

**WEST PALM BEACH
POLICE PENSION FUND**

SUMMARY PLAN DESCRIPTION

March 2008

TABLE OF CONTENTS

1.	PARTICIPATION IN THE PENSION FUND	<u>1</u>
2.	ELIGIBILITY FOR NORMAL RETIREMENT	<u>1</u>
3.	AMOUNT OF A NORMAL RETIREMENT PENSION, SALARY, AND CREDITED SERVICE	<u>1</u>
	Illustrations of Pension Amounts	<u>2</u>
	NORMAL RETIREMENT PENSION COMPUTATION FORM	<u>5</u>
4a.	STANDARD FORM OF PENSION PAYMENT	<u>6</u>
4b.	OPTIONAL FORMS OF PENSION PAYMENT	<u>6</u>
5.	TERMINATION BEFORE NORMAL RETIREMENT	<u>8</u>
6.	SURVIVOR BENEFITS - DEATH BEFORE RETIREMENT	<u>8</u>
	Duty Related Deaths	<u>8</u>
	Non-Duty Related Deaths	<u>9</u>
7.	DISABILITY RETIREMENT	<u>9</u>
	Duty Disability Retirement	<u>10</u>
	Non-duty Disability Retirement	<u>10</u>
8.	SUPPLEMENTAL DISTRIBUTIONS AFTER RETIREMENT (13th or 14th Check)	<u>11</u>
9.	COST OF LIVING INCREASES AFTER RETIREMENT	<u>12</u>
10.	ENDING EMPLOYMENT BEFORE RETIREMENT	<u>12</u>
11.	FILING FOR RETIREMENT	<u>12</u>
12.	DEFERRED RETIREMENT OPTION PLAN (DROP)	<u>13</u>
13.	LOANS FROM DROP	<u>13</u>
14.	SHARE ACCOUNTS	<u>14</u>
15.	OPTIONAL FORM OF PAYMENT OF DROP OR SHARE ACCOUNTS	<u>15</u>
16.	TRUSTEE TO TRUSTEE TRANSFERS	<u>17</u>

17.	FORFEITURE OF BENEFITS	18
18.	COST OF THE PENSION FUND	18
19.	ADMINISTRATION OF THE PENSION FUND	19
20.	CLAIMS PROCEDURE	19
	DEFINITIONS	20

1. PARTICIPATION IN THE PENSION FUND

Each police officer employed in the City of West Palm Beach Police Department is a Pension Fund participant. A police officer is an employee who is certified as a law enforcement officer as a condition of employment in accordance with the provisions of s. 934.14, Florida Statutes.

2. ELIGIBILITY FOR NORMAL RETIREMENT

A police officer who either has 25 or more years of continuous credited service, has attained age 50 and has 20 or more years of credited service, or has attained age 55 and has 10 or more years of credited service is eligible for normal retirement. An application for normal retirement must be filed with the Fund Administrator and approved by the Board of Trustees.

3. AMOUNT OF A NORMAL RETIREMENT PENSION, SALARY, AND CREDITED SERVICE

The amount of a normal retirement pension is based on a participant's credited service, final average salary, and the pension multiplier.

Final average salary is the average monthly salary paid a participant during the three years of credited service producing the highest average. Salary includes base salary and longevity pay and may include other types of pay. In particular, overtime is included for up to 400 hours per 26 consecutive pay periods.

Credited service is generally a participant's period of employment as a police officer in the Police Department of the City of West Palm Beach, measured in years and fraction of a year. Special conditions apply if a participant has a break in service as a police officer and withdraws their Accumulated contributions. The participant shall have 90 days after re-employment to repay into the Pension Fund the amount withdrawn plus interest determined by the Board. *This decision could affect your eligibility for benefits under other programs.* In certain circumstances, limited periods of time served as a police officer with the City or any other municipal, county, state or federal law enforcement office, or in the military may be purchased or recognized as credited service. Promptly contact the Fund Administrator if any of these situations applies and get specific direction on what actions are necessary on your part and what options are available.

Illustrations of Pension Amounts:

The following example illustrates the calculation of final average salary:

Year Before Retirement	Sample Salary for Year
10 th	\$41,000
9 th	\$43,000
8 th	\$46,000
7 th	\$48,000
6 th	\$50,000
5 th	\$53,000
4 th	\$55,000
3 ^{rd*}	\$58,000
2 ^{nd*}	\$60,000
1 ^{st*}	\$62,000

**Earnings for these years produce the highest average and include no more than 400 hours of overtime.*

To calculate final average salary, total the highest three years salary and divide by 36:

$$\frac{\$62,000 + \$60,000 + \$58,000}{36} = \$5,000$$

The monthly normal retirement pension for a member **hired prior to 4/01/87** is calculated by finding the greater of the amounts obtained using Formula (a), Formula (b), and Formula (c):

Formula (a) amount equals:

3.0% (.03) of final average salary multiplied by credited service earned after 3/31/87;
plus

2.5% (.025) of final average salary multiplied by credited service earned prior to 4/01/87; up to 26 years; plus

1.0% (.01) of final average salary multiplied by credited service over 26 years.

Formula (b) amount equals:

2.5% (.025) of final average salary multiplied by credited service up to 26 years; plus
1.0% (.01) of final average salary multiplied by credited service over 26 years.

Formula (c) amount equals:

2.5% (.025) of final average salary multiplied by credited service, earned prior to
10/01/88; plus
2.0% (.02) of final average salary multiplied by credited service earned after
10/01/88.

The monthly normal retirement pension for a member **hired after 4/01/87** is
calculated by finding the greater of the amount obtained using Formula (d), Formula
(b), and Formula (c):

Formula (d) amount equals:

3.0% (.03) of final average salary multiplied by credited service up to 26 years; plus
1.0% (.01) of final average salary multiplied by credited service over 26 years.

***Since Formulas (a) and (d) will apply in the vast majority of cases, the following
illustrations are based on these formulas only.***

Formula (a) - Illustration

The following illustration of a normal retirement pension calculation for a member **hired
prior to 4/01/87** is based on:

(1)	Total credited service	25.0 yrs.
(2)	Credited service earned prior to 4/01/87	5.0 yrs.
(3)	Credited service earned after 3/31/87	20.0 yrs.
(4)	Final monthly average salary	\$5,000.00

Formula (a) calculation

(5)	3.0% of line (4)	$.030 \times (4)$	\$ 150.00
(6)	Credited service earned after 3/31/87		20.0 yrs.
(7)	1st portion of pension	$(5) \times (6)$	\$3,000.00
(8)	2.5% of line (4)	$.025 \times (4)$	\$ 125.00
(9)	Credited service before 4/01/87 (maximum 26 yrs.)(10)		5.0 yrs.
(10)	2nd portion of pension	$(8) \times (9)$	\$ 625.00

(11)	1.0% of line (4)	.010 x (4)	\$ 50.00
(12)	Excess of (1) over 26 years		0 yrs.
(13)	3rd portion of pension	(11) x (12)	\$ 0.00
(14)	Formula (a) monthly pension	(7) + (10) + (13)	\$3,625.00

Formula (d) - Illustration

The following illustration of a normal retirement pension calculation for a member **hired 10/01/90** is based on:

(1)	Total credited service	25.0 yrs.
(2)	Credited service in excess of 26 years	0 yrs.
(3)	Final monthly average salary	\$5,000.00

Formula (d) calculation

(4)	3.0% of line (3)	.030 x (3)	\$ 150.00
(5)	Credited service		25.0 yrs.
(6)	1st portion of pension	(4) x (5)	\$3,750.00
(7)	1.0% of line (4)	.010 x (3)	\$ 50.00
(8)	Excess of (1) over 26 years		0 yrs.
(9)	2 nd portion of pension	(7) x (8)	\$ 0.00.
(10)	Formula (d) monthly pension	(6) + (9)	\$3,750.00

NORMAL RETIREMENT PENSION COMPUTATION FORM

This form can be used to calculate an estimated monthly normal retirement pension.

	<u>Example</u>	<u>Estimate</u>
Final Average Salary Estimate		
Compensation for the highest 3 yrs. credited service	(a) \$ 58,000.00	_____
	(b) \$ 60,000.00	_____
	(c) \$ 62,000.00	_____
Final average salary:		
((a) + (b) + (c)) divided by 36:	\$ 5,000.00	_____

Pension Estimates

Formula (a) Calculation – Hired before 4/1/87

(1)	Total credited service		25.0 yrs.	_____
(2)	Credited Service earned after 3/31/87		20.0 yrs.	_____
(3)	Credited Service earned prior to 4/1/87		5.0 yrs.	_____
(4)	Final monthly average salary		\$ 5,000.00	_____
(5)	3.0% of line (4)	.030 x (4)	\$ 150.00	_____
(6)	Credited Service after 3/31/87		20.0 yrs.	_____
(7)	1st part of pension:	(5) x (6)	\$ 3,000.00	_____
(8)	2.5% of line (4):	.025 x (4)	\$ 125.00	_____
(9)	Credited Service before 4/1/87 (max. 26 yrs.)		5.0 yrs.	_____
(10)	2nd portion of pension	(8) x (9)	\$ 625.00	_____
(11)	1.0% of line (4):	.010 x (4)	\$ 50.00	_____
(12)	Excess of (1) over 26 years		0 yrs.	_____
(13)	3rd part of pension:	(11) x (12)	\$ 0.00	_____
(14)	Monthly pension:	(7) + (10) + (13)	\$ 3,625.00	_____

Formula (d) Calculation – Hired after 10/1/90

(1)	Total credited service		25.0 yrs.	_____
(2)	Credited Service earned prior to 4/1/87		0 yrs.	_____
(3)	Credited Service earned after 3/31/87		25.0 yrs.	_____
(4)	Final monthly average salary		\$ 5,000.00	_____
(5)	3.0% of line (4)	.030 x (4)	\$ 150.00	_____
(6)	Credited Service after 3/31/87		25.0 yrs.	_____
(7)	1st part of pension:	(5) x (6)	\$ 3,750.00	_____
(8)	1.0% of line (4):	.010 x (4)	\$ 50.00	_____
(9)	Excess of (1) over 26 years		0 yrs.	_____
(10)	2nd part of pension:	(8) x (9)	\$ 0.00	_____
(11)	Monthly pension:	(7) + (10)	\$3,750.00	_____

4a. STANDARD FORM OF PENSION PAYMENT

The standard form of payment for the pension described in Section 3 is payable for the lifetime of the retired participant.

If the retired participant is either married or has unmarried children under age 18, or has dependent parents, a pension may be payable to one or more of these beneficiaries upon the death of the retired participant.

A surviving spouse is normally paid 2/3 of the retired participant's monthly pension for life.

When there is no surviving spouse or the surviving spouse dies, each unmarried child under the age of 18 is paid an equal share of 2/3 of the retired participant's pension, as long as that child has not been adopted by someone else. A child's pension terminates if the child is either adopted, marries, reaches age 18 or dies. The pension payable to an individual child cannot exceed 20% of the retired participant's pension. Each child's pension is re-computed when any surviving child ceases to be paid.

If the retired participant does not leave a surviving spouse or eligible child, each dependent parent (dependent upon the participant for at least 50% of his/her financial support) can be paid an equal share of 2/3 of the retired participant's pension for life or until remarriage.

If the retired participant is not married, does not leave an eligible child or dependent parent, and dies before 120 monthly pension payments have been made, pension payments will continue to the retired participant's designated beneficiary or to the participant's estate if there is no designated beneficiary until a total of 120 payments have been made.

4b. OPTIONAL FORMS OF PENSION PAYMENT

Optional forms of payment are available in lieu of the applicable standard form described in Section 4a. The amount of pension under each optional form has the same actuarial value as an unmarried retired participant's standard form of payment (lifetime payments with 120 payments guaranteed). Therefore, great care should be exercised by married members who are considering an optional form of pension payment.

- **Option I - Straight Life** - The straight life form of payment pays the retired participant an increased monthly pension for life. No monthly

pension is ever paid a spouse, child, dependent parent or other beneficiary under this form of payment.

- **Option II - Joint and 100% Survivor** - The joint and 100% survivor form of payment pays the retired participant a reduced monthly pension for life. Upon the retired participant's death, the beneficiary designated when the form of payment was elected will be paid 100% of the reduced monthly pension for life.
- **Option III - Joint and 75% Survivor** - The joint and 75% survivor form of payment pays the retired participant a reduced monthly pension while both the retired participant and the beneficiary are alive. The reduction is not as great as under Option II. Upon the beneficiary's death, the retired participant is paid 75% of the reduced pension for life. Upon the retired participant's death the beneficiary will be paid 75% of the reduced monthly pension for life.
- **Option IV - Joint and 66-2/3% Survivor** - The joint and 66-2/3% survivor form of payment pays the retired participant a reduced monthly pension while both the retired participant and the beneficiary are alive. The reduction is not as great as under Option III. Upon the beneficiary's death, the retired participant is paid 66-2/3% of the reduced pension for life. Upon the retired participant's death the beneficiary will be paid 66-2/3% of the reduced monthly pension for life.
- **Option V - Joint and 50% Survivor** - The joint and 50% survivor form of payment pays the retired participant a reduced monthly pension while both the retired participant and beneficiary are alive. The reduction is not as great as under Option IV. Upon the beneficiary's death, the retired participant is paid 50% of the reduced pension for life. Upon the retired participant's death the beneficiary will be paid 50% of the reduced monthly pension for life.

The Fund Administrator can give you an estimate of the amount of your pension under any of the optional forms of payment. A request for an optional form of payment must be submitted in writing to the Board before the effective date of retirement. An optional form of payment cannot be changed after the first pension check is cashed. A designated beneficiary may be changed twice after pension payments have started. A change in designated beneficiary will result in a change in the amount of pension if the age of the new beneficiary differs from that of the previous beneficiary.

5. TERMINATION BEFORE NORMAL RETIREMENT

A participant not eligible for normal retirement who terminates with 10 or more years of service may elect to receive early retirement benefits at any time after reaching age 50 or normal retirement benefits at age 55. The participant's early retirement benefit would be calculated in the same manner as a normal retirement benefit, reduced three percent for each year retirement precedes normal retirement age.

A participant terminating before completing 10 years of service will receive a refund of his or her employee contributions and forfeit his or her Share Account. No further benefit will be payable from the fund.

6. SURVIVOR BENEFITS - DEATH BEFORE RETIREMENT

Duty Related Deaths

The surviving spouse, or in certain circumstances surviving children or financially dependent parents, of a participant who dies while employed in the Police Department as a police officer will be paid a duty death pension if the Board finds the death to be the natural and proximate result of causes arising out of and in the course of the participant's performance of duty as a police officer.

A surviving spouse is paid a monthly pension, for life, of 2/3 of the greater of the participant's highest 12 consecutive months salary or current top step police officer pay.

An unmarried child under the age of 18 is paid a monthly pension in the amount of:

- (a) \$150 per month, if a surviving spouse is being paid a pension, *or*
- (b) An equal share of 1/3 of the participant's final average salary if a surviving spouse is not being paid a pension.

Payment terminates upon adoption, marriage, attainment of age 18 or death.

A financially dependent parent is paid a monthly pension if the participant leaves neither a surviving spouse nor an eligible surviving child. The amount of pension is an equal share of 1/3 of the participant's final monthly average salary. Payment terminates upon remarriage or death.

Non-Duty Related Deaths

If a participant who has 5 or more years of credited service dies while employed in the Police Department as a police officer and the death is not in the line of duty, the surviving spouse is paid a pension.

The amount of a surviving spouse's pension is $\frac{2}{3}$ of the participant's accrued normal retirement pension but not less than $\frac{1}{7}$ of the participant's final average salary. The pension terminates when the surviving spouse dies.

A monthly pension is payable to each unmarried child under the age of 18 for periods a surviving spouse is not being paid a pension. The amount of pension paid each eligible child is an equal share of a surviving spouse's pension. A child's pension cannot exceed $\frac{1}{7}$ of the participant's final monthly average salary. Payment terminates if the child is either adopted, marries, reaches age 18 or dies.

A monthly pension is payable to each financially dependent parent if the participant does not leave a surviving spouse or an eligible surviving child. The amount of pension is an equal share of the amount of a surviving spouse's pension. Payment terminates if the dependent parent marries or dies.

If a pension is neither paid nor becomes payable on account of the death of a participant, the participant's accumulated contributions are paid to the participant's designated beneficiary or to the participant's estate if there is no designated beneficiary.

7. DISABILITY RETIREMENT

A pension may be payable to a participant who becomes disabled while employed in the Police Department as a police officer. Eligibility for and the amount of the pension are dependent on whether the disability occurs in the line of duty. Optional forms of pension payments are available in lieu of the applicable standard form as described in Section 4.

The disability must arise from a mental or physical illness, disease or injury which totally and permanently prevents the participant from performing useful and efficient service as a police officer in the West Palm Beach Police Department. A medical committee will direct a medical examination of the participant and make a report to the Board. The final determination is made by the Board. The medical committee is made up of at least 2 qualified health professionals, one appointed by the participant, one

appointed by the Board and, if necessary, a third selected by the other medical committee members should they disagree with respect to the finding of a disability. The participant is responsible for costs incurred by his/her appointee.

If disability results from excessive and habitual use of drugs, intoxicants or narcotics, willful and illegal participation in fights, riots or civil insurrection, or arises in connection with the commission of a crime or while serving in any nation's armed forces, no disability pension will be awarded.

A participant who is retired for disability and is under age 50 will be required to undergo periodic medical examinations under the direction of a medical committee for purposes of verifying ongoing disability. If the medical committee and the Board determine that the participant is capable of resuming employment as a police officer, in the rank held at time of retirement, the retired participant will be returned to active service at a salary at least equal to the salary held at time of retirement and the disability pension will terminate. Upon return to work, credited service at time of disability retirement is reinstated.

If the Board determines that the disability resulted from performance of duty as a police officer, the participant is granted credited service for the period on disability retirement.

Duty Disability Retirement

If the Board finds the disability to have arisen out of and in the course of the participant's performance of duty as a West Palm Beach police officer, the amount of pension is equal to:

- (a) Before age 55, a participant's accrued normal retirement pension. The minimum benefit is $\frac{2}{3}$ of final average salary.
- (b) At age 55, a participant's accrued normal retirement pension, recalculated with additional credited service granted to age 55.

A condition or impairment of health caused by tuberculosis, hypertension, meningococcal meningitis, hepatitis or heart disease resulting in total disability is presumed to be duty-related unless shown otherwise by competent evidence. Duty-relatedness requires, however, that a pre-employment physical examination fail to reveal any evidence of the condition.

Non-duty Disability Retirement

There is a 5 year credited service requirement for disability retirement if the disability is not the result of performing duty as a West Palm Beach police officer.

The amount of pension is calculated the same as a normal retirement pension based on final average salary and credited service at the time of disability. The minimum pension is 25% of final average salary if credited service is 10 or more years or 20% of final average salary if credited service is less than 10 years.

There is no non-duty disability pension if a police officer's credited service is less than five years. Accumulated contributions are refunded.

8. SUPPLEMENTAL DISTRIBUTIONS AFTER RETIREMENT (13th or 14th Check)

Retired participants (including members who are still working under the DROP provisions) and beneficiaries as of each September 30 *may* be paid a supplemental pension distribution the following April *if both of the following conditions have been met:*

- During the preceding fiscal year, the assets of the Pension Fund earned more than: 7% for members hired prior to April 1, 1987 and 8.25% for members hired after March 31, 1987 on its assets during the preceding fiscal year; and
- The experience of the Pension Fund in aggregate has been favorable, on a cumulative basis, since September 30, 1991 after deducting all prior supplemental distributions. This condition has not been met since April, 2001 and should not be considered imminent.

The potential total distribution is based upon an actuarial formula which is contained in the pension plan document. Essentially, assets are held in reserve to pay the pensions of the current recipients. These assets are invested with all the other Pension Fund assets. When investment return exceeds what is specified in the pension plan document, this satisfies condition 1 above and some of the excess is shared with the eligible pension recipients.

Each pension recipient's share of the total distribution is in proportion to the combined service of all recipients, with a 25 year limit on service for this purpose. In addition, the distribution is prorated if the recipient has been retired for less than one year on September 30. A duty disability pension recipient's allocation is based on 25 years of service. Surviving spouses and surviving dependent children who are eligible to receive distributions receive 66-2/3% of years of service earned by the deceased pension recipient except duty death beneficiaries with allocations based on 66-2/3% of 25 years of service.

9. COST OF LIVING INCREASES AFTER RETIREMENT

Pensions may be increased each January 1 if the recipient has been retired at least one year and is at least age 65. The basic increase is 3% but may be less (or may be zero) if the Consumer Price Index has increased by less than 3% a year since the first of the month following your 65th birthday, or since your date of retirement if you retired at age 65 or older.

10. ENDING EMPLOYMENT BEFORE RETIREMENT

If a participant with less than 10 years of credited service quits or is fired from employment as a West Palm Beach police officer, future rights to a pension are forfeited. Accumulated contributions are refundable, however.

If a participant has at least 10 years of credited service when employment as a police officer terminates, the right to a deferred normal retirement is retained so long as the participant's accumulated contributions are left on deposit in the Pension Fund.

The amount of deferred normal retirement pension is calculated using final average salary and credited service at the time of termination of employment as a police officer. The amount of pension is subject to early retirement reduction of 3% for each year retirement precedes normal retirement age. Retirement and payment of a pension are available upon application on or after age 50.

Credited service will be reinstated if re-employment as a West Palm Beach police officer occurs within 5 years of termination and continues for at least 3 years, so long as any withdrawn accumulated contributions are repaid within five years of re-employment. The repayment must include interest from the date of withdrawal to the date of repayment.

11. FILING FOR RETIREMENT

In order to ensure that you receive your pension on time, you should file your application with the Fund Administrator at least 30 days before retirement. All forms can be obtained from the Fund Administrator at the address on the Introduction page. Penalties will be imposed for making a false or misleading statement to obtain a pension benefit.

12. DEFERRED RETIREMENT OPTION PLAN (DROP)

A participant may elect DROP participation prior to completing 30 years of credited service if the participant is eligible for normal retirement. DROP participation ends when any one of the following events occurs: (i) termination of employment, (ii) completion of 30 years of credited service or (iii) completion of 5 years of participation in the DROP.

Upon the effective date of DROP participation, a participant's pension amount is calculated based on credited service and final average salary at that time and the amount remains permanently frozen. The participant's DROP account is credited with monthly amounts equal to the frozen pension during the period of DROP participation. DROP accounts are credited with net investment earnings during the DROP period and after termination of employment based on an election made prior to each plan year where the account balance is greater than zero. The election is between investment earnings as earned by the Pension Fund assets less administrative and investment expenses and a fixed rate of 8.25% less administrative and investment expenses. Investment earnings and monthly credits are suspended at the end of the DROP period if the participant continues working.

A participant may elect payment of the DROP account at any time following termination of employment but not later than age 70 1/2. Payment is available under several options, one of which is detailed in Item 16. Detailed information is available from the administrator.

13. LOANS FROM DROP

Loans are available to a participant. To be eligible, a participant has to have terminated employment and have participated in the DROP for at least 12 months.

Up to 50% of a participant's account balance, to a maximum of \$50,000, is available for borrowing. A participant may not borrow less than \$5,000. Loans are to be repaid over a one to five year period at an interest rate equal to the prime rate on the last day of the calendar quarter preceding the date of loan application.

A loan in default becomes due and payable immediately. If not repaid in full immediately, the loan may be canceled and the outstanding balance treated as a distribution, subject to any tax consequences such treatment brings. This will reduce the participant's account balance and make the participant ineligible for future loans.

14. SHARE ACCOUNTS

Share Accounts are established and maintained for each participant in the Pension Fund including DROP participants. The accounts are funded by Chapter 185 casualty insurance premium tax monies. Share Accounts are credited each quarter with a pro rata share of Pension Fund investment earnings and forfeited accounts and are charged with a pro rata share of administrative and investment expenses. Upon vesting, a participant may make an election prior to each plan year, where the election is between investment earnings as earned by the Pension Fund assets less administrative and investment expenses and a fixed rate of 8.25% less administrative and investment expenses. Chapter 185 receipts are allocated on the day that the Pension Fund receives the deposit in proportion to each participant's number of pay periods during the preceding calendar year.

Upon termination, participants must transfer in their accumulated sick and vacation time and may transfer money from another qualified tax deferred plan, such as a 457 plan. The investment earnings for the plan year in which the money is deposited shall be credited according to the election made prior to that plan year, but will only be paid for the period during which the money was held by the Pension Fund. The investment earnings in subsequent plan years will be credited in the same manner as is described above for a vested share account.

A participant may elect payment of his or her Share Account at any time following termination of employment and application to the Board of Trustees, provided that the former police officer is granted:

- (a) Approval for normal retirement; or
- (b) Approval for non-duty disability retirement; or
- (c) Approval for duty disability retirement; or
- (d) Satisfaction of the eligibility conditions for non-duty death benefits; or
- (e) Satisfaction of the eligibility conditions for duty death benefits.

Subject to Sec. 415 of the Internal Revenue Code, the standard form of payment of a Share Account is a lump sum. Payment will be made in three annual installments upon the participant's written application to the Board of Trustees. An optional form of payment is described in item number 15.

Subject to Sec. 415 of the Internal Revenue Code, survivor benefits are paid in a lump sum to the participant's designated beneficiaries on file with the Board. If there is no living designated beneficiary on file, payment will be made in a lump sum in the following order:

- (a) The participant's spouse; or
- (b) The participant's surviving children, in equal shares; or
- (c) The participant's surviving parents, in equal shares; or
- (d) The participant's estate.

Any member who has less than ten (10) years of credited service and who is not eligible for payment of benefits after termination of employment with the city shall forfeit his or her individual member Share Account. The amounts credited to said individual member Share Account shall be redistributed to the remaining individual member Share Accounts in the same manner as Chapter 185, Florida Statutes, tax revenues are credited to individual member Share Accounts (i.e. based on pay periods).

15. OPTIONAL FORM OF PAYMENT OF DROP OR SHARE ACCOUNTS

An eligible participant or beneficiary may elect, on application to the Board of Trustees, to receive his or her DROP or Share Accounts in monthly installments. The tables below list factors used to determine the income stream generated by your accumulated account balance under this optional form of payment. Table 1 is for the minimum benefit and Table 2 is for the maximum benefit.

Table 1 Annuity Values for Converting Accumulated DROP or Share Account Balances for the Minimum Benefit for *Non-Guaranteed* Lifetime Equivalent Monthly Installments

Age at Receipt of First Payment	Annuity Value
45	135.0130
46	133.9621
47	132.8621
48	131.7125
49	130.5121
50	129.2595
51	127.9520
52	126.5864
53	125.1584
54	123.6632
55	122.0955
56	120.4486
57	118.7160
58	116.8924
59	114.9748
60	112.9626
61	110.8572
62	108.6619
63	106.3827
64	104.0276
65	101.6072
66	99.1340
67	96.6215
68	94.0798
69	91.5140
70	88.9247

interest = 8.25% mortality table = GA83-M

Table 2 Annuity Values for Converting Accumulated DROP or Share Account Balances for the Maximum Benefit for *Non-Guaranteed* Monthly Installments over 10 Years

Ages	Annuity Value
All	82.8618
interest = 8.25%	mortality table = GA83-M

For example, using Table 1, if you have accumulated \$100,000 in your Drop or Share Account, you would be eligible for a monthly payment of \$819.03 (\$100,000/122.0955) beginning at age 55 and continuing until your DROP or Share Account is exhausted. As soon as practical on an annual basis, the remaining balance in your account will be credited with the Fund’s net rate of return.

The maximum monthly payment over 10 years is calculated using Table 2 for any age. Using the same example, the maximum would be a monthly payment of \$1,206.83 (\$100,000/82.8618).

While this option is designed to generate income for you over your expected lifetime, it does *not* provide for a guaranteed lifetime benefit. You will not receive payments from your DROP or Share Account once they are exhausted. However, your beneficiary or estate will receive the balance from your DROP or Share Account if you die before exhausting it.

If your DROP or Share Account has less than 15 times the monthly installment at the start of the fiscal year, you will receive the balance as a lump sum. The final earnings payment on the balance will be made when the previous year’s net rate of return is available.

16. TRUSTEE TO TRUSTEE TRANSFERS

To minimize the tax consequences of rolling Share or DROP accounts to an IRA or another qualified plan, direct trustee-to-trustee transfers are available. Please see your administrator for the appropriate forms.

17. FORFEITURE OF BENEFITS

Any Participant who is convicted of any of the below offenses committed prior to retirement shall forfeit all rights and benefits under this Fund, except for a refund of accumulated contributions. The specified offenses are:

- (1) Committing, aiding or abetting of an embezzlement of public funds;
- (2) Committing, aiding or abetting of any theft by a public officer or employee from employer;
- (3) Bribery in connection with the employment of a public officer or employee;
- (4) Any felony specified in Chapter 838, Florida Statutes;
- (5) The committing of impeachable offense
- (6) The committing of any felony by a public officer or employee who, willfully and with intent to defraud the public or the public agency for which the public officer or employee acts or in which he or she is employed of the right to receive the faithful performance of his or her duty as a public officer or employee, realizes or obtains, or attempts to realize or obtain, a profit, gain, or advantage for himself or herself or for some other person through the use or attempted use of the power, rights, privileges, duties, or position of his or her public office or employment position.

Any Participant who has received benefits from the Plan in excess of his accumulated contributions shall be required to repay the Fund. The Board may implement legal action necessary to recover such funds.

Additionally, a participant who makes a false or misleading statement to obtain retirement benefits shall commit a misdemeanor of the first degree and if convicted, the participant shall forfeit his/her benefit.

18. COST OF THE PENSION FUND

Participants are required to contribute 11.0% of covered salary. Contributions are deducted from each paycheck and credited to the participant's Pension Fund account.

The City of West Palm Beach also contributes to the Pension Fund. The amount of City contribution is mathematically determined in accordance with State statute to finance Pension Fund benefits as they are earned, as well as to finance any difference between liabilities for service already rendered and Pension Fund assets.

19. ADMINISTRATION OF THE PENSION FUND

The Pension Fund is administered by a Board of Trustees which is responsible for overseeing the investment of Pension Fund assets and application of the provisions of the Special Act. The Board has authority over distribution of all pensions and makes final decisions on claims and appeals. The Board is comprised of five Trustees; two legal residents of the City appointed by the City Commission, two full-time police officers elected by Pension Fund participants and a trustee chosen by a majority of the four trustees selected by the City Commission and the Pension Fund participants.

Pension Fund assets are maintained and invested entirely separately from City assets and cannot be used for any purpose other than those specified in the Special Act.

20. CLAIMS PROCEDURE

Any member, former member, or beneficiary who has been denied a benefit by a decision of the Board shall be entitled to request in writing that the Board give further consideration to the claim. This request, together with a written statement of the reasons why the claimant believes his claim should be allowed, shall be filed with the Board no later than 20 days after receipt of the written notification of the denial.

The Board shall then conduct a hearing within 45 days after the receipt of the appeal. The claimant may be represented at the hearing by an attorney or other representative of his/her choosing. During the hearing the claimant shall have the opportunity to submit written and oral evidence and arguments in support of his/her claim. The claimant shall also have the opportunity to review the Board's file at or prior to the hearing. The hearing will be tape recorded, however to appeal the decision of the Board, the claimant may need to insure that a verbatim record of the proceedings is made.

Within 20 days after rendering its Order, the Board of Trustees shall deliver by certified mail, a copy of the Order to the claimant.

DEFINITIONS

Accumulated contributions - The total of all amounts contributed by a participant to the West Palm Beach Police Pension Fund.

Beneficiary - An individual, such as a spouse, child or dependent parent, who is receiving a survivor benefit from the Pension Fund following the death of a participant.

Board - The Board of Trustees which administers, manages and operates the Pension Fund.

Credited service - A participant's years and fractional parts of a year of service as a police officer in West Palm Beach Police.

Final Average Salary - The monthly average of salary during three years of credited service of all completed years of credited service producing the highest average.

Participant - A West Palm Beach police officer participating in the Pension Fund.

Salary – Total cash remuneration paid by the City to a police officer for services rendered.