



THE RESOURCE CENTERS, LLC

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September 24, 2020

TO: Board of Trustees
St Lucie County Fire District Firefighters Pension Trust Fund

FROM: Resource Centers LLC
Plan Administrator

RE: Reduction for Early Retirement

Dear Trustees:

As you know, we recently received questions about the reduction for an early retirement benefit. Should the reduction apply from age 55, the normal retirement date by age, or the date the member otherwise would reach 25 years of service if earlier?

The Plan Document includes the following provisions for an early retirement benefit:

(Early Retirement from Active Service)

Section 7-4. Early Retirement Benefit

A Member retiring hereunder on his/her early retirement date may receive either a deferred or an immediate monthly retirement benefit payable for life. In the event the Member dies after retirement but before he or she has received retirement benefit payments for a period of 10 years, then the same monthly benefit will be paid to the beneficiary (or beneficiaries) as designated by the firefighter until a total of 120 monthly payments have been made to the firefighter and beneficiary combined for the balance of such 10-year period, as follows:

- A. A deferred monthly retirement benefit which shall commence on what would have been his/her normal retirement date had he/she remained a Firefighter and shall be continued on the first day of each month thereafter. The amount of each such deferred monthly retirement benefit shall be determined in the same manner as for retirement as his/her normal retirement date except that credited service and average final compensation shall be determined as of his/her early retirement date; or
- B. An immediate monthly retirement benefit which shall commence on his/her early retirement date and shall be continued on the first day of each month thereafter. The benefit payable shall be as determined in paragraph A above, which is actuarially reduced from the amount to which he/she would have been entitled had he/she retired on his/her normal retirement date and with the same number of years of credited service as at the time his/her benefit commence and based on his/her average final compensation at that date. In no event shall the early retirement reduction exceed three percent (3%) for each year by which the commencement of benefits precedes the Member's normal retirement date.

(Early Commencement for a Vested Deferred Member)

Section 11. Vesting

If a Member terminates his/her employment with the Fire District, either voluntarily or by discharge, and is not eligible for any other benefits under this Pension Trust Fund, the Member shall be entitled to the following:

2. If the Member was hired prior to October 1, 2014 and has five (5) or more years of credited service upon termination, the Member shall be entitled to a monthly retirement benefit that is the actuarial equivalent of the amount of such retirement income otherwise payable to him commencing at the Member's otherwise normal or

early retirement date, provided he does not elect to withdraw his/her accumulated contributions and provided the Member survives to his/her normal or early retirement date.

We therefore reviewed the detailed retirement benefit calculations for five members retiring early during the period when Foster served as the actuary, to establish precedent based on past practice. The Pension Fund may have additional members that retired early. We identified the following five and reviewed their benefits:

(Early Retirement from Active Service)

- Richard Hammer, Retire 08/01/2013
14.5% Reduction measured from 25-year date, earlier than age 55.
- Charles (Dennis) McElheny, Retire 06/01/2016
9% Reduction measured from 25-year date, earlier than age 55.
- David Green, Retire 04/01/2017
4.75% Reduction measured from age 55, earlier than 25-year date.
- William Floyd, Retire 07/31/2017
5% Reduction measured from age 55, earlier than 25-year date.

(Early Commencement for a Vested Deferred Member)

- Dennis Green, Retire 11/01/2013
15% Reduction measured from age 55, not 25-year date which came earlier.

Historically the Pension Fund appears to measure the reduction from the earlier of the 25-year date or age 55 for members retiring from service, but from the age 55 date for vested deferred members commencing benefits early.

Sincerely,



J. Scott Baur, Plan Administrator
Managing Partner