

TOWN OF HAVANA
FIREFIGHTERS' PENSION TRUST FUND

SUMMARY PLAN DESCRIPTION

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INTRODUCTION

The attached booklet is presented to you as a member of the Town of Havana Firefighters' Pension Trust Fund by the Board of Trustees. This booklet is a brief explanation of certain provisions of your pension plan. You are encouraged to study the booklet in order to become familiar with the benefits provided by the Plan. If you have any questions regarding any provision of the Plan, the Board of Trustees will be happy to answer your questions or get an answer for you.

This booklet is only a brief explanation of the Plan. If there are any conflicts between this booklet and the ordinances of the Town of Havana, the ordinances will govern. A copy of the ordinance establishing the Plan can be obtained from the Town Clerk.



Chairman, Board of Trustees
Town of Havana
Firefighters' Pension Trust Fund

2/4/02
Date

1. BOARD OF TRUSTEES AND PLAN ADMINISTRATION

A. Administration. The Town of Havana Firefighters' Pension Trust Fund is a defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the Plan. The Board consists of 5 Trustees, 2 of whom are appointed by the Town, 2 of whom are Firefighters who are elected by a majority of the members of the Plan and a fifth Trustee who is chosen by a majority of the first 4 Trustees. Each Trustee serves a two year term.

B. The names and addresses of the current Trustees are attached to this Summary Plan Description as Exhibit "A". The Chairman of the Board of Trustees is designated as agent for the service of legal process.

2. ELIGIBILITY FOR PLAN MEMBERSHIP

Each person employed by the Town of Havana as a full-time certified or volunteer Firefighter becomes a member of the Plan as a condition of his or her employment. All certified and volunteer Firefighters are therefore eligible for all plan benefits.

3. PLAN BENEFITS

All claims for benefits under the Plan shall be made in writing to the Board of Trustees.

A. Normal Retirement Eligibility. A Firefighter is eligible for retirement at the earlier of: 1) age 55 and the completion of 10 years of Creditable Service, or 2) age 52 and the completion of 25 years of Creditable Service.

B. Amount of Normal Retirement Benefits. The amount of the Normal Retirement benefit is based on a Firefighter's Creditable Service and Average Final Compensation:

"Creditable Service" means the total number of years and completed months of contributing service as a Firefighter omitting intervening years and months when not employed by the Town. A Firefighter does not receive credit for periods of employment for which he or she has received a refund of his or her own contributions to the Fund.

"Average Final Compensation" is 1/12 of the average Salary of the highest 5 consecutive years of the last 10 years of Creditable Service prior to termination, retirement or death of the Firefighter. A year is 12 consecutive months.

"Salary" is fixed compensation (base pay).

The Normal Retirement benefit is calculated by multiplying 3.5% times years of Creditable Service times the Firefighter's Average Final Compensation: $(3.5\% \times CS \times AFC = \text{Normal Retirement benefit})$.

The benefit is paid to the Firefighter for his or her life, but the retiree or his beneficiary shall receive at least 10 years of payments in any event.

C. Early Retirement. A Firefighter is eligible for Early Retirement upon the attainment of age 50 and completion of 10 years of Creditable Service.

D. Amount of Early Retirement Benefits. The amount of the Early Retirement benefit is calculated in the same manner as for Normal Retirement and is available as follows:

- (1) The full formula benefit beginning on the date the Firefighter would have been eligible for Normal Retirement; or

(2) A reduced benefit beginning immediately upon Retirement. The benefit payable at Early retirement is reduced 3.0% for each year that the Early Retirement Date precedes the Normal Retirement Date.

E. Optional Forms of Retirement. In lieu of the amount and form of Retirement income payable under Normal and Early Retirement (a benefit for life with 120 payments guaranteed), a member may elect to receive a Retirement benefit in a different form so long as the form elected by the Firefighter is of equal actuarial value as the Normal benefit. The optional forms of benefit which are available are:

(1) A Retirement income of a larger monthly amount, payable to the Firefighter for his or her lifetime only.

(2) A Retirement income, payable to the Firefighter during the joint lifetime of the Firefighter and a dependent beneficiary named by the Firefighter. Following the death of the retiree, 100%, 75%, 66-2/3% or 50% of the monthly benefit will be paid for the lifetime of the Firefighter's beneficiary.

(3) Any actuarially equivalent form approved by the Board.

F. Death Before Retirement. If a Firefighter dies prior to Retirement from the Town of Havana, his or her beneficiary shall receive the following benefit:

(1) The beneficiary of a deceased Firefighter who had completed fewer than 10 years of Creditable Service shall receive a refund of 100% of the Firefighter's Accumulated Contributions.

(2) For any actively employed Firefighter who had completed 10 or more years of Creditable Service as of his or her date of death, the benefit

payable to the beneficiary shall be the monthly amount which would have been payable had the deceased Firefighter retired under Normal or Early Retirement. The benefit is paid to the designated beneficiary for ten (10) years beginning at the Firefighter's otherwise Early (reduced basis) or Normal (unreduced) Retirement Date.

G. Disability Retirement. A Firefighter is considered disabled when he or she becomes totally and permanently unable to perform useful and efficient service as a Firefighter. A written application is made to the Board of Trustees for a disability pension and the Board of Trustees receives evidence of the disability and decides whether or not the pension is to be granted. Members are covered for service-incurred disability benefits from date of hire. Members are covered for non-service incurred benefits following the completion of 10 years of Creditable Service. If the pension is granted and it is determined that the disability is service-incurred, the benefit amount shall be the accrued benefit as of the date of determination, but not less than 42% of the Firefighter's Average Final Compensation. If the pension is granted and it is determined that the disability is not service-incurred, the benefit amount shall be the accrued benefit as of the date of determination, but not less than 25% of the Firefighter's Average Final Compensation.

Any condition or impairment of health of a Firefighter caused by tuberculosis, hypertension or heart disease resulting in death or total disability is presumed to have been suffered in the line of duty unless the contrary is shown by competent evidence.

Each Firefighter who is claiming disability benefits shall establish, to the satisfaction of the Board, that such disability was not the result of:

- a. Excessive or habitual use of any drugs, intoxicants or alcohol;

- b. Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections;
- c. Injury or disease sustained while committing a crime;
- d. Injury or disease sustained while serving in any branch of the Armed Forces;
- e. Injury or disease sustained after his employment as a Firefighter with the Town of Havana has terminated or while working for an employer other than the Town of Havana.

A retired disabled Firefighter is subject to periodic medical examinations as directed by the Board to determine whether a disability continues.

H. Termination of Employment and Vesting. If a Firefighter's employment is terminated, either voluntarily or involuntarily, the following benefits are payable:

(1) If the Firefighter has less than 10 years of Credited Service upon termination, he or she shall be entitled to a refund of the money they have contributed or they may leave it deposited with the Fund.

(2) If the Firefighter has 10 or more years of Creditable Service upon termination, he or she shall be entitled to a monthly Retirement benefit starting at the Firefighter's Normal or Early Retirement date, provided he does not elect to withdraw his contributions and provided the Firefighter survives to his or her Normal or Early Retirement Date. If the benefit is paid at the Early Retirement Date, it will be reduced in the same manner as for Early Retirement.

I. Contributions and Funding. The Town is paying the portion of the cost of the pension over and above the Firefighter's contributions and those received

from the State of Florida. Each Firefighter contributes .5% of his or her Salary to the Plan. The Firefighter's contributions are guaranteed refundable in any event.

J. Minimum Benefits. In no event will the benefits paid from this Plan be any less than the value of the accumulated contributions.

K. Maximum Benefits. In no event will the benefits paid from this Plan exceed the lesser of:

(1) The limits provided in Section 415 of the Internal Revenue Code, or

(2) 100% of the Member's Average Monthly Earnings, unless hired before January 1, 1980.

L. Conviction and Forfeiture; False, Misleading or Fraudulent Statements. It is unlawful to willingly and knowingly make, or cause to be made, or to assist, conspire with, or urge another to make, or cause to be made, any false, fraudulent, or misleading oral or written statement or withhold or conceal material information to obtain any benefit from the Plan. To do so is a misdemeanor of the first degree, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

In addition to any applicable criminal penalty, upon conviction for a violation described above, you or your beneficiary may, in the discretion of the Board, be required to forfeit the right to receive any or all benefits to which you would otherwise be entitled under the Plan. For purposes of this subsection, "conviction" means a determination of guilt that is the result of a plea or trial, regardless of whether adjudication is withheld.

M. Claims Procedure Before the Board. Any member may request, in writing, that the Board review any denial of any claim for benefits under the Plan. The

Board will review the case and enter a decision as it deems proper within 60 days from the date of receipt of such written request.

The Board will render a decision on the claim within 60 days from the receipt of the claim. The Board may extend the time for rendering a decision by an additional 45 days if it determines that such time is necessary for discovery and full and adequate review.

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

- (1) The specific reasons for the denial;
- (2) A description of any additional information that the Board feels is necessary for the member to perfect his or her claim;
 - (1) An explanation of the review procedure next open to the member which includes a formal hearing

4. NON-FORFEITURE OF PENSION BENEFITS

A. Liquidation of Pension Fund Assets. In the event of repeal, or if contributions to the Fund are discontinued by the Town, there will be a full vesting of benefits accrued to date of repeal.

B. Interest of Members in Pension Fund. At no time prior to the satisfaction of all liabilities under the Plan shall any assets of the Plan be used for any purpose other than for the Firefighter's exclusive benefit. In any event, a Firefighter's contributions to the Plan are non-forfeitable.

5. VESTING OF BENEFITS

A Firefighter's Retirement benefits are fully vested after 10 years of Creditable Service.

6. APPLICABLE LAWS AND REGULATIONS

The Plan is governed by the following federal, state and local laws:

- A. Internal Revenue Code and amendments thereto.
- B. Chapter 175, Florida Statutes "Municipal Firefighters' Retirement Trust Funds".
- C. Part VIII, Chapter 112, Florida Statutes, "Actuarial Soundness of Retirement Systems".
- D. Ordinances of the Town of Havana.
- E. Administrative rules and regulations adopted by the Board of

Trustees.

7. PLAN YEAR AND PLAN RECORDS

The Plan year begins on October 1 of each year and ends on September 30 of the following year. All records of the Plan are maintained on a Plan year basis.

8. FINANCIAL AND ACTUARIAL INFORMATION

A report of pertinent financial and actuarial information on the solvency and actuarial soundness of the Plan has been prepared by the Pension Plan's actuary, Foster & Foster, Inc., and is attached as Exhibit "B".

EXHIBIT "A"

BOARD OF TRUSTEES

The names and addresses of the members of the Board of Trustees are:

Chairman: Paul Bert
Post Office Box 655
Havana, FL 32333
(850) 539-6493

Secretary: T. J. Davis
Post Office Box 753
Havana, FL 32333
(850) 539-6493

Member: Archie Cantley
Post Office Box 655
Havana, FL 32333
(850) 539-6493

Member: Don Vickers
Post Office Box 655
Havana, FL 32333
(850) 539-6493

Member: David Norman
Post Office Box 655
Havana, FL 32333
(850) 539-6493

Exhibit "B"

Town of Havana
Firefighters' Pension Trust Fund

10/1/99

A. Participant Data

Number Included	
Actives	20
Service Retirees	0
Beneficiaries	0
Terminated Vested	3
Disability Retirees	0

Total	23
 Total Annual Payroll	 \$10,500
Payroll Under Assumed Ret. Age	10,500
 Annual Rate of Payments to:	
Service Retirees	\$0
Beneficiaries	0
Terminated Vested	364
Disability Retirees	0

B. Assets

Actuarial Value	\$274,046
Market Value	274,046

C. Liabilities

Present Value of Benefits	
Active Members	
Retirement Benefits	\$40,366
Disability Benefits	748
Death Benefits	653
Vested Benefits	4,416
Refund of Contributions	301
Service Retirees	0
Beneficiaries	0
Terminated Vested	3,787
Disability Retirees	0

Total	\$50,271

10/1/99

C. Liabilities - (Continued)

Liabilities Due and Unpaid	\$0
Present Value Future Salaries (AA)	115,988
Present Value Future Salaries (EA)	158,471
Present Value of Future Member Contributions	5,799
Present Value of Future Normal Costs (Entry Age)	17,675
Actuarial Accrued Liability	274,046
Unfunded Actuarial Accrued Liability (UAAL)	0

D. Actuarial Present Value of Accrued Benefits

Vested Accrued Benefits	
Inactives	\$3,787
Actives	9,402
Member Contributions	3,647

Total	\$16,837
Non-vested Accrued Benefits	233

Total	\$233

Total Present Value Accrued Benefits	\$17,069

Increase (Decrease) in Present Value of
Accrued Benefits Attributable to:

Plan Amendments	\$0
Assumption Changes	0
New Accrued Benefits	1,675
Benefits Paid	0
Interest	1,140
Other	0

	\$2,815

10/1/99

E. Pension Cost

Normal Cost (with interest)	\$559
% of Total Annual Payroll*	5.0
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 28 years (as of 10/1/99) to 2027	0
% of Total Annual Payroll*	0.0
Total Required Contribution	559
% of Total Annual Payroll*	5.0
Expected Member Contributions	564
% of Total Annual Payroll*	5.0
Expected Town & State Contribution	0
% of Total Annual Payroll*	0.0

*Contributions developed as of 10/1/99 are expressed as a percentage of projected annual payroll at 10/1/00 of \$11,288.