

**City Pension Fund for
Firefighters and Police Officers
in the
City of Pembroke Pines**

Firefighters

SUMMARY PLAN DESCRIPTION



October 2011



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INTRODUCTION

Providing for yourself and your family when you retire is an important long-range goal. Should you continue to work as a Firefighter with the City until you retire, the benefits available from the City Pension Fund for Firefighters and Police Officers in the City of Pembroke Pines (*the Plan*) will provide you with a lifetime income when you retire. The Plan also has disability and death benefits.

This summary explains the provisions of the Plan as amended. Highlights of the Plan are listed below and are followed by a description of the Plan in more detail. The end of this booklet includes a glossary of key terms and phrases that have special meanings in the Plan. When these words first appear in the text they are underlined to remind you to refer back to the Glossary. Knowing what these terms mean will help you understand the Plan.

As required by State rules, you must receive a copy of this booklet when you become eligible for participation in the Plan. Every second year thereafter, you will receive a new booklet. If changes to the Plan occur prior to the publication of a new booklet you will receive a summary of those changes.

Any changes made subsequent to this document will be included in the next publication.

Please read this booklet carefully. If any details are not clear or if you have any questions, please contact Ms. Karen Warner, Administrator to the Board of Trustees.

The Board of Trustees has established a web site with Plan information of interest to members. The website address is <http://www.pinespensiononline.com>.

As much as possible, this summary plan description has been written in non-technical terms, avoiding the formal language of the Plan. If questions of interpretation arise as a result of the attempt to make such retirement provisions easy to understand, the Plan remains, as it must, the final authority. The information provided in this summary plan description is based on the Plan in existence October 2011, and is subject to modification based upon changes in the Plan, subsequent interpretations of the Plan and changes in other laws that affect the Plan. The Board of Trustees is not responsible for erroneous information provided by an individual Trustee or provided by any other person purportedly representing the Plan, except as specifically set forth in writing executed by the Chairman or Administrator.

Circular 230 Notice: Pursuant to regulations issued by the IRS, to the extent this communication (or any attachment) concerns tax matters, it is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or (ii) marketing or recommending to another party any tax-related matter addressed within. Each taxpayer should seek advice based on the individual's circumstances from an independent tax advisor.

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



PLAN HIGHLIGHTS

The City Pension Fund for Firefighters and Police Officers in the City of Pembroke Pines provides eligible Firefighters with:

- *A monthly income for life upon retirement. In the event of your death prior to receipt of 120 payments, your beneficiary will receive the remainder of the 120 payments. Benefit payments to eligible spouse thereafter.*

- *Normal retirement:*

The earliest of:

- *20 years of continuous service regardless of age or*
- *Age 50 and completion of 10 years of continuous service.*

- *Benefits in the event of your Total and Permanent Disability:*

- *Service Incurred: immediately eligible*
- *Non-Service Incurred: completion of 10 years of continuous service*

- *Survivor benefits in the event of your death.*
- *The right to future retirement benefits if you leave the City before you are eligible for retirement and you are vested in the Plan. You are vested after completing 10 years of continuous service.*
- *The option to elect the Deferred Retirement Option Plan (the DROP) in the event you remain employed beyond your normal retirement date.*
- *Eligible members may qualify for an automatic annual cost of living increase.*

These important features are explained in more detail on the pages that follow.



CONTRIBUTIONS TO THE PLAN

There are three sources of contributions for your Plan: the City, the State and your own contributions. The City is required to contribute amounts as mandated by State Statute and determined by an actuary. The State makes contributions on behalf of Firefighters under State Statute Chapter 175. This money comes from insurance premiums on certain insurance policies sold in the City of Pembroke Pines.

You are required to contribute 10.4% of Earnings, on a pretax basis. This means that your contributions are deducted from your pay before Federal Income Tax is withheld. Deductions for your Employee Contributions are stopped after the earlier of:

- ✓ Completion of 26 years and 8 months of Continuous Service or
- ✓ Participation in the DROP.

Contributions from all sources are deposited and accumulated in a special trust fund under which you and your dependents are the beneficiaries. Money in this trust fund is set aside to pay benefits and expenses of the Plan. The assets of the trust fund are invested by the Board of Trustees.

ELIGIBILITY REQUIREMENTS

You are required to participate in the Plan if you are employed on a regular basis, working at least 30 hours each week and are at least age 18. Eligible Firefighters become members of the Plan on their date of certification with the City. The Fire Chief has the option to participate in the Plan.

VESTING

Vesting refers to that portion of your retirement benefit that is eligible for payment starting at attainment of age 50 even if you leave the employment of the City prior to your Normal Retirement Date. You become fully vested in your retirement benefit after completing 10 years of Continuous Service with the City.

Your Employee Contributions are always fully vested. You always have a nonforfeitable right to receive a refund of your Employee Contributions after your termination of service with the City for any reason. If you elect a refund of your Employee Contributions, no further benefits are payable from the Plan.

ELIGIBILITY FOR BENEFITS

Normal Retirement

Normal Retirement Date is the earliest of the date you (1) complete 20 years of Continuous Service regardless of age or (2) both attain age 50 and complete 10 years of Continuous Service.

***Deferred Vested Retirement***

You become fully vested in your benefits after completing 10 years of Continuous Service. If you leave the City after you become vested, but before you become eligible for retirement, you are entitled to a deferred vested benefit starting at attainment of age 50. Alternatively, you may elect to withdraw your accumulated Employee Contributions instead of receiving deferred retirement benefits. If you leave the City before you are vested, your accumulated Employee Contributions will be refunded if you request a refund in writing in the manner determined by the Board of Trustees.

Disability Retirement

If you suffer a Total and Permanent Disability you may be eligible for disability retirement.

Service Incurred Death Benefit

In the event of your death due to a cause attributable to active duty or service, your spouse and children will be entitled to benefits from the Plan. Unmarried children of members are entitled to receive benefits until age 18 (age 22 if attending a fully accredited college).

If you have completed at least 10 years of Continuous Service, your beneficiary will receive not less than your deferred vested benefit payable at your Normal Retirement Date payable for 10 years certain.

Non-Service Incurred Death Benefit

In the event of your death due to a non-service incurred cause before completion of 5 years of Continuous Service, your beneficiary will be entitled to the refund of your Employee Contributions plus 3% simple interest – minimum payment of \$2,500.

If you have completed at least 5 years of Continuous Service, your beneficiary will receive a lump-sum payment of the greater of your Employee Contributions without interest or \$2,500 plus your spouse and children will be entitled to benefits.

If you have completed at least 10 years of Continuous Service, your beneficiary will receive not less than your deferred vested benefit payable at your Normal Retirement Date payable for 10 years certain. Unmarried children of members are entitled to receive benefits until age 18 (age 22 if attending a fully accredited college).

Deferred Retirement Option Plan (DROP)

If you continue employment beyond your Normal Retirement Date you may elect to participate in the DROP no longer than 5 years following your Normal Retirement Date.

If you reach Normal Retirement Date before age 50 you may enter the DROP no later than age 50 to participate in the DROP for 5 years. If you were participating on the



effective date of the DROP and were employed after age 30 you may enter the DROP no later than completion of 20 years of Continuous Service to participate in the DROP for a full 5 years.

Military Optional Service Selection

Members may purchase up to 4 years of active duty service in the Armed Forces or Merchant Marine of the United States prior to employment by the City.

Credit for purchased service may be awarded provided that such service is not used towards creditable service for any other retirement plan. Members must pay into the Pension Fund the full actuarial cost of such service. Payments may be made in the form of a lump sum, direct in-service transfer from the member's deferred compensation account or periodic payments bearing interest.

Credit for purchased service shall only be awarded after the completion of 10 years of service with the City. In the event a member separates from service with the City prior to completing 10 years of service all payments made towards purchasing service shall be refunded to the member.

DETERMINING YOUR BENEFIT

Your retirement benefit is based on a formula which takes into account:

- your years of Continuous Service,
- your Average Monthly Earnings and
- the payment option you elect.

HOW BENEFITS ARE CALCULATED

Normal Retirement

The monthly benefit you can receive if you retire on or after your Normal Retirement Date is 3.0% of your Average Monthly Earnings on your retirement date multiplied by your Continuous Service on your retirement date, subject to a maximum of 80% of your Average Monthly Earnings.

If you were hired after March 31, 2006, the benefit shall in no event exceed 98% of Average Monthly Regular Wages.

Other payment options are also available. The section of this booklet entitled *Payment of Your Benefits* describes the Normal Form of Payment and the different ways you can receive your monthly payments.

Example - Normal Retirement

Let's assume you were born on April 30, 1965, you began working for the City on April 30, 1992 and you have completed 20 years of Continuous Service on April 30, 2012 at which time you retired. We will also assume Average Monthly Earnings of \$4,000. Your benefit would be calculated as follows:



3.0% multiplied by your Average Monthly Earnings times your years of Continuous Service =

$$\begin{aligned} 0.030 \times \$4,000 &= \$120.00 \\ \$120.00 \times 20 \text{ years Continuous Service} &= \$2,400.00 \end{aligned}$$

Therefore, you would receive a monthly retirement benefit of \$2,400 from the Plan payable under the Normal Form of Payment commencing May 1, 2012.

Career Anniversary Pension Retirement Incentive

If you were hired before June 19, 2003 and elect to retire or enter the DROP anytime on or after attaining age of 50 with 10 years of service or completion of 20 years of service but no later than attaining a benefit of 80% of Average Monthly Earnings you will receive the Career Anniversary Pension Retirement Incentive (*CAPRI*).

If you were hired after June 18, 2003 but prior to May 1, 2010 and you elect to retire or enter the DROP upon the earlier of attainment of age of 50 with 10 years of service or completion of 20 years of service - but no later than such time as your benefit equals the maximum benefit the member would have been entitled to under the provisions of the Plan in effect on April 30, 2010, you will receive the *CAPRI*.

Eligible members shall receive the following:

- The monthly benefit is 4%, rather than 3%, of your Average Monthly Earnings on your Normal Retirement Date multiplied by your Continuous Service earned prior to May 1, 2010 plus 3.5% of your Average Monthly Earnings on your Normal Retirement Date multiplied by your Continuous Service earned after April 30, 2010, subject to a maximum of 80% of your Average Monthly Earnings. If you were hired after March 31, 2006, your benefit shall not exceed 98% of your Average Monthly Regular Wages.
- The earnings used to calculate your Average Monthly Earnings shall include up to 1,000 hours of accrued unused leave earned as of April 30, 2010 and unpaid as of retirement. Accrued leave earned after April 30, 2010 will not be included in the earnings used to calculate your Average Monthly Earnings.



Example - Career Anniversary Pension Retirement Incentive

Members hired before April 1, 2006

Let’s assume you were born on April 30, 1967, you began working for the City on April 30, 1997 and you have completed 20 years of Continuous Service on April 30, 2017 at which time you retired. We will also assume Average Monthly Earnings of \$4,000. Your benefit would be calculated as follows:

4.0% multiplied by your Average Monthly Earnings times your years of Continuous Service earned prior to May 1, 2010 (13 years) plus 3.5% multiplied by your Average Monthly Earnings times your years of Continuous Service earned after April 30, 2010 (7 years) =			
0.040 x \$4,000 =	\$160.00		
\$160.00 x 13 years Continuous Service		=	\$2,080.00
0.035 x \$4,000 =	\$140.00		
\$140.00 x 7 years Continuous Service		=	<u>\$ 980.00</u>
\$2,080.00 + \$980.00		=	\$3,060.00

Therefore, you would receive a monthly retirement benefit of \$3,060 from the Plan payable under the Normal Form of Payment commencing May 1, 2017.

Members hired on or after April 1, 2006 but before May 1, 2010

Let’s assume you were born on April 30, 1977, and you began working for the City on April 30, 2007 and you have completed 20 years of Continuous Service on April 30, 2027 at which time you retired. We will also assume Average Monthly Earnings of \$4,000 and Average Monthly Regular Wages of \$3,600. Your benefit will be calculated as follows:

4.0% multiplied by your Average Monthly Earnings times your years of Continuous Service earned prior to May 1, 2010 (3 years) plus 3.5% multiplied by your Average Monthly Earnings times your years of Continuous Service earned after April 30, 2010 (17 years) but not more than 98% of your Average Monthly Regular Wages =			
0.040 x \$4,000 =	\$160.00		
\$160.00 x 3 years Continuous Service		=	\$ 480.00
0.035 x \$4,000 =	\$140.00		
\$140.00 x 17 years Continuous Service		=	<u>\$2,380.00</u>
\$480.00 + \$2,380.00		=	\$2,860.00
0.98 x \$3,600 =		=	\$3,528.00
Minimum of \$2,860.00 or \$3,528.00		=	\$2,860.00



Therefore, you would receive a monthly retirement benefit of \$2,860 from the Plan payable under the Normal Form of Payment commencing May 1, 2027.

Member hired after April 30, 2010

Let’s assume you were born on April 30, 1981, you began working for the City on April 30, 2011 and you have completed 20 years of Continuous Service on April 30, 2031 at which time you retired. We will also assume Average Monthly Earnings of \$5,000. Your benefit would be calculated as follows:

3.0% multiplied by your Average Monthly Earnings times your years of Continuous Service (20 years) =			
	0.030 x \$5,000 =	\$150.00	
	\$150.00 x 20 years Continuous Service	=	\$3,000.00

Therefore, you would receive a monthly retirement benefit of \$3,000 from the Plan payable under the Normal Form of Payment commencing May 1, 2031.

Deferred Vested Retirement

You become vested in your benefits after completing 10 years of Continuous Service with the City. If you leave the City after becoming vested, but before you become eligible for retirement you are entitled to a deferred vested benefit starting at attainment of age 50.

Your deferred vested benefit is determined under the same formula used for normal retirement based upon your Average Monthly Earnings and your years of Continuous Service at the time you leave the City. Or, if you prefer, you may withdraw your Employee Contributions with 3% simple interest in which case you will not be eligible for any other Plan benefits.

Remember, if you are not vested when you leave the City, your Employee Contributions you deposited in the Fund will be refunded to you with 3% simple interest if you request a refund in writing in the manner determined by the Board of Trustees.

DISABILITY BENEFITS

If you suffer a Total and Permanent Disability, you may apply for disability retirement.

Disability retirement from the Plan is subject to the approval by the Board of Trustees. The Board of Trustees has the right to require that you receive physical exams certifying your disability both prior to commencement and after disability benefits commence for continuance of disability.



Service Incurred Disability

If you become disabled due to a service connected disability, you will receive a monthly benefit which is the greater of (1) 3% of your Average Monthly Earnings as of your date of disability multiplied by your Continuous Service as of your date of disability or (2) 66 2/3% of your final monthly Earnings as of your date of disability. In no event shall the benefit be less than your accrued benefit as of date of disability. This monthly benefit will be payable to you under the Normal Form of Payment on the first day of each month until the earlier to occur of your date of recovery from disability or your date of death.

The monthly benefit is reduced by the regular monthly disability benefits you are entitled to from Workers' Compensation and the Social Security Administration to the extent permitted by law.

Non-Service Incurred Disability

If you become disabled due to disability which is not service incurred, and you have completed 10 years of Continuous Service, you will receive a monthly benefit of 3% of your Average Monthly Earnings as of your date of disability multiplied by your Continuous Service, subject to a maximum of 80% of monthly Earnings in effect at the date of disability not less than 35% of your Average Monthly Earnings as of your date of disability. In no event shall the benefit be less than your accrued benefit as of date of disability. This monthly benefit will be payable to you under the Normal Form of Payment on the first day of each month until the earlier to occur of your recovery from disability or your date of death.

The monthly benefit is reduced by the regular monthly disability benefits you are entitled to from Workers' Compensation and Social Security to the extent permitted by law.

PRE-RETIREMENT DEATH BENEFITS

Service Incurred

If your death occurs as a direct result of your performance of service, your spouse will receive a monthly benefit equal to 50% of your Average Monthly Earnings with final payment due in the month of your spouse's death. Each unmarried child will also receive a monthly benefit equal to 5% of your Average Monthly Earnings until death or attainment of age 18 (attainment of age 22 if enrolled as a full time student in a fully accredited high school, college or university); however, the total benefit payable to your spouse and children cannot be more than 60% of your Average Monthly Earnings. Upon death of your spouse, each child's benefit will increase from 5% to 10% of your Average Monthly Earnings up to a combined total of 35% of your Average Monthly Earnings.

The benefit above is reduced by the actuarial equivalent of any payment of:



- if the member had less than 10 years of continuous service, member contributions paid to the beneficiary with 3% simple interest, or
- if the member had 10 or more years of continuous service, benefit otherwise payable to the member at the member's normal retirement date for ten years certain.

Non-Service Incurred

If your death occurs not as a direct result of your performance of duties before you have completed 5 years of Continuous Service, your designated beneficiary will receive the return of your Employee Contributions with 3% simple interest or a lump-sum amount of \$2,500, whichever is greater.

If your death occurs not as a result of your performance of duties after you have completed 5 or more years of Continuous Service, the following benefits will become payable:

- (a) your spouse will receive a monthly benefit payable in the same manner as the Normal Form of Payment equal to 50% of your accrued benefit as of your date of death, but not less than 20% of your monthly earnings, plus
- (b) each unmarried child under 18 years of age (22 if enrolled as a full time student in a fully accredited high school, college or university) will receive a monthly benefit equal to 5% of your Average Monthly Earnings, or 10% of such earnings after the death of your spouse.
- (c) your designated beneficiary will receive a lump-sum payment of \$2,500 or the return of your Employee Contributions without interest, whichever is greater.

The combined total monthly benefits payable will be subject to a maximum of 50% of your Average Monthly Earnings, or 35% of such earnings after the death of your spouse.

If the member had completed 10 years of Continuous Service, the beneficiary receives not less than the accrued benefit, otherwise payable to the member at normal retirement date, for 10 years certain.

PAYMENT OF YOUR BENEFITS

This section describes the various ways and conditions your retirement benefit can be paid.

Normal Form of Payment

When you retire, you will receive a monthly retirement benefit for life. In the event that you die after retirement but before receiving retirement benefits for a period of 120 months, 100% of your benefit will be paid to your beneficiary for the balance of the 120-month period. Upon your death, or, if applicable, the 120-month guarantee period, the full retirement benefit shall be continued to your spouse for one year and 50% of the amount continued thereafter until your spouse's death.



If you wish, however, you may choose an optional payment method (see below). If you choose an optional form of payment, your benefit amount will be adjusted to be the actuarial equivalent of the Normal Form of Payment.

Optional Payment Methods

- **Joint & Contingent Benefit (Option 1):** Under this option, you would receive an adjusted monthly benefit payable to you during your joint lifetime with a designated beneficiary. Following your death, a fraction designated by you of this adjusted monthly amount will be payable to your beneficiary for their remaining lifetime.
- **Ten Years Certain and Life (Option 2):** Under this option, you will receive an adjusted monthly retirement benefit payable to you for life, and upon your death your beneficiary will continue to receive the same benefit you were receiving for the remainder of the 10 year period (120 monthly payments), if any.
- **Life-Only Annuity (Option 3):** Under this option, you will receive an adjusted monthly retirement benefit during your lifetime with no survivor benefits payable.
- **Joint & Last Survivor Benefit (Option 4):** Under this option, you would receive an adjusted monthly benefit payable to you during your joint lifetime with a designated beneficiary. Following the death of either you or your beneficiary, a fraction designated by you of this adjusted monthly amount will be payable to the survivor for the remaining lifetime of the survivor.

Deferred Retirement Option Plan (DROP)

If you continue employment beyond your normal retirement and you elect to join the DROP Plan, your Plan benefit will be determined as of your DROP participation date. Mandatory member contributions will cease.

A DROP member may contribute after-tax contributions only during the first calendar year of DROP participation. After-tax contributions shall be credited with investment gains or losses as invested by the Board of Trustees.

Your Plan benefit will be paid to your DROP account.

If you were participating in the DROP on April 30, 2010, you may elect to either share in investment gains/losses less allocated expenses or earn an annual fixed interest rate of eight percent (8%). This election may be changed annually during September.

If you were hired prior to May 1, 2010 and enter the DROP after April 30, 2010, you may elect either to earn the gross rate earned by the Plan or to earn a guaranteed rate equal to the greater of (a) 5% or (b) the lesser of (i) the gross rate of return earned by the Plan or (ii) 8%. This election may be changed annually during September.



If you were hired on or after May 1, 2010, you will earn the gross rate of return earned by the Plan.

After your participation in the DROP (maximum 5 years), termination of employment or death no further Plan benefits will be paid to your DROP account. Any further Plan benefits due will be paid directly to you or your beneficiaries. Your DROP account will be paid according to the DROP Plan provisions.

DROP members may apply for a loan from the DROP. The amount, term and interest rate for repayment of a DROP loan are subject to IRS and administrative restrictions.

Cost of Living Increases

Retirees and their beneficiaries who were receiving benefits or enrolled in the DROP as of June 18, 2003 will receive an annual increase. Members retiring or entering the DROP after June 18, 2003, will not receive the annual increase unless retired under the Career Anniversary Pension Retirement Incentive option.

Effective April 1, 2005 and each April 1st thereafter, **eligible members hired prior to April 1, 2006 who retired prior to May 1, 2010** shall receive an annual increase in retirement benefits equal to either (1) the greater of 2% or the total percentage increase in wage bases, excluding performance or merit adjustments, provided in the collective bargaining agreement to bargaining unit members or (2) 3% as irrevocably elected by you in 2007.

Effective April 1, 2011 and each April 1st thereafter, **eligible members hired before May 1, 2010 who retire or enter the DROP after April 30, 2010** shall receive an annual increase in retirement benefits equal to 2%.

Effective April 1, 2011 and each April 1st thereafter, **eligible members hired after April 30, 2010** shall receive an annual increase in retirement benefits equal to 1.5%.

Your increase shall be prorated during your first year of benefit entitlement.



BENEFIT LIMITATIONS

This Plan is maintained for the benefit of eligible employees to provide financial security upon retirement. However, the following circumstances could cause a loss or reduction in benefits from the Plan:

- 1) If you stop working before you become vested under the Plan, then you are only entitled to the return your Employee Contributions upon written request in the manner determined by the Board of Trustees.
- 2) If you are convicted of willfully and knowingly making any false, fraudulent or misleading oral or written statement or withholding or concealing information to obtain any Plan benefits, in the discretion of the Board of Trustees, you will forfeit all rights and benefits under the Plan.
- 3) You may forfeit Plan benefits upon your conviction for embezzlement of public funds, theft from your employer, bribery in connection with the employment of a public officer or employee, corruption by threat against a public servant, official misconduct, bribery in athletic contests, disclosure or use of confidential criminal justice information or bid tampering.
- 4) If you fail to properly file all necessary information and applications as required by the Board of Trustees, then you may be denied benefits.
- 5) In no event can neither your benefits from the Plan nor your compensation considered exceed the legal limit for benefits and compensation established by the Internal Revenue Service.
- 6) Failure to provide information that the Board of Trustees may request deemed necessary or desirable to administer the Plan may result in reduction or cessation of any benefits otherwise payable. Portions of your Plan benefits may be subject to Federal income tax when paid to you or your beneficiary. The Board of Trustees will withhold payment for taxes from your benefits or you may pay the taxes yourself along with your personal income tax.
- 7) You will not be entitled to receive disability benefits if you do not provide satisfactory proof of actual and continued disability. Disability retirement is subject to the approval of the Board of Trustees based upon established methods and procedures.
- 8) You are not entitled to receive any disability benefits if the Board of Trustees find your disability is a result of:
 - a. Excessive and habitual use of drugs, intoxicants, or alcohol,
 - b. Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections,
 - c. Injury or disease sustained while committing a crime,
 - d. Injury or disease sustained while serving in the armed forces. This exclusion does not affect members who have become disabled as a



- result of intervening military service under the federal Heroes Earnings Assistance and Relief Tax Act of 2008 (H.R. 6081; P.L. 110-245),
- e. Injury or disease sustained after termination of employment with the City as a Police Officer, and
 - f. Injury or disease sustained while working for anyone other than the City and arising out of such employment.
- 9) If you withdraw your Employee Contributions no further benefits will be payable.
- 10) If you participate in the DROP, the amount of your Plan benefit will be determined as of your date of participation.
- 11) If you participate in the DROP and you continue in employment beyond the maximum period allowed for DROP participation, no additional interest credits or losses will be applied and DROP payments into the DROP account will cease.
- 12) If you participate in the DROP, you will not be eligible for disability benefits.
- 13) If you were hired after June 18, 2003 and you elect to retire or DROP after attaining the maximum benefit to which they would have been entitled under the provisions of the Plan in effect on April 30, 2010 you will not be entitled to the Career Anniversary Pension Retirement Incentive.

FORFEITURE OF PENSION

Any Member 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.

- 7) The committing on or after October 1, 2008, of any felony defined in §800.04, Florida Statutes, against a victim younger than 16 years of age, or any felony defined in Chapter 794, Florida Statutes against a victim younger than 18 years of age, by a public officer or employee through the use or attempted use of power, rights, privileges, duties, or position of his or her public office or employment position.

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

IMPORTANT FACTS ABOUT YOUR PLAN

Name of Plan

City Pension Fund for Firefighters and Police Officers in the City of Pembroke Pines, Florida.

Plan Year

The Plan Year begins on October 1 and ends the following September 30. The records of the Plan are kept on a Plan year basis.

Board of Trustees

The Plan is administered by the Board of Trustees. The Board of Trustees has the authority to administer and interpret the provisions of the Plan and is responsible for the prudent administration and investment of the assets of the Trust Fund. The Board of Trustees must approve the payment of benefits and expenses from the Plan and has the authority to engage professionals to assist with the administration of the Plan. The Board of Trustees has regularly scheduled public meetings which must be held at least quarterly.

The Board of Trustees shall consist of nine members. Three members are Police Officers, elected by a majority of the Police Officers; three members are Firefighters, elected by a majority of the Firefighters; and three individuals other than Police Officers and Firefighters who are recommended by the City Manager and appointed by the City Commission. Each member's regular term in office is two years. Members may succeed themselves in office.

The Board of Trustees may be reached in writing at the following address:

Board of Trustees
c/o Ms. Karen Warner
Administrator
City Pension Fund for Firefighters and Police Officers



in the City of Pembroke Pines, Florida
 Hampton Professional Center
 1951 N.W. 150th Avenue – Suite 104
 Pembroke Pines, Florida 33028

The Pension Office may be reached by telephone at (954) 431-3124.

The Board of Trustees has appointed the custodian and investment advisors listed below to assist with the investment of the Plan assets:

Custodian

Fiduciary Trust International of the South
 200 S. Biscayne Blvd.
 Suite #3050
 Miami, FL 33131

Performance Monitor

Greg McNeillie
 Dahab Associates
 31 Hayward Street – Suite C3
 Franklin, MA 02038

Money Managers

American Realty Advisors
 801 North Brand Blvd. – Suite #800
 Glendale, CA 91203

Inverness Counsel, LLC
 845 Third Avenue – 8th Floor
 New York, NY 10022

Atlanta Capital Management
 Two Midtown Plaza – Suite #1600
 1349 W. Peachtree St.
 Atlanta, GA 30309

Lee Munder Capital Group
 200 Clarendon Street – 28th Floor
 Boston, MA 02116

BlackRock Realty Advisers
 300 Campus Drive – 3rd Floor
 Florham Park, NJ 07932

Regions Bank (AmSouth)
 1901 – 6th Avenue North
 Birmingham, AL 35203

Buckhead Capital Management, LLC
 3330 Cumberland Blvd. – Suite #650
 Atlanta, GA 30339

State Street Global Advisors
 3475 Piedmont Road NE – Suite #1920
 Atlanta, GA 30305

Eaton Vance Management
 Two International Place
 Boston, MA 02110

TA Associates Realty
 28 State Street – 10th Floor
 Boston, MA 02109

Agent for Service of Legal Process

Service of legal process may be made on the Board of Trustees.

Claims Procedure

There shall be written notice given to any member or beneficiary whose claim for benefits has been denied. The notice shall indicate the specific reasons for denial and



will clearly indicate that a review is possible and the manner in which to apply for such a review.

Relevant Local and State Law

The Plan was established under the provisions of Chapter 34 of the City of Pembroke Pines Code of Ordinance and has subsequently been amended. The Plan is subject to the relevant provisions of Florida Statutes Chapters 112, 175 and 185.



GLOSSARY

Average Monthly Earnings

This is your Average Monthly Earnings from the City for the highest two years of Service.

Average Monthly Regular Wages

This is your Average Monthly Regular Wages from the City for the period coinciding with the highest two years of Service used in the calculation of your Average Monthly Earnings.

Continuous Service

This is service that is used to determine both the amount of and eligibility for benefits you will receive. Continuous Service is measured in years and completed months, generally, from your date of employment to your retirement date or other termination of service. Absence due to engagement in military service will be included in Continuous Service if you are entitled to re-employment under the provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA).

Earnings

This is basic wages paid by the City for services rendered including regular longevity pay and overtime pay. Earnings may include up to 1,000 hours of accrued unused leave earned as of April 30, 2010 for members receiving the Career Anniversary Pension Retirement Incentive. Accrued leave earned after April 30, 2010 is not included in Earnings for purpose of calculating a member's benefits under the Plan.

Employee Contributions

10.4% of Earnings, payable on a pre-tax basis commencing upon participation until the earliest of the date you retire, enter the DROP, complete 26-2/3 years of service, terminate service, become disabled or are deceased.

Normal Retirement Date

The earlier of the date you both (1) attain age 50 and complete 10 years of Continuous Service or (2) complete 20 years of Continuous Service regardless of age.

Regular Wages

This is base pay including any incentive pay, regular longevity, assignment pay, and any current or future pensionable compensation but excluding overtime and accrued unused leave. Regular wages will be used to calculate the maximum retirement benefit if you were hired after March 31, 2006.



Total and Permanent Disability

Disability approved by the Board of Trustees based on medical evidence supplied by a Medical Board appointed by the Board of Trustees. If the disability is as a result of certain conditions or actions such as participation in illegal activities no disability benefit will be approved.



See pages 21 and 22
for
REPORT OF FINANCIAL AND ACTUARIAL INFORMATION



**CITY PENSION FUND FOR FIREFIGHTERS AND POLICE
OFFICERS IN THE CITY OF PEMBROKE PINES, FLORIDA**

Report of Financial and Actuarial Information

10/01/2010

A. Participant Data

1. Active participants		355
2. Retired participants and beneficiaries receiving benefits (including DROPs)		248
3. Disabled participants receiving benefits		15
4. Terminated vested participants		7
5. Annual payroll of active participants excluding DROPs	\$	27,129,273
6. Annual payroll of active participants including DROPs	\$	36,040,491
7. Annual benefits payable to those currently receiving benefits (including DROPs)	\$	19,562,487

B. Value of Assets

1. Actuarial Value	\$	280,775,729
2. Market Value	\$	235,574,058

C. Liabilities

1. Actuarial present value of future expected benefit payments for active members		
a. Retirement benefits	\$	235,330,428
b. Vesting benefits		3,274,881
c. Death benefits		1,216,430
d. Disability benefits		7,700,295
e. Total	\$	247,522,034
2. Actuarial present value of future expected benefit payments for terminated vested members	\$	1,857,992
3. Actuarial present value of future expected benefit payments for members currently receiving benefits		
a. Service retired (includes DROPs)	\$	294,538,605
b. Disability retired		9,079,309
c. Beneficiaries		2,541,231
d. Miscellaneous (Refunds in Process)		33,108
e. Total	\$	306,192,253



CITY PENSION FUND FOR FIREFIGHTERS AND POLICE OFFICERS IN THE CITY OF PEMBROKE PINES, FLORIDA

Report of Financial and Actuarial Information

4. Total actuarial present value of future expected benefit payments	\$ 555,572,279
5. Actuarial accrued liabilities (EAN)	\$ 467,205,127
6. Unfunded actuarial liabilities (EAN)	\$ 186,429,398

D. Statement of Accumulated Plan Benefits

1. Actuarial present value of accumulated vested benefits	
a. Participants currently receiving benefits	\$ 306,159,145
b. Other participants	106,841,369
c. Total	\$ 413,000,514
2. Actuarial present value of accumulated non-vested plan benefits	18,691,796
3. Total actuarial present value of accumulated plan benefits	\$ 431,692,310

E. Pension Cost

1. Total normal cost	\$ 11,461,526
2. Payment required to amortize unfunded liability	13,445,409
3. Interest adjustment	1,204,376
4. Total required contribution	\$ 26,111,311
5. a. Item 4 as a percentage of base payroll *	96.2%
b. Item 4 as a percentage of total payroll **	72.4%
6. Estimated employee contributions	\$ 2,821,444
7. a. Item 6 as a percentage of base payroll *	10.4%
b. Item 6 as a percentage of total payroll **	7.8%
8. Estimated State contributions	\$ 2,337,509
9. a. Item 8 as a percentage of base payroll *	8.6%
b. Item 8 as a percentage of total payroll **	6.5%
10. Net amount payable by City	\$ 20,952,358
11. a. Item 10 as a percentage of base payroll *	77.2%
b. Item 10 as a percentage of total payroll **	58.1%

* Excludes DROP payroll

** Includes DROP payroll