

BUY-BACK

FREQUENTLY ASKED QUESTIONS (FAQ)

“SECTION 17. COMPUTATION OF PENSION SERVICE AND PURCHASE OF PAST CREDITED SERVICE.

(E) All active police officer or firefighter members shall be permitted to purchase up to an additional five (5) years of credited service based upon (i) service as a full-time certified firefighter or certified police officer employed by a city, county, state, federal, or other public agency, or (ii) military service in the Armed Forces of the United States. Temporary, auxiliary, reserve, volunteer, or private agency service shall not apply. Service credit purchased under the provisions of this section shall not count for vesting purposes.

(1) Prior service shall not be granted until the member has paid to the Pension Fund the actuarial cost of the service purchased, as determined by the actuary for the Plan. Said actuarial calculation shall be paid for by the member. Members purchasing service credit shall provide the Board of Trustees with proof of prior service with honorable separation. No service credit may be purchased if the member is receiving or will receive any other retirement benefit based on this service, except in the case of a military pension.

(2) The contribution by the member of the actuarially determined cost of the buyback may be made in one lump sum or may be made by payroll deductions in installments for a period of time which shall not exceed the number of years being purchased. A member electing to make installment payments shall be charged interest based on the actuarially assumed rate of return for the Plan. A member making installment payments shall complete all required payments prior to payment of any benefit under this section.

(3) A member who terminates service prior to vesting in the Plan shall be entitled to a refund, without interest, of all money paid to buy back prior military, firefighter, or police officer service.”

Q1. When can I buy-back?

A1. The pension contract change is effective October 1, 2011 prospectively. Anyone retiring or entering DROP on or before September 30, 2011 will not be affected by the buy-back.

Q2. How much time can I buy-back?

A2. Up to 5 years of credited service based upon:

- a) service as a full-time certified firefighter or certified police officer employed by a city, county, state, federal, or other public agency, as long as you are not getting or going to get a pension from that agency for the same time, or
- b) military service in the Armed Forces of the United States. Temporary, auxiliary, reserve, volunteer, or private agency service shall not apply.

Q3. I have 15 years of credited service in Tampa F&P Pension now, can I buy-back 5 years of service to get to 20 years of service and go in to DROP?

A3. Yes.

Q4. I have 15 years of credited service in Tampa F&P Pension now, can I buy-back 5 years of service to get to 20 years of service and take a 20 & out retirement, regardless of age?

A4. Yes.

Q5. I have 5 years of credited service in Tampa F&P Pension now, can I buy-back 5 years of service to get to 10 year vesting?

A5. No. Buy-back time does not count towards 10 year vesting.

Q6. I have 20 years of credited service in Tampa F&P Pension now, can I buy-back 5 years of service to get to 25 years of service and go in to DROP?

A6. Yes.

Q7. I have 25 years of credited service in Tampa F&P Pension now, can I buy back 5 years of service to get to 30 years of service and go in to DROP?

A7. No. Maximum participation in DROP is 5 years or until 30 years of service, whichever comes first. In this case, the member now has 30 years of service after buy-back, and cannot participate in DROP.

Q8. Can I buy-back less than 5 years of credited service?

A8. Yes.

Q9. Can I buy-back partial years of service, like 4 years and 7 months?

A9. Yes.

Q10. How can I pay for my buy-back?

A10. Payments to the Tampa F&P Pension Fund for buy-backs may be made either by:

- a) one lump sum by check, money order, cashier's check, or custodian to custodian transfer from deferred compensation or individual retirement account (IRA), or
- b) payroll deduction over a time period not to exceed the length of time being bought back.

Cash payments for buy-backs cannot be accepted by the pension office.

Q11. So I can use my Nationwide deferred compensation money to buy-back?

A11. Yes, as long as the transfer is custodian to custodian (i.e. Nationwide, the deferred comp custodian, to Wells Fargo, the pension fund custodian), and you do not touch the money, it is not a taxable event.

Q12. Can I use my mustering out pay for my buy-back?

A12. No. In order to receive the benefit of the buy-back, payment must be completed before retirement, DROP entry or separation from service. Since mustering out pay isn't paid until after you separate from service, mustering out pay is not available for buy-backs.

Q13. What if I can get a short term loan, signature loan or home equity loan to accomplish the buy-back, and then pay that loan off with my mustering out pay after I separate from service?

A13. That financial arrangement would be between you and the lender. The pension fund would simply need your buy-back payment in full before you receive the benefit of the buy-back. There are no loan provisions in the pension plan.

Q14. How much will my buy-back cost?

A14. "The actuarial cost of the service purchased" can only be calculated by the fund's actuary and will be different for every single person. A chart with generic examples for illustrative purposes only follows on the next page.

Q15. What kind of proof do I have to provide to buy-back military time?

A15. A copy of your DD-214 or orders reflecting enlistment and discharge information.

Q16. What kind of proof do I have to provide to buy-back prior certified firefighter or certified police officer time?

A16. The pension office will have forms available for you to complete authorizing the pension office to obtain specific verification in writing on the form from that agency that your time there was full-time certified firefighter or full-time certified police officer time and that you are not drawing or will not draw a pension benefit from that agency for that time period.

Q17. I only have 2 years of credited service in Tampa F&P Pension now and I have the necessary cash, can I go ahead and buy-back 5 years of service now, even though it doesn't count towards 10 year vesting?

A17. Yes. However, you would not receive the benefit associated with that buy-back until you reach 10 year vesting. In other words, if you do the cash transaction now to buy-back 5 years, you would work another 8 years until you reach 10 year vesting. Then and only then would the 5 year buy-sc become effective, so that overnight you then have 15 years of service.

Q18. Why would someone want to do that?

A18. If someone with very few years on the job has the funds available now to buy-back and is fairly certain that they will retire from this job, then it may be financially beneficial to them to buy-back earlier in their career rather than later. For example, a two year member who has disposable income may want to make an investment in his or her retirement future now, rather than waiting another 5, 10 or 15 years when they may not be in a position financially to buy-back. In general, the earlier in your career you buy-back, the less expensive as reflected in the chart below.

For Illustrative Purposes Only

Age	Current AFC	Current YOS	Years of Service Purchased				
			1	2	3	4	5
20	\$40,000	0	\$7,310	\$14,730	\$22,230	\$29,760	\$37,250
25	\$50,000	5	\$9,590	\$19,320	\$29,170	\$39,060	\$48,880
30	\$65,000	10	\$12,930	\$26,040	\$39,320	\$52,660	\$65,910
35	\$85,000	15	\$19,600	\$39,480	\$59,630	\$80,160	\$100,920
40	\$90,000	20	\$28,550	\$57,100	\$85,650	\$114,200	\$142,700
45	\$100,000	25	\$31,090	\$62,180	\$93,270	\$124,360	\$155,450
Table developed by fund's actuary, using same actuarial assumptions as those in the fund's annual actuarial valuation.							

- Q19. If I buy-back and then leave the job without qualifying for a pension, will I get a refund of my buy-back?
- A19. You would receive a refund only of your pension contributions, without interest. If you paid any interest on the buy-back, such as interest charged on buy-back payroll deductions, the interest would not be returned to you.
- Q20. If I buy-back and later become disabled or die, whether in the line of duty (LOD) or not in the line of duty (NLD), will a refund of my buy-back be given?
- A20. No.
- Q21. If I choose payroll deduction for my buy-back, what will the interest rate be?
- A21. Interest will be assessed at the actuarially assumed rate of return of the fund, which is 10% currently.
- Q22. How do I go about getting a buy-back calculation?
- A22. Effective October 1, 2011, the F&P pension office will have a form for you to fill out to request a buy-back calculation, which will require 1) the specific information the actuary needs to do the individualized actuarial calculation; and 2) a \$350 check payable to the Tampa F&P Pension Fund for the actuarial buy-back calculation.
- Q23. Why do I have to pay for the actuarial calculation of my buy-back?
- A23. Because the pension contract language that was collectively bargained and agreed upon states: "Said actuarial calculation shall be paid for by the member." This way there is no cost to the city or to the other plan members—just to the member interested in buying back.
- Q24. What if I pay for a buy-back calculation, and it takes me a really long time to arrange my finances or to make a decision to actually buy-back, will I have to pay for another actuarial calculation?
- A24. The actuarial buy-back calculations will be valid for six months from the date of the calculation. If you do not exercise your buy-back option within six months of the calculation, then yes, you will have to pay for another buy-back calculation.

Q25. If I can only afford to buy-back 3 years now, but 10 years down the road I decide to buy-back the other 2 years, can I do that?

A25. Yes, but you would pay for two separate buy-back calculations in that instance, currently \$350 apiece. In general, the later in your career you buy-back, the more expensive. (See both the chart on page 4 and A18 reflecting that pattern).

Q26. Can I buy-back after I have already retired or entered DROP?

A26. No.

Q27. I have prior full-time certified law enforcement time with another agency, can I buy-back that time?

A27. It depends. The following conditions must be met:

- full-time certified *police officer* employed by a city, county, state, federal or other public agency
- not receiving and not going to receive a pension from that agency for that same time
- you must be able to prove to the Board of Trustees that your prior service is equivalent to the service required to meet the following definition of a police officer:

“Police officer” means any person who is elected, appointed, or employed full time by any municipality, who is certified or required to be certified as a law enforcement officer in compliance with s. 943.1395, who is vested with authority to bear arms and make arrests, and whose primary responsibility is the prevention and detection of crime or the enforcement of the penal, criminal, traffic, or highway laws of the state. This definition includes all certified supervisory and command personnel whose duties include, in whole or in part, the supervision, training, guidance, and management responsibilities of full-time law enforcement officers, part-time law enforcement officers, or auxiliary law enforcement officers, but does not include part-time law enforcement officers or auxiliary law enforcement officers as the same are defined in s. 943.10(6) and (8), respectively. Fla. Stat. 185.02(11)

--or--

In addition to service as a police officer in this state, credit may be given for federal, other state, or county service as long as such service is recognized by the Criminal Justice Standards and Training Commission within the Department of Law Enforcement as provided under chapter 943, or the police officer provides proof to the Board of Trustees that such service is equivalent to the service required to meet the definition of police officer as defined above.

- Each situation will be evaluated on a case by case basis and must be confirmed with and verified by the prior employer in writing on a form prescribed by the Board of Trustees as set forth in Q&A 16.

Let's look at a few possible scenarios for police officers:

Can I buy-back?

- a) I worked for Hillsborough County Sheriff's Office (HCSO) as a deputy on the street
 - working full-time as a certified police officer
 - not drawing and will not draw a pension from FRS for that same time that I want to buy-backYes

- b) I worked for HCSO as a Community Service Officer (CSO)
 - working full-time in a *civilian* position, not as a certified police officerNo

- c) I worked for Brinks or Wackenhut as a security officer
 - working full-time for this *private* company as a security officer, even if I had my LEO certification, but was waiting to get hired by TPD or another city, county, state, or federal agencyNo

- c) I worked for the Tampa International Airport Police Department (TIAPD)
 - working full-time as a certified police officer employed by a city, county, state, federal or other public agency
 - TIAPD is a full service law enforcement agency and all TIAPD police officers must be CJSTC certified and comply with FDLE standards
 - not receiving and not going to receive a pension from that agency for the same timeYes

- d) I worked for the USF Police Department for a few years
 - working full-time as a certified police officer employed by a city, county, state, federal or other public agency
 - USFPD is a State Accredited Law Enforcement Agency
 - not receiving and not going to receive a pension from that agency for the same timeYes

- e) I worked as a law enforcement officer within the State of Florida
 - working full-time as a certified police officer employed by a city, county, *state*, federal or other public agency
 - not receiving and not going to receive a pension from that agency for the same time
 - if you were certified as a police officer by the Criminal Justice Standards and Training Commission (CJSTC) and were employed as a sworn full-time police officer whose primary responsibility was acting in a law enforcement capacity in the prevention and detection of crime or the enforcement of the penal, criminal, traffic or highway lawsYes

- f) I worked as a law enforcement officer for a Federal agency
 - working full-time as a certified police officer employed by a city, county,

- state, *federal* or other public agency
 - not receiving and not going to receive a pension from that agency for the same time
 - if you were in a full-time law enforcement position whose primary responsibility was acting in a law enforcement capacity in the prevention and detection of crime or the enforcement of the penal, criminal, traffic, or highway laws and the time was under the pay or pension classification of 1811; or is recognized by the CJSTC within the Florida Department of Law Enforcement
- Yes

- g) I worked in law enforcement outside the State of Florida, but it wasn't federal, can I buy-back that time?
- working full-time as a certified police officer employed by a city, county, *state*, federal or other public agency
 - not receiving and not going to receive a pension from that agency for the same time
 - if you were working as a sworn full-time certified police officer whose primary responsibility was acting in a law enforcement capacity in the prevention and detection of crime or the enforcement of the penal, criminal, traffic, or highway laws; or is recognized by the CJSTC within the Department of Law Enforcement. This employment would also need to meet the standards set forth in CJSTC as eligible for "Equivalency of Training" recognition.
- Yes

**Note: these possible scenarios are intended to provide broad, general guidance only. Each buy-back must be evaluated on a case by case basis as each individual situation and set of circumstances vary, and prior service must be verified in writing by the prior agency. The Board of Trustees reserves the right to allow or disallow any individual to buy-back prior credited service based upon the proof presented to the Board of Trustees through the pension office and compliance with the special act pension plan, Chapters 112.60-.67, 175 and 185 of the Florida Statutes, the Internal Revenue Code, and the Policies and Procedures enacted by the Board of Trustees.

Q28. I have prior full-time certified firefighter time with another agency, can I buy-back that time?

A28. It depends. The following conditions must be met:

- full-time certified *firefighter* employed by a city, county, state, federal or other public agency
- not receiving and not going to receive a pension from that agency for that same time
- you must be able to prove to the Board of Trustees that your prior service is equivalent to the service required to meet the following definition of a firefighter:

"Firefighter" means any person employed solely by a constituted fire department of any municipality or special fire control district who is certified as a firefighter as a condition of employment in accordance with s 633.35 and whose duty it is to

extinguish fires, to protect life, or to protect property. The term includes all certified, supervisory, and command personnel whose duties include, in whole or in part, the supervision, training, guidance, and management responsibilities of full-time firefighters, part-time firefighters, or auxiliary firefighters but does not include part-time firefighters or auxiliary firefighters. Fla. Stat. 175.032(8)(a).

--or--

In addition to service as a firefighter in this state, credit may be given for federal, other state, or county service if the prior service is recognized by the Division of State Fire Marshal as provided in chapter 633, or the firefighter provides proof to the Board of Trustees that his or her service is equivalent to the service required to meet the definition of a firefighter as defined above.

- Each situation will be evaluated on a case by case basis and must be confirmed with and verified by the prior employer in writing on a form prescribed by the Board of Trustees as set forth in Q&A 16.

Let's look at a few possible scenarios for firefighters:

Can I buy-back?

- | | |
|---|------------|
| <p>a) I worked for HCFR as a firefighter/EMT or firefighter/paramedic</p> <ul style="list-style-type: none"> - working full-time as a certified firefighter for a city, <i>county</i>, state, or federal agency - not receiving and will not receive a pension from FRS for that same time | <p>Yes</p> |
| <p>b) I worked part-time or full-time at TGH, UCH, St. Joseph Hospital, Memorial Hospital, etc. as a nurse, paramedic, EMT, mede-vac flight medic, or cardiac monitor</p> <ul style="list-style-type: none"> - not working full-time as <i>certified firefighter</i> for a city, <i>county</i>, state, or federal agency | <p>No</p> |
| <p>c) I worked part-time or full-time as a paramedic or firefighting instructor at HCC or some other school</p> <ul style="list-style-type: none"> - not working as a <i>full-time certified firefighter</i> for a city, <i>county</i>, state, or federal agency | <p>No</p> |
| <p>d) I worked as a certified firefighter at the state level in Florida</p> <ul style="list-style-type: none"> - working full-time as a certified firefighter for a city, county, <i>state</i>, or federal agency - not receiving and will not receive a pension from that agency for that same time - if the prior service is recognized by the Division of State Fire Marshal as provided in Chapter 633. Or, you must be able to demonstrate that your primary responsibility for your prior service was that of the duty to extinguish fires, to protect life, or to protect property as defined in Fla. Stat. | |

175.032(8)(a).

Yes

- e) I worked as a full-time firefighter outside the state of Florida or in federal service
- working full-time as a certified firefighter for a city, county, state, or *federal* agency
 - not receiving and will not receive a pension from that agency for that same time
 - if the prior service is recognized by the Division of State Fire Marshal as provided in Chapter 633. Or, you must be able to demonstrate that your primary responsibility for your prior service was that of the duty to extinguish fires, to protect life, or to protect property as defined in Fla. Stat. 175.032(8)(a)

Yes

- f) I worked as a volunteer firefighter in another city or county
- temporary, auxiliary, reserve, *volunteer*, or private agency service shall not apply

No

****Note:** these possible scenarios are intended to provide broad, general guidance only. Each buy-back must be evaluated on a case by case basis as each individual situation and set of circumstances vary, and prior service must be verified in writing by the prior agency. The Board of Trustees reserves the right to allow or disallow any individual to buy-back prior credited service based upon the proof presented to the Board of Trustees through the pension office and compliance with the special act pension plan, Chapters 112.60-.67, 175 and 185 of the Florida Statutes, the Internal Revenue Code, and the Policies and Procedures enacted by the Board of Trustees.

Q31. What if I want to buy-back time for service that isn't clear, concise and easy to identify or verify? Who has the ultimate authority to decide?

A31. The Board of Trustees in consultation with its Board Counsel as set forth in Board P&P 439 Buy-Backs of Past Credited Service, #17).

Q32. Can a full-time certified police officer who has prior service as a full-time certified firefighter with another agency buy-back that time, and vice versa? In other words, can police buy fire time, and can fire buy police time?

A32. Yes, as long as all of the conditions set forth above are met.

- Q33. OK, now I have my buy-back calculation in hand from the pension office that was prepared by the fund's actuary, how do I set up my payment?
- A33. Forms will be available at the pension office 10/1/11. You have the option of paying by:
- a) one lump sum payable to Tampa F&P Pension Fund by check, money order, or cashier's check, or custodian to custodian transfer from deferred compensation or individual retirement account (IRA), or
 - b) payroll deduction over a time period not to exceed the length of time being bought back, and interest is charged at the fund's actuarially assumed rate of return, currently 10%.
- Q34. If my 5 year buy-back costs, say \$100,000, can I make a lump sum payment of \$50,000 and pay the remaining \$50,000 by payroll deduction over 5 years?
- A34. Yes. You may make a one-time lump sum payment as a down payment and pay the rest through payroll deductions over the length of time being bought back, with interest charged on the installment payments at the fund's actuarially assumed rate of return, currently 10%.
- Q35. How will the buy-back installment payment plan work?
- A35. Like most installment payment plans, you may make a down payment and then finance the rest in installments over a certain period of time at a certain interest rate, like a car loan. In this example, the member is making a \$50,000 lump sum down payment, and paying the remaining \$50,000 in installments over the next 5 years, with 26 pay cycles per year, at the fund's actuarially assumed rate of return, currently 10%. Once you have signed up for your payroll deduction installment payment, it will be automatically deducted at the same amount over the life of the installment period.
- Q36. Can I change my buy-back installment payments once the buy-back payroll deductions have been initiated?
- A36. No. Once you have received your buy-back calculation and made your decision on how to pay for it (i.e. how much to pay in a lump sum as a down-payment, if any, and/or how much and for how long to make installment payments by payroll deduction), your payments have been established for the life of the installment plan, like a car loan.

Q37. If I sign up for installment payments through payroll deduction for 5 years, and then decide to separate from service earlier than I had originally planned, before the buy-back installment payments are completed, what happens?

A37. First, you don't get the benefit of a buy-back until it is paid for. If you are vested and eligible to receive pension benefits, and are voluntarily or involuntarily separated before your buy-back installment payroll deductions are completed, you may either:

a) have your pension benefit calculated only upon the partial buy-back that has been completed up to this point; or

b) make a single lump-sum payment of the remaining balance of the buy-back.

This early separation scenario will require additional calculations by the fund's actuary at a cost of \$350 paid by the member and will only be initiated upon receipt of an executed Notice of Separation. If you choose the second option, the single lump-sum payment of the remaining balance must be completed within 15 days of written notification from the pension office of the amount due. Remember, you don't get the benefit of a buy-back until it is paid for, so this could delay your first pension check until after the buy-back has been completed.

Q38. Can I make additional principal payments along the way to pay off my buy-back installment plan sooner?

A38. Yes, but only in increments of \$100.00. An additional principal payment won't change your installment amount—just pays the balance off sooner, like with a car loan or home loan. Payments to the Tampa F&P Pension Fund for buy-backs may be made by check, money order, cashier's check, or custodian to custodian transfer from deferred compensation or individual retirement account (IRA). *Cash* payments for buy-backs cannot be accepted by the pension office. For those making additional principal payments, amortization schedules will be re-run once per year during the month of June to reflect the earlier payoff. There is no prepayment penalty.

Q39. Is paying for my buy-back by payroll deduction considered to be a loan from the pension plan?

A39. No. There are no loan provisions in the pension plan. You are simply paying off a buy-back amount in installments by payroll deduction. You don't get the benefit of the buy-back until it has been fully paid for.

Note: The Board of Trustees and staff shall not advise members of the financial feasibility or federal tax consequences of buy-backs. Members considering buying back are strongly encouraged to seek their own personal tax and financial planning advice.

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