



August 28, 2020

Mr. Albert Lovingood
The Resource Centers, LLC
4360 Northlake Blvd. Suite 206
Palm Beach Gardens, FL 33410

Re: St. Lucie County Fire District Firefighters' Pension Trust Fund

Dear AC:

As requested, we have reviewed the proposed ordinance which would amend St. Lucie County Fire District Firefighters' Pension Trust Fund as follows:

- Amends Section 2, Definitions: The exclusion of unused accumulated sick and vacation leave from pensionable compensation for members with less than 10 consecutive years of service was amended to apply only to vested terminated members, as originally intended, and reference to this section was removed from Section 28, Deferred Retirement Option Plan ("DROP").
- Amends Section 2, Definitions: The original effective date is added to the definition of Effective Date.
- Clarification language is added to Section 5, Finance and Fund Management, to specifically address the right of the Board to correct errors.
- Clarification language is added to Section 6, Contributions, to reference Ordinance changes by number.
- Amends Section 8, Pre-Retirement Death: Adds the line-of-duty presumptions from Florida law, including the new cancer presumption.
- Amends Section 9, Disability: Adds the line-of-duty presumptions from Florida law, including the new cancer presumption; also provides for State minimum disability benefits for members (2.0% of FAS per year of service if member has less than 10 years of service and 2.75% of FAS if member has 10 or more years of service).
- Amends Section 19, Distribution of Benefits: Increases required minimum distribution age to 72.
- Amends Section 20, Miscellaneous Provision: Allows the plan to be amended to required IRS changes by policy.
- Amends Section 28, Deferred retirement option plan ("DROP"): Removes a one-time DROP election crediting option change from 2016 amendment when interest rate was changed.
- Amends Section 29, Re-employment After Retirement: Amends rehire after retirement provision to allow rehire after normal retirement with a separation from service to permit the payment of pension and supplemental benefits and DROP withdrawals while rehired, allow DROP money to remain in the fund and earn interest, allow for rehire after early retirement (but benefits are not paid and rehired firefighter must participate in the plan again – except the Chief, who may opt out, and a new benefit is earned after rehire based on the plan provisions in place upon the second termination date).

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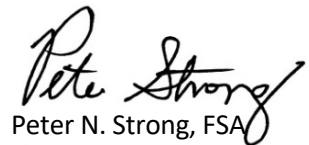
In our opinion, with the exception of the amendments related to the Florida Firefighter Cancer bill, these changes will not have an actuarial impact on the cost of the Plan for prefunding purposes. Therefore, it is our opinion that a formal Actuarial Impact Statement is not required. However, we recommend that you send a copy of this letter and the ordinance to the Bureau of Local Retirement Systems.

The impact of the amendments to Sections 8 and 9 related to the Florida Firefighter Cancer presumption legislation was previously measured and reflected in the October 1, 2019 actuarial valuation dated June 24, 2020. This change increased the Fire District's required contribution by \$41,484 or 0.12% of covered pay.

Peter N. Strong is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The undersigned actuary is independent of the plan sponsor.

We welcome your questions and comments.

Respectfully submitted,



Peter N. Strong, FSA
Senior Consultant & Actuary

The above communication shall not be construed to provide tax advice, legal advice or investment advice.

