

**CITY OF VENICE MUNICIPAL FIREFIGHTERS'
PENSION TRUST FUND
SUMMARY PLAN DESCRIPTION**

November 1, 2010

IS YOUR BENEFICIARY FORM CURRENT? IN THE EVENT YOU DIE, YOUR BENEFIT OR CONTRIBUTIONS WILL BE DISTRIBUTED TO THE PERSON OR PERSONS DESIGNATED BY NAME ON THE BENEFICIARY FORM ON FILE WITH THE PENSION PLAN. NO PROVISION IN YOUR LAST WILL AND TESTAMENT WILL CHANGE THIS SELECTION. PLEASE BE SURE THAT YOUR BENEFICIARY FORM DESIGNATES THE PERSON OR PERSONS YOU INTEND TO RECEIVE YOUR BENEFITS AND THAT YOU REVIEW THIS CHOICE IN THE EVENT OF A MAJOR LIFE CHANGE SUCH AS A DIVORCE OR THE DEATH OF YOUR BENEFICIARY.

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INTRODUCTION

The Board of Trustees of the City of Venice Municipal Firefighters' Pension Trust Fund is pleased to present this booklet which briefly explains the provisions of your Firefighters' Pension Plan. As a participant in the Fund, you are included in a program of benefits to help you meet your financial needs at retirement, or in the event of disability or death.

This booklet can assist you in preparing for your retirement and financial future. If you need further information on any of the topics presented in this booklet, please contact any member of the Board of Trustees. They will either answer questions you might have to help you understand your benefits or otherwise get you an answer to your questions. We urge you to read and understand this booklet in order to become familiar with the benefits of the plan and how they contribute to your financial security and how they will enrich your retirement years.

The information presented is only a summary of the pension plan ("Plan") as provided in the ordinances of the City of Venice. If there are any conflicts between the information in this booklet and the ordinances of the City of Venice, the ordinances shall govern. The provisions of this Summary Plan Description shall not constitute a contract between the Member and the Board of Trustees. The Plan shall be administered in accordance with state and federal law, notwithstanding any provisions in this booklet or ordinances to the contrary. A copy of the ordinance establishing the Plan can be obtained from the City Clerk's office, which is located at 401 West Venice Avenue, Venice Florida 34285.

Chairman, Board of Trustees, City of Venice
Municipal Firefighters' Pension Trust Fund

Date

1. **BOARD OF TRUSTEES AND PLAN ADMINISTRATION**

A. Administration. The City of Venice Municipal 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 legal residents who are appointed by the City Council, 2 of whom are Members of the Plan who are elected by a majority of the Firefighters who are members of the Plan and a fifth Trustee who is chosen by a majority of the first 4 Trustees. Each Trustee serves a 4 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 City Fire Department as a full-time Firefighter shall become a member of the Plan as a condition of employment. All Firefighters are therefore eligible for all plan benefits as provided for in the plan document and by applicable law.

3. **PLAN BENEFITS**

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

A. Normal Retirement Eligibility. You are eligible for retirement upon the earlier of the attainment of age 55 and the completion of 10 years credited service or the completion of 25 years of credited service, regardless of age.

B. Amount of Normal Retirement Benefits. The amount of the normal retirement benefit is based on your credited service and average final compensation:

"Credited Service" is generally your period of employment as a Firefighter in the Fire Department measured in years and parts of years. Credited service will include credit for up to five years for a break in employment for military service, pursuant to conditions provided for under state or federal law, provided that you are reemployed within 1 year of discharge under honorable conditions. Additional credited service time may also be available (See subsection K. below).

"Average Final Compensation" is 1/12 of the average salary of the highest 5 years of the last 10 years of credited service prior to your termination, retirement or death or the career average as a full-time Firefighter, whichever is greater. A year is defined as 12 consecutive months.

"Salary" means your total monthly compensation for services rendered to the City as a Firefighter reported on your W-2 form plus all tax deferred or tax sheltered items of income derived from elective employee payroll deductions or salary reductions, as well as any employer final pay contribution and employer accrued leave contribution made to the City of Venice Non-Bargaining Retirement Plan for the member's benefit.

The normal monthly retirement benefit is calculated by multiplying 3.5% times years of credited service times your average final compensation, plus \$175.00: $(3.5\% \times CS \times AFC + \$175.00 = \text{normal retirement benefit})$.

Normal and early retirement payments will commence on the first day of the month following your last day of employment. Early retirees may defer the commencement of benefits. The benefit is paid to you for your life, but you or your beneficiary shall receive at least 120 monthly benefit payments in any event.

C. Early Retirement. You are eligible for early retirement upon the attainment of age 50 and the completion of 10 years of credited service or the completion of 20 years of credited service, regardless of age.

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) Beginning on the date on which you would have qualified for normal retirement; or
- (2) Beginning immediately upon retirement, but if beginning immediately, the amount of the monthly benefit is reduced by 2% for each year by which the commencement of benefits precedes your normal retirement date.

E. Cost of Living Increases. In addition to the benefits provided above, the Plan provides for a cost of living increase as follows:

If you retire (normal or early) after October 1, 1998, your pension benefit shall be increased beginning on the first October 1st following commencement of retirement benefits, and each October 1st thereafter, by an amount equal to 3% until the adjustment date next following attainment of age 65 after which such adjustments shall cease. However, the first adjustment shall be prorated based on the number of months of retirement as of the first adjustment date. If you die, your beneficiaries and joint annuitants shall receive adjustments as provided for herein, based on your age at the time of your death.

F. Optional Forms of Retirement. In lieu of the amount and form of retirement income payable under normal and early retirement, you may elect to receive a retirement benefit in a different form so long as the form you elect is of equal actuarial value as the normal benefit. The optional forms of benefits which are available are:

- (1) A retirement income of a larger monthly amount, payable to you for your lifetime only.
- (2) A retirement income of a modified monthly amount, payable to you during your lifetime and following your death, 100%, 75%, 66-2/3% or 50% of such monthly amounts payable to the dependent joint pensioner for his lifetime.
- (3) A retirement income providing increased monthly payments from your retirement to age 62 with provisions for reduced payments thereafter to the extent that such method of payment may be reasonably calculated to provide, together with social security benefits, a level income.
- (4) You may also elect to receive an initial lump sum payment equal to 10%, 15%, 20% or 25% of your accrued benefit with the remaining 90%, 85%, 80% or 75%, respectively, payable in a form selected by you and provided for in (1), (2) or (3) above or in the normal form (10 years certain and life).

G. Disability Retirement. You are considered disabled when you become 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. If the pension is granted, the benefit amount shall be:

- (1) If the injury or disease is service connected, you shall be entitled to a monthly pension equal to 2% of your average final compensation times your years of credited service, but in any event, the minimum amount shall be 50% of your average final compensation.
- (2) If the injury or disease is not service connected, you shall be entitled to a monthly pension equal to 2% of your average final compensation times your years of credited service, but in any event, the minimum amount shall be 50% of your average final compensation; however, the non-service connected benefit is only available if you have 5 years of credited service. The non-service connected disability benefit is not available if you have less years of credited service.

Terminated persons, either vested or non-vested, are not eligible for disability benefits, except that those terminated by the City for medical reasons may apply for a disability benefit within 30 days after termination.

Your disability benefit terminates upon your recovery from disability, or upon your death, your benefit will be paid to your spouse until your spouse's death or remarriage, and if you have no surviving spouse, then the benefit is paid to your children for a period specified in the plan. You may, however, select a "life-only" or "joint and survivor" optional form of benefit as described above under "Optional Forms of Retirement" or you may elect to receive a 10 year certain and life benefit equal to the benefit described in subsections (1) and (2) above.

Any condition or impairment of health caused by hypertension or heart disease resulting in death or total and permanent disability is presumed to have been suffered in the line of duty unless the contrary is shown by competent evidence; provided that you have successfully passed a physical examination on entering into service and there is no evidence of the condition at that time.

For conditions diagnosed on or after January 1, 1996, if you suffer a condition or impairment of health that is caused by hepatitis, meningococcal meningitis, or tuberculosis, which results in total and permanent disability, it shall be presumed that the disability is in the line of duty, unless the contrary is shown by competent evidence as provided for in Section 112.181, Florida Statutes, provided that the statutory conditions have been met.

To receive disability benefits, you must 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 narcotics.
- (2) Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections or while committing a crime.
- (3) Injury or disease sustained while serving in any branch of the Armed Forces.
- (4) Injury or disease sustained after your employment as a Firefighter with the City of Venice shall have terminated.

As a disabled pensioner, you are subject to periodic medical examinations as directed by the Board to determine whether a disability continues. You may also be required to submit statements from your doctor, at your expense, confirming that your disability continues.

H. Death Before Retirement. If you die prior to retirement from the Fire Department, your beneficiary shall receive the following benefit:

- (1) If you have less than 5 years of service prior to your death, and you die from causes not directly connected with your performance of duties as a Firefighter, your beneficiary will receive refund of 100% of your accumulated contributions.
- (2) If you have at least 5 years of service and die prior to retirement and the cause of death was not service related, your surviving spouse shall receive a monthly benefit equal to 50% of your average final compensation, payable for life or until the remarriage of your spouse. If you have no surviving spouse, then this benefit shall be paid in equal shares to any of your surviving children who are under the age of 18 or who are under age 23 and are pursuing a full-time education.
- (3) If you die and the cause of death is service related, your surviving spouse shall receive a monthly benefit payable for your surviving spouse's life, equal to 50% of your average final compensation. If you have no surviving spouse, then this benefit shall be paid in equal shares to any of your surviving children who are under the age of 18 or who are under age 23 and are pursuing a full-time education.
- (4) Additional spouse beneficiary provision. Notwithstanding subsections (2) and (3) above, in the event you die prior to retirement or prior to receipt of benefits and you are a member or terminated vested person with 10 or more years of credited service, your beneficiary shall be entitled to the accrued normal or early retirement benefit payable at your early or normal retirement age less the value of any benefits paid or payable under subsections (2) and (3).
- (5) Additional non-spouse beneficiary provision. If you have at least 10 years of credited service and die prior to retirement, your beneficiary is entitled to the benefits described in (4) above, payable beginning by December 31 of the calendar year immediately following the calendar year in which you died. The benefit will be calculated as for normal retirement based on your credited service and average final compensation and actuarially reduced to reflect the commencement of benefits prior to the normal retirement date.
 - (a) If a surviving beneficiary commences receiving a benefit under subsection (5) above, but dies before all payments are made, the actuarial value of the remaining benefit will be paid to the surviving beneficiary's estate by December 31 of the calendar year of the beneficiary's death in a lump sum.
 - (b) If there is no surviving beneficiary as of your death, and the estate is to receive the benefits, the actuarial equivalent of your entire interest must be distributed by December 31 of the calendar year containing the fifth anniversary of your death.
- (6) Your beneficiary may, in lieu of any benefit provided for in subsections (2), (3), (4) or (5) above elect to receive a refund of your accumulated contributions.

I. Termination of Employment and Vesting. If your employment is terminated, either voluntarily or involuntarily, the following benefits are payable:

- (1) If you have less than 10 years of credited service upon termination, you shall be entitled to a refund of the money you have contributed or you may leave it deposited with the Fund.
- (2) If you have 10 or more years of credited service upon termination, you shall be entitled to a monthly retirement benefit. The benefit shall be determined in the same manner as for normal or early retirement and shall be based upon your credited service, average final compensation and the benefit accrual rate as of the date of termination. The benefit shall be payable to you starting at your otherwise normal or early retirement date, determined as if you had remained employed, provided you do not elect to withdraw your contributions and provided you survive to your otherwise normal or early retirement date. If you do not withdraw your accumulated contributions and do not survive to your otherwise normal or early retirement date, your designated beneficiary shall be entitled to a benefit as provided herein for a deceased member, vested or eligible for retirement under Death Before Retirement.

The Internal Revenue Code provides that certain eligible lump sum distributions from the pension system may be directly rolled over into qualified individual retirement accounts, annuities or certain other pension plans. A 20% withholding shall be required on taxable portions of such lump sum distributions not directly transferred to a new custodian.

J. Reemployment After Retirement. If you retire under normal or early retirement and wish to be reemployed by the city, you should be aware that your ability to continue to receive your pension benefit upon reemployment may be restricted.

K. Additional Credited Service. In addition to credited service actually earned in the employment of the Fire Department, you may also receive credited service as follows:

- (1) "Buy-Back" for Prior Fire Service. The years or fractional parts of years that you previously served as a Firefighter with the City of Venice during a period of previous employment and for which period accumulated contributions were withdrawn from the Fund shall be added to your years of credited service provided that within the first 90 days of your reemployment you pay into the plan the withdrawn contributions with interest.

If, after 90 days from your reemployment you have failed to purchase credited service pursuant to the previous paragraph or if you served as a full-time paid Firefighter for any other municipal, county or special district fire department in the State of Florida, you will receive credited service only if:

- (a) You contribute to the Fund a sum equal to:
 - (i) the amount that you would have contributed to the Plan, based on your salary and the member contribution rate in effect at the time that the credited service is requested, had you been a member of the Plan for the years or fractional parts of years for which you are requesting credit, plus

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 the basis of the Plan year.

8. **APPLICABLE PROVISIONS OF COLLECTIVE BARGAINING AGREEMENTS**

The current collective bargaining agreement between the City and the Firefighters contains no provisions which deal directly with pension benefits, however, pension benefits are a bargaining issue.

9. **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".

10. **DIVORCE OR DISSOLUTION OF MARRIAGE**

Federal and state law provides certain restrictions regarding the payment of your pension benefits in the event of your divorce or dissolution of marriage. Immediately upon your involvement in such a legal proceeding, you should provide a member of the Board with the name and address of your attorney or your name and address if you have no attorney. The Board's attorney will then provide you or your attorney with information concerning the legal restrictions regarding your pension benefits. In addition, a copy of any proposed order must be submitted to the Board prior to entry by the court. Failure to do so may require you to pay any expenses incurred by the Board in correcting an improper court order.

EXHIBIT "A"

BOARD OF TRUSTEES

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

Chairman: Shawn Carvey
 200 North Grove Street
 Venice, Florida 34292

Secretary: Ed VanDeusen
 200 North Grove Street
 Venice, Florida 34292

Member: Jack Erkilla
 200 North Grove Street
 Venice, Florida 34292

Member: Rich Lanigan
 200 North Grove Street
 Venice, Florida 34292

Member: Tom Gavlick
 200 North Grove Street
 Venice, Florida 34292