, Firefighter	Term Expires 4/2027
Eric Robinson, Firefighter	Term Expires 8/2027
Patrick Juliano, Appointed	Term Expires 4/2026
Daniel Hackney, Appointed	Term Expires 4/2027
5^{th} Member, vacant	Term Expired 4/2025

Plan Administrator

Jeremy Langley
Stephanie Forbes
Florida League of Cities, Inc.
301 S. Bronough Street, Ste. 300
Tallahassee, FL 32301
850.701.3661

Exhibit “B”

ACTUARIAL INFORMATION