

**THE CITY PENSION FUND FOR FIREFIGHTERS
AND POLICE OFFICERS IN THE CITY OF TAMPA
SUMMARY OF PLAN DESCRIPTION
DECEMBER 2008**

A. Laws Governing Plan

The Pension Plan was substantially rewritten by Ordinance No 4746-A, enacted September 30, 1969, which ordinance was approved, ratified, validated and confirmed by Chapter 74-613, Laws of Florida, a special act of the Florida Legislature.

Since October 1, 1969, the pension plan has been amended by the following laws:

Chapter 92-231, Laws of Florida, which became law on March 5, 1992.

Chapter 94-463, Laws of Florida, which became law on May 14, 1994, but was retroactive to October 16, 1992.

Chapter 98-515, Laws of Florida, which became law on May 23, 1998.

Chapter 2000-485, Laws of Florida, which became law on June 7, 2000.

Ordinance Number 2001-133, enacted July 3, 2001, but retroactive to July 1, 2000. This ordinance was authorized by Chapter 2000-485, Laws of Florida.

Chapter 2001-288, Laws of Florida, which became law on June 15, 2001.

Chapter 2002-369, Laws of Florida, which became law on June 1, 2002.

Ordinance Number 2003-22, enacted January 28, 2003, but retroactive to October 1, 2002. This ordinance was authorized by Chapter 2000-485, Laws of Florida.

Chapter 2004-427, Laws of Florida, which became law on June 17, 2004.

Chapter 2007-304, Laws of Florida, which became law on June 15, 2007.

The provisions of the above applicable laws are incorporated into a pension contract and appropriate supplemental pension contracts, which are signed by each individual member. Persons who become active members on or after June 15, 2007 sign a pension contract which combines appropriate provisions of the pension contract and supplemental pension contracts.

The Pension Plan is also subject to Section 112.60 -.67, Florida Statutes; Chapter 63-1977, Laws of Florida; Chapter 91-379, Laws of Florida; and those provisions of Chapters 175 and 185, Florida Statutes, which apply to local law/special act pension plans.

B. Administration of Fund

1. The “City Pension Fund for Firefighters and Police Officers in the City of Tampa” is a governmental defined benefit plan administered by a Board of Trustees consisting of nine (9) persons:
 - (i) Three (3) members of the City Administration appointed by the Mayor.
 - (ii) Three (3) members of the Fire Department who are elected by active and retired firefighters.
 - (iii) Three (3) members of the Police Department who are elected by active and retired police officers.
2. Jennifer Campbell, Plan Administrator for the Tampa Firefighters and Police Officers Pension Fund, 3001 North Boulevard, Tampa, Florida 33603, or Ronald J. Cohen of Cohen & Rind, PA, General Board Counsel, 8100 Oak Lane, Suite 403, Miami Lakes, FL 33016 have been designated as agents for service of legal process and to receive all notices.
3. The Board of Trustees has the ultimate responsibility for the administration of the plan. The Board of Trustees is assisted by Jennifer Campbell, Plan Administrator for the Tampa Firefighters and Police Officers Pension Fund, 3001 North Boulevard, Tampa, Florida 33603, her staff; and by professionals retained by the Board of Trustees.
4. As of December 2008, the Trustees are:
 - (1) Patrick S. Lynch, Chairman
(Elected – Police)
 - (2) Mark Bogush, Vice Chairman
(Elected – Fire)
 - (3) John Moors, Secretary
(Appointed – City)

- (4) Sharon Fox
(Appointed - City)
- (5) Patrick "PJ" Gray
(Elected – Police)
- (6) Mark McRae
(Elected – Fire)
- (7) James Meier
(Elected - Police)
- (8) Cynthia D. Miller
(Appointed – City)
- (9) Tracy Walker
(Elected – Fire)

The business address for each trustee is 3001 North Boulevard, Tampa, Florida 33603.

- 5. Both the firefighters' and police officers' collective bargaining agreements approved the pension contract changes made by Chapters 98-515, 2000-485, 2001-288, 2002-369, 2004-427, and 2007-304, Laws of Florida. By letter of agreement dated 10/02/97, the City and the PBA, pursuant to Chapter 91-379, Laws of Florida, agreed to extend certain line of duty presumptions to police officers.
- 6. The plan year begins on October 1 and ends on September 30, and financial records are kept on a fiscal year basis.
- 7. Claims for Benefits. The Trustees have adopted various policies. Policy No. 108 sets forth the procedures for presenting claims for benefits and for hearings before the Board of Trustees.

C. Definitions

- 1. Participation:
 - (a) shall be not more than any applicable entry level age limit established by federal law;
 - (b) be required to furnish a list of their medical providers and authorizations to obtain such medical records;

- (c) must pass a complete medical examination; and,
- (d) must meet all the requirements of the Civil Service Board of the City except the probationary period.

2. Earnings:

Commencing for earnings paid the first pay date after October 1, 2004, the term "earnings" for purposes of both benefits and contributions shall mean "total cash remuneration paid by the City to a firefighter or police officer for services rendered, including any payments required to be included within the definition of compensation pursuant to Chapters 175 and 185, Florida Statutes, but not including any payments for extra duty. Commencing for earnings paid the first pay date after October 1, 2004, earnings shall also include payments for overtime paid by the City to a firefighter or police officer up to a maximum of 300 hours of overtime per calendar year." This earnings definition does not include "mustering out pay."

3. Average Earnings:

Average earnings are the member's earnings averaged for the three (3) highest years within the last ten (10) years of service.

4. Credited Service:

Service or employment in the Fire or Police Departments, whether continuous or interrupted, shall be credited. Former members of Division B of the General Employees Pension Plan are credited for benefit calculations for service after October 16, 1992, but service as a member of Division B of the General Employee Pension Plan is credited for determining vesting eligibility.

Certain other service is credited, including:

- a. Military Service: Active military service after employment to the extent required by the Uniformed Services Employment and Re-Employment Rights Act (USERRA).
- b. Service While Disabled: An employee who:
 - (i) had been disabled in the line of duty and was receiving a disability pension, but

- (ii) recovers from disability, returns to his/her respective department prior to age 46, may receive service credit for this period of disability provided that, within the 18-month period following return to employment within his/her respective department, he/she makes contributions for this period of disability at the rate he/she was making contributions prior to becoming disabled.

c. Any paid leave of absence.

5. Normal Retirement Date:

The later of age 46 and completion of 10 years of credited service; and/or, for members who retire after May 23, 1998, 20 years of credited service regardless of age, whichever is earlier.

D. Financing

1. Employee Contributions:

For fiscal year 10/1/08 – 9/30/09, employee contributions are 18.51% of the below described full scale contribution rate (FSCR) from the pension contract. 18.51% of FSCR translates to 4.11% of pay.

Earnings in the 12-Month Period <u>Commencing October 1</u>	Employee Contribution <u>Percentage</u>
First \$4,000	6%
Next \$1,000	7%
Next \$1,000	8%
Next \$1,000	9%
Next \$1,000	10%
Next \$1,000	11%
Next \$1,000	12%
Next \$2,500	15%
Excess over \$12,500	25%

If the City's required contribution rate exceeds 40% of aggregate earnings, employee contribution percentages in the above scale shall be increased as well, so that both the City and the employees bear a proportionate share of the coverage.

- 2. The City of Tampa shall contribute an amount sufficient to fund all benefits after taking into consideration employee contributions, contributions by the State of Florida, and other sources of revenues and assets on hand, provided, however, that

the City's contributions shall not be less than 134% of the employees' contributions, paid quarterly. The City shall satisfy the funding requirements of Chapters 175 and 185 as well as part VII of Chapter 112 of the Florida Statutes.

3. Monies from the State of Florida pursuant to Chapters 175 and 185.
4. Investment return.

E. Longevity Retirement

1. Eligibility:

After 10 years of credited service a member may retire, but benefits are not paid until 46 years of age. Members who retire or enter DROP after May 23, 1998 with 20 years of credited service receive full benefits regardless of age.

2. Benefit Calculation:

For members who retire or enter DROP after October 1, 2003, the annual amount of retirement income (payable monthly) is equal to 3.15% of the Member's Average Earnings times years of credited service not to exceed a total pension of 100% of said average earnings.

3. Application for Normal Retirement:

Requests for longevity benefits shall be made by completing an application for longevity retirement on the form promulgated by the Board of Trustees.

F. Disability Retirement

1. Eligibility:

- a. Service Incurred (Line of Duty):

The active member must be permanently incapacitated from regular and continuous duty. Such incapacity must be caused by and attributable to the performance of the employee's duties as a member of the Fire or Police Department. An active member is eligible for line of duty disability benefits without regard to length of service.

b. Non-Service Incurred (Non-Line of Duty):

The active member must be permanently incapacitated from regular and continuous duty and have completed 10 years of credited service, and the incapacity is not caused by or attributable to the performance of the employee's duties as a member of the Fire or Police Department.

2. Benefit Calculation:

a. Service Incurred (Line of Duty):

A monthly income payable while so disabled equal to 65% of the member's monthly salary in effect at the date of disability plus one-twelfth of any other pensionable earnings received within one year prior to the date of disability.

b. Non-Service Incurred (Non-Line of Duty):

(i) An annual income (payable monthly while so disabled) equal to 2% of the Member's Average Earnings times years of credited service, with a minimum benefit of 25% and a maximum of 50%.

(ii) A member who is receiving a non-service incurred disability commencing on or after October 1, 2004, may elect to commence receiving Section 7 (A) longevity benefits figured at 3.15% for each year of service upon reaching age 46.

(iii) A member who makes such election must do so in writing at least 30 days prior to reaching age 46.

c. Requests for disability benefits shall be made by completing an application for disability retirement on the form promulgated by the Board of Trustees.

G. Pre-Retirement Death Benefits

1. Eligibility:

a. Service Incurred (Line of Duty):

Death must occur while, or be caused by, the member performing his/her duties as a member of the Fire or Police Department.

b. Non-Service Incurred (Non-Line of Duty):

The active member must have completed at least 10 years of credited service by his/her death and die from causes unrelated to his/her duties as a member of the Fire or Police Department.

2. Benefit Calculation:

a. Service Incurred (Line of Duty):

- (i) The surviving spouse will receive an annual income (payable monthly until death) equal to 50% of the employee's final year's earnings.
- (ii) Each surviving unmarried minor child will receive an annual income (payable monthly until age 18) equal to 7½% of the employee's final year's earnings.
- (iii) The sum of benefits payments in subparagraphs (i) and (ii) may not exceed 65% of the employee's final yearly earnings; except that if the surviving spouse dies while there are surviving children still eligible, each such child's share shall be increased from 7½% to 15%, not to exceed a total of 50% of final earnings.

b. Non-Service Incurred (Non-Line of Duty):

- (i) The surviving spouse will receive an annual income (payable monthly until death or remarriage) equal to 65% of the retirement income which the member had accrued at the date of death.
- (ii) Each surviving unmarried minor child will receive an annual income (payable monthly until age 18) equal to 7½% of the member's final year's earnings.
- (iii) The sum of benefit payments may not exceed 50% of the member's final salary; except that if the surviving spouse dies or remarries while there are surviving unmarried minor children still eligible, each such child's share shall be increased from 7½% to 15%, not to exceed a total of 50% of final salary.

Note: Since the implementation of the Optional Forms of Payment, each situation must be evaluated on a case by case basis in accordance with the member's Optional Form of

Payment Selection, if one has been selected by the member, the pension contract, and the laws applicable to the pension plan.

H. Deferred Vested Benefits

1. Eligibility:

Ten years of credited service and an election not to receive a refund of contributions.

2. Benefits:

The benefit, commencing at age 46, is the member's accrued pension (years of service times multiplier/accrual rate times average final compensation).

I. 20 and Out Retirement

1. Eligibility:

For members who retire or enter DROP after May 23, 1998 with 20 years of credited service, the member commences receipt of full benefits, regardless of age. DROP participant's pension benefits accrue to the tax deferred DROP account.

J. Refund of Contributions

A member who terminates employment and is not eligible to retire or elect a deferred vested pension will be entitled to a refund of the contributions the employee made to the Fund. No interest is paid on the refunded contributions. A member may voluntarily elect to leave his/her contributions in the Fund for up to 5 years after terminating employment with the Fire or Police Department, pending the possibility of being rehired by the same department, without losing credit for the time he/she has participated actively as a firefighter or police officer. If the member is not re-employed as a firefighter or police officer with the same department, within 5 years of termination, contributions shall be returned without interest.

In no event will any member, or beneficiary in event of death, receive less than the employee's accumulated contributions without interest.

K. Post-Retirement Death Benefits

1. Eligibility:

- a. The spouse at the time of the member's death must have been the lawfully wedded spouse sometime during the retired member's active service prior to retirement.
 - b. Minor children of the deceased retired member.
2. Benefit Calculation:
- a. The surviving spouse will receive an annual income (payable monthly until death or remarriage) equal to 65% of the retirement income which the retired member was receiving.
 - b. Each surviving unmarried minor child will receive an annual income (payable monthly until age 18) equal to 7½% of the member's final year's earnings.
 - c. The sum of benefit payments may not exceed 50% of the member's final salary; except that if the surviving spouse dies or remarries while there are surviving unmarried minor children still eligible, each such child's share shall be increased from 7½% to 15%, not to exceed a total of 50% of final salary.
 - d. There is no remarriage penalty for the eligible surviving spouse if a member is killed in the line of duty.

L. Optional Forms of Payment Benefit

For those members retiring or entering DROP on or after October 1, 2002, Optional Forms of Payment shall be available. Options 2 and 3 are based upon actuarial equivalence to the Normal/Default Benefit provided by Option 1.

1) OPTION 1 - Normal / Default Benefit

Life, with a 10 Year Certain benefit, with Continuation to Eligible Surviving Spouse until death or remarriage and Minor Children (under the age of 18)

Under the normal/default form, benefits are payable for the lifetime of the member, for a period of ten years certain (120 payments) unreduced, with 65% of the member's accrued pension benefit being continued to the surviving spouse until death or remarriage and unmarried minor children (until the age of 18) as set forth under Post-Retirement Death Benefits.

Should the retired member die before 120 payments have been made (10 Years Certain), to the retired member, then the balance of the 120 payments unreduced shall be paid monthly to the eligible surviving spouse; or if no eligible surviving spouse to the designated beneficiary(ies); or if no eligible surviving spouse or designated beneficiary(ies), to the estate of the retired member.

Option 1 – Normal/Default still contains the remarriage penalty if the member did not die in the line of duty. If the retired member dies before 120 payments have been paid (10 Year Certain), the balance of the 120 payments unreduced would be unaffected by the surviving spouse’s marital status. However, at the conclusion of the 120 payments unreduced, the eligible surviving spouse benefit would be reduced to 65% of the retired member’s accrued pension benefit until death or remarriage. If the retired member died in the line of duty, there is no remarriage penalty.

2) OPTION 2 – Life Only Benefit

Option 2 provides a slightly increased monthly benefit to the retired member paid only for the life of the retired member with no continuation upon the retired member’s death.

Should the retired member selecting Option 2 – Life Only die prior to the payment of pension benefits that equal or exceed the amount of pension contributions made to the Fund by the member, payment of the balance of contributions without interest less the pension benefits paid to the retired member shall be paid to the retired member’s designated beneficiary, or to the retired member’s estate if no designated beneficiary.

3) OPTION 3 – Joint Annuitant Options

- 3a) 100%
- 3b) 75%
- 3c) 66 2/3%
- 3d) 50%

A joint annuitant may be anyone selected by the member in writing at the time of retirement to share in the Option 3 – Joint Annuitant optional forms of payment. A joint annuitant need not be related by blood, marriage or adoption. If Option 3b, Option 3c or Option 3d is elected, the monthly benefit is reduced upon the *first death*, whether the death of the retired member or the death of the joint annuitant. Option 3a – 100% continuation is unaffected whether the retiree or joint annuitant dies first. The survivor continues drawing the 100% actuarial equivalent benefit until death. There is no remarriage penalty under Option 3.

Once the first pension benefit has been paid, direct deposited or accrued to the member's DROP account, the OPTION may not be changed.

M. Cost of Living Adjustments (COLAs)

On each January 1st, the benefit payments of all recipients will be increased or decreased according to the net change in the average cost-of-living index from the previous year; provided that:

- (i) adjustments may not be increased beyond what the Post-Retirement Adjustment Account (PRAA) will support, as determined by the Actuary.
- (ii) adjustments may not be decreased below the level at which they were first determined (base benefits).

The Post-Retirement Adjustment Account is financed from annual investment return in excess of 5%, excluding the 11th% of investment return on the market value of the base plan plus PRAA, which is used to fund the 13th check benefit.

N. Deferred Retirement Option Program (DROP)

Members with 20 years of service are eligible for a maximum participation period of five (5) years in DROP or until reaching 30 years of credited service with the City as a firefighter or police officer. Upon entering DROP, DROP participants cease making pension contributions to the Fund, and credited service time for pension purposes does not continue to accrue. DROP benefits which accumulate while participating in DROP earn interest annually at the Fund's net investment return, whether positive or negative.

O. 13th Check Program

1. Eligibility:

All retired members, all DROP participants, and all qualifying spouses who are eligible to receive or accrue to their DROP account pension benefits for at least one year on the October 1 immediately preceding the June in which distributions are to be made, are eligible for the 13th check benefit.

2. Funding:

Effective October 1, 2007, the 13th check shall be funded by investment returns in excess of 10% (limited to 1%) on the market value of the base plan plus PRAA.

Essentially, the 13th check is funded by the 11th% of investment return earned on the market value of the base plan plus PRAA.

3. Benefit Amount:

The 13th check shall be an amount determined by the Board of Trustees upon certification by the Fund's actuary that the amount will be funded on a sound actuarial basis.

The amount of the 13th check shall be the same for each retired member or DROP participant regardless of years of service, age, years retired, or monthly installment. All eligible surviving spouses shall be entitled to 50% of what the eligible retired member would have received but for death.

P. Actuarial Soundness

The actuarial soundness of the pension plan is evaluated annually by the Fund's actuary, and the plan is actuarially sound.

An excerpt from the latest actuarial valuation prepared by the fund's actuary Jennifer Beattie of Buck Consultants giving us a clean bill of actuarial health and showing the plan well funded as of 10/1/2007:

“This actuarial valuation and/or cost determination was prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate and, in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the base plan and/or paid from the base plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in base plan costs or required contribution rates have been taken into account in the valuation.

In addition, I certify that I have experience in performing actuarial valuations for public sector retirement systems, that the valuation was prepared in accordance with the standards of practice prescribed by the Actuarial Standards Board, and that the actuarial calculations were performed by qualified actuary in accordance with accepted actuarial procedures, based on the current provisions of the Pension Fund and on the actuarial assumptions that are internally consistent and reasonably based on the actuarial experience of the Fund.”

Q. Financial Information

The Fund's external Certified Public Accountant provides monthly financial statements and fiscal year end financial statements to the Board of Trustees. The Fund's financial statements are audited annually by Ernst & Young, a national external audit firm. Annual reports are filed with the State of Florida, Division of Retirement, and when approved annually, triggers the release of the Chapter 175 and 185 state premium tax monies to the pension fund.

R. Miscellaneous

The Tampa Firefighters and Police Officers Pension Plan is a governmental plan, and therefore not subject to Qualified Domestic Relations Orders (QDROs) under federal law.

The Pension Plan is subject to Section 61.1301, Florida Statutes, entitled "Income Deduction Orders". Section 61.1301 is currently limited to collection of **alimony and child support** and cannot currently be used to enforce direct payments of a portion of pension benefits to a former spouse in order to achieve an equitable distribution of marital assets. Therefore, if the Pension Plan receives an Income Deduction Order (IDO) for **alimony or child support**, the Plan will comply with the Order.

If the Pension Plan receives an Income Deduction Order or a court order by any other name that seeks to achieve an equitable distribution of marital assets, an appropriate Motion will be filed with the court to dissolve such an order.

Contributions and pension benefits are not assignable or subject to garnishment for debt, execution, attachment or other legal process, except for IRS tax levies or overpayment of pension benefits.

Pension benefits are subject to forfeiture pursuant to Section 112.3173, Florida Statutes, titled "Felonies involving breach of public trust and other specified offenses by public officers and employees; forfeiture of retirement benefits". Pension benefits may be subject to forfeiture pursuant to Sections 175.195 and 185.185, Florida Statutes, titled "False, misleading, or fraudulent statement made to obtain public retirement benefits prohibited; penalty".

Note: This summary is intended for general information only. If there are any conflicts between this summary and the pension plan document (pension contract) and the laws governing the pension plan, the terms of the pension contract and laws governing the plan shall prevail.