

DELRAY BEACH POLICE, FIRE FIGHTERS & PARAMEDICS
RETIREE BENEFIT FUND
PLAN DOCUMENT - SECOND RESTATED

Effective January 1, 2006

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A. PURPOSE

Pursuant to the provisions contained herein, the purpose of the Fund is to provide full or partial reimbursement for health insurance premiums or other qualified benefits permitted under Section 501(c)(9) of the Internal Revenue Code.

B. DEFINITIONS

AMENDMENT

The term “Amendment” means a formal document that changes the provisions of this Plan Document, duly signed by the Board of Trustees of the Delray Beach Police, Fire Fighters and Paramedics Retiree Benefit Fund.

COVERED PERSON

The term “Covered Person” means an Eligible Employee who meets the Benefit Eligibility criteria contained in this Plan of Benefits.

EFFECTIVE DATE

The effective date of the Plan Document is January 1, 2004.

ELIGIBLE EMPLOYEE

“Eligible Employee” means all persons employed by the City of Delray Beach Fire Rescue Department on or after October 1, 2001, who are certified as firefighters as a condition of employment for whom contributions have been made to the Fund and all persons employed by the City of Delray Beach Police Department on or after October 1, 2004, who are certified as law enforcement officers as a condition of employment for whom contributions have been made to the Fund. “Eligible Employee” shall also include all persons for whom contributions have been made to the Fund for each year since October 1, 2001, regardless of the employees’ certification as a firefighter or law enforcement officer.

FUND OR TRUST FUND

“Fund” or “Trust Fund” means the Delray Beach Police, Fire Fighters and Paramedics Retiree Benefit Fund.

PLAN OF BENEFITS OR PLAN DOCUMENT

“Plan of Benefits” or “Plan Document” means the benefits and provisions for payment of benefits as set forth herein by the Delray Beach Police, Fire Fighters and Paramedics Retiree Benefit Fund.

PLAN ADMINISTRATOR

The Fund and Plan of Benefits will be administered by the Board of Trustees of the Delray Beach Police, Fire Fighters and Paramedics Retiree Benefit Fund.

RETIRED OR RETIREMENT

For employees certified as firefighters as a condition of employment, the term “Retired” or “Retirement” means completion of 20 years of service regardless of age; and termination of employment with the City of Delray Beach Fire Rescue Department; and receipt of a pension benefit from the City of Delray Beach Police and Fire Retirement System.

For employees certified as law enforcement officers as a condition of employment, the term “Retired” or “Retirement” means completion of 20 years of service regardless of age; and termination of employment with the City of Delray Beach Police Department; and receipt of a pension benefit from the City of Delray Beach Police and Fire Retirement System.

Retired or Retirement, for the purposes of this Plan of Benefits, shall include employees who elect an early retirement after completion of 18 years of service but are credited with 20 years of service as provided for through the early retirement incentive contained in the City of Delray Beach Police and Fire Retirement System. If an employee receives credit from the City of Delray Beach Police and Fire Retirement System for years of service in an amount greater than years actually served, the additional credit for years of service will be considered completed years of service for the purposes of this Plan of Benefits with the total credited years of service not to exceed 20 years of service.

Retired or Retirement, for purposes of this Plan of Benefits, does not include disability retirement if the disability occurs before completion of 20 years of service regardless of age.

For employees not certified as firefighters as a condition of employment and not covered by the previous paragraphs who are both an Eligible Employee and age 55 or above on October 1, 2001, the term “Retired” or “Retirement”, regardless of years of service, means termination of employment with the City of Delray Beach Fire Rescue Department.

TRUST OR TRUST AGREEMENT

“Trust” or “Trust Agreement” means the Agreement and Declaration of Trust establishing the Delray Beach Police, Fire Fighters and Paramedics Retiree Benefit Fund on May 14, 2002, as amended.

TRUSTEES

“Trustees” means the Board of Trustees of the Delray Beach Police, Fire Fighters and Paramedics Retiree Benefit Fund.

YEARS OF SERVICE

“Years of Service” means cumulative full-time years of employment with the City of Delray Beach Fire Rescue Department, including employment during participation in a DROP plan, for which, from October 1, 2001, required contributions have been made to the Fund.

For employees certified as law enforcement officers as a condition of employment, the term “Years of Service” means cumulative full-time years of employment with the City of Delray Beach Police Department, including employment during participation in a DROP plan, for which, from October 1, 2004, required contributions have been made to the Fund.

C. ELIGIBILITY FOR BENEFITS

BENEFIT ELIGIBILITY

An Eligible Employee may become eligible for benefits under this Plan of Benefits on or after the first day of the month following the date the Eligible Employee has retired, provided that the Eligible Employee has submitted an Application for Benefits under this Plan, has continuous or continuing health insurance coverage, and timely submits proof thereof annually on an Affidavit of Continued Eligibility form that can be obtained from the Plan Administrator or its designee.

BENEFIT APPLICATION

In order to receive benefits under this Plan of Benefits, an Eligible Employee must submit a completed Application for Benefits form (which may be obtained from the Plan Administrator) to:

The Board of Trustees of the Delray Beach
Police, Fire Fighters and Paramedics Retiree Benefit Fund
c/o James H. Tabeek, Chairman
501 West Atlantic Avenue
Delray Beach, FL 33444
Tel: (561) 243-7400

A completed Application for Benefits Form should be submitted within 90 days after the Eligible Employee retires, but may be submitted any time thereafter. Under no circumstances will benefits be paid retroactively for a period of more than twelve months. However, in no event will benefits be paid retroactively to any date prior to January 1, 2004.

TERMINATION OF BENEFITS

Benefits will terminate on the date the person ceases to be eligible for benefits, on the date the Covered Person dies, or the date the Plan of Benefits is terminated.

D. SCHEDULE OF BENEFITS

CALCULATION OF BENEFIT

1. Calculation of Benefits to be Paid On or Before December 31, 2007

A. Employees Certified as Firefighters as a Condition of Employment

For employees certified as firefighters as a condition of employment, beginning January 1, 2004, the Fund will pay the following annual benefits to a Covered Person who certifies that the annual benefit will be used for the purchase of health insurance or for other qualified expenses:

For the first four year period during which a Covered Person who was certified as a firefighter as a condition of employment receives annual benefits, the total annual benefit shall be \$3,000.00. A Covered Person who was certified as a firefighter as a condition of employment will receive 100% of the total annual benefit at 25 years of service. A Covered Person who was certified as a firefighter as a condition of employment will receive 85% of the total annual benefit at 20 years of service, increasing by 3% per annum with full benefit at 25 years.

After a Covered Person who was certified as a firefighter as a condition of employment receives benefits for four consecutive years, that person's annual benefits will increase each year by an amount equal to the lesser of a) or b) below, but not less than the prior Plan Year benefit:

- a) The percentage increase of the Medical Component of the CPI; or
- b) 4.0%.

B. Employees of the Delray Beach Fire Rescue Department Not Certified as Firefighters as a Condition of Employment

For employees not certified as firefighters as a condition of employment who enter Retirement as a direct result of termination of employment with the City of Delray Beach Fire Rescue Department and who become Covered Persons under this plan, beginning January 1, 2004, the Fund will pay the following annual benefits to a Covered Person who certifies that the annual benefit will be used for the purchase of health insurance or for other qualified expenses:

For the first four year period during which a Covered Person who was not certified as a firefighter as a condition of employment receives annual benefits, the total annual benefit shall be \$3,000.00. A Covered Person who was not certified as a firefighter as a condition of employment will receive 100% of the total annual benefit at 25 years of service. A Covered Person who was not certified as a firefighter as a condition of employment will receive 85% of the total annual benefit at 20 years of service, increasing by 3% per annum with full benefits at 25 years. A Covered Person who was not certified as a firefighter as a condition of employment with less than 20 years of service will receive 75% of the total annual benefit.

After a Covered Person who was not certified as firefighters as a condition of employment receives benefits for four consecutive years, that person's annual benefits will increase each year by an amount equal to the lesser of a) or b) below, but not less than the prior Plan Year benefit:

- a) The percentage increase of the Medical Component of the CPI; or
- b) 4.0%.

For purposes of this document, the Medical Component of the CPI means the 10-year arithmetic average of the Bureau of Labor Statistics, Consumer Price Index – Medical Care, All Urban Consumers (U.S. City Average, Not Seasonally Adjusted), calculated as of December 31 of the year immediately preceding the beginning of the Plan Year for each increase. This provision is subject to periodic review by the Board of Trustees.

C. Employees Certified as Law Enforcement Officers as a Condition of Employment

Employees certified as law enforcement officers as a condition of employment shall not receive a benefit from this Fund until at least January 1, 2008.

2. Calculation of Benefits to be Paid On or After January 1, 2008

For employees certified as firefighters or law enforcement officers as a condition of employment, beginning January 1, 2008, the Fund will pay the following annual benefits to a Covered Person who certifies that the annual benefit will be used for the purchase of health insurance or for other qualified expenses:

For a Covered Person who was certified as a firefighter or law enforcement officer as a condition of employment, the total annual benefit shall be \$5,200.00. A Covered Person who was certified as a firefighter or law enforcement officer as a condition of employment will receive 100% of the total annual benefit at 25 years of service. The total annual benefit shall be reduced by 3% per year of service less than 25 years of service, with a minimum requirement of 20 years of service which will provide 85% of the total annual benefit, and shall be increased by 3% for each year of service greater than 25 years of service, with a maximum of 30 years of service which will provide 115% of the total annual benefit. A Covered Person who is eligible to participate, who was certified as a firefighter as a condition of employment and who was age 55 or above as of October 1, 2001, shall receive a minimum annual benefit of \$3,900.00, regardless of years of service.

TIME OF PAYMENT OF BENEFIT

Benefits are payable annually in January. Benefits shall begin on January 1, 2004, and there shall be no retroactive payments made for any period of time prior to January 1, 2004.

After receiving a completed Application for Benefits Form and verifying eligibility, the Fund will calculate the annual benefit to be paid to the Covered Person from the first of the month following retirement as defined herein until December 31 of that year, but in no event will payment be made for anytime prior to January 1, 2004, or retroactively for more than one year from the date the completed Application for Benefits is submitted. This amount shall be paid with the first annual benefit payment the following January. Thereafter, the Fund will pay the annual benefit each January so long as health insurance is maintained by the Covered Person and proof thereof is submitted annually, by filing an Affidavit of Continued Eligibility, until the death of the Covered Person. An Affidavit of Continued Eligibility must be submitted by December 15 of each year in order to be considered timely. If an Affidavit of Continued Eligibility is not submitted by January 15 of the year in which benefits are payable, the Covered Person may, at the discretion of the Board of Trustees, forfeit his or her annual benefit for that year. A Covered Person who forfeits his or her annual benefit due to failure to timely submit an Affidavit of Continued Eligibility remains eligible to receive future benefits so long as an Affidavit of Continued Eligibility is timely filed in future years.

All payments will be sent to the Covered Person's last known address as provided for on the Application for Benefits Form, unless and until the Covered Person provides written notice of a change of address to the Plan Administrator. If any payment is returned to the Fund as a result of the failure of the Covered Person to provide a change of address, no further payments will be made unless and until the Covered Person provides written notice of the change of address to the Plan Administrator. In such a situation, the Fund will resume the payment of benefits prospective only.

SURVIVOR BENEFIT

When a Covered Person who has been receiving benefits under this Plan dies, a one-time lump sum payment will be paid as a survivor benefit to the Covered Person's surviving spouse or, if none, the Covered Person's dependent children. The survivor benefit paid to the survivor(s) of a Covered Person who was receiving benefits under this Plan shall be in an amount equal to the next annual benefit that would have been paid to the Covered Person had the Covered Person not died.

All survivor benefits shall be paid in January of the year following the death of the Covered Person. Notice of the death of a Covered Person must be provided to the Plan Administrator by the surviving spouse or dependent children within 90 days after the death of the Covered Person or the survivor benefit shall be forfeited. The survivor(s) receiving the survivor benefit must file an Affidavit of Continued Eligibility certifying that the survivor benefit will be used for the purchase of health insurance or for other qualified expenses before the survivor benefit will be paid by the Fund. Survivor(s) must submit an Affidavit of Continued Eligibility by December 15 of the year in which the Covered Person died in order for the Affidavit to be considered timely. If an Affidavit of Continued Eligibility is not submitted by January 15 of the year in which the survivor benefit is payable, the survivor(s) may, at the discretion of the Board of Trustees, forfeit the survivor benefit.

NON-VESTED BENEFIT

The benefits provided in the Plan Document are non-vested benefits. The Board of Trustees reserves the right to amend, modify, revoke, suspend, terminate or change the Plan of Benefits, in whole or in part, at any time.

NON-REFUNDABLE CONTRIBUTIONS

All contributions made to the Fund by or on behalf of any Employee are non-refundable. If contributions are made to the Fund, and later, for whatever reason, the Employee does not meet all of the Eligibility Requirements under the Plan Document, the Employee shall forfeit all contributions made to the Fund.

E. RIGHT OF RECOVERY

Whenever payments have been made by this Fund in excess of the correct benefit payable, for whatever reason, the Trustees have the right to recover such excess payments from any person to whom, for whom or with respect to whom such payments were made, by whatever means are necessary including the offset of future payments, plus the costs incurred by the Fund associated with recovery, including investigations charges, auditor's fees and attorney's fees, as necessary. In addition to the right of recovery, the Trustees reserve the right to terminate a Covered Person's eligibility or a surviving spouse's or dependent children's Survivor Benefit for misrepresentation or fraud.

F. CLAIMS REVIEW PROCEDURE

1. If a Claim for Benefits is denied, in whole or in part, the affected person will be notified in writing within forty-five (45) days of submitting the Claim and will be given an opportunity for a review of the denial.
2. The written denial will give:
 - a. Specific reason(s) for denial;
 - b. A reference to the specific Plan Document provision(s) on which the denial is based;
 - c. A description of any additional material or information necessary to perfect the claim and the reasons why such material or information is needed; and
 - d. An explanation of the Plan Document Claim Review Procedure.
3. If a claim is not acted upon within forty-five (45) days, an affected person may proceed to the Review and Appeal Procedure stage, described below, as if the claim had been denied.
4. Review and Appeal Procedure:
 - a. Where a claim has been denied, partially denied, or not acted upon, an appeal may be made and a subsequent review will be performed.
 - b. Within thirty (30) days after receipt of written notice that the claim has been denied, or partially denied, or within forty-five (45) days of a claim not acted upon, the affected person or his/her designated representative may make a written appeal for review to:

The Board of Trustees of the Delray Beach
Police, Fire Fighters and Paramedics Retiree Benefit Fund
c/o James H. Tabeek, Chairman
501 West Atlantic Avenue
Delray Beach, FL 33444
Tel: (561) 243-7400

- c. The affected person or his/her designated representative may review pertinent documents relating to the denial and may submit issues and comments in writing.

5. Decision on Review:

Within sixty (60) days of an Appeal, the Trustees shall make a determination of claims by providing a full and fair review of the denied claim in accordance with the provisions of the Plan Document. The decision on review will be in writing and will include specific reasons for the decision.

G. STANDARDS OF PROOF

The Board of Trustees shall be the sole judge of the standards of proof required in any case. In the application and interpretation of the Plan Document, the decisions of the Board of Trustees shall be final and binding on the Participants and Beneficiaries, Covered Persons, Eligible Employees, the Employer, the Union, and all other persons. Subject to the stated purposes of the Trust Fund and the provisions of the Plan Document, the Board of Trustees shall have the full and exclusive power and authority, in its sole discretion, to determine all questions of coverage and eligibility for benefits, methods of providing or arranging for benefits and all other related matters. The Board of Trustees shall have the full power and authority, in its sole discretion, to construe and interpret the provisions and terms of the Plan Document and all other written documents. Any such determination and any such construction adopted by the Board of Trustees in good faith shall be binding upon all the parties hereto and the beneficiaries thereof.

H. TERMINATION OF THE FUND

The Fund or the Plan of Benefits may be terminated at any time by action of the Board of Trustees. Notice of such termination shall be given in writing to all persons who have an interest in the Plan of Benefits. All claims which have not been submitted by the date of termination but which would have been paid had the Fund continued, will be paid in accordance with all the provisions of the Plan of Benefits at the time of termination. There shall be no liability on the Board of Trustees or any individual or entity to provide payments over and beyond the amounts available in the Trust for such purposes or to pay claims that accrue after the date of termination. All remaining assets shall be distributed in accordance with the law, but in no event shall the assets revert to the City of Delray Beach.

I. GENERAL PROVISIONS

Name of Trust: Delray Beach Police, Fire Fighters and Paramedics Retiree Benefit Fund

Plan Administrator: The Board of Trustees of the Delray Beach Police, Fire Fighters and Paramedics Retiree Benefit Fund
c/o James H. Tabeek, Chairman
501 West Atlantic Avenue
Delray Beach, FL 33444
Tel: (561) 243-7400

Plan Identification Numbers: E.I.N. 45-0483631
P.N. 001

Agent for Service of Legal Process and Fund Counsel: Mierzwa & Associates, P.A.
3900 Woodlake Boulevard, Suite 212
Lake Worth, Florida 33463-3045
Telephone: (561) 966-1200
Facsimile: (561) 966-1231

Effective Date of the Plan of Benefits: The effective date of the Plan of Benefits is January 1, 2006.

Plan Year/Benefit Year: For purposes of this document the Plan Year/Benefit Year runs from January 1 through December 31.

Clerical Error: Clerical error shall not supersede the provisions of the Plan Document.

Legal Actions: No legal action may be brought to recover on the Plan of Benefits before exhausting the requirements of the Claims Review Procedure contained in Section F.

Impact of Invalidity of Certain Provisions: If any provision of this Plan of Benefits shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision, and this document shall be construed and enforced as if such provisions had not been included.

Plan Amendments: The Plan Document may be amended from time to time by the Board of Trustees of the Delray Beach Police, Fire Fighters and Paramedics Retiree Benefit Fund, in their sole discretion.

IN WITNESS WHEREOF, the Board of Trustees of the Delray Beach Police, Fire Fighters and Paramedics Retiree Benefit Fund hereby adopts this Restated Plan Document of the Delray Beach Fire Fighters and Paramedics Retiree Benefit Fund this _____ day of _____, 2006, to be effective January 1, 2006.

WITNESSED BY: _____