

August 9, 2022

VIA EMAIL

Ms. JOYceanna J. Rautio
Plan Administrator
Greater Naples Fire Rescue District
Firefighters' Pension Plan
Rautio & Associates, Inc.
10261 Windsor Way
Naples, FL 34109

Re: Greater Naples Fire Rescue District Firefighters' Pension Plan

Dear JA:

In response to your e-mail request dated June 1, 2022, we have reviewed the draft resolution (identified as the Microsoft Word document named "175 GNFPF Repeal Revise Resolution - Final (8Aug2022) Approved") providing for a repeal and revise of the plan to consolidate the various amendments made to the plan over time and to clarify the provisions of the plan.

It is our opinion that adoption of this resolution will have no impact on the assumptions used in determining the funding requirements of the program. Because this will not result in a change in the valuation results, it is our opinion that a formal Actuarial Impact Statement is not required in support of its adoption. However, since the Division of Retirement must be aware of the current provisions of all public pension programs, it is recommended that you send a copy of this letter and a copy of the fully executed Resolution to each of the following offices:

Mr. Keith Brinkman
Bureau of Local Retirement Systems
Division of Retirement
3189 S. Blair Stone Rd.
Tallahassee, FL 32301

Mr. Steve Bardin
Municipal Police and Fire
Pension Trust Funds
Division of Retirement
3189 S. Blair Stone Rd.
Tallahassee, FL 32301

The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein.

If you have any questions, please let me know.

Sincerely,



Sara E. Carlson, ASA, EA, MAAA

RESOLUTION 2022-16

GREATER NAPLES FIRE RESCUE DISTRICT RESOLUTION PROVIDING FOR A REPEAL AND REVISE OF THE PLAN TO CONSOLIDATE THE VARIOUS AMENDMENTS MADE TO THE PLAN OVER TIME AND TO CLARIFY THE PROVISIONS OF THE PLAN; AMENDING THE PLAN BY CHANGING THE NAME OF THE PLAN TO REFLECT THE NEW IDENTITY AND BOUNDARIES OF THE GREATER NAPLES FIRE RESCUE DISTRICT AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the East Naples Fire Control and Rescue District established a Pension Plan in accordance with the provisions of Chapter 175, Florida Statutes, for firefighters who were hired by the District on or after January 1, 1996; and

WHEREAS, since its original adoption in 1996, the Pension Plan has been amended many times through separate resolutions that amend certain sections of the Pension Plan (the "Amendments"); and

WHEREAS, the Greater Naples Board of Fire Commissioners desires to reorganize, renumber, and restate the Pension Plan provisions as provided herein; and

WHEREAS, this Resolution shall replace all prior resolutions creating or amending the Pension Plan, so as to maintain the consolidation of the adopted Pension Plan provisions in a single Pension Plan document; and

WHEREAS, on November 4, 2014 a majority of the voters of the East Naples Fire Control and Rescue District and a majority of the voters of the Golden Gate Fire Rescue District voted to merge their respective districts into one new district to be called the Greater Naples Fire Rescue District; and

WHEREAS, the name "East Naples Fire Control and Rescue District Firefighters' Pension Plan" refers to a District that has now been merged into the Greater Naples Fire Rescue District, and therefore should be amended to reflect the new identity and boundaries of the merged district.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF FIRE COMMISSIONERS OF THE GREATER NAPLES FIRE RESCUE DISTRICT, COLLIER COUNTY, FLORIDA:

Section 1. That the recitals contained in the preamble to this Resolution are incorporated by reference herein.

Section 2. That the following Greater Naples Fire Rescue District Firefighters' Pension Plan is hereby adopted:

GREATER NAPLES FIRE RESCUE DISTRICT

FIREFIGHTERS' PENSION PLAN

Section 1. The East Naples Fire Control and Rescue District Firefighters' Pension Plan is hereby restated and amended as a local law pension plan pursuant to Chapter 175, Florida Statutes, and as a result of the merger between the East Naples Fire Control and Rescue District and the Golden Gate Fire Rescue District, shall henceforth be known as the Greater Naples Fire Rescue District Firefighters' Pension Plan. An excise tax on property insurance premiums is hereby assessed and imposed pursuant to Section 175.101, Florida Statutes, in the manner and amounts specified therein, for the purposes of this Pension Plan.

(97-01)

Section 2. Definitions.

- a. "Accumulated Contributions" means a Member's own contributions without interest.
- b. "Actuarial Equivalent" means a benefit or amount of equal value, based upon the 1983 Group Annuity Mortality Table with a fifty percent blending of male and female mortality rates and an interest rate of seven percent (7%) per annum.
- c. "Average Final Compensation" means one-twelfth (1/12) of the average annual compensation of the five (5) best years of creditable service prior to retirement, termination, or death, or the career average as a Firefighter, whichever is greater. A year shall be twelve (12) consecutive months. (2013-02)
- d. "Beneficiary" means the person or persons entitled to receive benefits hereunder upon the death of a Member who has or have been designated in writing by the Member and filed with the Board in accordance with the provisions of this Pension Plan.
- e. "Board" means the board of trustees, which shall administer the Pension Plan as provided herein.
- f. "Code" means the U.S. Internal Revenue Code of 1986, as amended from time to time.
- g. "Credited Service" means the total number of years and fractional parts of years of employment as an East Naples Fire Control and Rescue District Firefighter and contributing Member of this Pension Plan on or after January 1, 1996 plus the total number of years and fractional parts of years of employment as a Greater Naples Fire Rescue District Firefighter and contributing Member of this Pension Plan, omitting intervening years or fractional parts of years when such Firefighter may not be employed

by either district. A Firefighter may voluntarily leave his contributions in the Pension Fund for a period of five (5) years after leaving the employment of the District pending the possibility of being rehired, without losing credit for the time of active participation as a Firefighter. If the Firefighter does not become re-employed within the period of five (5) years then the Member's Accumulated Contributions shall be returned to him upon written request. A Firefighter may purchase Credited Service as a Firefighter with the District by depositing into the pension Fund the same sum that the Firefighter would have contributed if he had remained a Firefighter with the District, plus an amount of interest equal to the assumed rate of return on pension Fund investments as reflected in the most recent actuarial valuation, from the date of reemployment to the date of deposit. Such deposit must be made within ninety days of reemployment as a Firefighter and may be made by direct in-service transfer from a Firefighter's deferred compensation account (457 Account) pursuant to Section 457(e) (17) of the Internal Revenue Code. A Firefighter may purchase Credited Service for service in the Armed Forces of the United States, the United States Merchant Marine or service as a Firefighter, as recognized by the Division of State Fire Marshal as provided for under Section 633, Florida Statutes, for any employer prior to employment by the District, by depositing into the pension Fund the full actuarial costs of such Credited Service that would have occurred had the Firefighter been employed by the District, for the period of Credited Service purchased. Such payment for said prior service may be made as a lump sum or in installments according to a schedule approved by the Board. Installment payments shall require interest at the actuarial rate of return for the years purchased. Such purchase of Credited Service shall take effect upon vesting. If a Member terminates service prior to vesting and receives a refund of employee contributions, the amount paid for Credited Service shall also be refunded. When a Firefighter leaves District employment or employment with the East Naples Fire Control and Rescue District (other than employment in temporary position) in order:

1. to perform training and service in the Armed Forces of the United States or the United States Merchant Marine, or
2. to report for the purpose of being inducted into, entering, or determining, by pre-induction or other examination, physical fitness to enter the Armed Forces, whether or not voluntarily, the Firefighter shall receive Credited Service for the years or fractional parts of years that he is engaged in such Armed Forces or Merchant Marine activities in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended and Chapter 175 of the Florida Statutes, if he leaves his contributions in the Pension Fund during his absence. Except as otherwise provided by the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended, the Firefighter shall receive Credited Service for the period of military service on the following conditions:
 - (a) The Firefighter must return to his employment as a District Firefighter within one (1) year following the date of military discharge.
 - (b) The maximum credit for military service shall be five (5) years.

(2015-04) (2001-02)

- h. "District" means Greater Naples Fire Rescue District. (2015-04)
- i. "Effective Date" means the date on which the first Member joins this Pension Plan.
- j. "Firefighter" means a full-time employee of the District who is certified as a firefighter as a condition of employment in accordance with the provisions of Section 633.35, Florida Statutes, and whose duty it is to extinguish fires, protect life and protect property.
- k. "Fund" means the pension fund established as part of this Pension Plan.
- l. "Member" means an actively employed Firefighter who fulfills the prescribed participation requirements.
- m. "Pension Plan" or "Plan" means the Greater Naples Fire Rescue District Firefighters' Pension Plan, as set forth in this resolution and any amendments thereto. (2015-04)
- n. "Retirement" means a Member's separation from District employment with eligibility for and actual receipt of benefits under the Pension Plan.
- o. "Salary" means a Member's monthly compensation for work performed for the District or the East Naples Fire Control and Rescue District arising from the Member's employment as a Firefighter, including up to 300 hours of overtime annually. Effective October 1, 2013, the term "Salary" shall not include any payment for unused annual and/or sick leave accrued on or after said date. (2020-04) (2013-02)

(2013 -01) (2020-04)

- p. "Spouse" means the lawful wife or husband of a Member.

(2010-03)

Section 3. Membership.

All full-time Firefighters hired by the East Naples Fire Control and Rescue District on or after January 1, 1996 shall be Members of this Pension Plan. After the stated merger (11/4/14) all full-time Firefighters hired by the Greater Naples Fire Rescue District shall not be Members of this plan. All Members shall be required to complete a medical examination as may be prescribed by the District, and provide complete and accurate information concerning their health status as requested by the Board. Any material misstatements or omissions of requested health or medical information by an applicant

or Member shall be grounds for denial of benefits. Based upon medical evidence of any preexisting adverse health condition, resulting from the prescribed examination or other medical records or history, the Board may determine any Member ineligible for disability benefits hereunder, as related to such preexisting condition. A Member may be declared ineligible for disability benefits at the time of the initial examination provided in this section, or at a later date if the committee establishes that a condition existed at the time of the Member's employment or date of membership. The procedures followed and the determination of the Board as to a preexisting condition shall be on a uniform, non-discriminatory basis, with all Members in similar situations being treated alike. (2015-04)

Section 4. Board of Trustees.

a. The sole and exclusive administration of and responsibility for the proper operation of the Pension Plan and for making effective the provisions of this resolution are hereby vested in a Board. However, the Board is not empowered to amend the provisions of the Pension Plan.

b. The Board shall consist of five (5) persons, two (2) of whom, unless otherwise prohibited by law, shall be legal residents of the District, who shall be appointed by the district board of fire commissioners, and two (2) of whom shall be full-time Firefighter Members of the pension plan, who shall be elected by a majority of the Firefighters who are Members of the Pension Plan. The fifth trustee shall be chosen by a majority of the previous four (4) trustees as provided for herein, and such person's name shall be submitted to the district board of fire commissioners. Upon receipt of the fifth person's name, the district board of fire commissioners shall, as a ministerial duty, appoint such person to the Board. The fifth trustee shall have the same rights as each of the other four trustees appointed or elected as herein provided, and shall serve a term of up to four (4) years, unless the office is sooner vacated, and may succeed himself in office. Each resident trustee shall serve as trustee for a period of up to four (4) years, unless sooner replaced by the district board of commissioners at whose pleasure the trustee shall serve, and may succeed himself as a trustee. Each Firefighter trustee shall serve as trustee for a period of up to four (4) years, unless he sooner leaves the employment of the District as a Firefighter or otherwise vacates his office as trustee, whereupon a successor shall be chosen in the same manner as the departing trustee. Each Firefighter trustee may succeed himself in office. The Board shall establish and administer the nominating and election procedures for each election. All such trustee terms shall be staggered in a manner to ensure continuity in the administration of the plan. The Board shall meet at least quarterly each year. Whenever the active Firefighter membership of this plan falls below ten (10), an active Firefighter Member seat may be held by either a retired Member or an active Firefighter Member of the plan who is elected by the active and retired Members of the plan. If there are no active or retired Firefighters remaining in the plan or capable of serving, the remaining Board Members may elect an individual to serve in the active Firefighter seat. Upon receipt of such person's name, the fire district commission shall, as a ministerial duty, appoint such person to the Board. (2010-03)

c. The trustees shall annually, by a majority vote, elect a chairman and a secretary. The secretary of the Board shall keep a complete minute book of the actions,

proceedings, or hearings of the Board. The trustees shall not receive any compensation as such, but may receive expenses and per diem as provided by Section 112.061 of the Florida Statutes. (99-001, 99.021)

d. Each trustee shall be entitled to one (1) vote on the Board. Three (3) affirmative votes shall be necessary for any decision by the trustees at any meeting of the Board. A trustee shall have the right to abstain from voting as the result of a conflict of interest, provided that trustee complies with the provisions of Section 112.3143, Florida Statutes.

e. The fire District's attorney shall give advice to the Board in all matters pertaining to its duties in the administration of the Pension Plan whenever requested. The fire District's attorney shall represent and defend the Board as its attorney in all suits or legal actions that may be brought against it, and bring all suits and actions at the direction of the board. The Board may choose to use the District's actuary or other professional, technical or other advisors, but must do so only under terms and conditions acceptable to the board. However, if the Board so elects, it may employ independent legal counsel at the Pension Fund's expense for the purposes contained herein. The Board may also engage such professional, technical or other advisers as it deems necessary to administer the Pension Plan. The compensation of all persons engaged by the Board and all other expenses of the Board necessary for the operation of the Pension Plan shall be paid from the pension fund at such rates and in such amounts as the Board shall approve. The Board must, at least every three (3) years, retain a professionally qualified independent consultant, as defined in Chapter 175, F.S., who shall evaluate the performance of any existing professional money manager and shall make recommendations to the Board regarding the selection of money managers for the next investment term. These recommendations shall be considered by the Board at its next regularly scheduled meeting, which will be advertised in the same manner as for any meeting of the Board.

(99-001)

f. The duties and responsibilities of the Board shall include, but not necessarily be limited to, the following:

1. To construe the provisions of the Pension Plan and determine all questions arising thereunder.
2. To determine all questions relating to eligibility and membership.
3. To determine and certify the amount of all retirement allowances or other benefits hereunder.
4. To establish uniform rules and procedures to be followed for administrative purposes, benefit applications and all matters required to administer the Pension Plan.

5. To distribute to Members, at regular intervals, information concerning the Pension Plan.
6. To receive and process all applications for benefits.
7. To authorize all payments whatsoever from the Fund, and to notify the disbursing agent, in writing, of approved benefit payments and other expenditures arising through operation of the Pension Plan and Fund.
8. To perform such other duties as are specified in this resolution.

Section 5. Finances and Fund Management.

a. As part of the Pension Plan, there is hereby established a Fund, into which shall be deposited all of the contributions and assets whatsoever attributable to the Pension Plan.

b. The actual custody and supervision of the Fund (and assets thereof) shall be vested in the Board. Payment of benefits and disbursements from the Fund shall be made by the disbursing agent but only upon written authorization from the Board.

c. All funds and securities of the pension Fund may be deposited by the Board with the finance officer of the District, acting in a ministerial capacity only, who shall be liable in the same manner and to the same extent as he is liable for the safekeeping of District funds. However, any funds and securities so deposited with the finance officer of the District shall be kept in a separate fund or clearly identified as funds and securities of the Pension Plan. In lieu thereof, the Board shall deposit the funds and securities of the pension fund in a qualified public depository as defined in Section 280.02, Florida Statutes, which depository with regard to such funds and securities shall conform to and be bound by all of the provisions of Chapter 280, Florida Statutes. In order to fulfill its investment responsibilities as set forth herein, the Board may retain the services of a custodian bank, an investment advisor registered under the Investment Advisors Act of 1940 or otherwise exempt from such required registration, an insurance company, or a combination of these, for the purposes of investment decisions and management. Such investment manager shall have discretion, subject to any guidelines as prescribed by the Board, in the investment of all Fund assets.

d. All funds and securities of the Pension Plan may be commingled in the Fund, provided that accurate records are maintained at all times reflecting the financial composition of the Fund, including accurate current accounts and entries as regards the following:

1. Current amounts of Accumulated Contributions of Members on both an individual and aggregate account basis;
2. Receipts and disbursements;

3. Benefit payments;
4. Current amounts clearly reflecting all monies, funds and assets whatsoever attributable to contributions and deposits from the District;
5. All interest, dividends and gains (or losses) whatsoever; and
6. Such other entries as may be properly required so as to reflect a clear and complete financial report of the Fund.

e. If the assets of the Fund are one hundred thousand dollars (\$100,000) or more, an independent audit shall be performed annually by a certified public accountant who may, in the Board's discretion, be the accountant retained by the District for the District audit. The audit shall be for the most recent fiscal year of the District showing a detailed listing of assets and a statement of all income and disbursements during the year. Such income and disbursements must be reconciled with the assets at the beginning and end of the year. Such report shall reflect a complete valuation of assets on both a cost and market basis, as well as other items normally included in a certified audit. If the Fund has less than one hundred thousand dollars (\$100,000) in assets, an annual certified statement of accounting must be prepared in accordance with Section 175.261(l)(b), Florida Statutes.

f. The Board shall have the following investment powers and authority:

1. All contributions from time to time paid into the Fund, and the income thereof, without distinction between principal and income, shall be held and administered by the Board or its agent in the Fund and the Board shall not be required to segregate or invest separately any portion of the Fund.
2. The Board shall identify and publicly report any direct or indirect holdings it may have in scrutinized company, as defined in Florida Statutes, section 215.473, and proceed to sell, redeem, divest, or withdraw all publicly traded securities it may have in such company beginning January 1, 2010 and shall thereafter be prohibited from purchasing or holding such securities. The divestiture of any such security must be completed by September 30, 2010. In accordance with Ch. 2009-97, Laws of Florida, no person may bring any civil, criminal, or administrative action against the Board or any employee, officer, director, or advisor of such Board based upon the divestiture of any security pursuant to this paragraph. All monies paid into or held in the Fund shall be invested and reinvested by the Board and the investment of all or any part of such funds shall be limited to:
(2010-01)
 - (a) Annuity and life insurance contracts of life insurance companies in amounts sufficient to provide, in whole or in part, the benefits to which all of the Members in the Fund shall be

entitled under the provisions of this Pension Plan, and to pay the initial and subsequent premiums thereon.

- (b) Time or savings accounts of a national or state bank insured by the Bank Insurance Fund, or a savings, building and loan association insured by the Savings Association Insurance Fund which is administered by the Federal Deposit Insurance Corporation or a state or federal chartered Credit Union whose share accounts are insured by the National Credit Union Share Insurance Fund. (99-001)
 - (c) Obligations of the United States or obligations guaranteed as to principal and interest by the government of the United States.
 - (d) Bonds issued by the State of Israel.
 - (e) Bonds, stocks, commingled funds administered by national or state banks, or evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided that the corporation is traded on a nationally recognized exchange and in the case of bonds holds a rating of at least investment grade by a major rating service, and if such investments are made in a pooled fund administered by a state or national bank, then the rating of each issue in the pooled fund shall hold a rating of at least investment grade by a major rating service. (99-001)
 - (f) Real estate.
3. The Board shall not invest more than five percent (5%) of its assets in the common stock, capital stock or convertible securities of any one (1) issuing company, nor shall the aggregate investment in any one (1) issuing company exceed five percent (5%) of the outstanding capital stock of that company; nor shall the aggregate of its investments in common stock, capital stock and convertible securities at cost exceed sixty percent (60%) of the assets of the Fund.
 4. The Board may retain in cash such amounts of the Fund as it may deem advisable, having due regard for the cash requirements of the Pension Plan.
 5. No person or entity shall be liable for the making, retention or sale of any investment or reinvestment made as herein provided, nor for any loss or diminishment of the Fund, except that due to his or its own negligence, willful misconduct or lack of good faith.

6. The Board may cause any investment in securities held by it to be registered in or transferred into its name as trustee or into the name of such nominee as it may direct, or it may retain such securities unregistered and, in a form, permitting transferability, but the books and records shall at all times show that all investments are part of the Fund.
7. The Board is empowered, but is not required, to vote upon any stocks, bonds, or securities of any corporation, association, or trust and to give general or specific proxies or powers of attorney with or without power of substitution; to participate in mergers, reorganizations, recapitalizations, consolidations, and similar transactions with respect to such securities; to deposit such stocks or other securities in any voting trust or any protective or like committee with the trustees or with depositories designated thereby; to amortize or fail to amortize any part or all of the premium or discount resulting from the acquisition or disposition of assets; and generally to exercise any of the powers of an owner with respect to stocks, bonds, or other investments comprising the Fund which it may deem to be in the best interest of the Fund to exercise.
8. The Board shall not be required to make any inventory or appraisal or report to any court, nor to secure any order of court for the exercise of any power contained herein.
9. Where any action which the Board is required to take or any duty or function which it is required to perform, either under the terms herein or under the general law applicable to it as trustee under this resolution, can reasonably be taken or performed only after receipt by it from a Member, the District, or any other entity, of specific information, certification, direction or instruction, the Board shall be free of liability in failing to take such action or perform such duty or function until such information, certification, direction or instruction has been received by it.
10. Any overpayments or underpayments from the Fund to a Member or Beneficiary caused by errors of computation shall be adjusted with interest at a rate per annum approved by the Board. Overpayments shall be charged against payments next succeeding the correction. Underpayments shall be made up from the Fund.
11. In any application to or proceeding or action in the courts, only the Board shall be a necessary party, and no Member or other person having an interest in the Fund shall be entitled to any notice or service of process. Any judgment entered in such a proceeding or action shall be conclusive upon all persons.

12. Any of the foregoing powers and functions reposed in the Board may be performed or carried out by the Board through duly authorized agents, provided that the Board at all times maintains continuous supervision over the acts of any such agents.
13. The Board shall not invest more than ten percent (10%) at cost of its assets in real property or real estate and there shall be no investment in a limited partnership or trust.
14. The Board shall not invest more than twenty-five percent (25%) of the Fund's assets at market in foreign securities or certificates of indebtedness, except as specifically authorized herein. (99-001)

Section 6. Contributions.

a. Member Contributions.

1. Amount. Members of the Pension Plan shall be required to make regular contributions to the Fund in the amount of one percent (1%) of their Salary. The employee is entitled to his one percent (1%) contributions upon early withdrawal from the plan. Starting salaries for new employees shall be increased by 1.0765%. The purpose of this increase is to neutralize the effect of the employee contribution (1% and associated FICA Tax) to the Greater Naples Fire Rescue District Firefighters' Pension Fund. The employee is entitled to his or her portion of the 1% contributions upon early withdrawal from the plan. The deductions will be reflected on the employee's pay stub. Each month, a check will be written to the Greater Naples Fire Rescue District Firefighters' Pension Fund and submitted along with an itemized statement. Should the Florida Legislature change the mandatory employee contribution, the District will make adjustments accordingly. Member contributions withheld by the District on behalf of the Member shall be deposited with the Board every pay period. The contributions made by each Member to the Fund may be designated by the District as employer contributions pursuant to Section 414(h) of the Code. Such designation is contingent upon a resolution adopted by the district board of commissioners and the contributions being excluded from the Member's gross income for Federal Income Tax purposes. For all other purposes of the Pension Plan, such contributions shall be considered to be Member contributions. (99-021)

Effective September 2, 2013 Members of the Pension Plan shall be required to make regular contributions to the Fund in the amount of three percent (3%) of their Salary. The employee shall be entitled to his/her portion of the three percent (3%) contributions upon early

withdrawal from the Plan. The deductions will be reflected on the employee's pay stub. Should the Florida Legislation change the mandatory employee contribution, the District will make adjustments accordingly. Member contributions withheld by the District on behalf of the Member shall be deposited into the East Naples Fire Control & Rescue District Firefighters' Pension Fund and submitted along with an itemized statement every pay period. The contributions made by each Member to the Fund may be designated as employer contributions pursuant to Section 414(h) of the Code. Such designation is contingent upon a resolution adopted by the district board of commissioners and the contributions being excluded from the Member's gross income for Federal Income Tax purposes. For all other purposes of the Pension Plan, such contributions shall be considered to be Member contributions.

2. Method. Member contributions shall be made by payroll deduction.

b. Insurance Premium Tax Revenues and Other Contributions Received by Operation of State Law. Insurance premium tax revenues collected and distributed pursuant to Chapter 175, Florida Statutes, and any other monies received by operation of the laws of the State of Florida for the express purpose of funding and paying for retirement benefits for Firefighters of the District, shall be deposited into the Pension Fund within five (5) days after receipt by the District. In lieu of this five (5) day requirement the District may authorize the Division of Retirement to deposit such monies directly with the Pension Fund. In conjunction with the District's adoption of a resolution implementing this Pension Plan pursuant to Section 175.351, Florida Statutes, the insurance premium tax revenues received pursuant to Section 175.101, Florida Statutes, shall be deposited into and become an integral part of this Pension Fund, and not used for any other purpose. (99-021)

c. District Contributions. So long as this Pension Plan is in effect, the District shall make contributions to the Fund on a bi-weekly basis, in an annual amount equal to or greater than the difference each year between the total contributions from all other sources for the year, and the total cost for the year, as shown by the most recent actuarial valuation of the Pension Plan. The total cost for any year shall be defined as the total normal cost plus the additional amount sufficient to amortize the unfunded past service liability over a thirty (30) year period, commencing with the fiscal year in which the effective date of this Pension Plan occurs.

d. Other. Private donations, gifts and contributions may be deposited into the Fund.

Section 7. Benefit Amounts and Eligibility.

a. Normal Retirement Date. A Member's normal retirement date shall be the first day of the month coincident with or next following the attainment of age fifty-five (55) and the completion of eight (8) years of Credited Service. A Member may retire on his normal retirement date or on the first day of any month thereafter, and each Member shall

become one hundred percent (100%) vested in his accrued benefit on the Member's normal retirement date. Normal retirement under the Pension Plan is retirement from employment with the District on or after the normal retirement date.

b. Normal Retirement Benefit. A Member retiring hereunder on or after his normal retirement date shall receive a monthly benefit which shall commence on his retirement date and be continued thereafter during the Member's lifetime, ceasing upon death, but with one hundred twenty (120) monthly payments guaranteed in any event. The monthly retirement benefit shall equal three percent (3%) of Average Final Compensation for each year of Credited Service. (2003-04)

c. Early Retirement Date. A Member may retire on his early retirement date, which shall be the first day of the month coincident with or next following the attainment of age fifty (50) and the completion of eight (8) years of Credited Service. Early retirement under the Pension Plan is retirement from employment with the District on or after the early retirement date and prior to the normal retirement date.

d. Early Retirement Benefit. A Member retiring hereunder on his early retirement date shall receive a monthly retirement benefit which shall commence on his early retirement date and shall be continued on the first day of each month thereafter. The benefit payable shall be as determined in paragraph (b) above, which is actuarially reduced from the amount to which he would have been entitled had he retired on the date which would have been his normal retirement date had he continued employment as a Firefighter, and with the same number of years of Credited Service as of the time his benefits commence and based on his Average Final Compensation at that date. In no event, however, shall the early retirement reduction exceed three percent (3%) for each year by which the Member's age at retirement precedes the Member's normal retirement age.

e. Cost of Living Adjustment. The monthly benefit of each retiree and Beneficiary receiving benefits under this plan shall be increased at the beginning of each fiscal plan year by three percent (3%).

(2003-02)

Section 8. Pre-Retirement Death Benefits.

a. Prior to Vesting or Eligibility for Retirement. The Beneficiary of a deceased Member who was not receiving monthly benefits or who was not yet vested or eligible for early or normal retirement shall receive a refund of one hundred percent (100%) of the Member's accumulated contributions.

b. Deceased Members Vested or Eligible for Retirement. The Beneficiary of any Member who dies while actively employed and who, at the date of his death was vested or eligible for early or normal retirement, shall be entitled to a benefit as follows:

1. If the Member was vested, but not eligible for normal or early retirement, the Beneficiary shall receive a benefit payable for ten (10) years, beginning on the date that the deceased Member would have

been eligible for early or normal retirement, at the option of the Beneficiary. The benefit shall be calculated as for normal retirement based on the deceased Member's Credited Service and Average Final Compensation as of the date of his death and reduced as for early retirement, if applicable. The Beneficiary may also elect to receive an immediate benefit, payable for ten (10) years, which is actuarially reduced to reflect the commencement of benefits prior to the early retirement date.

2. If the deceased Member was eligible for normal or early retirement, the Beneficiary shall receive a benefit payable for ten (10) years, beginning on the first day of the month following the Member's death or at the deceased Member's otherwise normal retirement date, at the option of the Beneficiary. The benefit shall be calculated as for normal retirement based on the deceased Member's Credited Service and Average Final Compensation as of the date of his death and reduced as for early retirement, if applicable.
3. A Beneficiary may elect an optional form of benefit; however, the Board may elect to make a lump sum payment pursuant to Section 11, subsection g.
4. A Beneficiary may, in lieu of any benefit provided for in paragraph 1 or 2 above, elect to receive a refund of the deceased Member's accumulated contributions.

c. Death while performing USERRA qualified active military service. In the case of a Member who dies on or after January 1, 2007 while performing "Qualified Military Service" under Title 38, United States Code, Chapter 43, Uniformed Services Employment and Reemployment Rights Act ("USERRA") within the meaning of Section 414(u) of the Internal Revenue Code, any "additional benefits" (as defined by Section 401(a)(37) of the Internal Revenue Code) provided under the Plan that are contingent upon a Member's termination of employment due to death shall be determined as though the Member had resumed employment immediately prior to his death. With respect to any such "additional benefits" for vesting purposes only, credit shall be given for the period of the Member's absence from covered employment during "Qualified Military Service". (2013-01)

d. *Cancer Presumption*. As provided and subject to the limitations in section 112.1816, Florida Statutes, effective July 1, 2019, a Firefighter (as defined in section 112.1816(1), Florida Statutes) Member is considered to have died in the line of duty if he or she dies as a result of cancer (as defined in section 112.1816(1), Florida Statutes) or circumstances that arise out of the treatment of cancer (as defined in section 112.1816(1), Florida Statutes). (2020-03)

Section 9. Disability Benefits.

a. **Disability Benefits On-Duty.** Each Firefighter who is a Member in the Pension Plan and who shall have become totally and permanently disabled while an active Member of the Pension Plan to the extent that he or she is unable, by reason of a medically determinable physical or mental impairment, to render useful and efficient service as a Firefighter, which disability was directly caused by the performance of his or her duties as a Firefighter, shall, upon establishing the same to the satisfaction of the Board, be entitled to a monthly pension equal to three percent (3%) of his or her Average Final Compensation multiplied by the total years of Credited Service, but in any event the minimum amount paid to the Member shall be forty-two percent (42%) of his or her monthly Salary at the date of disability, minus any benefits that may be paid from time to time by the District or the Pension Plan. A Firefighter must apply for benefits under such disability insurance or benefits as a condition of receiving disability benefits from this Pension Plan.

(1998-02)

b. Any condition or impairment of health of a Firefighter caused by hypertension or heart disease shall be presumed to have been suffered in line of duty unless the contrary is shown by competent evidence, provided that such Firefighter shall have successfully passed a physical examination upon entering into such service, including cardiogram, which examination failed to reveal any evidence of such condition; and provided further, that such presumption shall not apply to benefits payable or granted in a policy of life insurance or disability insurance. A condition or impairment of health caused by hepatitis, meningococcal meningitis, or tuberculosis, that requires medical treatment and results in disability or death shall be presumed to have occurred in the line of duty, unless the contrary be shown by competent evidence in accordance with Section 112.181, Florida Statutes, as amended from time to time. As provided and subject to the limitations in section 112.1816, Florida Statutes, effective July 1, 2019, a Firefighter (as defined in section 112.1816(1), Florida Statutes) Member shall be considered to be totally and permanently disabled in the line of duty if he or she meets the Plan's definition of Totally and Permanently Disabled due to a diagnosis of cancer (as defined in section 112.1816(1), Florida Statutes) or circumstances that arise out of the treatment of cancer (as defined in section 112.1816(1), Florida Statutes).

(2020-03)

c. **Disability Benefits Off-Duty.** Each Firefighter who is a Member in the Pension Plan with eight (8) or more years of Credited Service who becomes totally and permanently disabled to the extent that he or she is unable, by reason of a medically determinable physical or mental impairment, to render useful and efficient service as a Firefighter, which disability was not directly caused by the performance of his or her duties as a Firefighter, shall be entitled to a monthly pension equal to three percent (3%) of his or her Average Final Compensation multiplied by the total years of Credited Service, but in any event the minimum amount paid to the Member shall be twenty five percent (25%) of his or her average monthly Salary at the date of disability, minus any benefits that may be paid from time to time by any policy or plan of disability insurance or benefits maintained by the District of the Pension Plan. A Firefighter must apply for benefits under

such disability insurance or benefits as a condition of receiving disability benefits from this Pension Plan. (98-02) (2010-01)

d. Conditions Disqualifying Disability Benefits. A Member may be disqualified from receiving disability benefits based on a pre-existing condition as determined by the Board in accordance with this Pension Plan. Each Firefighter who is claiming disability benefits must also establish, to the satisfaction of the Board, that such disability was not occasioned primarily by:

1. Excessive or habitual use of any drugs, intoxicants, or alcohol.
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 while serving in any branch of the Armed Forces.
5. Injury or disease sustained after his employment as a Firefighter with the District or the East Naples Fire Control & Rescue District shall have terminated.
6. Willful, wanton or gross negligence of the Member.
7. Injury or disease sustained by the Firefighter while working for anyone other than the District and arising out of such employment.

(2015-04)

e. Medical Examination Requirement. A Member shall not be eligible for disability benefits unless and until he undergoes a medical examination by a qualified physician or physicians selected by the Board for that purpose. The Member will be required to authorize the release of all relevant medical records to the physician or physicians who conduct the medical examination. Any Member receiving disability benefits under provisions of this resolution may be periodically reexamined by a qualified physician or physicians and/or surgeon or surgeons who shall be selected by the Board, to determine if such disability has ceased to exist. If the Board finds that a Member receiving disability benefits is no longer permanently and totally disabled to the extent that the Member is able to render useful and efficient service as a Firefighter and is reemployed by the District as a Firefighter, disability benefit payments to the Member shall be discontinued. The cost of the medical examination and/or reexamination of a Member claiming and/or receiving disability benefits shall be borne by the Pension Fund.

f. If a Member recovers from disability and reenters the service of the District as a Firefighter, his service will be deemed to have been continuous, but the period beginning with the first month for which he received a disability retirement income payment and ending with the date he reentered the service of the District will not be considered as Credited Service for purposes of the Pension Plan.

g. The Board shall have the power and authority to make the final decisions regarding all disability claims.

h. **Disability Payments.** The monthly benefit to which a Member is entitled in the event of the Member's disability retirement shall be payable on the first day of the first month after the effective date of the disability which will not predate the date of the participant's final paycheck from the District. However, the monthly retirement income shall be payable as of the date the Board determined such entitlement, and any portion due for a partial month shall be paid together with the first payment. Disability retirement benefits shall be payable for one hundred twenty (120) months or the Member's lifetime, whichever is longer, or until the Member recovers from disability, in which case the last payment shall be the payment due next preceding the date of such recovery.

i. **Workers' Compensation.** When a Member is receiving a disability pension and workers' compensation benefits pursuant to Chapter 440, Florida Statutes, for the same disability, and the total monthly benefits received from both exceeds one hundred percent (100%) of the Member's monthly Salary, excluding overtime, the disability pension benefit shall be reduced so that the total monthly amount received by the Member does not exceed one hundred percent (100%) of such Salary. In the case of a lump sum workers' compensation settlement, the disability retirement income payable from the Pension Plan shall be adjusted as, follows:

1. The amount of the lump sum settlement shall be divided by the participant's remaining life expectancy (in months) as determined using standard actuarial tables approved by the actuary for the Pension Plan.
2. If the number obtained in paragraph 1 above, when added to the participant's monthly disability retirement income from the Pension Plan, exceeds the participant's monthly compensation on the date of disability, the amount of the excess shall be deducted from the participant's monthly disability retirement income from the Pension Plan, for the duration of the participant's remaining life expectancy as determined in paragraph 1 above.
3. If the number obtained in paragraph 1 above, when added to the participant's monthly disability retirement income from the Pension Plan, does not exceed the participant's monthly compensation on the date of disability, there shall be no reduction of the participant's disability retirement income from the Pension Plan.

Section 10. Termination of Employment Prior to Retirement.

If a Member terminates District employment and is not eligible for any other benefits under this Pension Plan, the Member shall be entitled to the following:

a. If the Member has less than eight (8) years Credited Service upon termination, the Member shall be entitled to a refund of his Accumulated Contributions,

or the Member may leave them deposited with the Pension Fund for up to five (5) years following termination.

b. If the Member has eight (8) or more years of Credited Service upon termination, the Member shall be entitled to a monthly retirement benefit determined in the same manner as for normal or early retirement based upon the Member's Credited Service and Average Final Compensation as of the date of termination, payable commencing at the Member's normal or early retirement date; provided he does not elect to withdraw his Accumulated Contributions and provided the Member survives to his normal or early retirement date.

(2001-02)

Section 11. Optional Forms of Benefits.

a. In lieu of the amount and form of retirement income payable in the event of normal or early retirement as specified in this resolution, a Member, upon written request to the Board, may elect to receive a retirement income or benefit of equivalent actuarial value payable in accordance with one of the following options:

1. Life Annuity. A retirement income of a monthly amount payable to the Member for his lifetime only.
2. Joint & Survivor. A retirement income of a modified monthly amount payable to the Member during the lifetime of the Member and, following the death of the Member, one hundred percent (100%), seventy five percent (75%), sixty-six and two-thirds percent (66 and 2/3%), or fifty percent (50%) of such monthly amount payable to a joint pensioner for his lifetime.
3. Social Security Integration. If a Member retires prior to the time at which social security benefits are payable, he may elect to receive an increased retirement benefit until such time as social security benefits shall be assumed to commence and a reduced benefit thereafter in order to provide, to as great an extent as possible, a more level retirement allowance during the entire period of retirement. The amounts payable shall be as determined by the actuaries for the Pension Plan, based upon the social security law in effect at the time of the Member's retirement.

b. The Member, upon electing any option provided in subsection (a) of this section, will designate the joint pensioner or Beneficiary (or Beneficiaries) to receive the benefit, if any, payable under the Pension Plan in the event of the Member's death, and will have the power to change such designation from time to time. Such designation will name a joint pensioner or one (1) or more primary Beneficiaries where applicable. If a Member has elected an option with a joint pensioner or Beneficiary and the Member's retirement income benefits have commenced, such Member may thereafter change his designated joint pensioner or Beneficiary up to two times as provided for in Section

175.333, Florida Statutes, without the approval of the Board. The Member need not provide proof of the good health of the joint pensioner or Beneficiary being removed, and the joint pensioner or Beneficiary being removed need not be living. The Member's benefit under the Pension Plan shall then be recalculated by the Plan actuary. In order to accurately recalculate the Member's benefit, should no evidence of the good health of the joint pensioner or Beneficiary being removed be provided, the Beneficiary or joint annuitant being removed will be assumed deceased by the actuary in determining the actuarially equivalent amount of the revised monthly benefit. Any potential increase in Plan liability, as determined by the Plan actuary, to the Plan as a result of the Member's new election shall be borne solely by the Member.

c. The consent of a Member's joint pensioner or Beneficiary to any such change shall not be required. The rights of all previously designated Beneficiaries to receive benefits under the Pension Plan shall thereupon cease.

d. Upon change of a Member's Beneficiary or joint pensioner in accordance with this section, the Board shall adjust the Member's monthly benefit by application of actuarial calculations to insure that the benefit paid is the Actuarial Equivalent of the Member's then current benefit. Any such Member shall pay the actuarial recalculation expenses. Each request for a change will be made in writing on a form prepared by the Board and on completion will be filed with the Board. In the event that no designated Beneficiary survives the Member, such benefits as are payable in the event of the death of the Member subsequent to his retirement shall be paid as provided in Section 12.

e. Retirement income payments shall be made under the option elected in accordance with the provisions of this section and shall be subject to the following limitations:

1. If a Member dies prior to his normal retirement date or early retirement date, whichever first occurs, no retirement benefit will be payable under the option to any person, but the benefit, if any, will be determined under Section 8.
2. If the designated Beneficiary (or Beneficiaries) or joint pensioner dies before the Member's retirement under the Pension Plan, the option elected will be canceled automatically and a retirement income of the normal form and amount will be payable to the Member upon his retirement as if the election had not been made, unless a new election is made in accordance with the provisions of this section or a new Beneficiary is designated by the Member prior to his retirement.
3. If both the retired Member and the Beneficiary (or Beneficiaries) designated by Member die before the full payment has been affected under any option providing for payments for a period certain and life thereafter, made pursuant to the provisions of subsection a of this section, the Board may, in its discretion, direct that the commuted

value of the remaining payments be paid in a lump sum and in accordance with Section 12.

4. If a Member continues beyond his normal retirement date pursuant to the provisions of Section 7, subsection a, and dies prior to his actual retirement and while an option made pursuant to the provisions of this section is in effect, monthly retirement income payments will be made, or a retirement benefit will be paid, under the option to a Beneficiary (or Beneficiaries) designated by the Member in the amount or amounts computed as if the Member had retired under the option on the date on which his death occurred.

f. *Supplemental Retirement Benefit:* Effective October 1, 2009, there is hereby created a supplemental retirement benefit in accordance with this subsection (e). This supplemental retirement benefit shall consist of an individual share account for each active Firefighter, including DROP participants, on or after the effective date hereof. The supplemental retirement benefit shall be funded solely by premium tax revenues received by the District pursuant to Chapter 175, Florida Statutes, as provided in this subsection. The total initial amount to be allocated to the participants' share accounts as provided herein shall be \$1,217,569. For plan years beginning October 1, 2009 and later, all premium tax revenues received by the District pursuant to Chapter 175, Florida Statutes, in excess of \$679,098.83 shall be allocated to the participants' share accounts as provided herein. Participants' share accounts shall be credited with premium tax revenues and investment earnings or losses, and interest, and distributed as follows:

- (1) Initial crediting: No later than 180 days after the adoption of this resolution, the share account of each active Firefighter and DROP participant on the District's payroll as of September 30, 2007, shall be credited retroactively as follows. Each Member who was employed on September 30, 2007 as a Firefighter shall receive one share for each month of Credited Service, as defined in §2(g), earned from date of hire through September 30, 2007. The total number of shares thus determined shall be divided into the initial amount of premium tax revenues to be allocated (\$1,217,569) to derive the initial value of each share.
- (2) Annual crediting: Effective January 1, 2020, and each January 1 thereafter, the share account of each active Firefighter and DROP participant on the District's payroll as of the preceding September 30 shall be credited as follows. Each active Firefighter and DROP participant who was employed on the preceding September 30 shall receive one share for each month of Credited Service, as defined in §2(g), earned during the plan year ending on the same September 30. The total number of shares thus determined shall be divided into the premium tax revenues received during that plan year (or in the case of a supplemental distribution, revenues applicable to that plan year even if received after the end of the plan year) in excess of

\$679,098.83, to determine the amount to be credited to the share account of each eligible share plan participant.

- (3) Investment earnings and losses, or interest: Effective January 1, 2010, and each January 1 thereafter, the share account of each active Firefighter and DROP participant shall be credited or debited with earnings or losses based upon the amount in the share account at the close of the immediately preceding calendar year at a rate equal to the Pension Plan's actual net rate of investment return for the preceding plan year. Share plan participants who are within 5 years of their expected Normal Retirement Date shall have the option to make a one-time irrevocable election in writing, as defined in Section 7 herein, to have interest credited to their share account from a money market mutual fund selected by the Board, rather than credited or debited at the Pension Plan's actual net rate of investment return.
- (4) Distribution of Share Accounts: An active Firefighter or DROP participant with eight (8) or more years of Credited Service upon termination of employment shall be eligible to receive a distribution of one hundred percent (100%) of the balance in his or her share account, together with all earnings and losses and interest credited to the share account through the date of termination of employment. No benefit shall be payable to an active Firefighter who terminates covered employment with less than eight (8) years of Credited Service. The share account balances of such non-vested terminated Members shall be redistributed among all eligible participant's share accounts in the same manner as premium tax revenues in the following calendar year. The designated Beneficiary of an active Firefighter who dies shall receive the accumulated total of his share account balance, and an active Firefighter awarded a disability pension from the Pension Plan shall receive the accumulated total of his share account balance. There shall be no forfeiture of a Member's share account based on the Member's death, disability or termination of employment with six or more years of Credited Service. Payment of share account benefits shall be by lump sum, which shall consist of the accumulated total balance of the active Firefighter's share account, or, at the participant's direction, the share account balance may be rolled over to another qualified plan in accordance with Section 23 hereof, with an additional payment made for any amount credited in the year following termination of employment.
- (5) Notwithstanding any provision above to the contrary, in the event any additional pension benefits are mandated by state law in the future, the \$679,098.83 "applicable frozen amount" shall be adjusted such that the additional benefits are paid for with premium tax revenues in

accordance with Chapter 175, Florida Statutes. In such event, all provisions of this section shall remain in effect, except that the adjusted applicable frozen amount shall be applied instead of the \$679,098.83 applicable frozen amount.

g. A Member may not change his retirement option after the date of cashing or depositing his first retirement check.

h. Notwithstanding anything herein to the contrary, the Board in its discretion may elect to make a lump sum payment to a Member or a Member's Beneficiary in the event that the total commuted value of the remaining monthly income payments to be paid do not exceed Three Thousand Five Hundred Dollars (\$3,500.00). Any such payment made to any person pursuant to the power and discretion conferred upon the Board by the preceding sentence shall operate as a complete discharge of all obligations under the Pension Plan with regard to such Member and shall not be subject to review by anyone, but shall be final, binding and conclusive on all persons.

Section 12. Beneficiaries.

a. Each Member may, on a form provided for that purpose, signed and filed with the Board, designate a Beneficiary (or Beneficiaries) to receive the benefit, if any, which may be payable in the event of his death; and each designation may be revoked by such Member by signing and filing with the Board a new designation of Beneficiary form.

b. If a deceased Member fails to name a Beneficiary in the manner prescribed in subsection (a) of this section, or if the Beneficiary (or beneficiaries) named by a deceased Member predeceases the Member, the death benefit, if any, which may be payable under the Pension Plan with respect to such deceased Member, shall be paid to the estate of the Member.

Section 13. Reports to Division of Retirement.

No later than March 15 each year, the chairman or secretary of the Board or his or her designee shall file a report with the Division of Retirement in accordance with section 175.351(12), Florida Statutes.

Section 14. Roster of Retirees.

The secretary of the Board or his or her designee shall keep a record of all persons receiving benefits under the provisions of this resolution, in which it shall be noted the time when the benefits commence and when the same shall cease to be paid. Additionally, the secretary shall keep a record of all Members employed by the District in such a manner as to show the name, address, date of employment, and date such employment is terminated.

Section 15. Maximum Pension Limitation.

(a) Maximum Amount of Retirement Income.

- (1) The limitations of this Subsection (a) shall apply in limitation years beginning on or after July 1, 2007, except as otherwise provided herein, and are intended to comply with the requirements of the Pension Protection Act of 2006 and shall be construed in accordance with said Act and guidance issued thereunder. The provisions of this Subsection (a) shall supersede any provision of the Plan to the extent such provision is inconsistent with this Subsection.

The Annual Pension as defined in Paragraph (2) below otherwise payable to a Member at any time shall not exceed the Dollar Limitation for the Member multiplied by a fraction whose value cannot exceed one, the numerator of which is the Member's number of years (or part thereof, but not less than one year) of service with the District and the denominator of which is 10. For this purpose, no more than one year of service may be credited for any Plan Year. If the benefit the Member would otherwise accrue in a limitation year would produce an Annual Pension in excess of the Dollar Limitation, the benefit shall be limited (or the rate of accrual reduced) to a benefit that does not exceed the Dollar Limitation.

- (2) "Annual Pension" means the sum of all annual benefits, payable in the form of a straight life annuity. Benefits payable in any other form shall be adjusted to the larger of:

(A) For limitation years beginning on or after July 1, 2007

- (I) the straight life annuity (if any) payable to the Member under the Plan commencing at the same Annuity Starting Date as the Member's form of benefit, or
- (II) the actuarially equivalent straight life annuity commencing at the same Annuity Starting Date, computed using a 5.00% interest rate and the mortality basis prescribed in Code Section 415(b)(2)(E)(v).

(B) For limitation years beginning before July 1, 2007

- (I) the actuarially equivalent straight life annuity commencing at the same Annuity Starting Date, computed using the interest rate and mortality basis specified by the Board for determining Actuarial Equivalence under the Plan for the particular form of payment, or

- (II) the actuarially equivalent straight life annuity commencing at the same Annuity Starting Date, computed using a 5.00% interest rate and the mortality basis prescribed in Code Section 415(b)(2)(E)(v).

No actuarial adjustment to the benefit shall be made for benefits that are not directly related to retirement benefits (such as a qualified disability benefit, preretirement incidental death benefits, and postretirement medical benefits); or the inclusion in the form of benefit of an automatic benefit increase feature, provided the form of benefit is not subject to §417(e)(3) of the Internal Revenue Code and would otherwise satisfy the limitations of this Subsection (a), and the amount payable under the form of benefit in any Limitation Year shall not exceed the limits of this Subsection (a) applicable at the annuity starting date, as increased in subsequent years pursuant to § 415(d) of the Code. For this purpose, an automatic benefit increase feature is included in a form of benefit if the form of benefit provides for automatic, periodic increases to the benefits paid in that form.

- (3) “Dollar Limitation” means, effective for the first limitation year beginning after January 1, 2001, \$160,000, automatically adjusted under Code Section 415(d), effective January 1 of each year, as published in the Internal Revenue Bulletin, and payable in the form of a straight life annuity. The new limitation shall apply to limitation years ending with or within the calendar year of the date of the adjustment, but a Member’s benefits shall not reflect the adjusted limit prior to January 1 of that calendar year. The Dollar Limitation shall be further adjusted based on the age of the Member when the benefit begins as follows:

- (A) For Annuity Starting Dates in limitation years beginning on or after July 1, 2007

- (I) If the Annuity Starting Date for the Member’s benefit is after age 65

- (i) If the Plan does not have an immediately commencing straight life annuity payable at both age 65 and the age of benefit commencement

The Dollar Limitation at the Member’s Annuity Starting Date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Member’s Annuity Starting Date that is the Actuarial Equivalent of the Dollar Limitation with actuarial equivalence computed

using a 5.00% interest rate assumption and the mortality basis prescribed in Code Section 415(b)(2)(E)(v) for that Annuity Starting Date (and expressing the Member's age based on completed calendar months as of the Annuity Starting Date).

- (ii) If the Plan does have an immediately commencing straight life annuity payable at both age 65 and the age of benefit commencement

The Dollar Limitation at the Member's Annuity Starting Date is the lesser of (aa) the Dollar Limitation multiplied by the ratio of the annual amount of the adjusted immediately commencing straight life annuity under the Plan at the Member's Annuity Starting Date to the annual amount of the adjusted immediately commencing straight life annuity under the Plan at age 65, both determined without applying the limitations of this Subsection (a), and (bb) the limitation determined under Subparagraph (3)(A)(I)(i) of this Subsection(a). For this purpose, the adjusted immediately commencing straight life annuity under the Plan at the Member's Annuity Starting Date is the annual amount of such annuity payable to the Member, computed disregarding the Member's accruals after age 65 but including actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the adjusted immediately commencing straight life annuity under the Plan at age 65 is the annual amount of such annuity that would be payable under the Plan to a hypothetical Member who is age 65 and has the same Accrued Benefit as the Member.

- (II) Except with respect to a Member who is a "Qualified Member" as defined in Section 415(b)(2)(H) of the Code, for benefits (except survivor and disability benefits as defined in Section 415(b)(2)(I) of the Code), if the Annuity Starting Date for the Member's benefit is before age 62

- (i) If the Plan does not have an immediately commencing straight life annuity payable at both age 62 and the age of benefit commencement

The Dollar Limitation at the Member's Annuity Starting Date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Member's Annuity Starting Date that is the Actuarial Equivalent of the Dollar Limitation with actuarial equivalence computed using a 5.00% interest rate assumption and the mortality basis prescribed in Code Section 415(b)(2)(E)(v) for that Annuity Starting Date (and expressing the Member's age based on completed calendar months as of the Annuity Starting Date).

- (ii) If the Plan does have an immediately commencing straight life annuity payable at both age 62 and the age of benefit commencement

The Dollar Limitation at the Member's Annuity Starting Date is the lesser of (aa) the Dollar Limitation multiplied by the ratio of the annual amount of the adjusted immediately commencing straight life annuity under the Plan at the Member's Annuity Starting Date to the annual amount of the adjusted immediately commencing straight life annuity under the Plan at age 62, both determined without applying the limitations of this Subsection (a), and (bb) the limitation determined under Subparagraph (3)(A)(II)(i) of this Subsection (a).

- (B) For Annuity Starting Dates in limitation years beginning before July 1, 2007

| <u>Age as of Annuity Starting Date:</u> | <u>Adjustment of Dollar Limitation:</u> |
|---|---|
| Over 65 | The smaller of: (a) the Actuarial Equivalent of the limitation for age 65, computed using the interest rate and mortality basis specified by the Board for determining actuarial equivalence under the Plan, or |

| | |
|--------------|--|
| | <p>(b) the Actuarial Equivalent of the limitation for age 65, computed using a 5.00% interest rate and the mortality basis prescribed in Code Section 415(b)(2)(E)(v).</p> <p>Any increase in the Dollar Limitation determined in accordance with this paragraph shall not reflect a mortality decrement between age 65 and the age at which benefits commence if benefits are not forfeited upon the death of the Member. If any benefits are forfeited upon death, the full mortality decrement is taken into account.</p> |
| 62 to 65 | No adjustment. |
| Less than 62 | <p>The smaller of: (a) the Actuarial Equivalent of the limitation for age 62, computed using the interest rate and mortality basis specified by the Board for determining actuarial equivalence under the Plan, or</p> <p>(b) the Actuarial Equivalent of the limitation for age 62, computed using a 5.00% interest rate and the mortality basis prescribed in Code Section 415(b)(2)(E)(v).</p> <p>This adjustment shall not apply to any “Qualified Member” as defined in Section 415(b)(2)(H), nor to survivor and disability benefits as defined in Section 415(b)(2)(I) of the Code.</p> |

- (4) With respect to clause (3)(A)(I)(i), clause (3)(A)(II)(i) and Paragraph (3)(B) above, no adjustment shall be made to the Dollar Limitation to reflect the probability of a Member’s death between the Annuity Starting Date and age 62, or between age 65 and the Annuity Starting Date, as applicable, if benefits are not forfeited upon the death of the Member prior to the Annuity Starting Date. To the extent benefits are forfeited upon death before the Annuity Starting Date, such an adjustment shall be made. For this purpose, no forfeiture shall be treated as occurring upon the Member’s death if the Plan does not charge Members for providing a qualified preretirement survivor annuity, as defined in Code Section 417(c), upon the Member’s death.
- (5) The term “limitation year” is the 12 month period which is used for application of the limitations under Code Section 415 and shall be the calendar year.
- (6) The limitations set forth in this Subsection (a) shall not apply if the Annual Pension does not exceed \$10,000 provided the Member has

never participated in a Defined Contribution Plan maintained by the District.

- (7) Cost-of-living adjustments in the Dollar Limitation for benefits shall be limited to scheduled annual increases determined by the Secretary of the Treasury under Section Subsection 415(d) of the Code.
- (8) In the case of a Member who has fewer than 10 years of participation in the Plan, the Dollar Limitation set forth in Paragraph (3) of this Subsection (a) shall be multiplied by a fraction - (i) the numerator of which is the number of years (or part thereof) of participation in the Plan, and (ii) the denominator of which is 10.
- (9) Any portion of a Member's benefit that is attributable to mandatory Member contributions (unless picked-up by the District) or rollover contributions, shall be taken into account in the manner prescribed in the regulations under Section 415 of the Code.
- (10) Should any Member participate in more than one defined benefit plan maintained by the District, in any case in which the Member's benefits under all such defined benefit plans (determined as of the same age) would exceed the Dollar Limitation applicable at that age, the accrual of the Member's benefit under this Plan shall be reduced so that the Member's combined benefits will equal the Dollar Limitation.
- (11) For a Member who has or will have distributions commencing at more than one annuity starting date, the Annual Benefit shall be determined as of each such annuity starting date (and shall satisfy the limitations of this Section as of each such date), actuarially adjusting for past and future distributions of benefits commencing at the other annuity starting dates. For this purpose, the determination of whether a new starting date has occurred shall be made without regard to § 1.401(a)-20, Q&A 10(d), and with regard to § 1.415(b)1(b)(1)(iii)(B) and (C) of the Income Tax Regulations.
- (12) The determination of the Annual Pension under Paragraph (A)(1) of this Subsection (a) shall take into account (in the manner prescribed by the regulations under Section 415 of the Code) social security supplements described in § 411(a)(9) of the Internal Revenue Code and benefits transferred from another defined benefit plan, other than transfers of distributable benefits pursuant § 1.411(d)-4, Q&A-3(c) of the Income Tax Regulations.

- (13) The above limitations are intended to comply with the provisions of Section 415 of the Code, as amended, so that the maximum benefits provided by plans of the District shall be exactly equal to the maximum amounts allowed under Section 415 of the Code and regulations thereunder. If there is any discrepancy between the provisions of this Subsection (a) and the provisions of Section 415 of the Code and regulations thereunder, such discrepancy shall be resolved in such a way as to give full effect to the provisions of Section 415 of the Code. The value of any benefits forfeited as a result of the application of this Subsection (a) shall be used to decrease future employer contributions.
- (14) For the purpose of applying the limitations set forth in Sections 401(a)(17) and 415 of the Internal Revenue Code, Compensation shall include any elective deferral (as defined in Code Section 402(g)(3) of the Internal Revenue Code), and any amount which is contributed or deferred by the employer at the election of the Member and which is not includible in the gross income of the Member by reason of Section 125 or 457 of the Internal Revenue Code. For limitation years beginning on and after January 1, 2001, for the purposes of applying the limitations described in this Subsection (a), compensation paid or made available during such limitation years shall include elective amounts that are not includible in the gross income of the Member by reason of Section 132(f)(4) of the Internal Revenue Code. For limitation years on or after July 1, 2007, compensation shall include payments that otherwise qualify as compensation and that are made by the later of: (a) 2 and $\frac{1}{2}$ (two and one-half) months after severance from employment with the employer, and (b) the end of the limitation year that includes the date of severance. With respect to plan years beginning on or after December 31, 2008, Compensation shall also include differential wage payments within the meaning of Section 3401(h)(2) of the Internal Revenue Code. (2013-01) (2015-06)

Section 16. Commencement of Benefits.

- a. Unless the Member otherwise elects, with such election being in writing and delivered to the Board and specifying the form of retirement income and date on which the retirement income is to commence, the payment benefits under the Pension Plan to the Member shall commence not later than the sixtieth (60th) day after the close of the year of the Pension Plan in which the latest of the following events occur:
1. The attainment by the Member of age sixty-five (65);
 2. The eighth (8th) anniversary of the date on which the Member commenced participation in the Pension Plan; provided that the vesting period for Members in this plan for this benefit shall be

reduced from ten (10) years to eight (8) years effective October 1, 2013 provided that the Member is “employed in a regularly established position” on that date. If not so employed on that date a Member must be “employed in a covered position for at least one work year after July 1, 2001.” (2010-01)

3. The termination of the Member's service with the District.

b. If the payment of a Member's retirement income cannot begin on the date required under subsection a of this section because the Board either cannot ascertain the amount of the Member's retirement income or cannot locate the Member after making reasonable efforts to do so, the payment of the Member's benefits shall begin no later than sixty (60) days after the date on which the amount can be ascertained or the Member is located, whichever is applicable. Any such payment shall be made retroactive to a date which is not earlier than the date on which the payment of the Member's benefits was scheduled to begin but which is not later than the date specified under subsection a of this section.

Section 17. Internal Revenue Code Compliance.

a. At no time prior to the satisfaction of all liabilities under the plan with respect to Members and their Spouses or beneficiaries, shall any part of the corpus or income of the Fund be used for or diverted to any purpose other than for their exclusive benefit.

b. Required Beginning Date:

Notwithstanding any other provision of the Plan, payment of a Member's retirement benefits under the Plan shall commence not later than the Member's Required Beginning Date, which is defined:

1. With regard to distributions required to be made to a Member who reaches age 70 ½ before January 1, 2020: April 1 of the calendar year that next follows the calendar year in which the Member attains or will attain the age of 70½ years; or April 1 of the calendar year that next follows the calendar year in which the Member retires, whichever is later.

2. With regard to distributions to be made on or after January 1, 2020 to a Member who reaches the age of 70 ½ on or after said date: April 1 of the calendar year that next follows the calendar year in which the Member attains or will attain the age of 72 years, or April 1 of the calendar year that next follows the calendar year in which the Member retires, whichever is later. (2021-12,)

c. Required Minimum Distributions.

1. Required Beginning Date. The Member's entire interest will be distributed, or begin to be distributed, to the Member no later than the Member's Required Beginning Date as defined in Subsection (b) of this Section 18.

2. Death of Member Before Distributions Begin.

(A) If the Member dies before distributions begin, the Member's entire interest will be distributed, or begin to be distributed, no later than as follows:

(i) If the Member's surviving Spouse is the Member's sole designated Beneficiary, then distributions to the surviving Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Member died, or by December 31 of the calendar year in which the Member would have attained age 70½ (effective January 1, 2020, age 72 if the participant had not attained age 70 ½ prior to January 1, 2020), if later.

(ii) If the Member's surviving Spouse is not the Member's sole designated Beneficiary, then distributions to the designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Member died.

(iii) If there is no designated Beneficiary as of September 30 of the year following the year of the Member's death, the Member's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

(B) The Member's entire interest shall be distributed as follows:

(i) Member Survived by Designated Beneficiary. If the Member dies before the date distribution of his or her interest begins and there is a designated Beneficiary, the Member's entire interest will be distributed, beginning no later than the time described in Subparagraph (2)(A) above, over the life of the designated Beneficiary or over a period certain not exceeding:

(I) unless the annuity starting date is before the first distribution calendar year, the life expectancy of the designated Beneficiary determined using the Beneficiary's age as of the Beneficiary's birthday in the calendar year immediately following the calendar year of the Member's death; or

(II) if the annuity starting date is before the first distribution calendar year, the life expectancy of the designated Beneficiary determined using the Beneficiary's age as of the Beneficiary's birthday in the calendar year that contains the annuity starting date.

(ii) No Designated Beneficiary. If the Member dies before the date distributions begin and there is no designated Beneficiary as of September 30 of the year following the year of the Member's death, distribution of the Member's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

(C) Death of Surviving Spouse Before Distributions to Surviving Spouse Begin. In any case in which (i) the Member dies before the date distribution of his or her interest begins, (ii) the Member's surviving Spouse is the Member's sole designated Beneficiary, and (iii) the surviving Spouse dies before distributions to the surviving Spouse begin, Subparagraphs (2)(A) and 2(B) above shall apply as though the surviving Spouse were the Member.

3. Requirements For Annuity Distributions That Commence During Member's Lifetime.

(A) Joint Life Annuities Where the Beneficiary Is Not the Member's Spouse. If the Member's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Member and a non-spousal Beneficiary, annuity payments to be made on or after the Member's Required Beginning Date to the designated Beneficiary after the Member's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Member using the table set forth in Q&A-2 of Section 1.401(a)(9)-6 of the Treasury regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the Member and a non-spousal Beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated Beneficiary after the expiration of the period certain.

(B) Period Certain Annuities. Unless the Member's Spouse is the sole designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Member's lifetime may not exceed the applicable distribution period for the Member under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Member reaches age 70, the applicable distribution period for the Member is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations plus the excess of 70 over the age of the Member as of the Member's birthday in the year that contains the annuity starting date. If the Member's Spouse is the Member's sole designated Beneficiary and the form of distribution is a period certain and no life

annuity, the period certain may not exceed the longer of the Member's applicable distribution period, as determined under this Subparagraph (3)(B), or the joint life and last survivor expectancy of the Member and the Member's Spouse as determined under the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations, using the Member's and Spouse's attained ages as of the Member's and Spouse's birthdays in the calendar year that contains the annuity starting date.

4. Form of Distribution. Unless the Member's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first distribution calendar year distributions will be made in accordance with Subparagraphs (4)(A), (4)(B) and (4)(C) below. If the Member's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the Treasury regulations. Any part of the Member's interest which is in the form of an individual account described in Section 414(k) of the Code will be distributed in a manner satisfying the requirements of Section 401(a)(9) of the Code and the Treasury regulations that apply to individual accounts.

(A) General Annuity Requirements. If the Member's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:

(i) the annuity distributions will be paid in periodic payments made at intervals not longer than one year;

(ii) the distribution period will be over a life (or lives) or over a period certain, not longer than the distribution period described in Paragraphs 2 or 3 above, whichever is applicable, of this Subsection (c);

(iii) once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;

(iv) payments will either be non-increasing or increase only as follows:

(I) by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;

(II) to the extent of the reduction in the amount of the Member's payments to provide for a survivor

benefit upon death, but only if the Beneficiary whose life was being used to determine the distribution period dies or is no longer the Member's Beneficiary pursuant to a qualified domestic relations order within the meaning of Section 414(p) of the Code;

(III) to provide cash refunds of employee contributions upon the Member's death; or

(IV) to pay increased benefits that result from a Plan amendment.

(B) Amount Required to be Distributed by Required Beginning Date. The amount that must be distributed on or before the Member's Required Beginning Date (or, if the Member dies before distributions begin, the date distributions are required to begin under Subparagraph (2)(A)(i) or (2)(A)(ii), whichever is applicable) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Member's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Member's Required Beginning Date.

(C) Additional Accruals After First Distribution Calendar Year. Any additional benefits accruing to the Member in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

5. For purposes of this Subsection (c), distributions are considered to begin on the Member's Required Beginning Date. If annuity payments irrevocably commence to the Member (or to the Member's Surviving Spouse) before the Member's Required Beginning Date (or, if to the Member's Surviving Spouse, before the date distributions are required to begin in accordance with Subparagraph (2)(A) above), the date distributions are considered to begin is the date distributions actually commence.

6. Definitions.

(A) Designated beneficiary. The individual who is designated as the Beneficiary under the Plan and is the designated Beneficiary

under Section 401(a)(9) of the Code and Section 1.401(a)(9)-4, of the Treasury regulations.

(B) Distribution calendar year. A calendar year for which a minimum distribution is required. For distributions beginning before the Member's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Member's Required Beginning Date. For distributions beginning after the Member's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to Paragraph (2) of this Subsection (c).

(C) Life expectancy. Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury regulations.

d. Notwithstanding any other provision of this Plan, the maximum amount of any mandatory distribution, as defined in Section 401(a)(31) of the Code, payable under the Plan shall be \$1000.

e. Compensation Limitations Under 401(a)(17):

In addition to other applicable limitations set forth in the Plan, and notwithstanding any other provision of the Plan to the contrary, the annual compensation of each Member taken into account under the Plan shall not exceed the EGTRRA annual compensation limit for limitation years beginning after December 31, 2001. The EGTRRA annual compensation limit is \$200,000, as adjusted by the Commissioner for increases in the cost of living in accordance with Section 401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding 12 months, over which Compensation is determined (determination period) beginning in such calendar year. If a determination period consists of fewer than 12 months, the EGTRRA annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12.

Any reference in the Plan to the limitation under Section 401 (a)(17) of the Code shall mean the EGTRRA annual compensation limit set forth in this provision.

Section 18. Repeal or Termination of Pension Plan.

a. This resolution establishing the Pension Plan and Fund, and subsequent resolutions pertaining to said Pension Plan and Fund, may be modified, terminated, or amended, in whole or in part; provided, however, that if this or any subsequent resolution shall be altered, amended, or repealed in its application to any person benefiting hereunder, the amount of benefits which at the time of any such alteration, amendment, or repeal shall have accrued to the Member or Beneficiary shall not be affected thereby.

b. If this resolution shall be repealed, or if contributions to the Pension Plan are discontinued, the Board shall continue to administer the Pension Plan in accordance with the provisions of this resolution, for the sole benefit of the then Members, any beneficiaries then receiving retirement allowances, and any future persons entitled to

receive benefits under one (1) of the options provided for in this resolution who are designated by any of said Members. In the event of repeal, or if contributions to the Pension Plan are discontinued, there shall be full vesting (100%) of benefits accrued to the date of repeal and the Board shall determine the date of distribution and the asset value required to fund all nonforfeitable benefits after taking into account the expenses of such distribution. The Board shall inform the District, or then current Plan sponsor, if additional assets are required in which event the District, or then current Plan sponsor, shall continue to financially support the Pension Plan until all nonforfeitable benefits have been funded. Termination of the plan and distribution of the assets shall be in accordance with Section 175.361, Florida Statutes. Provided that the vesting period for Members in this plan for this benefit shall be reduced from ten (10) years to eight (8) years effective October 1, 2013 provided that the Member is "employed in a regularly established position" on that date. If not so employed on that date a Member must be "employed in a covered position for at least one work year after July 1, 2001."

The allocation of the Fund provided in this subsection may, as decided by the Board, be carried out through the purchase of insurance company contracts to provide the benefits determined in accordance with this subsection. The Fund may be distributed in one (1) sum to the persons entitled to said benefits or the distribution may be carried out in such other equitable manner as the Board may direct. The Fund may be continued in existence for purposes of subsequent distributions.

If, at any time during the first ten (10) years after the effective date of this Pension Plan, the Pension Plan shall be terminated or the full current costs of the Pension Plan shall not have been met, anything in the Pension Plan to the contrary notwithstanding, District contributions which may be used for the benefit of any one (1) of the twenty-five (25) highest paid Members on the effective date, whose anticipated annual retirement allowance provided by the District's contributions at the Member's normal retirement date would exceed One Thousand Five Hundred Dollars (\$1,500.00), shall not exceed the greater of either Twenty Thousand Dollars (\$20,000.00) or an amount computed by multiplying the smaller of Ten Thousand Dollars (\$10,000.00) or twenty percent (20%) of such Member's average annual earnings during his last five (5) years of service by the number of years of service since the effective date. In the event that it shall hereafter be determined by statute, court decision, ruling by the Commissioner of Internal Revenue, or otherwise that the provisions of this paragraph are not then necessary to qualify the Pension Plan under the Internal Revenue Code, this paragraph shall be ineffective without the necessity of further amendment of this resolution.

Section 19. Exemption from Execution and Non-Assignability.

Except as otherwise provided by law, the pensions, annuities, or any other benefits accrued or accruing to any person under the provisions of this resolution and the Accumulated Contributions and the cash securities in the fund created under this resolution are hereby exempted from any state, county or municipal tax and shall not be subject to execution, attachment, garnishment or any legal process whatsoever and shall be unassignable; except the recipient of any monthly benefit may authorize the Board to withhold from the monthly benefit those funds necessary to pay for the benefits being

received through the District, to pay the certified bargaining agent of the District, and to make any payments for child support or alimony. The Board may, upon the written request of the retiree of the Pension Plan, authorize the plan administrator to withhold from the retirement payment those funds that are necessary to pay for premiums for accident, health, and long-term care insurance for the retiree and the retiree's Spouse and dependents. The Pension Plan, and its Board of Trustees, shall not incur any liability for participation in this permissive program should its actions be taken in good faith. (2004-08)

Section 20. Pension Validity.

The Board shall have the power to examine the facts upon which any pension shall heretofore have been granted under any prior or existing law, or shall hereafter be granted or obtained erroneously, fraudulently, or illegally for any reason. Said Board is empowered to purge the pension rolls of any person heretofore granted a pension under prior or existing law or heretofore granted under this resolution if the same is found to be erroneous, fraudulent or illegal for any reason and to reclassify any person who has heretofore under any prior or existing law been or who shall hereafter under this resolution be erroneously, improperly or illegally classified.

Section 21. Forfeiture of Pension.

a. Any Member who is convicted of the following offenses committed prior to retirement, or whose employment is terminated by reason of his admitted commission, aid or abetment of the following specified offenses, shall forfeit all rights and benefits under this Pension Plan, except for the return of his Accumulated Contributions as of the date of termination.

b. 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 Chapter 838, Florida Statutes;
5. The committing of an impeachable offense;
6. The committing of any felony by a public officer or employee who willfully and with intent to defraud the public or the public agency, for which he acts or in which he is employed, of the right to receive the faithful performance of his duty as a public officer or employee, realizes or obtains, or attempts to obtain a profit, gain, or advantage for himself or herself or for some other person through the use or

attempted use of the power, rights, privileges, duties, or position of his public office or employment; or

7. The committing on or after October 1, 2008, of any felony defined in §800.04, Florida Statutes, against a victim younger than 16 years of age, or any felony defined in Chapter 794 against a victim younger than 18 years of age, by a public officer or employee through the use or attempted use of power, rights, privileges, duties, or position of his or her public office or employment position.

c. As used in this section:

1. Conviction means an adjudication of guilt by a court of competent jurisdiction; a plea of guilty or a nolo contendere; a jury verdict of guilty when adjudication of guilt is withheld and the accused is placed on probation; or a conviction by the senate of an impeachable offense.
2. Court means any state or federal court of competent jurisdiction which is exercising its jurisdiction to consider a proceeding involving the alleged commission of a specified offense. Prior to forfeiture, the Board shall hold hearing on which notice shall be given to the Member whose benefits are being considered for forfeiture. Said Member shall be afforded the right to have an attorney present. No formal rules of evidence shall apply, but the Member shall be afforded a full opportunity to present his case against forfeiture.

d. Any Member who has received benefits from the Pension Plan in excess of his Accumulated Contributions after the Member's rights were forfeited shall be required to pay back to the Fund the amount of the benefits received in excess of his Accumulated Contributions. The Board may implement all legal action necessary to recover such funds.

e. Benefits shall not be paid by the Board pending final resolution of such charges against a Member or Beneficiary if the resolution of such charges could require the forfeiture of benefits as provided in paragraphs b.1 through 7.

Section 22. Direct Transfers of Eligible Rollover Distributions.

a. Notwithstanding any provision of the plan to the contrary that would otherwise limit a distributee's election under this subsection, a distributee may elect, at the time and in the manner prescribed by the Board, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

b. Definitions:

1. Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the

distributee, except that an eligible rollover distribution does not include: any distribution that is one (1) of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated Beneficiary, or for a specified period often (10) years or more; any distribution to the extent such distribution is required under section 401(a)(9) of the Code; and the portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities) provided that a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax Employee contributions which are not includable in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in Section 401(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includable in gross income and the portion of such distribution which is not so includable.

2. Eligible retirement plan: An eligible retirement plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, an annuity contract described in Section 403(b) of the Code, a qualified trust described in Section 401 (a) of the Code, an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan, or, with respect to distributions on or after January 1, 2008, a Roth IRA (subject to the limitations of Code Section 408A(c)(3)) that accepts the distributee's eligible rollover distribution.
3. Distributee: A distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving Spouse and the Employee's or former Employee's Spouse or former Spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the Spouse or former Spouse. Furthermore, effective January 1, 2007, a designated Beneficiary as defined in Section 401(a)(9)(E) of the Code who is not the surviving Spouse and who elects a direct rollover to an individual retirement account described in Section 408(a) of the Code or an individual retirement annuity described in Section 408(b) of the Code shall be considered a distributee.

4. Direct rollover: A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee. (2013-01)

Section 23. *Deferred Retirement Option Plan (DROP).*

A DROP, as set forth below, is established and shall be administered by the Board of the Greater Naples Fire Rescue District Firefighters' Pension Plan. Participation shall be subject to the following terms and conditions:

- a. *Eligibility.*
 - i. A Firefighter of the Plan who is in full-time work status may elect to participate in the DROP at any time within one year after the first day of any month coincident with or next following the Firefighter's early retirement date, or, in the alternative, within one year after the first day of the month coincident with or next following the Firefighter's normal retirement date. The effective date of the Firefighter's participation shall be the first of the month after the date of such election.
- b. *Written election.* The election to participate in the DROP as provided above shall be executed on such forms as may be required by the Board, and shall be irrevocable once DROP participation begins.
- c. *Cessation or reduction of contributions.* Upon the effective date of a Firefighter's participation in the DROP, all contributions by and on behalf of the Firefighter to the plan shall be discontinued. After a Firefighter commences participation in the DROP, he or she shall not be permitted to again contribute to the System nor shall he or she be eligible for disability or pre-retirement death benefits, except as may be provided for herein.
- d. *Benefit calculation.* Upon commencement of participation in the DROP, the Firefighter shall no longer earn, nor accrue, nor be eligible to purchase, additional Credited Service. For all plan purposes, a Firefighter's service and vesting credits shall be fixed as of the effective date of commencement of DROP participation. No service after entry into the DROP shall be used for the calculation or the determination of benefits payable by the plan. The Firefighter's Average Final Compensation, as defined herein, shall be determined as of the effective date of commencement of participation in the DROP and no subsequent earnings shall be used for calculation or determination of benefits payable by the plan. If a Firefighter elects to enter the DROP following the attainment of the Firefighter's early retirement date, and before reaching his or her normal retirement date, the Firefighter's DROP account will be credited with reduced payments reflecting requisite actuarial reductions in accordance with the plan's provisions.
- e. *Benefit credits to DROP account.*

1. Upon entry into DROP, the monthly retirement benefit which would have been payable had the Firefighter ceased employment and commenced receiving a normal retirement benefit or early retirement benefit (whichever is applicable) shall be credited to the Firefighter's DROP account on a monthly basis. Benefit payments credited to a Firefighter's DROP account shall include the annual three percent (3%) cost-of-living adjustment. The crediting of benefit payments to the DROP shall cease upon the attainment of the maximum period of DROP participation. After a Firefighter commences participation in the DROP, no changes to such Firefighter's form of benefit election shall be permitted.

2. No Firefighter shall receive a credit to the Firefighter's DROP account until the required DROP forms have been submitted, including the Firefighter's irrevocable letter of resignation which shall be filed with the plan and the District.

f. *DROP account earnings.* Each DROP account shall be credited with interest earnings at a rate of one and three-tenths percent (1.3%) compounded annually, less administrative fees as set forth in subparagraph h.

g. *Maximum period of participation.* A Firefighter may elect to participate in the DROP only once. The maximum participation period shall be sixty (60) months. At the conclusion of the maximum period of DROP participation, the crediting of benefit payments to the DROP account shall cease and the Firefighter's termination from employment with the District shall become effective pursuant to the executed irrevocable letter of resignation. The distribution of DROP benefits shall commence as set forth in subparagraph i below. There shall be no minimum period of participation in the DROP.

h. *Administrative fee for DROP account.* An annual administrative fee shall be charged on January 1 of each year against all DROP accounts in existence under the plan on said date, in an amount to be determined by the Board. In no event shall such administrative fee exceed one-half of one percent (0.5%).

i. *Distribution of DROP account.*

1. Upon termination of a Firefighter's employment with the District, whether by retirement, resignation, discharge or death, no further credits shall be deposited to the Firefighter's respective DROP account.

2. All retirement benefits paid after termination of employment shall be made directly to the Firefighter, or in the case of death, in accordance with any survivorship option which the Firefighter has elected.

3. Within ninety (90) days following the last day of the month in which the Firefighter terminated employment (or, in the case of the death of the Firefighter during his or her participation in the DROP, within ninety (90)

days following the last day of the month in which the death occurs), the balance of the Firefighter's DROP account shall be paid to the Firefighter (or in the case of the death of the Firefighter, to the Firefighter's designated Beneficiary under the Plan) as a lump sum, or by rollover to another qualified retirement plan or a combination of both. The Firefighter, or the Firefighter's designated Beneficiary in the case of the death of the Firefighter, must elect the method of payment within ninety (90) days from the date of the Firefighter's termination of employment under the DROP and such election shall be filed with the Board and be irrevocable once the first distribution is made. Failure to elect a payment within the prescribed time shall be deemed an election to receive payment of the entire DROP account balance in a lump sum, less required income tax withholding.

4. Notwithstanding the option selected by the Firefighter, the Board reserves the right to accelerate payments to comply with the minimum distribution provisions of the Internal Revenue Code or to defer payments to comply with the maximum benefit provisions of the Internal Revenue Code.

j. BAC DROP is a partial lump sum distribution of a benefit actuarially calculated sum. An eligible Firefighter may have a portion of his/her Normal Retirement benefit paid in a lump sum with the remaining monthly benefits adjusted in accordance with the provisions of the benefit actuarially calculated deferred retirement option program (BAC-DROP), as hereinafter set forth.

1. Eligibility: In order for a Firefighter to be eligible to participate in BAC-DROP, the Firefighter must have minimally attained his Early or Normal Retirement Date. No Firefighter who elects a DROP Retirement is eligible to participate in BAC-DROP. An eligible Firefighter must elect to participate in BAC-DROP at the time of application for Retirement and at least thirty (30) days prior to the date of retirement. Participation in BAC-DROP requires termination of employment from the District.

2. Participation in BAC-DROP. An eligible Firefighter may elect to receive as a lump sum BAC-DROP distributions an amount, not to exceed the equivalent of sixty months of Normal Retirement benefits as determined (Plus 1.3% interest compounded annually). The amount of the lump sum BAC-DROP distribution elected by the eligible Firefighter must be expressed in whole number multiples of the monthly Normal Retirement benefit. The monthly Normal Retirement benefit otherwise due to the BAC-DROP eligible Firefighter shall be actuarially reduced by the amount of the lump sum BAC-DROP distributions elected, so that, when:

- (i) the amount of the lump sum BAC-DROP distribution elected is considered, together with;
- (ii) the future actuarially reduced monthly Normal Retirement benefits,

the combination of (i) and (ii) above has an Actuarial Equivalent cost to the Plan of the Firefighter had the Firefighter chosen not to participate in BAC-DROP.

The actuarial reduction and Actuarial Equivalent values shall be determined by the Plan's actuary.

3. A Firefighter may elect to defer receiving the lump sum 60-month BAC-DROP distribution described above for a period not to exceed ninety days (90) after such Firefighter's termination of employment with the District. Interest shall not be paid on the deferred lump sum BAC-DROP distribution. The exercise of rights under this subsection shall be consistent with the rules of constructive receipt under the Internal Revenue Code.

(2020-04) (2020-24)

Section 24. Retiree Health Insurance Subsidy.

Each eligible retiree or Beneficiary who is a Spouse, domestic partner, or financial dependent shall receive a monthly retiree health insurance subsidy payment equal to the number of years of Credited Service completed at the time of the Member's retirement multiplied by five dollars (\$5.00); however, no retiree or Beneficiary may receive a subsidy payment of more than one-hundred fifty dollars (\$150.00) or less than fifty (\$50.00) dollars.

Section 25. All resolutions or parts of resolutions in conflict with this resolution are hereby repealed to the extent of such conflict.

Section 26. If any provision of this resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the resolution which can be given effect without the invalid provision or application, and to this end the provisions of this resolution are declared severable.

Section 27. This Resolution shall become effective immediately upon adoption; however, the provisions of this Resolution that are specified to take effect as of a date certain shall take effect as of the date specified.

We, the undersigned hereby, certify that the Greater Naples Fire Rescue District is comprised of five Members, of whom _____, constituting a quorum, were present at a meeting duly and regularly called, noticed, convened and held this _____ day of _____, 2022, and that the foregoing Resolution was duly adopted at said meeting by the affirmative vote of _____ Members and opposed by _____

Sugarman & Susskind, Attorney Ken Harrison
Approved by 175 Pension Plan Trustees on November 10, 2022

Members, and that said Resolution has been duly recorded in the Official Records and is
in full force and effect.

Duly passed and adopted by the Board of Fire Commissioners of the Greater
Naples Fire Rescue District on this _____ day of _____, 2022.

Nick Biondo

Date

Al Duffy

Date

Brian O. Cross

Date

Mark Cherney

Date

Patrick Dearborn

Date