



CITY OF SARASOTA

Summary Plan Description

Firefighters' Pension Plan

June 10, 2010

Firefighters' Pension Plan Summary Plan Description

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INTRODUCTION

The City of Sarasota Firefighters' Pension Fund is a defined benefit single-employer public employee retirement plan. As a participant in the Fund, you are included in a program of benefits to help you meet your financial needs in retirement, or in the event of disability or death.

This booklet can help 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 Pension Department or the Board of Trustees. They will answer any questions to help you understand your benefits.

The information presented is a summary of the pension plan as provided in the Code of the City of Sarasota, Chapter 24, Personnel, Article II, Pensions, Division 2, Fire, as amended. Specific sections of Chapter 24 are referenced in this booklet in parentheses. This Pension Plan closed to new participants on January 1, 1996 when the City of Sarasota Fire Rescue Services was consolidated with Sarasota County. This summary only sets forth the provisions for participants that were active firefighters on October 18, 2004.

This booklet is intended as a summary only. For complete documentation of the Pension Plan, please refer to Chapter 24 of the Code. Any discrepancies between information in this booklet and the Code will be governed by the Code. A copy of Chapter 24, Article II, Division 2 of the Code can be obtained from the Pension Department, which is located at:

City of Sarasota
Pension Department
1565 First Street • Room 110
Sarasota, FL 34236
Phone 941-954-4141 • Fax 941-954-4113

Board of Trustees
City of Sarasota
Firefighters' Pension Fund

SARASOTA FIREFIGHTERS' PENSION PLAN

1. Membership & Payments Into the Pension Plan (24-21 & 24-22)

Firefighters who are members of the Plan are required to contribute eight percent (8%) of salary. Contributions are deducted from each paycheck and credited to the members' account. Sarasota County contributes an amount to make the Fund actuarially sound. The Fund also receives a contribution from the State of Florida, Division of Retirement.

Firefighter means an employee of the Fire and Rescue Service who is a certified firefighter, or who is certified as a paramedic or emergency medical technician and is employed by Sarasota County as a result of the Consolidation of City and County fire services which took effect on January 1, 1996, whose employment is regular and continuous and not of a temporary character.

2. Eligibility for Normal Retirement (24-30[a])

A firefighter is eligible for normal retirement after twenty-five (25) years of credited service or after attaining the age of fifty (50) years with ten (10) years of credited service. An application for retirement benefits must be filed with the Pension Department.

3. Amount of Normal Retirement Pension (24-30[a])

The normal retirement pension accrues at the rate of three percent (3.0%) per year. The amount of pension is based on a firefighter's credited service and average compensation.

Credited service means the total number of years, and fractional parts of years, of active service and contributions by a firefighter, in employment with the Fire and Rescue Services of the City or the County Fire Department. In certain circumstances, military service time may be counted as credited service. (See Section 10.)

Average compensation is one-twelfth (1/12) of the average salary of the highest three (3) years of the last ten (10) years of credited service before retirement, or the career average as a full time firefighter, whichever is greater. A year is defined as twelve (12) consecutive months. Salary is the compensation paid to a firefighter, including up to 500 hours of accumulated vacation hours paid at the time of termination, but excluding clothing and car allowances and excluding other lump sum payments for accumulated leave time paid at termination.

The following example illustrates the calculation of average compensation:

Year Before Retirement	Sample Earnings for Year
1 st	\$57,285*
2 nd	52,850*
3 rd	49,750
4 th	50,425*
5 th	48,000
6 th	42,250
7 th	39,760
8 th	36,125
9 th	33,950
10 th	30,500

* Earnings for these years produce the highest earnings.

To calculate the average monthly compensation, add the highest 3 years of earnings and divide by 36:

$$\$50,425 + 52,850 + 57,285 = \$160,560$$

$$160,560/36 = 4,460$$

The normal monthly retirement pension for a member with 25 years of service would be calculated as follows:

$$\$4,460 \times 3\% \times 25 \text{ years of service} = \underline{\underline{\$3,345.65}}$$

4. Forms Of Payment Of A Pension

A normal pension benefit begins the day following the retirement date, with checks dated the last working day of the month. If the retirement date is December 31st, retirement is effective January 1st, with the first check paid on January 31st. Pension benefits are payable for the lifetime of the member. If the firefighter dies before receiving benefits for 10 years, the designated beneficiary will receive the benefit for the balance of the 10 year period.

5. Optional Forms of Benefits (24-48)

Instead of the amount and form of retirement income payable under normal retirement provisions, a member may choose to receive a retirement income of equivalent actuarial value to provide an alternate benefit for his or her joint annuitant.

A member that has exceeded the age or service requirements for Normal Retirement may elect a partial lump sum distribution of his or her pension. The partial lump sum may not exceed the calculated monthly pension times his or her number of months past Normal Retirement and may not exceed the equivalent of 60 months regardless of the actual accrued service time. If a member elects a partial lump sum distribution, the pension he or she would have been entitled to will be reduced on an

actuarially equivalent basis to reflect the payment of the lump sum distribution. The amount of the pension will be further reduced as required to produce an actuarially equivalent benefit if the member chooses an additional option as described above.

The Pension Department will provide an estimate of the amount of pension under any of the optional forms of payment. No changes may be made after the date of cashing or depositing the first retirement check.

6. Disability Retirement

Disability in Line of Duty (24-29 [c])

A firefighter is considered disabled when he or she becomes totally and permanently disabled to render useful and efficient service as a firefighter. If the Board determines that the disability is directly caused by the performance of his or her duty as a firefighter, the firefighter will be entitled to the same monthly pension as if he or she had taken a normal retirement. If the firefighter has less than twenty-five (25) years of credited service, the monthly pension will be calculated assuming twenty-five (25) years of service.

Any condition or impairment of health of a firefighter caused by tuberculosis, heart disease, meningococcal meningitis or hypertension resulting in death or total disability is presumed to have been suffered in the line of duty unless the contrary is shown by competent evidence; provided that the firefighter has successfully passed a physical examination on entering into service.

In the case of meningococcal meningitis, the firefighter must also affirm that there was no exposure outside the scope of employment. The firefighter must have undergone standard, medically acceptable tests prior to diagnosis.

Disability Not in Line of Duty (24-29 [a])

If the Board determines that a firefighter is disabled from causes not directly attributed to the performance of his or her duties, he or she shall receive a monthly pension equal to his or her average compensation multiplied by two and one-half percent (2.5%), multiplied by his or her years of credited service. In addition, the Fund will pay a separate monthly payment equal to five percent (5%) of his or her last monthly salary for each dependent child.

Conditions Disqualifying Disability Benefits (24-29[e])

Each firefighter who is claiming a disability benefit must establish to the satisfaction of the Board that the disability was not caused primarily by:

1. Excessive or habitual use of any drugs or intoxicants.
2. Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections.
3. Injury or disease sustained while committing a crime.
4. Injury or disease sustained after employment as a firefighter with the City and County has terminated.

5. Injury or disease sustained while serving in any branch of the Armed Forces.

7. Survivor Benefits - Death Before Retirement

Death in Performance of Duties (24-29 [b])

If any firefighter loses his or her life as a direct result of the performance of his or her duties as a firefighter, the beneficiary will receive for 10 years the same monthly pension as if the deceased member had taken a normal retirement and then died. If the firefighter has less than twenty-five (25) years of service, the pension will be calculated assuming twenty-five (25) years of service.

The beneficiary may be eligible to select an alternate form of benefit as described in Section 5.

Death Not in Performance of Duties (24-29 [d])

If any firefighter dies of causes not directly attributed to the performance of his or her duties as a firefighter, the beneficiary will receive for 10 years the same monthly pension as if the deceased member had taken a Not Line of Duty Disability and then died.

The beneficiary may be eligible to select an alternate form of benefit as described in Section 5.

8. Lay-off and Termination Benefits

Lay-Off (24-38 [a])

If any firefighter is laid off due to a reduction in forces and is not entitled to pension benefits, he or she will have the option to withdraw all pension contributions plus interest, or to leave that amount in the Fund. If the money is withdrawn and the individual is later reemployed in the Fire and Rescue Service, he or she will not be credited with prior service time and will not be eligible to join the Plan.

Consolidation With Another Agency (24-38 [b])

If a firefighter is laid off due to a consolidation of the Fire and Rescue Service with any other agency of the county or state, he or she will have the option to:

1. Receive a lump sum withdrawal of accumulated contributions, or
2. Continue participation in the Plan with no change in status, or
3. Retain his or her attained pension credit for salary and length of service as of the date of consolidation and receive a deferred annuity as explained in paragraph 1. below, or
4. Choose any of the options or provisions that may be available under state or local laws at the time of consolidation.

Termination (24-38 [c])

1. If a firefighter's employment is terminated, either voluntarily or involuntarily, he or she may choose to either:

- a. Receive a refund of contributions and interest instead of any other benefits.
- b. Receive a deferred monthly pension starting at age fifty-five (55) equal to three percent (3.0%) of his or her average compensation at the time of termination, multiplied by his or her years of credited service at the time of termination.

Alternatively, the member may choose to receive a reduced retirement pension at any time after age fifty (50).

Reemployment After Separation (24-39)

Any firefighter who voluntarily separates from service may elect to leave his or her contributions on deposit in the Pension Plan. In the event the firefighter is reemployed, all pension rights will relate back to the original employment date, excluding only the period the firefighter was separated from employment. If the contributions have been withdrawn, the firefighter cannot re-enter the Plan.

Direct Transfers of Eligible Rollover Distributions (24-37[b])

Any firefighter who terminates and elects to withdraw his or her accumulated contributions in a lump sum may request that the taxable portion of the withdrawal be directly transferred to another eligible retirement plan.

9. Cost of Living Adjustments (24-43)

Pension benefits are adjusted annually each February by 3.5%. When the pension payments started during the preceding calendar year, the COLA will be pro-rated.

10. Credited Service for Military Service

Military Service After Employment (24-41[a])

Time served in the military service of the Armed Forces of the United States will be added to a firefighter's years of credited service provided that: the firefighter returns to employment as a firefighter with the County within one (1) year from the date of military discharge.

The maximum credit for military service under this provision is five (5) years.

11. Distribution of Available Funds (24-43 [b] [3])

The allocations of the Available Funds (Share Accounts) that were made to active firefighters prior to April 7, 2003 will earn interest at a rate equal to the actuarially assumed rate of investment return (currently 8%). The Share Accounts will be distributed to the Plan participant after termination of employment with Sarasota County Fire Rescue.

A portion of Available Funds, comprised of the money from the State of Florida and the actuarial gain, will continue to be distributed to firefighters and surviving spouses of firefighters that terminated employment prior to April 7, 2003.

12. Claims Procedure Before the Board (24-44)

In the event that the Board denies a claim for benefits, the order of the Board will be put in writing and will include:

1. The specific reasons of the denial, including specific references to Plan provisions on which the denial is based;
2. An explanation of the review procedure available to the member.

Any member whose claim for a benefit is denied may request, in writing, that the Board review his or her claim. The request for review must be made within ninety (90) days of receiving the Order denying the claim.

13. Filing for Retirement

To ensure that pension benefits are received on time, an application should be filed with the Pension Department at least sixty (60) days before retirement. All forms may be obtained from the Pension Department at the address listed on the Introduction page.

14. Forfeiture, Denial or Ineligibility for Pension Benefits (24-51)

Any firefighter who is convicted of the following offenses committed prior to retirement, or whose employment is terminated because of his or her admitted commission, aid or abetment of the following specified offenses shall forfeit all rights and benefits under this Pension Fund, except for the return of his or her contributions as of the date of his or her termination. In addition, a member may be denied or ineligible for disability benefits as described in Section 6.

Specified offenses are as follows:

1. The committing, aiding or abetting of an embezzlement of public funds;
2. The committing, aiding or abetting of any theft by a public officer or employee from his or her employer;
3. Bribery in connection with the employment of a public officer or employee;
4. Any felony specified in Florida Statutes, Chapter 838;
5. The committing of an impeachable offense;
6. Violation of Section 175.195 of the Florida Statutes.
7. The committing of any felony that defrauds Sarasota County of the right to receive the faithful performance of his or her duty; obtains or attempts to obtain a profit, gain, or advantage for himself or herself or for another person with the power, rights, privileges, duties or position of his or her employment position.

15. Non-forfeiture of Pension Benefits

Interest of Members in Pension Fund (24-46[a])

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 members' exclusive benefit.

Liquidation of Pension Fund Assets (24-46[b])

In the event of repeal of the pension ordinance, or if contributions to the Fund are discontinued, there will be a full vesting of benefits accrued to the date of repeal.

In any event, a member's contributions to the Plan are non-forfeitable.

16. Applicable Law

The following federal, state and local laws govern the Plan:

1. Internal Revenue Code and amendments thereto.
2. Chapter 175, *Florida Statutes*, "Municipal Firefighters Pension Trust Funds."
3. Part VIII, Chapter 112, *Florida Statutes*, "Actuarial Soundness of Retirement Systems."
4. Code of the City of Sarasota, Chapter 24, Article II, Division 2, as amended.

17. Fund Year and Fund Records

The Plan Year begins on October 1 of each year and ends on September 30. All records of the Plan are maintained by the Plan Year, except for the posting of interest on a calendar year basis.

18. Provisions of Collective Bargaining Agreements

Pension benefits can be a bargainable issue.

19. Financial and Actuarial Information

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, Gabriel, Roeder, Smith and Company and is attached as an exhibit.

20. Administration of the Fund (24-23)

The Pension Fund is administered by a Board of Trustees that acts as the named fiduciary and administrator of the Fund as defined by Florida law. The exclusive administration of and responsibility

for the proper operation of the retirement system and for making effective the provisions of Chapter 24, Article II, Division 2 of the Code are vested in the Board of Trustees.

The Board consists of five (5) Trustees, two (2) of whom are appointed by the City Commission, two (2) of whom are full-time firefighters who are elected by a majority of the firefighters. The fifth Trustee is chosen by a majority of the previous four (4) Trustees. Each Trustee serves a two (2) year term.

The address of the Board of Trustees (Administrator) is:

City of Sarasota Firefighters' Pension Plan
1565 First Street, Room 110
Sarasota, Florida 34236

The Chairman of the Board of Trustees is designated for the service of legal process and can be served at the address set forth above.

The Trustees of the Board are listed below with their address and type of position on the Board:

MEMBER ELECTED	Thomas J. Broom c/o Pension Department P.O. Box 1058 Sarasota, Florida 34230
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MEMBER ELECTED	Michael Hartley c/o Pension Department P.O. Box 1058 Sarasota, Florida 34230
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COMMISSION APPOINTED	Pamela M. Nadalini 1565 First Street Sarasota, Florida 34236
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COMMISSION APPOINTED	Shelia Roberson c/o Pension Department P.O. Box 1058 Sarasota, Florida 34230
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BOARD APPOINTED	Scott Snow c/o Pension Department P.O. Box 1058 Sarasota, Florida 34230
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EXHIBIT I
 CITY OF SARASOTA FIREFIGHTERS' PENSION FUND
 ACTUARIAL VALUATION HIGHLIGHTS
 SEPTEMBER 30, 2009

During the 2008-09 fiscal year, the City contributed \$1,414,035 and the County contributed \$2,893,384. The contribution for the fiscal year can be broken down as follows:

Contribution for	
Normal Cost	\$647,013
Expenses	746,782
Unfunded Actuarial Accrued Liabilities	2,202,545
FS 112.64(5) Compliance	724,990
Adjustments to Contribution Requirement	(13,911)
Total	4,307,419

The September 30, 2008 actuarial report indicated that the actuarial present value of accrued benefits was 73.3% funded. The actuary concluded that the funded condition should move toward 100%, contingent on timely receipt of required contributions and long-term experience in line with expectations.

Contributions to the Fund during the year were equal to or greater than the actuarially determined amount needed to comply with the provisions of Chapter 112, Florida Statutes.

As of September 30, 2009, there were 143 retired participants and beneficiaries of deceased participants receiving benefits from the Pension Fund. Active members totaled 37 with an annual payroll of \$3,153,356. There were 2 vested terminations not yet receiving benefits.

A copy of the annual actuarial report is available for inspection in the Pension Department.

EXHIBIT II

ACCOUNTING INFORMATION SUBMITTED FOR VALUATION

REVENUES AND EXPENDITURES

	<u>Year Ended</u> <u>9-30-08</u>	<u>Year Ended</u> <u>9-30-09</u>
REVENUES:		
Participant contributions	\$292,571	\$287,122
County contributions	3,130,708	2,893,384
City Contributions	1,586,965	1,414,035
Chapter 175 receipts	1,027,587	881,069
Investment income - interest & dividends	3,206,969	2,887,211
net change in fair value	<u>-17,788,306</u>	<u>-4,905,330</u>
Total Revenues	-8,543,506	3,457,491
EXPENDITURES:		
Refunds of participant contributions	0	0
Benefits paid	7,099,436	7,624,616
Share Account distribution	832,511	726,384
Administrative & investment expenses	<u>792,631</u>	<u>674,102</u>
Total Expenditures	8,724,578	9,025,102
NET INCOME:		
Total revenues minus total expenditures	-\$17,268,084	-\$5,567,611

SUMMARY OF ASSETS

	<u>Year Ended</u> <u>9-30-08</u>	<u>Year Ended</u> <u>9-30-09</u>
Cash	\$113,202	\$18,710
Debt Securities		
Short-term	2,073,445	3,175,028
Bonds - Government	1,305,083	1,044,387
- Corporate	16,256,227	14,471,617
- Other	2,060,058	1,678,104
Equity Securities		
Stocks - Common & preferred	54,863,301	53,065,511
- Foreign stocks	8,320,171	9,121,349
Real Estate Investment	10,085,417	7,113,199
Net Receivable/Payable	(4,035,146)	(4,291,904)
Accrued Income	320,970	271,703
Miscellaneous	<u>19,298</u>	<u>18,343</u>
Total Assets	\$91,382,026	\$85,686,047