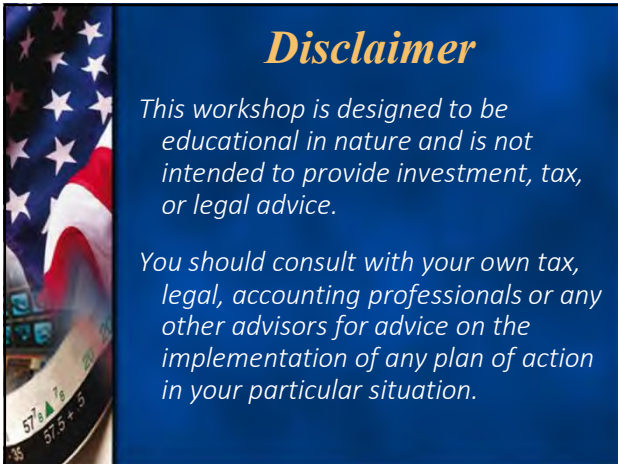




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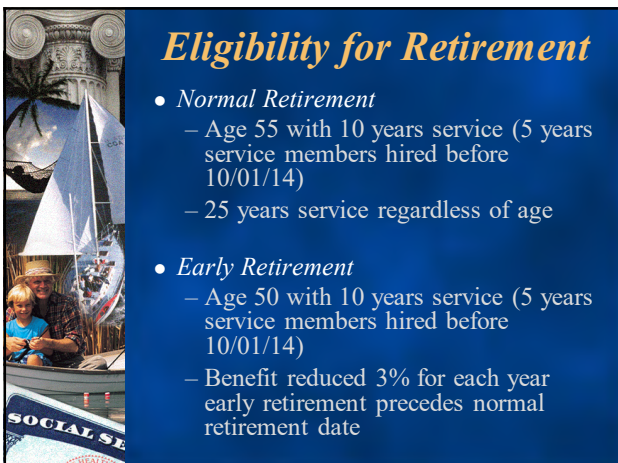
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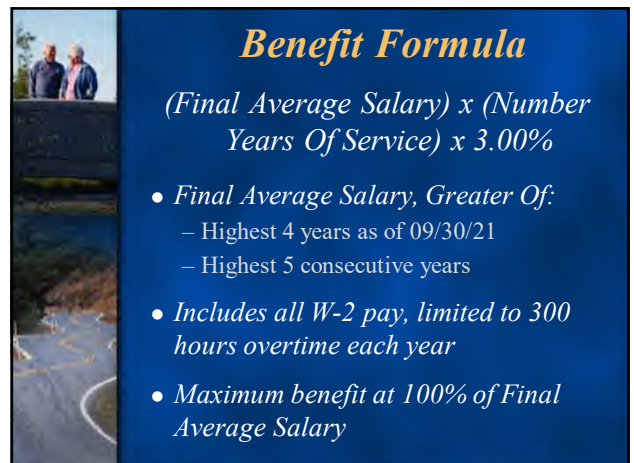
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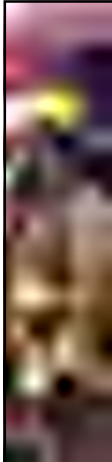
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6



## ***Final Average Salary***

- *Pay Increases vs. Pay Dilution*
- *Frozen 4 high years does not include sick and vacation hour value*
- *One year of higher pay dilutes over 5 years*
- *Sick and vacation hour value diluted 20%*

7



## ***Sick & Vacation Hours***

- *Final Average Salary:*
  - Shift: Maximum 2 years of accruals (480 hours vacation + 720 hours sick leave)
  - Day: Maximum 2 years of accruals (480 hours vacation + 555 hours sick leave)
- *Participants entering DROP can rollover up to 120 vacation hours*
- *Hours currently increase benefit about 11-13% for Firefighters*

8



## ***Distribution Options for the Defined Benefit***

- *Firefighters: Lifetime Benefit With Minimum Of 120 Total Monthly Pension Payments*
- *Optional Forms Of Benefit Available To Provide Survivor Income To Beneficiary*
- *Deferred Retirement Option Plan (DROP)*

9



## ***Prior Qualifying Service Purchase***


- *Buy-Back Of Service Available*
  - Prior military or fire service credit
  - Available to members with 10 years service
  - Member Can Purchase Up To 4 Years
  - Cost based on contribution rate and annual base salary at time of purchase
  - Purchased service does not count for vesting
- *Member can separately purchase pension and supplemental benefit service credit*

10



## ***DROP & Supplemental Plans***

11



## ***DROP Entry***

- *Deferred Retirement Option Plan*
- *Members can DROP for up to 72 months*
- *Options for Investment*
  - Assumed actuarial rate of return less ½%
  - Net investment return on assets
  - Early DROP 2½% less than actuarial rate
- *Firefighters continue to contribute 6% to the pension plan*

12





## ***DROP Participation***

- *Members can DROP for up to 72 months*
- *Maximum participation 32 years*
- *DROP period reduces for each month entry goes beyond 26 years*
- *DROP commences 1<sup>st</sup> of month following election date*
- *Member signs binding letter of resignation on entry*

13



## ***Actuarial Assumed Rate***

- *Scheduled Decrease Next 5 Years*
  - October 1, 2020: 7.5% Annual Rate
  - October 1, 2021: 7.4% Annual Rate
  - October 1, 2022: 7.3% Annual Rate
  - October 1, 2023: 7.2% Annual Rate
  - October 1, 2024: 7.1% Annual Rate
  - October 1, 2025: 7.0% Annual Rate
- *Members Credit ½% Less*
- *Quarterly Equivalent:*  

$$(1 + i)^{(1/n)} - 1$$
*Example:*  

$$(1 + 0.07)^{(1/4)} - 1 = 1.071\% \text{ Quarterly}$$

14



## ***DROP Statement Timing***

- *Quarterly Statements*
- *Online Access & Physical Statements*
- *Timing*
  - Statement for Prior Quarter End
  - Timing on Return for Pension Assets

15

## ***DROP Distributions***

- *DROP Account automatically continues to spousal beneficiary or minor to age 18*
- *Payment options*
  - Lump sum
  - Annual installments
  - Monthly installments
  - Transfer or Rollover
- *Required Minimum Distributions starting at age 72*

16



## ***Supplemental Plan***

- *Funded by contributions from members and state*
- *Benefit amount based on age and service at retirement*
- *Firefighters receive additional monthly benefit*
- *Benefit commences after separation from service*
- *Separate optional forms of benefit payment available*

17

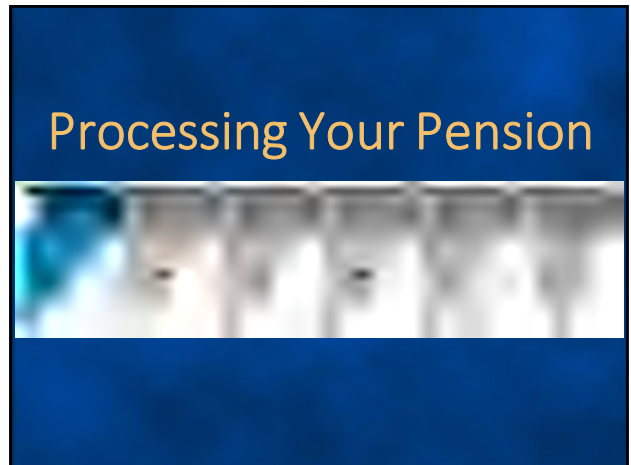
## ***Supplemental Plan***



18



19



20



### *Application Procedures for Retirement*

- *Application Filed With Administrator*
- *Administrator Determines Final Average Salary, Reviews Calculation With Participant*
- *Actuary Determines Benefit And Payment Alternatives*
- *Participant Elects Form Of Benefit Payment Through Administrator*
- *Trustees Approve Benefit*
- *Administrator Pays Benefits To Retired Participants*

21



### *Application Procedures for Retirement*

- *Application: 1-2 Weeks Prior To Retirement*
- *Benefit Calculation: 1-2 Weeks Following Receipt of Final Payroll*
- *Review By Actuary: 1-2 Weeks*
- *Benefit Calculation & Forms Mailed to Member*
- *Member: 1-2 Weeks to Respond*
- *Set Up Pension Payment: 1 Week*

22



### *DROP Entry*

- *Required Forms*
  - Application for Retirement
  - DROP Agreement
  - DROP Earnings Election
  - Benefit Option Form
  - Copy of Driver License, Marriage Cert
- *Optional Forms*
  - Beneficiary Designation

23



### *DROP Exit*

- *Required Forms*
  - Application for Retirement (Supplemental)
  - Benefit Election Form
  - Tax Withholding Form (W-4P)
  - Benefit Election Form
  - Direct Deposit Form
- *Optional Forms*
  - Beneficiary Designation

24



25

### *Virtual Pension Office*

- *Pension plan documents*
  - Ordinance
  - Summary Plan Description
- *Online Benefit Calculator & Account Inquiry Systems*
- *Forms & applications*
- *Recent Plan investment performance*
- *Links to other service providers*
- *Client Service Team Email Box:*  
[\*ClientServices@ResourceCenters.com\*](mailto:ClientServices@ResourceCenters.com)

26

## *Online Resources*

Select *St Lucie County Fire District*  
Click on the "Benefit Calculator" Icon  
For Pension Benefit Projections

27



28