

LAUDERDALE-BY-THE-SEA VOLUNTEER FIREFIGHTERS

PENSION PLAN

SUMMARY PLAN DESCRIPTION

Prepared October 2017

INTRODUCTION TO YOUR PLAN

The Town has established a defined benefit pension plan to provide eligible volunteers with retirement and related benefits.

This Summary Plan Description is a brief description of your Plan and your rights, obligations and benefits under that Plan. This Summary Plan Description is not meant to interpret, extend or change the provisions of your Plan in any way. The provisions of your Plan may only be determined accurately by reading the actual Plan document.

A copy of your Plan is on file at the Fire Department and may be read by you, your beneficiaries or your legal representatives at any reasonable time. If you have any questions regarding either your Plan or this Summary Plan Description, you should ask your Plan's Administrator. In the event of any discrepancy between this Summary Plan Description and the actual provisions of the Plan, the Plan shall govern.

GENERAL INFORMATION ABOUT YOUR PLAN

There is certain general information you may need to know about your Plan. This general information is summarized below.

Name of Plan

Lauderdale-By-The-Sea Volunteer Firefighters Pension Plan

Employer

The Town of Lauderdale-By-The-Sea

Plan Administrator

Board of Trustees of the
Lauderdale-By-The-Sea Volunteer
Firefighters Pension Plan
c/o Jim Silverstone
4513 Ocean Boulevard
Lauderdale-By-The-Sea, Florida 33308
Telephone: (954) 771-6810

Trustee

Plan Administrator

Designated Agent for Service of Legal Process

Bonni Jensen, Plan Attorney
Klausner, Kaufman, Jensen & Levinson
7080 N.W. 4th Street
Plantation, Florida 33317

Type of Administration

The Plan Administrator is responsible for the overall administration of the Plan. It has discretionary authority to construe the terms of the Plan and make determinations on questions which may affect your eligibility for benefits. The Plan Administrator may also retain the services of attorneys, accountants, actuaries, investment advisors and other professionals.

Plan Year

Each 12 month period beginning on October 1st and ending on September 30th. The Plan's fiscal records are maintained on this basis.

Relevant Provisions of Local and State Laws

The Plan is set forth in Chapter 2 Article V, Division 3 of the Code of Ordinances.

The most recent amendment to the Plan which is reflected in this Summary Plan Description is Ordinance No. 2015-18.

Your Plan is also governed by certain provisions of Part VII, Chapter 112, Florida Statutes (F.S.), Chapter 175 F.S. and various federal laws.

Relevant Provisions of Collective Bargaining Agreements

No volunteer covered by the Plan is a member of any collectively bargained unit.

Custodian

The custodian of the Plan is responsible for the safe-keeping of securities owned by the Pension Fund. The custodian is:

Salem Trust Company
Deerfield Beach, FL

Investment Manager(s)

The investment manager is responsible for selecting the securities to be bought and sold by the Pension Fund, in accordance with guidelines established by the Plan Administrator. The investment manager is:

Inverness Counsel, LLC
New York, NY

Member

Each volunteer who is eligible to participate in the Plan and who fulfills the prescribed eligibility requirements.

Beneficiary

Each person designated to the Plan Administrator by you to receive any payments that may become payable by the Plan upon your death. You should designate a beneficiary when you become a member of the Plan. You may change your designation at any time upon written notification to the Plan Administrator.

CONTRIBUTIONS TO THE PLAN

Benefits of the Plan are financed by contributions that are paid into the pension fund and by investment earnings generated by investment of the pension fund. Contributions to the fund are made by:

You

Your contribution rate is 5% of Compensation (see later page for definition of Compensation). Your contribution will cease upon your retirement, death or employment termination.

State of Florida

Monies are paid each year by the State pursuant to Chapter 175, F.S. Said monies are used for the benefit of firefighters.

Your Employer

Your Employer must contribute an amount determined by the Plan's actuary to be sufficient, along with the State contribution, to systematically fund the benefits under the Plan. The Employer's contribution will vary depending on the experience of the Plan.

ELIGIBILITY AND CREDITED SERVICE

Eligibility

You are eligible to be a Member of the Plan if you are a firefighter as of September 10, 1985. If you become a firefighter after September 10, 1985, you will become a member upon completion of your application for membership, which must be completed within 30 days of becoming eligible for this Plan.

Credited Service

Credited Service is the number of years of service credited to you for eligibility, benefit and vesting purposes. It is equal to the number of calendar years after 1971 in which you are awarded at least 30 service credits. You receive one service credit for attendance at a regular business meeting of the Volunteer Fire Department, attendance at a drill of the Volunteer Fire Department, an approved response to a fire alarm (including a false fire alarm) or emergency calls, or station watch for each 12 hour period. You will not receive credit for a year unless you are awarded with at least 30 service credits. No credit will be given for more than 30 years of service.

Break in Service

If you terminate employment but return to work for the Employer within five years of your termination, your previous service will be included in Credited Service as long as you left your contributions in the pension fund.

Buy Back of Previous Service

If you terminate your employment, take a refund of your contributions, and are then subsequently reemployed by the Employer, you will be permitted to buy back your previous Credited Service under the following conditions:

1. you must pay into the fund an amount equal to the sum of the amount you withdrew from the fund when you terminated employment, plus interest, as determined by the Board, from the date of withdrawal to the date of repayment; and
2. payment must be made within 90 days of reemployment.

Military Service

If you are an active member and leave the employment of the Volunteer Fire Department to enter the military, you will receive credit for the time you spent in the military provided you are entitled to re-employment under the Uniformed Services and Employment and Re-employment Rights Act (USERRA), and you return to work as a firefighter of the Town within one year from the date of your release. The maximum credit for military service is five years.

COMPENSATION

Compensation

Compensation is defined as total cash remuneration, including incentives, for firefighter services rendered to the Town through the Volunteer Fire Department. Compensation shall also include any differential wage payment from the Employer based on member's absence from employment while serving in qualified military service.

Effective July 1, 2011, overtime included in Compensation is limited to 300 hours per year. Additionally, Compensation for unused accumulated sick or vacation hours after July 1, 2011 are excluded. However, Compensation for all unused accumulate sick and vacation hours earned as of June 30, 2011 may be included provided the hours are cashed in at retirement.

Average Final Compensation

Average Final Compensation means average Compensation for the 5 best years out of the last 10 best contributing years prior to retirement as a volunteer or change in status to permanent full-time firefighter, or the career average of a volunteer firefighter, if greater.

RETIREMENT DATES

Normal Retirement Date

The Normal Retirement Date is the earliest date when unreduced retirement benefits may be paid. Your Normal Retirement Date is the first day of the first month coincident with or next following the date when you reach age 55 and complete 10 or more years of Credited Service or reach age 52 and complete 25 or more years of Credited Service.

Early Retirement Date

Your Early Retirement Date is the first day of the first month coincident with or next following the date when you reach age 50 and complete 10 or more years of Credited Service. You may retire anytime after this date with reduced benefits as described later.

Late Retirement Date

You may continue to work past your Normal Retirement Date. The first day of the first month coincident with or next following the date you actually stop working will be your Late Retirement Date.

RETIREMENT BENEFITS

Normal Retirement Benefit

The monthly benefit that you will receive if your employment continues until your Normal Retirement Date is called your Normal Retirement Benefit. The amount of your Normal Retirement Benefit is based on your years of Credited Service and monthly Average Final Compensation at your Normal Retirement Date.

The benefit as of your Normal Retirement Date is \$42.50 multiplied by your years of Credited Service, up to a maximum of 30 years. In no case will your Normal Retirement Benefit be less than 2% of your monthly Average Final Compensation for each year of Credited Service, up to a maximum of 30 years.

As an example, if your Credited Service at your Normal Retirement Date is equal to 20 years, and your monthly Average Final Compensation is \$500, then the monthly benefit is \$850, determined as the greater of the following:

1. $\$42.50 \times 20 \text{ years} = \850 ; or
2. $\$500 \times 2\% \times 20 \text{ years} = \200

The retirement benefit is paid to you as a Ten Year Certain and Life Annuity in accordance with the Normal Form of Benefit Payment as described later (however, see the sections on Death Benefits After Retirement and Election of Optional Forms of Benefit Payments). Your first benefit will be paid as of the first day of the first month coincident with or next following the date when you reach both your Retirement Date and terminate from employment.

Accrued Benefit

The portion of your Normal Retirement Benefit that you have earned at any point in time is called your Accrued Benefit. Your Accrued Benefit is computed in the same way as the Normal Retirement Benefit, except you use your current Average Final Compensation and Credited Service in the calculation. The Accrued Benefit is a monthly amount which starts on your Normal Retirement Date.

Late Retirement Benefit

The amount of your monthly Late Retirement Benefit is calculated and paid in the same way as the

Normal Retirement Benefit. However, your monthly Average Final Compensation and Credited Service as of your actual retirement date are used in the calculation. Your first benefit will be paid as of the first day of the first month coincident with or next following the date when you reach both your Retirement Date and terminate from employment.

Early Retirement Benefit

If you decide to retire early, you may receive your Early Retirement Benefit on a deferred basis or immediately.

1. A deferred Early Retirement Benefit is a benefit that begins on your Normal Retirement Date and is paid to you as a Ten Year Certain and Life Annuity (however, see the sections on Death Benefits After Retirement and Election of Optional Forms of Benefit Payments). The benefit is equal to your Accrued Benefit. Your first benefit will be paid as of the first day of the first month coincident with or next following the date when you reach both your Retirement Date and terminate from employment.
2. An immediate Early Retirement Benefit is a benefit that begins on your Early Retirement Date and is paid to you as a Ten Year Certain and Life Annuity (however, see the sections on Death Benefits After Retirement and Election of Optional Forms of Benefit Payments). The benefit is equal to your Accrued Benefit, reduced for the number of months by which the starting date of the benefit precedes your otherwise Normal Retirement Date. This reduced benefit takes into account your younger age and the earlier commencement of benefit payments. Your first benefit will be paid as of the first day of the first month coincident with or next following the date when you reach both your Retirement Date and terminate from employment. The following table shows how much your benefit will be reduced if payments begin before your Normal Retirement Date:

Number of Years Early	Percentage Reduction
1	3%
2	6
3	9
4	12
5	15

DISABILITY RETIREMENT

If you become totally and permanently disabled as provided by the Plan, you may be eligible for a disability benefit.

In the case of a disability incurred in the line of duty, you will be eligible for a benefit regardless of your length of service. In the case of a disability that is not incurred in the line of duty, you are eligible for a disability benefit only if you have at least 10 years of Credited Service.

The amount of your benefit due to line of duty disability would be the same as your Accrued Benefit. The benefit is payable once the Board confirms your eligibility and is payable until your recovery.

If you become deceased without recovery from the disability, the last payment would be the later of your death or the 120th monthly payment. In lieu of the benefit payment detailed above, you may select an optional form of benefit as detailed in a later section.

You are not eligible to receive a disability benefit from the Plan if disability is a result of the following:

1. Excessive and habitual use of drugs, intoxicants and narcotics;
2. Injury or disease sustained while willfully and illegally participating in fights, riots, civil insurrections or while committing a crime.
3. Injury or disease sustained while serving in any of the Armed Forces, except if you become disabled as a result of intervening military service under the federal Heroes Earnings Assistance and Relief Act of 2008 (H.R. 6081; P.L. 110-245);
4. Injury or disease sustained after your employment with the Town has been terminated;
5. Any condition evidenced during your pre-employment physical.

SURVIVOR BENEFITS

Before Retirement

If you pass away with at least 10 years of credited service but before your actual retirement, a death benefit shall be paid from the fund to your beneficiary for 120 months. Your benefit shall be computed as though you had retired on your date of death and had chosen the Normal Form of Benefit. If you have not attained 10 years of Credited Service, your Beneficiary is due a refund of your member contributions.

After Retirement

If you were receiving a form of retirement payment which provided for a survivor's benefit to be paid after your death, your Beneficiary will receive payments following your death. The section entitled, "Forms of Benefit Payments" describes the various forms of retirement payments. If no optional form of benefit was chosen, your Beneficiary is entitled to receive the remainder of the 120 guaranteed payments. If you received 120 payments or more before your death, no benefit is payable to the Beneficiary.

VESTED RETIREMENT BENEFIT

If you terminate your membership in the volunteer fire department, other than by reason of retirement, disability or death, you may be entitled to a deferred Vested Retirement Benefit. This benefit is equal to your Accrued Benefit on your termination date multiplied by your vested interest. The following chart shows your vested interest in your Accrued Benefit.

Vesting Schedule	
Completed Years of Credited Service	Vested Interest
Less than 10	0%
10 or more	100

The vested benefit is payable at the date which would have been your Normal Retirement Date had you remained a member of the Volunteer Fire Department. If you terminate your membership before you earn at least 10 years of Credited Service, you will not receive a benefit; you will receive a refund of your member contributions, if any.

FORMS OF BENEFIT PAYMENTS

Normal Form of Benefit Payment

Unless you elect otherwise before retirement, your pension is payable as a Ten Year Certain and Life Annuity. This is a series of monthly payments for your life that cease upon your death. If, however, you die before 120 payments are made, payments are then continued to your beneficiary until a total of 120 payments are made.

Election of Optional Forms of Benefit Payments

You have the right at any time before your actual retirement date to elect not to have your retirement benefit paid in the Normal Form. Your benefit would then be paid in the form which you choose.

You may choose among the options described below and revoke any such elections and make a new election at any time before actual retirement. You must make such an election by written request to the Plan Administrator and such an election shall be subject to the approval of the Plan Administrator. This election also applies to terminated Participants who are eligible for payment of Early Retirement, Disability Retirement and deferred Vested Retirement Benefits. The options available are as follows:

1. Option 1 - Joint and Last Survivor Annuity

You may elect to receive a decreased monthly retirement benefit during your lifetime and have such decreased retirement benefit (or a designated fraction thereof – 50%, 66 2/3%, 75% or 100%) continued to your Beneficiary during the lifetime of your Beneficiary.

2. Option 2 – Single Life Annuity

You may elect to receive an increased monthly retirement benefit payable for your life only that would cease upon your death.

AMENDMENT OR TERMINATION OF THE PLAN

The Plan may be amended or terminated at any time by the Employer. If the Plan were terminated, you would immediately become fully vested in the benefit you had earned so far. All of the assets of the Plan would be allocated to the Members according to certain classes of priority. Only after all accrued benefits have been paid and any other liabilities have been satisfied could any remaining money be returned to the Employer and the State.

IMPORTANT NOTICE

There are certain circumstances which may result in the disqualification, ineligibility, denial, loss, forfeiture, suspension or deferral of your benefits in this Plan. The following is a list of these circumstances:

1. If you terminate membership before reaching the Normal Retirement Date and you do not have enough Credited Service to have earned a vested interest, no benefits will be payable, except for a refund of your accumulated member contributions.
2. If you die before attaining a vested interest, no benefits will be payable, except for a refund of your accumulated member contributions.
3. No credit is allowed either for benefit accrual or vesting purposes for any year in which you do not earn at least 30 service credits.
4. Your retirement benefit will not be payable until actual retirement date, even if you continue to work beyond the Normal Retirement Date.
5. In the event that this Plan terminates and the available Plan assets are less than the value of all Accrued Benefits, then your Accrued Benefit may be reduced.
6. Your Accrued Benefit may be forfeited if you are convicted of certain felonies as provided by State law (Chapter 112.3173 F.S.).
7. Payment of your benefits may be subject to an income deduction order for child support or alimony in accordance with rules and procedures adopted by the Board.

YOUR RESPONSIBILITIES

1. Retain this Summary Plan Description with your other important papers for later reference or for replacement by updated versions and supplemental notices, if any.
2. Upon completing eligibility requirements, sign a Membership Form, including a Beneficiary designation.
3. Keep your Beneficiary designation form updated to express your wishes.
4. If you terminate membership, check to see if you are entitled to a Vested Retirement Benefit and the date payable.
5. If you should terminate membership with rights to a deferred Vested Retirement Benefit, then, shortly before the date on which your benefit is to begin, you should contact and notify the Employer to begin such payments.
6. Upon your Normal Retirement, complete the form necessary to indicate which Optional Form of Benefit you desire.

CLAIMS AND PROCEDURES

Claims for benefits under the Plan must be filed in writing with the Plan Administrator. If you are eligible for any benefits from this Plan, you will be provided with a notification form showing the amount of your benefit and options, if any, and the earliest date on which such benefit is payable.

Your request for Plan benefits shall be considered a claim for Plan benefits, and it will be subject to a full and fair review. If your claim is wholly or partially denied, the Plan Administrator shall furnish you with a written notice of this denial. This written notice must be provided to you within a reasonable period of time after the receipt of your claim by the Plan Administrator. The written notice must contain the following information:

1. The specific reason or reasons for the denial;
2. Specific reference to those Plan provisions on which the denial is based;
3. A description of any additional information or material necessary to correct your claim and an explanation of why such material or information is necessary; and
4. Appropriate information as to the steps to be taken if you or your Beneficiary wishes to submit your claim for review.

If notice of the denial of a claim is not furnished to you in accordance with the above within a reasonable period of time, your claim shall be deemed denied. You will then be permitted to proceed to the review stage in accordance with the Claims Review Procedure established by the Board.

PERTINENT ACTUARIAL INFORMATION		
	As of October 1st	
	2015	2014
Number of Members of the Plan		
Active Employees	63	51
Those Receiving or Due to Receive Benefits	8	8
Annual Payroll of Active Members	\$ 301,409	\$ 249,041
Annual Rate of Benefits in Pay Status	52,309	15,194
Entry Age Normal Actuarial Accrued Liability	1,656,029	527,286
Net Assets Available for Benefits (Actuarial Value)	1,763,537	926,739
Unfunded Actuarial Accrued Liability	(107,508)	(399,453)
Required Contribution to be Made to the Plan Over and Above Contributions by Members of the Plan	29,701	0
Required Contribution as % of Payroll of Active members	9.85%	0.00%
Required Contribution to be Paid During Year Ending	9/30/2016	9/30/2015

Reconciliation of Plan Assets

Item	September 30	
	2015	2014
A. Market Value of Assets at Beginning of Year	\$ 1,719,328	\$ 1,518,424
B. Revenues and Expenditures		
1. Contributions		
a. Employee Contributions	\$ 14,458	\$ 13,976
b. Employer Contributions	14,458	13,976
c. State Contributions	110,610	153,054
d. Other	-	-
e. Total	\$ 139,526	\$ 181,006
2. Investment Income		
a. Interest, Dividends, and Other Income	\$ 28,549	\$ 22,627
b. Net Realized Gains/(Losses)	54,552	(4,826)
c. Net Unrealized Gains/(Losses)	(100,233)	40,836
d. Investment Expenses	(22,983)	-
e. Net Investment Income	\$ (40,115)	\$ 58,637
3. Benefits and Refunds		
a. Refunds	\$ (7,981)	\$ (15,195)
b. Regular Monthly Benefits	(15,194)	(15,194)
c. Partial Lump-Sum Benefits Paid	-	-
d. Total	\$ (23,175)	\$ (30,389)
4. Administrative and Miscellaneous Expenses	\$ (32,027)	\$ (8,350)
5. Transfers	\$ -	\$ -
C. Market Value of Assets at End of Year	\$ 1,763,537	\$ 1,719,328
D. Reserves		
1. State Contribution Reserve	\$ (879,728)	\$ (792,589)
E. Market Value of Assets Net of Reserves	\$ 883,809 *	\$ 926,739

* Before reflecting benefit changes