

**CITY OF BOCA RATON
FIREFIGHTERS' PENSION PLAN**

SUMMARY PLAN DESCRIPTION

Dated September 30, 2009

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INTRODUCTION

The City of Boca Raton (City) has established and maintains the City of Boca Raton Police and Firefighters' Retirement System (Plan). The Plan is a tax qualified defined benefit plan. Because the Plan is tax qualified, generally neither you nor the Plan will pay any income tax on the contributions you make or the benefits you earn under the Plan. Instead, you will be taxed when you begin receiving benefits under the Plan, at which time you may be in a lower tax bracket than during your peak earning years. Because the Plan is a defined benefit plan, your ultimate benefit depends upon factors such as your compensation level and service, and the form in which your benefits are paid.

The Plan is governed by Sections 12-126 through 12-154 of the City Code of Ordinances and by Part VII, Chapter 112, Chapter 175 and Chapter 185 of the Florida Statutes. Article 33 of the City's three year collective bargaining agreement with the Firefighters of Boca Raton Local 1560, International Association of Firefighters (IAFF), Inc. effective through September 30, 2011 provides for the pension plan as described in the Plan Ordinance. Copies of these documents are available upon request.

The Plan is designed to provide a measure of economic security for retirement beyond that provided by Social Security and your own personal savings. Of course, you are encouraged to establish and consistently maintain your own retirement savings program and not rely solely on Social Security and employer provided retirement benefits. To assist in your personal savings, you may wish to take advantage of deferred compensation plans sponsored by the City.

This booklet is called a Summary Plan Description. It introduces the Plan to you and answers frequently asked questions about the Plan. If you have questions, if you want to verify your understanding of how the Plan's provisions apply to you, if you want to confirm your understanding of the Summary Plan Description, or if you want to determine if the Plan has been amended, please contact the Plan Administrator.

Please keep in mind that this Summary Plan Description is a summary only. It does not contain every detail addressed in the Plan. If there is any inconsistency between the Plan Ordinance (or other legal documents under which your participation and benefit rights are determined) and this Summary Plan Description, the City Ordinance (and legal documents if any) will control. You, your beneficiaries and your personal representatives may examine the Plan and other applicable legal documents in the Pension Office by appointment during regular business hours.

This Summary Plan Description may be changed from time to time. Please be certain that you have the most recent version of the booklet and all amendments thereto called "Material Modifications". The Plan Administrator can verify this for you upon request.

ADMINISTRATION

The general administration and responsibility for the proper operation of the plan is placed with the Board of Trustees (Board). The powers of the Board include the interpretation of plan provisions on a uniform and nondiscriminatory basis and establishing uniform rules and procedures. This Board is also responsible for investing of the Plan's assets and hiring the Plan's service providers.

The Board consists of eight trustees, each serving a term of two years. Four of the trustees are Plan members who are elected by the other members of the Plan. The other four trustees are appointed by the City Council. All correspondence should be sent to the Trustees in care of the pension office address listed under the Pension Administration section below.

Elected Trustees

Jim Muro
Fire Rescue Services
Telephone: 561-982-4000

Jeff Ross
Fire Rescue Services
Telephone: 561-544-8555

Chris Somers (Chairman)
Police Services
Telephone: 561-620-6141

Matthew White
Police Services
Telephone: 561-620-6075

Appointed Trustees

Linda Davidson
Telephone: 561-393-7737

John D. Girard
Telephone: 561-392-2685

Paul M. Lawless
Telephone: 561-361-8140

Steve Tubbs (Vice-Chairman)
Telephone: 561-361-0330

Pension Administration

The Pension Office is located at 2333 Glades Road, Boca Raton, FL 33431
Telephone: 561-544-8520 Fax: 561-392-1254

Crystal L. Duxbury
Debra Sears
Linda Stein
Lenworth Codner

Pension Administrator
Chief Executive Officer
Pension Assistant
Pension Accountant

cduxbury@ci.boca-raton.fl.us
dsears@ci.boca-raton.fl.us
lstein@ci.boca-raton.fl.us
lcodner@ci.boca-raton.fl.us

Legal process with respect to the Plan must be served on the Chairman of the Board. Robert Sugarman serves as legal advisor to the Plan and may be contacted at Sugarman & Susskind, 100 Miracle Mile, Suite 300, Coral Gables, FL 33134.

Plan records are maintained on a 12-month fiscal period known as the Plan Year. The Plan Year begins on October 1 and ends on September 30.

GLOSSARY OF TERMS

Average Monthly Earnings - 1/24th of the earnings over the highest two consecutive years preceding actual retirement or termination.

Beneficiary - Any person chosen by you to receive any benefits which may be payable upon your death. A written beneficiary designation must be filed with the Board. You may change your beneficiary at any time prior to retirement. Following retirement, your beneficiary may only be changed up to two times and subsequently under certain circumstances. If you have not designated a beneficiary, the Board has the authority to make the designation for you.

Continuous Service - Service (expressed as years and whole months) as an employee commencing with the hire or qualification date and ending on the date of resignation, termination, retirement or Deferred Retirement Option Plan (DROP) participation. Separate periods of service will be combined when a member is rehired and re-deposits the refunded contributions, with interest, within six months following their rehire date. For leaves-of-absence in excess of six months, service will be considered to have been interrupted. Members, who transfer between City plans, will have their continuous service under each plan combined for vesting and eligibility for benefits.

Earnings - Fixed monthly remuneration including base wages, emergency medical technician (EMT) and paramedic certification pay, fire inspection pay, hazardous materials certification pay, assignment pay, time pool, acting in a higher capacity, stand-by duty pay and longevity. All other compensation is excluded. For employees hired after October 1, 1996, earnings in excess of the limitations set forth in Section 401(a)(17) of the Internal Revenue Code, as amended, cannot be used to calculate benefits. The limitation as of the writing of this booklet is \$245,000 for 2010.

Employee - A regular or probationary full-time employee classified as a certified firefighter. The City maintains a separate plan for civilian employees.

Fund – The trust fund established for paying benefits to members of the City of Boca Raton Police and Firefighters' Retirement System.

Member - Any employee who has met the eligibility requirements of the Plan. The fire chief may waive participation in the Plan within 60 days of his hire or promotion. The request to waive must be in writing and is irrevocable.

ELIGIBILITY AND ENROLLMENT

If you are an employee, have attained the age of 18, completed all required medical examinations and meet all requirements of the civil service board, you are eligible to participate in the Plan.

Enrollment is automatic. However, the Plan Administrator will provide you with the forms that are needed to properly service your account. These forms must be completed and returned to the Plan Administrator.

The Plan is divided into separate benefit levels for police officers and firefighters. This Summary Plan Description is for firefighters only.

CONTRIBUTIONS AND FUNDING

The Plan is funded by the City, the State of Florida and participating employees contributions. Additional funding is received from net investment returns.

You are required to contribute 9.2% of your earnings during your years of participation in the Plan. These contributions are deducted and paid to the Plan each bi-weekly payroll. Your contributions will cease upon participation in the Deferred Retirement Option Plan.

Prior to January 1, 1985, your contributions were made with “after-tax” dollars. After that date, your contributions are made with “pre-tax” dollars. Since pre-1985 contributions have already been taxed, a portion of your benefit will be paid on a tax-free basis if the member made contributions to the plan prior to 1985.

The City’s contribution rate for the Plan is determined at the end of each fiscal year, when an actuary reviews the Plan. The contribution is determined as a percent of total active member payroll and is paid to the Plan at the end of each month. The actuary also compares the actuarial value of assets to the actuarial accrued liability to determine how well the Plan is funded. The following table illustrates the history of the Plan’s funding progress:

FISCAL YEAR	FUNDED RATIO
10/1/08 – 9/30/09	74.6%
10/1/07 – 9/30/08	80.5%
10/1/06 – 9/30/07	85.4%
10/1/05 – 9/30/06	88.1%
10/1/04 – 9/30/05	90.1%
10/1/03 – 9/30/04	80.2%
10/1/02 – 9/30/03	89.7%
10/1/01 – 9/30/02	95.7%
10/1/00 – 9/30/01	101.1%
10/1/99 – 9/30/00	104.5%

All contributions and investment earnings are used for the purpose of providing a benefit to employees upon retirement. City contributions are not allocated to specific individuals; therefore, they remain in the fund. Contributions may not be borrowed against or used for collateral; nor may you withdraw them while still an active employee.

If you transfer between City plans, your member contributions plus interest and the City contributions will be transferred from the plan being vacated to the plan being entered.

PURCHASE OF PRIOR SERVICE - BUY BACKS

Members may qualify to purchase up to a maximum of five years of prior full-time eligible service credits, or an alternate benefit rate (the equivalence of full-time prior service if previously a member of a defined contribution plan), as a firefighter with another municipality/fire district or for active service with the Armed Forces of the United States. If a member has prior service as a firefighter, but is prohibited by operation of law from purchasing credit for such service, the member may purchase an additional benefit rate (the equivalence of full credit for such past service). Such service credits shall be counted as continuous service for the purpose of benefit calculations, or the equivalent, but shall not be counted for purposes of vesting or eligibility for benefits. Qualified members may purchase prior full-time eligible service at anytime prior to retirement. The purchase of an alternate benefit rate must be completed within six months of becoming a member of the Plan. Purchase of prior service is not allowed if the member has received, is receiving or will receive a retirement benefit attributable to that prior service period.

The full actuarial cost of the service, as determined by the plan actuary, must be paid in a lump sum. The payment may be made with pre-tax monies through a direct transfer or rollover of an eligible distribution into the Fund from another tax-deferred qualified plan. The payment also may be made with after tax dollars. Contact the Pension Administrator for more information.

ELIGIBILITY FOR RETIREMENT BENEFITS

The earliest date at which you can receive full benefits is called your Normal Retirement Date. Your Normal Retirement Date is the first day of the month coincident with or following completion of 20 years of continuous service OR attainment of age 55 with 10 years of continuous service. There is no mandatory retirement date; employees may work past their Normal Retirement Date and continue to accrue additional benefits.

The earliest date at which benefits can be paid, although at a reduced rate, is the Early Retirement Date. Eligibility is the attainment of age 50 with 10 years of continuous service.

Your Normal and Early Retirement Dates are calculated at the time of entry into the Plan but may be adjusted for breaks in service.

NORMAL RETIREMENT BENEFITS

There are three components in the calculation of Normal Retirement benefits. They are your continuous service and average monthly earnings, calculated as of the retirement date, and a multiplier of 3.4%. Once these components have been calculated, they are multiplied times each other as follows:

Continuous Service x Average Monthly Earnings x Multiplier = Monthly Benefit

Example Benefit Calculation. If continuous service is 23 years and 3 months (23.25 years) and average monthly earnings are \$6,000, the monthly benefit (payable for your lifetime but with a guarantee of 120 payments) is:

$$23.25 \text{ years} \times \$6,000 \times 3.4\% (.034) = \$4,743$$

The Plan limits benefits to 100% of your average monthly earnings.

Transfer from General Employees' Plan. If you are a member who transferred from the General Employees' Pension Plan, the multiplier will be applied in two parts. The General Employees' Pension Plan multiplier that was in effect at the time of the transfer will be applied to the period of continuous service you earned while in the General Employees' Plan. The Firefighter multiplier that was in effect at the time of retirement will be applied to the period of continuous service you earned while in the Police & Firefighters' Retirement System.

EARLY RETIREMENT BENEFITS

If you terminate employment after having attained your Early Retirement Date but before attaining your Normal Retirement Date, there are two options available. First, the benefits can be deferred until your Normal Retirement Date, in which case the benefit will be calculated the same as shown above. Second, you may take a reduced benefit, which may start at any time prior to your Normal Retirement Date.

Under the second option, the benefit is calculated in the same manner as the Normal Retirement benefit except that there is another component called an "Early Retirement Reduction Factor". The reduction factor is 3% for each year (this is prorated for partial years) by which your actual Early Retirement Date precedes your Normal Retirement Date.

Example Early Benefit Calculation. Use the same facts as above. Assume that your Early Retirement Date is three years before your Normal Retirement Date. The reduction will be 3% for each of the three years for a total reduction of 9%. The monthly benefit payment is:

$$\$4,743 \text{ Normal benefit less } \$426.86 (\$4,743 \times 9\%) = \$4,316.13 \text{ Early benefit.}$$

BENEFIT PAYMENT OPTIONS

Retirement benefits will be paid only during the lifetime of the member with a guarantee that benefits will continue for a minimum of ten years unless another option is chosen:

- ***Ten Year Certain and Life Option*** - Payments are made during the lifetime of the member, but in no event shall less than 120 monthly payments be made.

Optional forms of benefit payments include:

- ***Joint and Last Survivor Option*** - Payments are made during the lifetimes of you and your designated beneficiary. You choose the percent of your benefit, 100%, 75%, 66 ²/₃ % or 50%, that you want to continue to your beneficiary in the event you die first. The beneficiary may be changed up to two times once you have retired provided you make a written designation. Any subsequent beneficiary changes require approval by the Board provided you make a written designation.
- ***Life of Member Option*** - Payments are only made during your lifetime. However, if you die before receiving benefits at least equal to your contributions, a payment equal to the difference between your contributions and the total benefits you received will be paid to your designated beneficiaries.
- ***Other Actuarial Equivalent Options*** – Actuarial equivalent options may be approved by the board limited to the retiring member receiving at least 50 percent of the total present value of payments. ***Ten Year Certain with Joint and Survivor Options*** would be included in this option category.

DEFERRED VESTED BENEFIT

If your employment is terminated after having completed at least 10 years of continuous service but before becoming eligible for retirement, death or disability benefits, the benefit shall be calculated as of your termination date, but payment shall be deferred until your Normal Retirement Date. The benefit will be calculated in the same manner as your normal retirement benefit.

Your vested benefit will be forfeited if, at any time prior to receiving benefits, you elect to withdraw your own contributions and interest. However, if you are subsequently rehired and you redeposit the amount that was refunded to you, with interest at the actuarial rate of return (currently 8%), within 60 days of your rehire date, the service for your previous period of employment will be restored.

You must submit your application, to receive your benefits, to the Pension Board prior to your Normal Retirement Date. It is also your responsibility to keep your beneficiary designation current and notify the Pension Administrator of any address changes.

If you die before commencement of your benefits, your beneficiaries will receive your accrued pension benefit commencing on what would have been your Normal Retirement Date or a reduced benefit commencing on or after your Early Retirement Date. Benefits will be paid monthly for a period of 10 years (120 monthly payments).

ELIGIBILITY FOR DISABILITY BENEFITS

If you receive an injury or disease that permanently prevents regular and continuous duty as a firefighter, you may apply for disability benefits. There is no continuous service requirement if the injury or disease is service-incurred. If the injury or disease is not service-incurred, you must have at least 10 years of continuous service.

You shall not qualify for disability benefits if the Board determines that your disability is a direct result of the excessive and habitual use of drugs, intoxicants or narcotics, occurs after employment has terminated or while willfully and illegally participating in fights, riots or civil insurrections, committing a crime or serving in any armed forces. You shall not qualify for disability retirement if you are in the Deferred Retirement Option Plan.

If you wish to apply for a disability benefit, you must do so on the forms provided by the Board. Processing of an application for a disability retirement takes a minimum of three months. There is no automatic entitlement to a disability benefit; i.e. you have the burden of proving that you qualify.

The Board of Trustees must approve the disability benefit. This disability is based upon the recommendation of the Medical Board. The Medical Board shall be comprised of three physicians who will review all the records, examine the applicant and report their conclusions and recommendations in writing to the Board of Trustees.

DISABILITY BENEFITS

The monthly benefit for a service-incurred disability is the greater of 75% of your average monthly earnings or your accrued normal retirement benefit.

The monthly benefit for a non-service-incurred disability is equal to your accrued pension benefit.

If you are granted a service-incurred disability and receive payments from Social Security or Workers' Compensation for the same disability, your pension benefits may be reduced so that the total from all sources does not exceed 100% of your gross monthly salary at the time of your disability retirement. Your gross monthly salary will be escalated for increases in the Consumer Price Index (CPI). This limitation also applies to members in the Deferred Retirement Option Plan.

In addition, your pension benefits may be reduced by 50% of wages, as reported on IRS Form W-2, or net earnings from self-employment, that are in excess of 200% of the difference between your gross monthly salary at the time of your disability retirement and your pension benefit. However, you will not receive less than your accrued pension benefit or 42% of your average monthly earnings, whichever is higher. You will be required to provide the Board with all the records necessary to calculate the offset. Your gross monthly salary will be escalated for increases in the CPI.

Payments shall commence on the day following approval of disability benefits by the Board and shall be paid under the Ten-Year Certain and Life option until the earlier of recovery or death.

Recovery from disability shall have occurred when you have recovered sufficiently from your disease or illness and are shown to be physically able to perform your regular duties in the Fire Rescue Services Department. Upon recovery, the Board shall stop your disability payments and require that you resume employment. If you resume your position in the Fire Rescue Services Department, you shall receive credit for continuous service for periods before and during your disability, provided you pay into the fund appropriate contributions and interest, as determined by the Board.

PRE-RETIREMENT DEATH BENEFITS

If you die as a direct result of an occurrence arising in the performance of service, a lump sum payment of \$5,000 shall be paid to your beneficiaries. In addition, your surviving spouse will receive a monthly benefit until death, equal to 75% of your average monthly earnings. An additional 7½% of your average monthly earnings will be paid for each minor child, but in no event shall the total amount paid to your spouse and children exceed 90% of your average monthly earnings. The payments to the children shall end upon the earlier of either death; marriage; attainment of age 18; or age 22 if the child is a full-time student in an accredited university or college.

Upon the death of your spouse, the 7½% child allowance shall be increased to 15%, with the combined total not to exceed 50% of your average monthly earnings. These payments shall be made into a trust, which shall be under the control of the Board of Trustees.

If you die from causes not attributable to active duty and have less than one year of continuous service, a single payment of \$2,500 shall be paid to your beneficiaries. If you have one or more years of continuous service, a single payment of \$5,000 shall be paid to your beneficiaries. If you have five or more years of service, your surviving spouse will also receive a monthly pension equal to 65% of your accrued pension, calculated as of your date of death, subject to a minimum benefit of 20% of your average monthly earnings. In addition, your minor children will receive benefits equal to those described above for service-incurred death benefits, provided that total benefits paid to your spouse and children shall not exceed 50% of your average monthly earnings.

There is a minimum death benefit, for both service and non-service incurred death, which may be payable to any beneficiary. This benefit is your accrued pension benefit commencing on what would have been your Normal Retirement Date or a reduced benefit commencing on or after your Early Retirement Date. Benefits will be paid monthly for a period of 10 years (120 payments). A beneficiary who is your spouse will have the option of choosing this benefit if it is greater than those described above.

You shall not qualify for pre-retirement death benefits if you are in the Deferred Retirement Option Plan (DROP) on your date of death.

POST RETIREMENT DEATH BENEFITS

If you are entitled to a deferred vested benefit and die prior to commencement of retirement benefits, the death benefit shall be the accrued pension benefit commencing on what would have been your Normal Retirement Date or a reduced benefit commencing on or after your Early Retirement Date.

If you die after commencement of retirement benefits, the continuation of payments shall be determined by the payment option selected at the time of retirement. In no event will you receive total benefits less than an amount equal to your contributions plus interest, as determined on the date of retirement.

COST-OF-LIVING ADJUSTMENTS

If you take a Normal Retirement Benefit and have 22 or more years of continuous service, your benefit will be increased by 3% each year once you have attained the age of 52 or been retired one year, whichever comes later. Retirements with 21 years of continuous service are eligible for cost-of-living adjustment after two years and with 20 years of continuous service are eligible after three years.

Benefits payable for service-related death and disability benefits will be increased by 3% each year starting with the date you attain, or would have attained, age 52. No increases will apply to non-service related death or disability benefits unless you complete 20 years of continuous service prior to your death or disability.

DEFERRED RETIREMENT OPTION PLAN (DROP)

When you become eligible for Normal Retirement and are still employed as a firefighter, you may elect to “retire” from the Plan but continue to work for the City. Your retirement benefit will be calculated as if your employment terminated, but it will not be paid to you. Instead, the benefit payments will be paid into a DROP account for you until you actually leave the employment of the City.

In order to participate in the DROP, you must submit a written application to the Board, which is subject to Board approval. Such application should be submitted to the Pension Administrator at least 30 days prior to the expected date of participation. Participation will commence on the first day of the month following the Board’s approval of your application.

As a DROP participant, you may elect to have the monies in your DROP account remain a commingled part of the pension fund for investment purposes, which will be credited with investment earnings, less administrative expenses, monthly; or, you may elect to self-direct your DROP monies in ICMA-RC investments pre-approved by the Board of Trustees, which will be credited with investment earnings, less monthly administrative expenses.

As a DROP participant you will not be eligible to vote in trustee elections. Only one of the two firefighter Board Trustee positions may be held by a DROP participant.

You may continue in the DROP for a maximum of five years, at which time you are expected to retire from the City. If you do not retire, your monthly deposit will be suspended and no further earnings will be credited (although you will continue to be charged with administrative expenses).

Upon your actual separation of employment from the City, your monthly benefit payments will be paid directly to you, rather than the DROP. At this time you may elect to start withdrawals from the DROP. DROP withdrawals may be made in a lump sum, annual election or a monthly annuity. In no event may you delay receiving benefits past the date you attain the age of 70½. Taxable benefits paid to you prior to your attainment of age 59½ may be subject to a 10% excise tax if you terminate employment before the year of your 50th birthday. The penalty tax may be avoided if you elect to have your DROP balance annuitized over your expected lifetime. If this election is made, the scheduled payments must be maintained until attainment of age 59½ or for five years, whichever comes later.

When your participation in the DROP commences, you will no longer be eligible for disability or pre-retirement death benefits from the Plan. If you die before your DROP balance is paid to you in full, your beneficiary shall have the same rights to which you were entitled.

If you become disabled while in DROP status, you will not be allowed to receive more than one hundred percent of your gross income, at the time of the injury, from the Plan and Workers' Compensation combined. Your gross income will be escalated for increases in the CPI.

If, while in DROP status, you become physically unqualified to perform the full scope of your duties, you will be removed from DROP status after six months, unless a workers' compensation physician states that it is likely you will be able to fully perform your duties within one year from the date you became physically unable to perform your duties.

The DROP will be administered according to procedures adopted and modified from time to time by the Board of Trustees. You may request a current copy of the administrative procedures and investment guidelines from the Pension Administrator.

RETIREMENT SUPPLEMENT

Following your actual retirement from the City, you will receive a supplemental benefit equal to \$10 per month for each whole year of service with the City, including your years in the DROP. This benefit will be paid to you for as long as you live; however, you may choose to have it paid (and actuarially reduced) under one of the optional forms of benefit, which may be different than the option you choose for your regular retirement benefit. If you are vested when you leave the City and do not withdraw your contributions, this benefit will commence at the same time as your regular retirement benefit. The retirement supplement is not subject to cost-of-living adjustments.

NON-VESTED BENEFITS

If you terminate your employment prior to completing ten years of continuous service and are not applying for any other benefits, you are entitled to a refund of member contributions with accumulated interest (3% per annum). You must submit a written request for a withdrawal and provide instructions for how it is to be paid.

You will receive the refund of your after-tax contributions tax free but refunds of pre-tax contributions and interest are taxable income in the year paid and are subject to a 10% excise tax if you terminate before the year of your 50th birthday and the refund is paid before attainment of age 59½. However, the refunded monies can retain their tax-deferred status if you transfer them directly to an Individual Retirement Account (IRA) or another tax-qualified vehicle. If you choose not to transfer the monies to an IRA, 20% of the taxable refunded amount will be withheld for the taxes and penalty. You will have 90 days from your date of termination to make this decision. If your total refund is less than \$5,000 and you do not make a written request for a refund within the 90-day period, your contributions will automatically be sent to you following approval by the Board.

At the end of the year in which the refund is paid, you will receive IRS Form 1099-R to help you in the preparation of your tax return.

If you terminate your employment, receive a refund of your contributions and are subsequently rehired by the City as a firefighter, you will have 60 days from the date of your rehire to redeposit your contributions, with interest at the actuarial rate of return (currently 8%). Upon such deposit, you will receive continuous service credit for your previous years of employment.

FAILURE TO SIGN WAIVER

If you do not sign a waiver relating to any claims concerning the use of Chapter 175 monies, the benefits described in the preceding sections will be modified as follows:

- Normal Retirement will be upon attainment of age 52 with 20 years of continuous service or age 55 with 10 years of continuous service
- The benefit multiplier for all benefits will be 2.5%
- The maximum retirement benefit will be 75% of your average monthly earnings
- The DROP is not available
- There are no cost-of-living adjustments
- The Retirement Supplement is not available

CLAIMS BY PARTICIPANTS AND BENEFICIARIES

All claims for benefits must be made in writing and submitted to the Pension Administrator. The Board, which meets monthly, must approve all benefits. All benefit checks are issued on the last business day of each month.

Applications for retirement and DROP participation should be submitted at least 30 days prior to the anticipated retirement date.

Claims for death benefits will be paid in accordance with the terms of the Plan and the most recent "Designation of Beneficiary" form on file with the Pension Administrator. It is your responsibility to keep this form current. If there is no designated beneficiary at the time of your death, the Board is authorized to make the designation. A certified copy of the death certificate must be submitted with any claim for death benefits.

Claims made by spouses for a member's benefit as a result of divorce, will only be honored if they are in the form of an Income Deduction Order issued by a court for alimony or child support. Qualified Domestic Relations Orders (QDROs) will not be honored. All orders from a court will be submitted to the Board's attorney for an opinion on their legality.

If any claim for benefits is denied, the reasons for denial will be submitted in writing to the claimant. If the claimant wishes to contest the Board's decision, a formal hearing may be requested and additional evidence may be presented.

The Board has the power to re-examine the facts upon which any pension has been granted. The pension files may be purged of any person granted a pension under this plan, if it is found to be erroneous, fraudulent or illegal.

Your benefits shall be forfeited, under state law, if you admit to, or are found guilty of, committing certain crimes, such as (but not limited to) embezzlement, bribery or misuse of your public position.

If you are determined by the Board to be incompetent, or if a deceased member's beneficiary is a minor, payment for benefits may be made to a duly appointed guardian, or to such person's spouse, children or other person who has incurred expenses or assumed responsibility for such expenses. Any payment so made from the Plan shall be a complete discharge of any liability under the Plan.

PLAN AMENDMENTS OR TERMINATION

The City reserves the right to amend the Plan. However, all ordinances proposing changes to Plan provisions must be referred to the Board for review. The Board has 30 days to review the ordinance and submit its recommendations to the City Council.

Upon termination of the Plan or complete discontinuance of contributions to the Plan, each employee will become vested in the benefits that have accrued. All City contributions will remain in the plan for the benefit of the members and beneficiaries until all liabilities are satisfied.

PARTICIPANT DATA

The table below illustrates the number of plan members as of September 30th for each year shown:

	2009	2008	2007	2006	2005
Active Police Officers	183	170	178	176	168
Active Firefighters	176	181	183	185	178
DROP Members	33	26	22	14	14
Service Retirees	139	136	128	124	111
Disabilities	35	36	36	36	37
Beneficiaries	25	21	21	21	21
Deferred Vested	8	9	10	12	12

FINANCIAL INFORMATION AND ACTUARIAL REPORT

The following represents the Plan's comparative financial information for the most recent two fiscal years ended September 30, 2009 and 2008. The Statements of Plan Net Assets are located on page 16 and the Statements of Changes in Plan Net Assets are located on page 17.

The actuary's report on the solvency and actuarial soundness of the plan is located on page 18.

STATEMENTS OF PLAN NET ASSETS

SEPTEMBER 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Assets:		
Cash and short-term investments	\$ 4,108,502	\$ 8,440,750
Investments, at fair value:		
Common stocks	115,415,617	109,779,952
U.S. government securities	15,784,409	25,979,591
Corporate bonds and debentures	25,031,347	20,032,925
Mutual funds	12,940,249	8,987,723
Real estate	<u>9,426,616</u>	<u>16,297,041</u>
Total investments	178,598,238	181,077,232
Interest and dividends receivable	518,690	562,275
Unsettled trades	475,806	3,055,260
Other assets	<u>22,723</u>	<u>23,201</u>
Total assets	<u>183,723,959</u>	<u>193,158,718</u>
Liabilities:		
Vouchers payable and accrued expenses	244,016	205,462
Unsettled trades	<u>426,749</u>	<u>3,230,008</u>
Total liabilities	<u>670,765</u>	<u>3,435,470</u>
Net assets held in trust for pension benefits	<u>\$ 183,053,194</u>	<u>\$ 189,723,248</u>

STATEMENTS OF CHANGES IN PLAN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Additions:		
Contributions:		
City	\$ 5,605,424	\$ 4,524,009
State	3,299,930	3,592,058
Employee	2,631,203	2,944,270
Transfer from General Employees' Pension Plan	<u>24,311</u>	<u>164,294</u>
Total contributions	<u>11,560,868</u>	<u>11,224,631</u>
Investment loss:		
Net depreciation in fair value of plan investments	(12,592,558)	(35,638,799)
Interest	2,447,599	2,883,052
Dividends	3,054,954	2,600,700
Other income	<u>72,264</u>	<u>74,811</u>
	(7,017,741)	(30,080,236)
Less investment expenses	<u>(917,585)</u>	<u>(922,357)</u>
Net investment loss	<u>(7,935,326)</u>	<u>(31,002,593)</u>
Total additions	<u>3,625,542</u>	<u>(19,777,962)</u>
Deductions:		
Benefits paid:		
Retirement	6,225,667	5,780,644
Disability	1,030,213	1,034,656
Death	403,936	461,203
Deferred retirement option plan	1,993,751	624,954
Termination refunds	180,209	207,626
Transfer to General Employees' Pension Plan	39,181	6,474
Administrative expenses	<u>422,639</u>	<u>377,546</u>
Total deductions	<u>10,295,596</u>	<u>8,493,103</u>
Net decrease	(6,670,054)	(28,271,065)
Net assets held in trust for pension benefits, beginning of year	<u>189,723,248</u>	<u>217,994,313</u>
Net assets held in trust for pension benefits, end of year	<u>\$ 183,053,194</u>	<u>\$ 189,723,248</u>



Summary

In our opinion the benefits provided for under the current System will be sufficiently funded through the payment of the amount as indicated in this and future Actuarial Valuation reports. We will continue to update you on the future payment requirements for the System through our actuarial reports. These reports will also continue to monitor the future experience of the System. If after the review of this Actuarial Valuation report you have any questions, please do not hesitate to contact us.

The undersigned is a Member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

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 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 System and/or paid from the System's assets for which current liabilities or current costs have not been established or otherwise provided for in the valuation. All known events or trends which may require a material increase in System costs or required contribution rates have been taken into account in the valuation.

Sincerely,

A handwritten signature in blue ink, appearing to read "John A. Lessl".

John A. Lessl, A.S.A., M.A.A.A., E.A.
Enrollment No. 08-02967

4-8-10

Date