

PROVISIONS  
For The  
EAST NICEVILLE FIRE DISTRICT  
FIREFIGHTERS' PENSION TRUST FUND

For Board Discussion

## **SECTION 1. DEFINITIONS.**

1. As used herein, unless otherwise defined or required by the context, the following words and phrases shall have the meaning indicated:

**Accumulated Contributions** means a Member's own contributions without interest. For those Members who purchase Credited Service with interest or at no cost to the System, any payment representing the amount attributable to Member contributions based on the applicable Member contribution rate, and any payment representing interest and any required actuarially calculated payments for the purchase of such Credited Service, shall be included in Accumulated Contributions.

**Actuarial Equivalent** means a benefit or amount of equal value, based upon the RP 2000 Combined Healthy Unisex Mortality Table and an interest rate equal to the investment return assumption set forth in the last actuarial valuation report approved by the Board. This definition may only be amended by the District pursuant to the recommendation of the Board using assumptions adopted by the Board with the advice of the plan's actuary, such that actuarial assumptions are not subject to District discretion.

**Average Final Compensation** means one-twelfth (1/12) of the average Salary of the five (5) best years of the last ten (10) years of Credited Service prior to Retirement, termination, or death, or the career average as a full-time Firefighter, whichever is greater. A year shall be twelve (12) consecutive months.

**Beneficiary** means the person or persons entitled to receive benefits hereunder at the death of a Member who has or have been designated in writing by the Member and filed with the Board. If no such designation is in effect, or if no person so designated is living, at the time of death of the Member, the Beneficiary shall be the estate of the Member.

**Board** means the Board of Trustees, which shall administer and manage the System herein provided and serve as trustees of the Fund.

**District** means East Niceville Fire District, Florida.

**Code** means the Internal Revenue Code of 1986, as amended from time to time.

**Credited Service** means the total number of years and fractional parts of years of service as a Firefighter with Member contributions, when required, omitting intervening years or fractional parts of years when such Member was not employed by the District as a Firefighter. A Member may voluntarily leave Accumulated Contributions in the Fund for a period of five (5) years after leaving the employ of the Fire Department pending the possibility of being reemployed as a Firefighter, without losing credit for the time that he was a Member of the System. If a vested Member leaves the employ of the Fire Department, Accumulated Contributions will be returned only upon the Member's written request. If a Member who is not vested is not reemployed as a Firefighter with the Fire Department within five (5) years, Accumulated Contributions, if one thousand dollars (\$1,000.00) or less, shall be returned. If a Member who is not vested is not reemployed within five (5) years, Accumulated Contributions, if more than one-thousand dollars (\$1,000.00), will be returned only upon the written request of the Member and upon completion of a written election to receive a cash lump sum or to rollover the lump sum amount on forms designated by the Board. Upon return of a Member's Accumulated Contributions, all of the Member's rights and benefits under the System are forfeited and terminated. Upon any reemployment, a Firefighter shall not receive credit for the years and fractional parts of years of service for which the Member has withdrawn their Accumulated Contributions from the Fund, unless the Firefighter repays into the Fund the contributions they have withdrawn, with interest, as determined by the Board, within ninety (90) days after reemployment.

The years or fractional parts of a year that a Member performs "Qualified Military Service" consisting of voluntary or involuntary "service in the uniformed services" as defined in the Uniformed Services Employment and Reemployment Rights Act (USERRA) (P.L.103-353), after separation from employment as a Firefighter with the District, shall be added to years of Credited Service for all purposes, including vesting, provided that:

- A. The Member is entitled to reemployment under the provisions of USERRA.
- B. The Member returns to employment as a Firefighter within one (1) year from the earlier of the date of their military discharge or their release from active service, unless otherwise required by USERRA.
- C. The maximum credit for military service pursuant to this paragraph shall be five (5) years.
- D. This paragraph is intended to satisfy the minimum requirements of USERRA. To the extent that this paragraph does not meet the minimum standards of USERRA, as it may be amended from time to time, the minimum standards shall apply.

In the event a Member dies on or after January 1, 2007, while performing USERRA Qualified Military Service, the beneficiaries of the Member are entitled to any benefits (other than benefit accruals relating to the period of qualified military service) as if the Member had resumed employment and then died while employed.

Beginning January 1, 2009, to the extent required by Section 414(u)(12) of the Code, an individual receiving differential wage payments (as defined under Section 3401(h)(2) of the Code) from an employer shall be treated as employed by that employer, and the differential wage payment shall be treated as compensation for purposes of applying the limits on annual additions under Section 415(c) of the Code. This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.

Leave conversions of unused accrued paid time off shall not be permitted to be applied toward the accrual of Credited Service either during each Plan Year of a Member's employment with the District or in the Plan Year in which the Member terminates employment.

Effective Date means October 1, 2006.

Firefighter means an actively employed full-time person employed by the District, including the initial probationary employment period, who is certified as a Firefighter as a condition of employment in accordance with the provisions of §633.408, Florida Statutes, and whose duty it is to extinguish fires, to protect life and to protect property. The term includes all certified, supervisory, and command personnel whose duties include, in whole or in part, the supervision, training, guidance, and management responsibilities of full-time Firefighters, part-time firefighters, or auxiliary firefighters but does not include part-time firefighters or auxiliary firefighters.

Fund means the trust fund established herein as part of the System.

Member means an actively employed Firefighter who fulfills the prescribed membership requirements. Benefit improvements which, in the past, have been provided for by amendments to the System adopted by District resolution, and any benefit improvements which might be made in the future shall apply prospectively and shall not apply to Members who terminate employment or who retire prior to the effective date of any resolution adopting such benefit improvements, unless such resolution specifically provides to the contrary.

Plan Year means the twelve (12) month period beginning October 1 and ending September 30 of the following year.

Retiree means a Member who has entered Retirement status.

Retirement means a Member's separation from District employment with eligibility for immediate receipt of benefits under the System.

Salary means the total compensation for services rendered to the District as a Firefighter reportable on the Member's W-2 form plus all tax deferred, tax sheltered, or tax exempt items of income derived from elective employee payroll deductions or salary reductions. For service earned after July 1, 2011 (the "effective date"), Salary shall not include more than three hundred (300) hours of overtime per calendar year and shall also not include payments for accrued unused sick or annual leave. Provided however, in any event, payments for overtime in excess of three hundred (300) hours per year or accrued unused sick or annual leave accrued as of the effective date and attributable to service earned prior to the effective date, may still be included in Salary for pension purposes even if the payment is not actually made until on or after the effective date. In any event, with respect to unused sick leave and unused annual leave accrued prior to the effective date, Salary will include the lesser of the amount of sick or annual leave time accrued on the effective date or the actual amount of sick or annual leave time for which the Retiree receives payment at the time of Retirement, regardless of whether the amount of sick or annual leave was, at some time prior to Retirement, reduced below the amount on the effective date.

Compensation in excess of the limitations set forth in Section 401(a)(17) of the Code as of the first day of the Plan Year shall be disregarded for any purpose, including employee contributions or any benefit calculations. The annual compensation of each member taken into account in determining benefits or employee contributions for any Plan Year beginning on or after January 1, 2002, may not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Code Section 401(a)(17)(B). Compensation means compensation during the fiscal year. The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year. If the determination period consists of fewer than 12 months, the annual compensation limit is an amount equal to the otherwise applicable annual compensation limit multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is 12. If the compensation for any prior determination period is taken into account in determining a Member's contributions or benefits for the current Plan Year, the compensation for such prior determination period is subject to the applicable annual compensation limit in effect for that prior period. The limitation on compensation for an "eligible employee" shall not be less than the amount which was allowed to be taken into account hereunder as in effect on July 1, 1993. "Eligible employee" is an individual who was a Member before the first Plan Year beginning after December 31, 1995.

Spouse means the Member's or Retiree's spouse under applicable law at the time benefits become payable.

System means the East Niceville Fire District Firefighters' Pension Trust Fund as contained herein and all amendments thereto.

2. Masculine Gender.

The masculine gender, where used herein, unless the context specifically requires otherwise, shall include both the feminine and masculine genders.

## **SECTION 2. MEMBERSHIP.**

### 1. Conditions of Eligibility.

All Firefighters as of the Effective Date, and all future new Firefighters, shall become Members of this System as a condition of employment.

### 2. Designation of Beneficiary.

Each Firefighter shall complete a form prescribed by the Board designating a Beneficiary or Beneficiaries.

## **SECTION 3. BOARD OF TRUSTEES.**

1. The sole and exclusive administration of and responsibility for the proper operation of the System and for making effective the provisions of this resolution is hereby vested in a Board of Trustees. The Board is hereby designated as the plan administrator. The Board shall consist of five (5) Trustees, two (2) of whom, unless otherwise prohibited by law, shall be legal residents of the District, who shall be appointed by the East Niceville Fire District Board of Commissioners, and two (2) of whom shall be Members of the System, who shall be elected by a majority of the Firefighters who are Members of the System. The fifth Trustee shall be chosen by a majority of the previous four (4) Trustees as provided for herein, and such person's name shall be submitted to the East Niceville Fire District Board of Commissioners. Upon receipt of the fifth person's name, the East Niceville Fire District Board of Commissioners shall, as a ministerial duty, appoint such person to the Board of Trustees as its fifth Trustee. The fifth Trustee shall have the same rights as each of the other four (4) Trustees appointed or elected as herein provided and shall serve a four (4) year term unless he sooner vacates the office. Each resident Trustee shall serve as Trustee for a period of four (4) years, unless he sooner vacates the office or is sooner replaced by the East Niceville Fire District Board of Commissioners at whose pleasure he shall serve. Each Member Trustee shall serve as Trustee for a period of four (4) years, unless he sooner leaves the employment of the District as a Firefighter or otherwise vacates his/her office as Trustee, whereupon a successor shall be chosen in the same manner as the departing Trustee. Each Trustee may succeed themselves in office and shall holdover until replaced. The Board shall establish and administer the nominating and election procedures for each election. The Board shall meet at least quarterly each year. The Board shall be a legal entity with, in addition to other powers and responsibilities contained herein, the power to bring and defend lawsuits of every kind, nature, and description.

2. The Trustees shall, by a majority vote, elect a Chairman and a Secretary. The Secretary of the Board shall keep a complete minute book of the actions, proceedings, or hearings of the Board. The Trustees shall not receive any compensation as such, but may receive expenses and per diem as provided by law.

3. Each Trustee shall be entitled to one (1) vote on the Board. Three (3) affirmative votes shall be necessary for any decision by the Trustees at any meeting of the Board. A Trustee shall abstain from voting as the result of a conflict of interest and shall comply with the provisions of Section 112.3143, Florida Statutes.

4. The Board shall engage such actuarial, accounting, legal, and other services as shall be required to transact the business of the System. The compensation of all persons engaged by the Board and all other expenses of the Board necessary for the operation of the System shall be paid from the Fund at such rates and in such amounts as the Board shall agree. In the event the Board chooses to use the District's legal counsel, actuary or other professional, technical or other advisors, it shall do so only under terms and conditions acceptable to the Board.

5. The duties and responsibilities of the Board shall include, but not necessarily be limited to, the following:

- A. To construe the provisions of the System and determine all questions arising thereunder.
- B. To determine all questions relating to eligibility and membership.
- C. To determine and certify the amount of all retirement allowances or other benefits hereunder.
- D. To establish uniform rules and procedures to be followed for administrative purposes, benefit applications and all matters required to administer the System.
- E. To distribute to Members, at regular intervals, information concerning the System.
- F. To receive and process all applications for benefits.
- G. To authorize all payments whatsoever from the Fund, and to notify the disbursing agent, in writing, of approved benefit payments and other expenditures arising through operation of the System and Fund.
- H. To have performed actuarial studies and valuations, at least as often as required by law, and make recommendations regarding any and all changes in the provisions of the System.
- I. To perform such other duties as are required to prudently administer the System.

#### **SECTION 4. FINANCES AND FUND MANAGEMENT.**

##### **Establishment and Operation of Fund.**

1. As part of the System, there is hereby established the Fund, into which shall be deposited all of the contributions and assets whatsoever attributable to the System, including the assets of the prior Firefighters' Pension Trust Fund.

2. The actual custody and supervision of the Fund (and assets thereof) shall be vested in the Board. Payment of benefits and disbursements from the Fund shall be made by the disbursing agent but only upon written authorization from the Board.

3. All funds of the Firefighters' Pension Trust Fund may be deposited by the Board with the Finance Director of the District, acting in a ministerial capacity only, who shall be liable in the same manner and to the same extent as he is liable for the safekeeping of funds for the District. However, any funds so deposited with the Finance Director of the District shall be kept in a separate fund by the Finance Director or clearly identified as such funds of the Firefighters' Pension Trust Fund. In lieu thereof, the Board shall deposit the funds of the Firefighters' Pension Trust Fund in a qualified public depository as defined in §280.02, Florida Statutes, which depository with regard to such funds shall conform to and be bound by all of the provisions of Chapter 280, Florida Statutes. In order to fulfill its investment responsibilities as set forth herein, the Board may retain the services of a custodian bank, an investment advisor registered under the Investment Advisors Act of 1940 or otherwise exempt from such required registration, an insurance company, or a combination of these, for the purposes of investment decisions and management. Such investment manager shall

have discretion, subject to any guidelines as prescribed by the Board, in the investment of all Fund assets.

4. All funds and securities of the System may be commingled in the Fund, provided that accurate records are maintained at all times reflecting the financial composition of the Fund, including accurate current accounts and entries as regards the following:

- A. Current amounts of Accumulated Contributions of Members on both an individual and aggregate account basis, and
- B. Receipts and disbursements, and
- C. Benefit payments, and
- D. Current amounts clearly reflecting all monies, funds and assets whatsoever attributable to contributions and deposits from the District, and
- E. All interest, dividends and gains (or losses) whatsoever, and
- F. Such other entries as may be properly required so as to reflect a clear and complete financial report of the Fund.

5. An audit shall be performed annually by a certified public accountant for the most recent fiscal year of the System showing a detailed listing of assets and a statement of all income and disbursements during the year. Such income and disbursements must be reconciled with the assets at the beginning and end of the year. Such report shall reflect a complete evaluation of assets on both a cost and market basis, as well as other items normally included in a certified audit.

6. The Board shall have the following investment powers and authority:

- A. The Board shall be vested with full legal title to said Fund, subject, however, and in any event to the authority and power of the East Niceville Fire District District Board of Commissioners to amend or terminate this Fund, provided that no amendment or Fund termination shall ever result in the use of any assets of this Fund except for the payment of regular expenses and benefits under this System, except as otherwise provided herein. All contributions from time to time paid into the Fund, and the income thereof, without distinction between principal and income, shall be held and administered by the Board or its agent in the Fund and the Board shall not be required to segregate or invest separately any portion of the Fund.
- B. All monies paid into or held in the Fund shall be invested and reinvested by the Board and the investment of all or any part of such funds shall be limited to:
  - (1) Annuity and life insurance contracts with life insurance companies in amounts sufficient to provide, in whole or in part, the benefits to which all of the Members in the Fund shall be entitled under the provisions of this System and pay the initial and subsequent premium thereon.
  - (2) Time or savings accounts of a national bank, a state bank insured by the Bank Insurance Fund or a savings/building and loan association insured by the Savings Association Insurance Fund which is administered by the Federal Deposit Insurance Corporation or a state

or federal chartered credit union whose share accounts are insured by the National Credit Union Share Insurance Fund.

- (3) Obligations of the United States or obligations guaranteed as to principal and interest by the government of the United States or by an agency of the government of the United States.
  - (4) Bonds issued by the State of Israel.
  - (5) Stocks, commingled funds administered by national or state banks, mutual funds and bonds or other evidences of indebtedness, provided that:
    - (a) Except as provided in subparagraph (b), all individually held securities and all securities in a commingled or mutual fund must be issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia. market value may be invested in foreign securities.
    - (b) Up to twenty-five (25%) of the assets of the Fund at market value may be invested in foreign securities.
    - (c) The Board shall not invest more than five percent (5%) of its assets in the common stock, capital stock, or convertible securities of any one issuing company, nor shall the aggregate investment in any one issuing company exceed five percent (5%) of the outstanding capital stock of that company; nor shall the aggregate of its investments in common stock, capital stock and convertible securities at cost exceed seventy-five percent (75%) of the assets of the Fund.
- C. At least once every three (3) years, and more often as determined by the Board, the Board shall retain a professionally qualified independent consultant, as defined in Section 175.071, Florida Statutes, to evaluate the performance of all current investment managers and make recommendations regarding the retention of all such investment managers. These recommendations shall be considered by the Board at its next regularly scheduled meeting.
- D. The Board may retain in cash and keep unproductive of income such amount of the Fund as it may deem advisable, having regard for the cash requirements of the System.
- E. Neither the Board nor any Trustee shall be liable for the making, retention or sale of any investment or reinvestment made as herein provided, nor for any loss or diminishment of the Fund, except that due to negligence, willful misconduct or lack of good faith.
- F. The Board may cause any investment in securities held by it to be registered in or transferred into its name as Trustee or into the name of such nominee as it may direct, or it may retain them unregistered and in form permitting transferability, but the books and records shall at all times show that all investments are part of the Fund.
- G. The Board is empowered, but is not required, to vote upon any stocks, bonds, or securities of any corporation, association, or trust and to give general or



specific proxies or powers of attorney with or without power of substitution; to participate in mergers, reorganizations, recapitalizations, consolidations, and similar transactions with respect to such securities; to deposit such stock or other securities in any voting trust or any protective or like committee with the Trustees or with depositories designated thereby; to amortize or fail to amortize any part or all of the premium or discount resulting from the acquisition or disposition of assets; and generally to exercise any of the powers of an owner with respect to stocks, bonds, or other investments comprising the Fund which it may deem to be to the best interest of the Fund to exercise.

- H. The Board shall not be required to make any inventory or appraisal or report to any court, nor to secure any order of court for the exercise of any power contained herein.
- I. Where any action which the Board is required to take or any duty or function which it is required to perform either under the terms herein or under the general law applicable to it as Trustee under this resolution, can reasonably be taken or performed only after receipt by it from a Member, the District, or any other entity, of specific information, certification, direction or instructions, the Board shall be free of liability in failing to take such action or perform such duty or function until such information, certification, direction or instruction has been received by it.
- J. Any overpayments or underpayments from the Fund to a Member, Retiree or Beneficiary caused by errors of computation shall be adjusted with interest at a rate per annum approved by the Board in such a manner that the Actuarial Equivalent of the benefit to which the Member, Retiree or Beneficiary was correctly entitled, shall be paid. Overpayments shall be charged against payments next succeeding the correction or collected in another manner if prudent. Underpayments shall be made up from the Fund in a prudent manner.
- K. The Board shall sustain no liability whatsoever for the sufficiency of the Fund to meet the payments and benefits provided for herein.
- L. In any application to or proceeding or action in the courts, only the Board shall be a necessary party, and no Member or other person having an interest in the Fund shall be entitled to any notice or service of process. Any judgment entered in such a proceeding or action shall be conclusive upon all persons.
- M. Any of the foregoing powers and functions reposed in the Board may be performed or carried out by the Board through duly authorized agents, provided that the Board at all times maintains appropriate supervision over the acts of any such agent; provided further, that legal title to said Fund shall always remain in the Board.
- N. Neither the Board nor any of its professionals shall provide advice to Members or Beneficiaries. Member and Beneficiaries are encouraged to seek independent tax, retirement and financial planning advice.

## **SECTION 5. CONTRIBUTIONS.**

### 1. Member Contributions.

- A. Amount. Each Member of the System shall be required to make regular

contributions to the Fund in the amount of five percent (5) of Salary. Member contributions withheld by the District on behalf of the Member shall be deposited with the Board immediately after each pay period. The contributions made by each Member to the Fund shall be designated as employer contributions pursuant to §414(h) of the Code. Such designation is contingent upon the contributions being excluded from the Members' gross income for Federal Income Tax purposes. For all other purposes of the System, such contributions shall be considered to be Member contributions.

B. Method. Such contributions shall be made by payroll deduction.

2. State Contributions.

Any monies received or receivable by reason of laws of the State of Florida, for the express purpose of funding and paying for retirement benefits for Firefighters of the District shall be deposited in the Fund comprising part of this System immediately and under no circumstances more than five (5) days after receipt by the District.

3. District Contributions.

So long as this System is in effect, the District shall make quarterly contributions to the Fund in an amount equal to the required District contribution, as shown by the applicable actuarial valuation of the System.

4. Other.

Private donations, gifts and contributions may be deposited to the Fund, but such deposits must be accounted for separately and kept on a segregated bookkeeping basis. Funds arising from these sources may be used only for additional benefits for Members, as determined by the Board, and may not be used to reduce what would have otherwise been required District contributions.

**SECTION 6. BENEFIT AMOUNTS AND ELIGIBILITY.**

1. Normal Retirement Age and Date.

A Member's normal retirement age is the earlier of the attainment of age fifty-five (55) and ten (10) years of Credited Service or age fifty-two (52) and twenty-five (25) years of Credited Service. Each Member shall become one hundred percent (100%) vested in their accrued benefit at normal retirement age. A Member's normal retirement date shall be the first day of the month coincident with or next following the date the Member retires from the District after attaining normal retirement age.

2. Normal Retirement Benefit.

A Member retiring hereunder on or after their normal retirement date shall receive a monthly benefit which shall commence on the first day of the month coincident with or next following Retirement and be continued thereafter during Member's lifetime, ceasing upon death, but with one hundred twenty (120) monthly payments guaranteed in any event. The monthly retirement benefit shall equal three percent (3%) of Average Final Compensation, for each year of Credited Service.

3. Early Retirement Date.

A Member may retire on their early retirement date which shall be the first day of any month coincident with or next following the attainment of age fifty (50) and ten (10) years of Credited Service. Early retirement under the System is Retirement from employment with the District on or after the early retirement date and prior to the normal retirement date.

4. Early Retirement Benefit.

A Member retiring hereunder on their early retirement date may receive either a deferred or an immediate monthly retirement benefit payable in the same form as for normal retirement as follows:

- A. A deferred monthly retirement benefit which shall commence on what would have been the Member's normal retirement date determined based upon actual years of Credited Service as a Firefighter and shall be continued on the first day of each month thereafter. The amount of each such deferred monthly retirement benefit shall be determined in the same manner as for retirement on his/her normal retirement date determined based upon actual years of Credited Service except that Credited Service and Average Final Compensation shall be determined as of his/her early retirement date; or
- B. An immediate monthly retirement benefit which shall commence on the Member's early retirement date and shall be continued on the first day of each month thereafter. The benefit payable shall be as determined in paragraph A above, reduced by three percent (3%) for each year by which the commencement of benefits precedes the date which would have been the Member's normal retirement date determined based upon his/her actual years of Credited Service.

5. Required Distribution Date.

The Member's benefit under this Section must begin to be distributed to the Member no later than April 1 of the calendar year following the later of the calendar year in which the Member attains age seventy and one-half (70½) or the calendar year in which the Member terminates employment with the District.

6. Missing Benefit Recipients.

The Fund shall follow the procedures outlined in the IRS Employee Plans Compliance Resolution System (EPCRS) Program and other applicable IRS guidance to locate any missing individuals to whom a full unreduced benefit payment is due and if, at the conclusion of such efforts, the individual cannot be located, the existing procedure of cancelling payments otherwise due (provided that, if the individual is later located the benefits due shall be paid) will apply.

**SECTION 7. PRE-RETIREMENT DEATH.**

1. Prior to Vesting or Eligibility for Retirement.

The Beneficiary of a deceased Member who was not receiving monthly benefits or who was not yet vested or eligible for early or normal retirement shall receive a refund of one hundred percent (100%) of the Member's Accumulated Contributions.

2. Deceased Members Vested or Eligible for Retirement with Spouse as Beneficiary.

This subsection 2 applies only when the Member's Spouse is the sole designated Beneficiary. The Spouse Beneficiary of any Member who dies and who, at the date of his/her death was vested or eligible for early or normal retirement, shall be entitled to a benefit as follows:

- A. If the Member was vested, but not eligible for normal or early retirement, the Spouse Beneficiary shall receive a benefit payable for ten (10) years, beginning on the date that the deceased Member would have been eligible for early or normal retirement, at the option of the Spouse Beneficiary. The

benefit shall be calculated as for normal retirement based on the deceased Member's Credited Service and Average Final Compensation as of the date of his/her death and reduced as for early retirement, if applicable. The Spouse Beneficiary may also elect to receive an immediate benefit, payable for ten (10) years, which is actuarially reduced to reflect the commencement of benefits prior to the early retirement date.

- B. If the deceased Member was eligible for normal or early retirement, the Spouse Beneficiary shall receive a benefit payable for ten (10) years,

beginning on the first day of the month following the Member's death or at the deceased Member's otherwise normal retirement date, at the option of the Spouse Beneficiary. The benefit shall be calculated as for normal retirement based on the deceased Member's Credited Service and Average Final Compensation as of the date of his/her death and reduced as for early retirement, if applicable.

- C. A Spouse Beneficiary may not elect an optional form of benefit, however, the Board may elect to make a lump sum payment pursuant to Section 10, subsection 7.
- D. A Spouse Beneficiary may, in lieu of any benefit provided for in A or B above, elect to receive a refund of the deceased Member's Accumulated Contributions.
- E. Notwithstanding anything contained in this Section to the contrary, in any event, distributions to the Spouse Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Member died, or by a date selected pursuant to the above provisions in this Section that must be on or before December 31 of the calendar year in which the Member would have attained 70½.
- F. If the surviving Spouse Beneficiary commences receiving a benefit under subsection A or B above, but dies before all payments are made, the actuarial value of the remaining benefit will be paid to the Spouse Beneficiary's estate in a lump sum.

3. Deceased Members Vested or Eligible for Retirement with Non-Spouse Beneficiary.

This subsection applies only when the Member's Spouse is not the Beneficiary or is not the sole designated Beneficiary, but there is a surviving Beneficiary. The Beneficiary of any Member who dies and who, at the date of his/her death was vested or eligible for early or normal retirement, shall be entitled to a benefit as follows:

- A. If the Member was vested, but not eligible for normal or early retirement, the Beneficiary will receive a benefit payable for ten (10) years. The benefit will begin by December 31 of the calendar year immediately following the calendar year in which the Member died. The benefit will be calculated as for normal retirement based on the deceased Member's Credited Service and Average Final Compensation and actuarially reduced to reflect the commencement of benefits prior to the normal retirement date.
- B. If the deceased Member was eligible for normal or early retirement, the Beneficiary will receive a benefit payable for ten (10) years, beginning on the first day of the month following the Member's death. The benefit will be calculated as for normal retirement based on the deceased Member's Credited Service and Average Final Compensation as of the date of his/her death and reduced for early retirement, if applicable.
- C. A Beneficiary may not elect an optional form of benefit, however the Board may elect to make a lump sum payment pursuant to Section 10, subsection 7.
- D. A Beneficiary, may, in lieu of any benefit provided for in A or B above, elect to receive a refund of the deceased Member's Accumulated Contributions.

- E. If a surviving Beneficiary commences receiving a benefit under subsection A or B above, but dies before all payments are made, the actuarial value of the remaining benefit will be paid to the surviving Beneficiary's estate by December 31 of the calendar year of the Beneficiary's death in a lump sum.
  - F. If there is no surviving Beneficiary as of the Member's death, and the estate is to receive the benefits, the actuarial equivalent of the Member's entire interest must be distributed by December 31 of the calendar year containing the fifth anniversary of the Member's death.
  - G. The Uniform Lifetime Table in Treasury Regulations § 1.401(a)(9)-9 shall determine the payment period for the calendar year benefits commence, if necessary to satisfy the regulations.
4. In-Line of Duty Presumptions.
- A. Rebuttable presumptions. The provisions of Sections 112.18, 112.181, and 175.231, Fla. Stat., are hereby codified within the Plan and are intended to be incorporated by reference. The Board of Trustees shall adopt uniform administrative rules for the conduct of disability hearings resulting relating to these rebuttable presumptions and for the determination of any disqualifying events reflected in Chapters 112 and 175, Fla. Stat.
  - B. Conclusive irrebuttable cancer presumption. The provisions of Section 112.1816, Fla. Stat., are hereby codified within the Plan and are intended to be incorporated by reference. The Board of Trustees shall adopt uniform administrative rules relating to this presumption and for the determination of any disqualifying events as reflected in Chapters 112 and 175, Fla. Stat.

## **SECTION 8. DISABILITY.**

### **1. Disability Benefits In-Line of Duty.**

Any Member who shall become totally and permanently disabled to the extent that he is unable, by reason of a medically determinable physical or mental impairment, to render useful and efficient service as a Firefighter, which disability was directly caused by the performance of duty as a Firefighter, shall, upon establishing the same to the satisfaction of the Board, be entitled to a monthly pension equal to three percent (3%) of Average Final Compensation multiplied by the total years of Credited Service, but in any event the minimum amount paid to the Member shall be forty-two percent (42%) of the Average Final Compensation of the Member. If a Member is terminated by the District for medical reasons, the terminated person may apply for a disability benefit if the application is filed with the Board within thirty (30) days from the date of termination. If a timely application is received, it shall be processed and the terminated person shall be eligible to receive a disability benefit if the Board otherwise determines that he is totally and permanently disabled as provided for above. If a member voluntarily terminates their employment before filing an application for disability benefits, they will not be eligible for disability benefits.

### **2. In-Line of Duty Presumptions.**

A. **Rebuttable Heart Disease and Hypertension Presumptions.** Any condition or impairment of health of a Member caused by hypertension or heart disease shall be presumed to have been suffered in line of duty unless the contrary is shown by competent evidence, provided that such Member shall have successfully passed a physical examination upon entering into such service, which examination failed to reveal any evidence of such condition; and provided further, that such presumption shall not apply to benefits payable or granted in a policy of life insurance or disability

insurance. The provisions of Sections 112.18, 112.181, and 175.231, Fla. Stat., are hereby codified within the Plan and are intended to be incorporated by reference and as set forth below. The Board of Trustees shall adopt uniform administrative rules for the conduct of disability hearings resulting relating to these rebuttable presumptions and for the determination of any disqualifying events reflected in Chapters 112 and 175, Fla. Stat.

B. Additional Rebuttable Presumptions. The presumption provided for in this paragraph B shall apply only to those conditions described in this paragraph B that are diagnosed on or after January 1, 1996.

(1) Definitions. As used in this subsection 2.B., the following definitions apply:

- (a) "Body fluids" means blood and body fluids containing visible blood and other body fluids to which universal precautions for prevention of occupational transmission of blood-borne pathogens, as established by the Centers for Disease Control, apply. For purposes of potential transmission of meningococcal meningitis or tuberculosis, the term "body fluids" includes respiratory, salivary, and sinus fluids, including droplets, sputum, and saliva, mucous, and other fluids through which infectious airborne organisms can be transmitted between persons.
- (b) "Emergency rescue or public safety Member" means any Member employed full time by the District as a firefighter, paramedic, emergency medical technician, law enforcement officer, or correctional officer who, in the course of employment, runs a high risk of occupational exposure to hepatitis, meningococcal meningitis, or tuberculosis and who is not employed elsewhere in a similar capacity. However, the term "emergency rescue or public safety Member" does not include any person employed by a public hospital licensed under Chapter 395, Florida Statutes, or any person employed by a subsidiary thereof.
- (c) "Hepatitis" means hepatitis A, hepatitis B, hepatitis non-A, hepatitis non-B, hepatitis C, or any other strain of hepatitis generally recognized by the medical community.
- (d) "High risk of occupational exposure" means that risk that is incurred because a person subject to the provisions of this subsection, in performing the basic duties associated with their employment:
  - i. Provides emergency medical treatment in a non-health-care setting where there is a potential for transfer of body fluids between persons;
  - ii. At the site of an accident, fire, or other rescue or public safety operation, or in an emergency rescue or public safety vehicle, handles body fluids in or out of containers or works with or otherwise handles needles or other sharp instruments exposed to body fluids;
  - iii. Engages in the pursuit, apprehension, and arrest of law violators or suspected law violators and, in

performing such duties, may be exposed to body fluids; or

- iv. Is responsible for the custody, and physical restraint when necessary, of prisoners or inmates within a prison, jail, or other criminal detention facility, while on work detail outside the facility, or while being transported and, in performing such duties, may be exposed to body fluids.
- (e) "Occupational exposure," in the case of hepatitis, meningococcal meningitis, or tuberculosis, means an exposure that occurs during the performance of job duties that may place a worker at risk of infection.

(2) Presumption. Any emergency rescue or public safety Member who suffers a condition or impairment of health that is caused by hepatitis, meningococcal meningitis, or tuberculosis, that requires medical treatment, and that results in total or partial disability or death shall be presumed to have a disability suffered in the line of duty, unless the contrary is shown by competent evidence; however, in order to be entitled to the presumption, the Member must, by written affidavit as provided in Section 92.50, Florida Statutes, verify by written declaration that, to the best of their knowledge and belief:

- (a) In the case of a medical condition caused by or derived from hepatitis, he has not:
  - i. Been exposed, through transfer of bodily fluids, to any person known to have sickness or medical conditions derived from hepatitis, outside the scope of his/her employment;
  - ii. Had a transfusion of blood or blood components, other than a transfusion arising out of an accident or injury happening in connection with his/her present employment, or received any blood products for the treatment of a coagulation disorder since last undergoing medical tests for hepatitis, which tests failed to indicate the presence of hepatitis;
  - iii. Engaged in unsafe sexual practices or other high-risk behavior, as identified by the Centers for Disease Control or the Surgeon General of the United States or had sexual relations with a person known to him/her to have engaged in such unsafe sexual practices or other high-risk behavior; or
  - iv. Used intravenous drugs not prescribed by a physician.
- (b) In the case of meningococcal meningitis, in the ten (10) days immediately preceding diagnosis he/she was not exposed, outside the scope of their employment, to any person known to have meningococcal meningitis or known to be an asymptomatic carrier of the disease.
- (c) In the case of tuberculosis, in the period of time since the Member's last negative tuberculosis skin test, he/she has not been exposed, outside the scope of their employment, to any



person known by him/her to have tuberculosis.

(3) Immunization. Whenever any standard, medically recognized vaccine or other form of immunization or prophylaxis exists for the prevention of a communicable disease for which a presumption is granted under this Section, if medically indicated in the given circumstances pursuant to immunization policies established by the Advisory Committee on Immunization Practices of the U.S. Public Health Service, an emergency rescue or public safety Member may be required by the District to undergo the immunization or prophylaxis unless the Member's physician determines in writing that the immunization or other prophylaxis would pose a significant risk to the Member's health. Absent such written declaration, failure or refusal by an emergency rescue or public safety Member to undergo such immunization or prophylaxis disqualifies the Member from the benefits of the presumption.

(4) Record of Exposures. The District shall maintain a record of any known or reasonably suspected exposure of an emergency rescue or public safety Member in its employ to the disease described in this Section and shall immediately notify the Member of such exposure. An emergency rescue or public safety Member shall file an incident or accident report with the District of each instance of known or suspected occupational exposure to hepatitis infection, meningococcal meningitis, or tuberculosis.

(5) Required medical tests; preemployment physical. In order to be entitled to the presumption provided by this Section:

(a) An emergency rescue or public safety Member must, prior to diagnosis, have undergone standard, medically acceptable tests for evidence of the communicable disease for which the presumption is sought, or evidence of medical conditions derived therefrom, which tests fail to indicate the presence of infection. This paragraph does not apply in the case of meningococcal meningitis.

(b) On or after June 15, 1995, an emergency rescue or public safety Member may be required to undergo a preemployment physical examination that tests for and fails to reveal any evidence of hepatitis or tuberculosis.

C. Conclusive Irrebuttable Cancer Presumption. The provisions of Section 112.1816, Fla. Stat., are hereby codified within the Plan and are intended to be incorporated by reference. The Board of Trustees shall adopt uniform administrative rules for the conduct of disability hearings relating to this presumption and for the determination of any disqualifying events as reflected in the statute.

3. Disability Benefits Not-in-Line of Duty.

Any Member with ten (10) years or more Credited Service who shall become totally and permanently disabled to the extent that he is unable, by reason of a medically determinable physical or mental impairment, to render useful and efficient service as a Firefighter, which disability is not directly caused by the performance of duties as a Firefighter shall, upon establishing the same to the satisfaction of the Board, be entitled to a monthly pension equal to three percent (3%) of Average Final Compensation multiplied by the total years of Credited Service, but in any event, the minimum amount paid to the Member shall be twenty-five percent (25%) of the Average Final Compensation of the Member. If a Member is terminated by the District for medical reasons, the terminated person may apply for a disability benefit if the application is filed with the Board within thirty (30) days from the date of termination. If a timely application is received, it shall be processed and the terminated person shall be eligible to receive a disability benefit if the Board otherwise determines that he is totally and permanently disabled as provided for above. If a member voluntarily terminates their employment, either before or after filing an application for disability benefits, they will not be eligible for disability benefits.

4. Conditions Disqualifying Disability Benefits.

Each Member who is claiming disability benefits shall establish, to the satisfaction of the Board, that such disability was not occasioned primarily by:

- A. Excessive or habitual use of any drugs, intoxicants or narcotics.
- B. Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections or while committing a crime.
- C. Injury or disease sustained while serving in any branch of the Armed Forces.
- D. Injury or disease sustained by the Member after employment as a Firefighter with the East Niceville Fire District shall have terminated.

5. Physical Examination Requirement.

A Member shall not become eligible for disability benefits until and unless he undergoes a physical examination by a qualified physician or physicians and/or surgeon or surgeons, who shall be selected by the Board for that purpose. The Board shall not select the Member's treating physician or surgeon for this purpose except in an unusual case where the Board determines that it would be reasonable and prudent to do so.

Any Retiree receiving disability benefits under provisions of this resolution may be required by the Board to submit sworn statements of their condition accompanied by a physician's statement (provided at the Retiree's expense) to the Board annually and may be required by the Board to undergo additional periodic re-examinations by a qualified physician or physicians and/or surgeon or surgeons who shall be selected by the Board, to determine if such disability has ceased to exist. If the Board finds that the Retiree is no longer permanently and totally disabled to the extent that he is unable to render useful and efficient service as a Firefighter, the Board shall recommend to the District that the Retiree be returned to performance of duty as a Firefighter, and the Retiree so returned shall enjoy the same rights that he had at the time he was placed upon pension. In the event the Retiree so ordered to return shall refuse to comply with the order within thirty (30) days from the issuance thereof, he/she shall forfeit the right to their pension.

The cost of the physical examination and/one-examination of the Member claiming or the Retiree receiving disability benefits shall be borne by the Fund. All other reasonable costs as determined by the Board incident to the physical examination, such as, but not limited to, transportation, meals and hotel accommodations, shall be borne by the Fund.

If the Retiree recovers from disability and reenters the service of the District as a Firefighter, service will be deemed to have been continuous, but the period beginning with the first month for which he received a disability retirement income payment and ending with the date he reentered the service of the District will not be considered as Credited Service for the purposes of the System.

The Board shall have the power and authority to make the final decisions regarding all disability claims.

6. Disability Payments.

The monthly benefit to which a Member is entitled in the event of the Member's disability retirement shall be payable on the first day of the first month after the Board determines such entitlement. However, the monthly retirement income shall be payable as of the date the Board determined such entitlement, and any portion due for a partial month shall be paid together with the first payment. The last payment will be:

- A. If the Retiree recovers from the disability, the payment due next preceding the date of such recovery, or
- B. If the Retiree dies without recovering from disability, the payment due next preceding death or the 120th monthly payment, whichever is later.

Provided, however, the disability Retiree may select, at any time prior to the date on which benefit payments begin, an optional form of benefit payment as described in Section 10, subsection I.A. or I.B., which shall be the Actuarial Equivalent of the normal form of benefit.

7. After Disability Retirement

- (1) Subject to paragraph (2) below, any retiree who is a disability retiree may, subject to paragraph 5, Physical Examination Requirement, be reemployed by any public or private employer, and may receive compensation from that employment without limiting or restricting in any way, the retirement benefits payable under this plan.
- (2) Any disability retiree who subsequently becomes an employee of the City in any capacity, except as a firefighter pursuant to paragraph 5 of this Section, shall discontinue receipt of disability benefits from the Fund for the period of such employment.

**SECTION 9. VESTING.**

If a Member terminates employment as a Firefighter, either voluntarily or by discharge, and is not eligible for any other benefits under this System, the Member shall be entitled to the following:

1. If the Member has less than ten (10) years Credited Service upon termination, the Member shall be entitled to a refund of Accumulated Contributions or the Member may leave it deposited with the Fund.

2. If the Member has ten (10) or more years of Credited Service upon termination, the Member shall be entitled to a monthly retirement benefit, determined in the same manner as for normal or early retirement and based upon the Member's Credited Service, Average Final Compensation and the benefit accrual rate as of the date of termination, payable to the Member commencing at the Member's otherwise normal or early retirement date, determined based upon actual years of Credited Service, provided he/she does not elect to withdraw his/her Accumulated Contributions and provided the Member survives to his/her otherwise normal or early retirement date. If the Member does not withdraw Accumulated Contributions and does not survive to his/her otherwise normal or early retirement date, the designated Beneficiary shall be entitled to a benefit as provided herein for a deceased Member, vested or eligible for Retirement under Pre-Retirement Death.

#### **SECTION 10. OPTIONAL FORMS OF BENEFITS.**

1. In lieu of the amount and form of retirement income payable in the event of normal or early retirement as specified herein, a Member, upon written request to the Board, may elect to receive a retirement income or benefit of equivalent actuarial value payable in accordance with one (1) of the following options:

- A. A retirement income of a monthly amount payable to the Retiree for their lifetime only.
- B. A retirement income of a modified monthly amount, payable to the Retiree during the lifetime of the Retiree and following the death of the Retiree, one hundred percent (100%), seventy-five percent (75%), sixty-six and two-thirds percent (66 2/3%) or fifty percent (50%) of such monthly amount payable to a joint pensioner for his/her lifetime. Except where the Retiree's joint pensioner is his/her spouse, the payments to the joint pensioner as a percentage of the payments to the Retiree shall not exceed the applicable percentage provided for in the applicable table in the Treasury regulations. (See Q & A-2 of 1.401(a)(9)-6)
- C. If a Member retires prior to the time at which social security benefits are payable, he may elect to receive an increased retirement benefit until such time as social security benefits shall be assumed to commence and a reduced benefit thereafter in order to provide, to as great an extent as possible, a more level retirement allowance during the entire period of Retirement. The amounts payable shall be as recommended by the actuaries for the System, based upon the social security law in effect at the time of the Member's Retirement.

2. The Member, upon electing any option of this Section, will designate the joint pensioner (subsection 1.B. above) or Beneficiary (or Beneficiaries) to receive the benefit, if any, payable under the System in the event of Member's death, and will have the power to change such designation from time to time. Such designation will name a joint pensioner or one (1) or more primary Beneficiaries where applicable. A Member may change their Beneficiary at any time. If a Member has elected an option with a joint pensioner and Member's retirement income benefits have commenced, Member may thereafter change their designated Beneficiary at any time, but may only change their joint pensioner twice. Subject to the restriction in the previous sentence, a Member may substitute a new joint pensioner for a deceased joint pensioner. In the absence of proof of good health of the joint pensioner being replaced, the actuary will assume that the joint pensioner has deceased for purposes of calculating the new payment.

3. The consent of a Member's or Retiree's joint pensioner or Beneficiary to any such change shall not be required. The rights of all previously-designated Beneficiaries to receive benefits under the System shall thereupon cease.

4. Upon change of a Retiree's joint pensioner in accordance with this Section, the amount of the retirement income payable to the Retiree shall be actuarially redetermined to take into account the age of the former joint pensioner, the new joint pensioner and the Retiree and to ensure that the benefit paid is the Actuarial Equivalent of the present value of the Retiree's then-current benefit at the time of the change. Any such Retiree shall pay the actuarial recalculation expenses. Each request for a change will be made in writing on a form prepared by the Board and on completion will be filed with the Board. In the event that no designated Beneficiary survives the Retiree, such benefits as are payable in the event of the death of the Retiree subsequent to Retirement shall be paid as provided in Section 11.

5. Retirement income payments shall be made under the option elected in accordance with the provisions of this Section and shall be subject to the following limitations:

- A. If a Member dies prior to their normal retirement date or early retirement date, whichever first occurs, no retirement benefit will be payable under the option to any person, but the benefits, if any, will be determined under Section 7.
- B. If the designated Beneficiary (or Beneficiaries) or joint pensioner dies before the Member's Retirement under the System, the option elected will be canceled automatically and a retirement income of the normal form and amount will be payable to the Member upon his/her Retirement as if the election had not been made, unless a new election is made in accordance with the provisions of this Section or a new Beneficiary is designated by the Member prior to Retirement.
- C. If both the Retiree and the Beneficiary (or Beneficiaries) designated by Member or Retiree die before the full payment has been effected under any option providing for payments for a period certain and life thereafter, made pursuant to the provisions of subsection 1, the Board may, in its discretion, direct that the commuted value of the remaining payments be paid in a lump sum and in accordance with Section 11.
- D. If a Member continues beyond their normal retirement date pursuant to the provisions of Section 6, subsection 1, and dies prior to their actual retirement and while an option made pursuant to the provisions of this Section is in effect, monthly retirement income payments will be made, or a retirement benefit will be paid, under the option to a Beneficiary (or Beneficiaries) designated by the Member in the amount or amounts computed as if the Member had retired under the option on the date on which the death occurred.
- E. The Member's benefit under this Section must begin to be distributed to the Member no later than April 1 of the calendar year following the later of the calendar year in which the Member attains age seventy and one-half (70½) or the calendar year in which the Member terminates employment with the District.

6. A Retiree may not change their retirement option after the date of cashing or depositing their first retirement check.

7. Notwithstanding anything herein to the contrary, the Board in its discretion, may elect to make a lump sum payment to a Member or a Member's Beneficiary in the event that the total commuted value of the monthly income payments to be paid do not exceed one thousand dollars (\$1,000). Any such payment made to any person pursuant to the power and discretion

conferred upon the Board by the preceding sentence shall operate as a complete discharge of all obligations under the System with regard to such Member and shall not be subject to review by anyone, but shall be final, binding and conclusive on all persons.

#### **SECTION 11. BENEFICIARIES.**

1. Each Member or Retiree may, on a form provided for that purpose, signed and filed with the Board, designate a Beneficiary (or Beneficiaries) to receive the benefit, if any, which may be payable in the event of his/her death. Each designation may be revoked or changed by such Member or Retiree by signing and filing with the Board a new designation-of-beneficiary form. Upon such change, the rights of all previously designated Beneficiaries to receive any benefits under the System shall cease.

2. If a deceased Member or Retiree failed to name a Beneficiary in the manner prescribed in subsection 1, or if the Beneficiary (or Beneficiaries) named by a deceased Member or Retiree predeceases the Member or Retiree, the death benefit, if any, which may be payable under the System with respect to such deceased Member or Retiree, shall be paid to the estate of the Member or Retiree and the Board, in its discretion, may direct that the commuted value of the remaining monthly income benefits be paid in a lump sum.

3. Any payment made to any person pursuant to this Section shall operate as a complete discharge of all obligations under the System with regard to the deceased Member and any other persons with rights under the System and shall not be subject to review by anyone but shall be final, binding and conclusive on all persons ever interested hereunder.

#### **SECTION 12. CLAIMS PROCEDURES.**

1. The Board shall establish administrative claims procedures to be utilized in processing written requests ("claims"), on matters which affect the substantial rights of any person ("Claimant"), including Members, Retirees, Beneficiaries, or any person affected by a decision of the Board.

2. The Board shall have the power to subpoena and require the attendance of witnesses and the production of documents for discovery prior to and at any proceedings provided for in the Board's claims procedures. The Claimant may request in writing the issuance of subpoenas by the Board. A reasonable fee may be charged for the issuance of any subpoenas not to exceed the fees set forth in Florida Statutes.

#### **SECTION 13. REPORTS TO DIVISION OF RETIREMENT.**

Each year and no later than March 15th, the Board shall file an Annual Report with the Division of Retirement containing the documents and information required by Section 175.261, Florida Statutes.

#### **SECTION 14. ROSTER OF RETIREES.**

The Secretary of the Board shall keep a record of all persons enjoying a pension under the provisions of this resolution in which it shall be noted the time when the pension is allowed and when the same shall cease to be paid. Additionally, the Secretary shall keep a record of all Members in such a manner as to show the name, address, date of employment and date of termination of employment. Confidential information shall be protected from disclosure under Chapter 119, Fla. Stat.

## **SECTION 15. MAXIMUM PENSION.**

### **1. Basic Limitation.**

Notwithstanding any other provisions of this System to the contrary, the Member contributions paid to, and retirement benefits paid from, the System shall be limited to such extent as may be necessary to conform to the requirements of Code Section 415 for a qualified retirement plan. Before January 1, 1995, a plan member may not receive an annual benefit that exceeds the limits specified in Code Section 415(b), subject to the applicable adjustments in that section. On and after January 1, 1995, a plan member may not receive an annual benefit that exceeds the dollar amount specified in Code Section 415(b)(1)(A) (\$160,000), subject to the applicable adjustments in Code Section 415(b) and subject to any additional limits that maybe specified in this System. For purposes of this Section, "limitation year" shall be the calendar year.

For purposes of Code Section 415(b), the "annual benefit" means a benefit payable annually in the form of a straight life annuity (with no ancillary benefits) without regard to the benefit attributable to after-tax employee contributions (except pursuant to Code Section 415(n) and to rollover contributions (as defined in Code Section 415(b)(2)(A))). The "benefit attributable" shall be determined in accordance with Treasury Regulations.

### **2. Adjustments to Basic Limitation for Form of Benefit.**

If the benefit under the plan is other than the annual benefit described in subsection 1., then the benefit shall be adjusted so that it is the equivalent of the annual benefit, using factors prescribed in Treasury Regulations. If the form of the benefit without regard to any automatic benefit increase feature is not a straight life annuity or a qualified joint and survivor annuity, then the preceding sentence is applied by either reducing the Code Section 415(b) limit applicable at the annuity starting date or adjusting the form of benefit to an actuarially equivalent amount (determined using the assumptions specified in Treasury Regulation Section 1.415(b)-1(c)(2)(ii)) that takes into account the additional benefits under the form of benefit as follows:

- A. For a benefit paid in a form to which Section 417(e)(3) of the Code does not apply (generally, a monthly benefit), the actuarially equivalent straight life annuity benefit that is the greater of:
  - (1) The annual amount of the straight life annuity (if any) payable to the Member under the Plan commencing at the same annuity starting date as the form of benefit to the Member, or
  - (2) The annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member, computed using a five percent (5%) interest assumption (or the applicable statutory interest assumption) and (i) for years prior to January 1, 2009, the applicable mortality tables described in Treasury Regulation Section 1.417(e)-1(d)(2) (Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Rulings 2001-62), and (ii) for years after December 31, 2008, the applicable mortality tables described in Section 417(e)(3)(B) of the Code (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing Section 417(e)(3)(B) of the Code); or
- B. For a benefit paid in a form to which Section 417(e)(3) of the Code applies (generally, a lump sum benefit), the actuarially equivalent straight life annuity benefit that is the greatest of:

- (1) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using the interest rate and mortality table, or tabular factor, specified in the Plan for actuarial experience;
- (2) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using a five and one half percent (5.5%) interest assumption (or the applicable statutory interest assumption) and (i) for years prior to January 1, 2009, the applicable mortality tables for the distribution under Treasury Regulation Section 1.417(e)-1(d)(2) (the mortality table specified in Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Ruling 2001-62), and (ii) for years after December 31, 2008, the applicable mortality tables described in Section 417(e)(3)(B) of the Code (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing section 417(e)(3)(B) of the Code); or
- (3) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable (computed using the applicable interest rate for the distribution under Treasury Regulation Section 1.417(e)-1(d)(3) (the 30-year Treasury rate (prior to January 1, 2007, using the rate in effect for the month prior to retirement, and on and after January 1, 2007, using the rate in effect for the first day of the Plan Year with a one-year stabilization period)) and (i) for years prior to January 1, 2009, the applicable mortality tables for the distribution under Treasury Regulation Section 1.417(e)-1(d)(2) (the mortality table specified in Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Ruling 2001-62), and (ii) for years after December 31, 2008, the applicable mortality tables described in Section 417(e)(3)(B) of the Code (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing Section 417(e)(3)(B) of the Code), divided by 1.05.

C. The actuary may adjust the 415(b) limit at the annuity starting date in accordance with subsections A. and B above.

3. Benefits Not Taken into Account.

For purposes of this Section, the following benefits shall not be taken into account in applying these limits:

- A. Any ancillary benefit which is not directly related to retirement income benefits;
- B. Any other benefit not required under §415(b)(2) of the Code and Regulations thereunder to be taken into account for purposes of the limitation of Code Section 415(b)(1); and
- C. That portion of any joint and survivor annuity that constitutes a qualified joint and survivor annuity.



4. COLA Effect.

Effective on and after January 1, 2003, for purposes of applying the limits under Code Section 415(b) (the "Limit"), the following will apply:

- A. A Member's applicable limit will be applied to the Member's annual benefit in the Member's first limitation year of benefit payments without regard to any automatic cost of living adjustments;
- B. thereafter, in any subsequent limitation year, a Member's annual benefit, including any automatic cost of living increases, shall be tested under the then applicable benefit limit including any adjustment to the Code Section 415(b)(1)(A) dollar limit under Code Section 415(d), and the regulations thereunder; but
- C. in no event shall a Member's benefit payable under the System in any limitation year be greater than the limit applicable at the annuity starting date, as increased in subsequent years pursuant to Code Section 415(d) and the regulations thereunder.

Unless otherwise specified in the System, for purposes of applying the limits under Code Section 415(b), a Member's applicable limit will be applied taking into consideration cost of living increases as required by Section 415(b) of the Code and applicable Treasury Regulations.

5. Other Adjustments in Limitations.

- A. In the event the Member's retirement benefits become payable before age sixty-two (62), the limit prescribed by this Section shall be reduced in accordance with regulations issued by the Secretary of the Treasury pursuant to the provisions of Code Section 415(b) of the Code, so that such limit (as so reduced) equals an annual straight life benefit (when such retirement income benefit begins) which is equivalent to a one hundred sixty thousand dollar (\$160,000) annual benefit beginning at age sixty-two (62).
- B. In the event the Member's benefit is based on at least fifteen (15) years of Credited Service as a full-time employee of the police or fire department of the District, the adjustments provided for in A. above shall not apply.
- C. The reductions provided for in A. above shall not be applicable to disability benefits pursuant to Section 8, or pre-retirement death benefits paid pursuant to Section 7.
- D. In the event the Member's retirement benefit becomes payable after age sixty-five (65), for purposes of determining whether this benefit meets the limit set forth in subsection 1 herein, such benefit shall be adjusted so that it is actuarially equivalent to the benefit beginning at age sixty-five (65). This adjustment shall be made in accordance with regulations promulgated by the Secretary of the Treasury or their delegate.

6. Less than Ten (10) Years of Participation.

The maximum retirement benefits payable under this Section to any Member who has completed less than ten (10) years of participation shall be the amount determined under subsection 1 of this Section multiplied by a fraction, the numerator of which is the number of the Member's years of participation and the denominator of which is ten (10). The reduction provided by this subsection cannot reduce the maximum benefit below 10% of the limit determined without regard to this subsection. The reduction provided for in this subsection shall not be applicable to pre-

retirement disability benefits paid pursuant to Section 8, or pre-retirement death benefits paid pursuant to Section 7.

7. Participation in Other Defined Benefit Plans.

The limit of this Section with respect to any Member who at any time has been a member in any other defined benefit plan as defined in Code Section 414(j) maintained by the District shall apply as if the total benefits payable under all District defined benefit plans in which the Member has been a member were payable from one plan.

8. Ten Thousand Dollar (\$10,000) Limit; Less Than Ten Years of Service.

Notwithstanding anything in this Section 15, the retirement benefit payable with respect to a Member shall be deemed not to exceed the limit set forth in this subsection 8. of Section 15 if the benefits payable, with respect to such Member under this System and under all other qualified defined benefit pension plans to which the District contributes, do not exceed ten thousand dollars (\$10,000) for the applicable limitation year or for any prior limitation year, and the District has not at any time maintained a qualified defined contribution plan in which the Member participated; provided, however, that if the Member has completed less than ten (10) years of Credited Service with the District, the limit under this subsection 8. of Section 15 shall be a reduced limit equal to ten thousand dollars (\$10,000) multiplied by a fraction, the numerator of which is the number of the Member's years of Credited Service and the denominator of which is ten (10).

9. Reduction of Benefits.

Reduction of benefits and/or contributions to all plans, where required, shall be accomplished by first reducing the Member's benefit under any defined benefit plans in which Member participated, such reduction to be made first with respect to the plan in which Member most recently accrued benefits and thereafter in such priority as shall be determined by the Board and the plan administrator of such other plans, and next, by reducing or allocating excess forfeitures for defined contribution plans in which the Member participated, such reduction to be made first with respect to the plan in which Member most recently accrued benefits and thereafter in such priority as shall be established by the Board and the plan administrator for such other plans provided, however, that necessary reductions may be made in a different manner and priority pursuant to the agreement of the Board and the plan administrator of all other plans covering such Member.

10. Service Credit Purchase Limits.

A. Effective for permissive service credit contributions made in limitation years beginning after December 31, 1997, if a Member makes one or more contributions to purchase permissive service credit under the System, as allowed in Section 26 and 27, then the requirements of this Section will be treated as met only if:

- (1) the requirements of Code Section 415(b) are met, determined by treating the accrued benefit derived from all such contributions as an annual benefit for purposes of Code Section 415(b), or
- (2) the requirements of Code Section 415(c) are met, determined by treating all such contributions as annual additions for purposes of Code Section 415(c).

For purposes of applying subparagraph (1), the System will not fail to meet the reduced limit under Code Section 415(b)(2)(c) solely by reason of this subparagraph, and for purposes of applying subparagraph (2) the System will not fail to meet the percentage limitation under Section 415(c)(1)(B) of the Code solely by reason of this subparagraph.

B. For purposes of this subsection the term "permissive service credit" means service credit-

- (1) recognized by the System for purposes of calculating a Member's benefit under the plan,
- (2) which such Member has not received under the plan, and
- (3) which such Member may receive only by making a voluntary additional contribution, in an amount determined under the System, which does not exceed the amount necessary to fund the benefit attributable to such service credit.

Effective for permissive service credit contributions made in limitation years beginning after December 31, 1997, such term may, if otherwise provided by the System, include service credit for periods for which there is no performance of service, and, notwithstanding clause B.(2), may include service credited in order to provide an increased benefit for service credit which a Member is receiving under the System.

11. Contribution Limits.

A. For purposes of applying the Code Section 415(c) limits which are incorporated by reference and for purposes of this subsection 11., only and for no other purpose, the definition of compensation where applicable will be compensation actually paid or made available during a limitation year, except as noted below and as permitted by Treasury Regulations Section 1.415(c)-2, or successor regulations. Unless another definition of compensation that is permitted by Treasury Regulations Section 1.415(c)-2, or successor regulation, is specified by the System, compensation will be defined as wages within the meaning of Code Section 3401(a) and all other payments of compensation to an employee by an employer for which the employer is required to furnish the employee a written statement under Code Sections 6041(d), 6051(a)(3) and 6052 and will be determined without regard to any rules under Code Section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2)).

- (1) However, for limitation years beginning after December 31, 1997, compensation will also include amounts that would otherwise be included in compensation but for an election under Code Sections 125(a), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b). For limitation years beginning after December 31, 2000, compensation will also include any elective amounts that are not includible in the gross income of the employee by reason of Code Section 132(f)(4).
- (2) For limitation years beginning on and after January 1, 2007, compensation for the limitation year will also include compensation paid by the later of 2½ months after an employee's severance from employment or the end of the limitation year that includes the date of the employee's severance from employment if:
  - (a) the payment is regular compensation for services during the employee's regular working hours, or compensation for services outside the employee's regular working hours (such as overtime or shift differential), commissions, bonuses or

other similar payments, and, absent a severance from employment, the payments would have been paid to the employee while the employee continued in employment with the employer; or

- (b) the payment is for unused accrued bona fide sick, vacation or other leave that the employee would have been able to use if employment had continued.
  - (3) Back pay, within the meaning of Treasury Regulations Section 1.415(c)-2(g)(8), shall be treated as compensation for the limitation year to which the back pay relates to the extent the back pay represents wages and compensation that would otherwise be included under this definition.
- B. Notwithstanding any other provision of law to the contrary, the Board may modify a request by a Member to make a contribution to the System if the amount of the contribution would exceed the limits provided in Code Section 415 by using the following methods:
- (1) If the law requires a lump sum payment for the purchase of service credit, the Board may establish a periodic payment deduction plan for the Member to avoid a contribution in excess of the limits under Code Sections 415(c) or 415(n).
  - (2) If payment pursuant to subparagraph (1) will not avoid a contribution in excess of the limits imposed by Code Section 415(c), the Board may either reduce the Member's contribution to an amount within the limits of that section or refuse the Member's contribution.
- C. If the annual additions for any Member for a limitation year exceed the limitation under Section 415(c) of the Code, the excess annual addition will be corrected as permitted under the Employee Plans Compliance Resolution System (or similar IRS correction program).
- D. For limitation years beginning on or after January 1, 2009, a Member's compensation for purposes of this subsection 11. shall not exceed the annual limit under Section 401(a)(17) of the Code.

12. Additional Limitation on Pension Benefits.

Notwithstanding anything herein to the contrary:

- A. The normal retirement benefit or pension payable to a Retiree who becomes a Member of the System and who has not previously participated in such System, on or after January 1, 1980, shall not exceed one hundred percent (100%) of Average Final Compensation. However, nothing contained in this Section shall apply to supplemental retirement benefits or to pension increases attributable to cost-of-living increases or adjustments.
- B. No Member of the System shall be allowed to receive a retirement benefit or pension which is in part or in whole based upon any service with respect to which the Member is already receiving, or will receive in the future, a retirement benefit or pension from a different employer's retirement system or plan. This restriction does not apply to social security benefits or federal benefits under Chapter 1223, Title 10, U.S. Code.

13. Effect of Direct Rollover on 415(b) Limit.

If the plan accepts a direct rollover of an employee's or former employee's benefit from a defined contribution plan qualified under Code Section 401(a) which is maintained by the employer, any annuity resulting from the rollover amount that is determined using a more favorable actuarial basis than required under Code Section 417(e) shall be included in the annual benefit for purposes of the limit under Code Section 415(b).

**SECTION 16. MINIMUM DISTRIBUTION OF BENEFITS.**

1. General Rules

- A. Effective Date. Effective as of January 1, 1989, the Plan will pay all benefits in accordance with a good faith interpretation of the requirements of Code Section 401(a)(9) and the regulations in effect under that section, as applicable to a governmental plan within the meaning of Code Section 414(d). Effective on and after January 1, 2003, the Plan is also subject to the specific provisions contained in this Section. The provisions of this Section will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.
- B. Precedence. The requirements of this Section will take precedence over any inconsistent provisions of the Plan.
- C. TEFRA Section 242(b)(2) Elections. Notwithstanding the other provisions of this Section other than this subsection I.C., distributions may be made under a designation made before January 1, 1984, in accordance with Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the plan that related to Section 242(b)(2) of TEFRA.

2. Time and Manner of Distribution

- A. Required Beginning Date. The Member's entire interest will be distributed, or begin to be distributed, to the Member no later than the Member's required beginning date which shall not be later than April 1 of the calendar year following the later of the calendar year in which the Member attains age seventy and one-half (70 ½) or the calendar year in which the Member terminates employment with the District.
- B. Death of Member Before Distributions Begin. If the Member dies before distributions begin, the Member's entire interest will be distributed, or begin to be distributed no later than as follows:
  - (1) If the Member's surviving spouse is the Member's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Member died, or by a date on or before December 31 of the calendar year in which the Member would have attained age 70 ½, if later, as the surviving spouse elects.
  - (2) If the Member's surviving spouse is not the Member's sole designated beneficiary, then, distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Member died.
  - (3) If there is no designated beneficiary as of September 30 of the year following the year of the Member's death, the Member's entire interest

will be distributed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

- (4) If the Member's surviving spouse is the Member's sole designated beneficiary and the surviving spouse dies after the Member but before distributions to the surviving spouse begin, this subsection 2.B., other than subsection 2.B.(1), will apply as if the surviving spouse were the Member.

For purposes of this subsection 2.B., distributions are considered to begin on the Member's required beginning date or, if subsection 2.B.(4) applies, the date of distributions are required to begin to the surviving spouse under subsection 2.B.(1). If annuity payments irrevocably commence to the Member before the Member's required beginning date (or to the Member's surviving spouse before the date distributions are required to begin to the surviving spouse under subsection 2.B.(1)), the date distributions are considered to begin is the date distributions actually commence.

- C. Death After Distributions Begin. If the Member dies after the required distribution of benefits has begun, the remaining portion of the Member's interest must be distributed at least as rapidly as under the method of distribution before the Member's death.

- D. Form of Distribution. Unless the Member's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with this Section. If the Member's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and Treasury regulations. Any part of the Member's interest which is in the form of an individual account described in Section 414(k) of the Code will be distributed in a manner satisfying the requirements of Section 401(a)(9) of the Code and Treasury regulations that apply to individual accounts.

3. Determination of Amount to be Distributed Each Year

- A. General Requirements. If the Member's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:

- (1) The annuity distributions will be paid in periodic payments made at intervals not longer than one year.
- (2) The Member's entire interest must be distributed pursuant to Section 6, Section 7, Section 9, or Section 10 (as applicable) and in any event over a period equal to or less than the Member's life or the lives of the Member and a designated beneficiary, or over a period not extending beyond the life expectancy of the Member or of the Member and a designated beneficiary. The life expectancy of the Member, the Member's spouse, or the Member's beneficiary may not be recalculated after the initial determination for purposes of determining benefits.

- B. Amount Required to be Distributed by Required Beginning Date. The amount that must be distributed on or before the Member's required

beginning date (or, if the Member dies before distributions begin, the date distributions are required to begin under Section 7 ) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., monthly. All of the Member's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Member's required beginning date.

- C. Additional Accruals After First Distribution Calendar Year. Any additional benefits accruing to the Member in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

4. General Distribution Rules.

- A. The amount of an annuity paid to a Member's beneficiary may not exceed the maximum determined under the incidental death benefit requirement of Code Section 401(a)(9)(G), and effective for any annuity commencing on or after January 1, 2008, the minimum distribution incidental benefit rule under Treasury Regulation Section 1.401(a)(9)-6, Q&A-2.
- B. The death and disability benefits provided by the Plan are limited by the incidental benefit rule set forth in Code Section 401(a)(9)(G) and Treasury Regulation Section 1.401-1(b)(1)(I) or any successor regulation thereto. As a result, the total death or disability benefits payable may not exceed 25% of the cost for all of the Members' benefits received from the retirement system.

5. Definitions

- A. Designated Beneficiary. The individual who is designated as the beneficiary under the Plan and is the designated beneficiary under Section 401(a)(9) of the Code and Section 1.401(a)(9)-1, Q&A-4, of the Treasury regulations.
- B. Distribution Calendar Year. A calendar year for which a minimum distribution is required. For distributions beginning before the Member's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Member's required beginning date. For distributions beginning after the Member's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to Section 7.

**SECTION 17. MISCELLANEOUS PROVISIONS.**

1. Interest of Members in System.

All assets of the Fund are held in trust, and at no time prior to the satisfaction of all liabilities under the System with respect to Retirees and Members and their Spouses or Beneficiaries, shall any part of the corpus or income of the Fund be used for or diverted to any purpose other than for their exclusive benefit.

2. No Reduction of Accrued Benefits.

No amendment or resolution shall be adopted by the District Board of Commissioners of the East Niceville Fire District which shall have the effect of reducing the then vested accrued benefits of Members or a Member's Beneficiaries.

3. Qualification of System.

It is intended that the System will constitute a qualified public pension plan under the applicable provisions of the Code for a qualified plan under Code Section 401(a) and a governmental plan under Code Section 414(d), as now in effect or hereafter amended. Any modification or amendment of the System may be made retroactively, if necessary or appropriate, to qualify or maintain the System as a Plan meeting the requirements of the applicable provisions of the Code as now in effect or hereafter amended, or any other applicable provisions of the U.S. federal tax laws, as now in effect or hereafter amended or adopted, and the regulations issued thereunder.

4. Use of Forfeitures.

Forfeitures arising from terminations of service of Members shall serve only to reduce future District contributions.

5. Prohibited Transactions.

Effective as of January 1, 1989, a Board may not engage in a transaction prohibited by Code Section 503(b).

6. USERRA.

Effective December 12, 1994, notwithstanding any other provision of this System, contributions, benefits and service credit with respect to qualified military service are governed by Code Section 414(u) and the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended. To the extent that the definition of "Credited Service" sets forth contribution requirements that are more favorable to the Member than the minimum compliance requirements, the more favorable provisions shall apply.

7. Vesting.

- A. Member will be 100% vested in all benefits upon attainment of the Plan's age and service requirements for the Plan's normal retirement benefit; and
- B. A Member will be 100% vested in all accrued benefits, ~~to the extent funded,~~ if the Plan is terminated or experiences a complete discontinuance of employer contributions.

8. Electronic Forms.

In those circumstances where a written election or consent is not required by the Plan or the Code, an oral, electronic, or telephonic form in lieu of or in addition to a written form may be prescribed by the Board. However, where applicable, the Board shall comply with Treas. Reg. § 1.401(a)-21.

9. Compliance with Chapter 175, Florida Statutes.

It is intended that the System will continue to qualify for funding under Section 175.101, Florida Statutes. Accordingly, unless otherwise required by law, any provision of the



System which violates the requirements of Chapter 175, Florida Statutes, as amended from time to time, shall be superseded by and administered in accordance with the requirements of such chapter.

**SECTION 18. REPEAL OR TERMINATION OF SYSTEM.**

1. This resolution establishing the System and Fund, and subsequent resolutions pertaining to said System and Fund, may be modified, terminated, or amended, in whole or in part; provided that if this or any subsequent resolution shall be amended or repealed in its application to any person benefitting hereunder, the amount of benefits which at the time of any such alteration, amendment, or repeal shall have accrued to the Member or Beneficiary shall not be affected thereby.

2. If this resolution shall be repealed, or if contributions to the System are discontinued or if there is a transfer, merger or consolidation of government units, services or functions as provided in Chapter 121, Florida Statutes, the Board shall continue to administer the System in accordance with the provisions of this resolution, for the sole benefit of the then Members, any Beneficiaries then receiving retirement allowances, and any future persons entitled to receive benefits under one of the options provided for in this resolution who are designated by any of said Members. In the event of repeal, discontinuance of contributions, or transfer, merger or consolidation of government units, services or functions, there shall be full vesting (100%) of benefits accrued to date of repeal and such benefits shall be nonforfeitable.

3. The fund shall be distributed in accordance with the following procedures:

- A. The Board shall determine the date of distribution and the asset value required to fund all the nonforfeitable benefits after taking into account the expenses of such distribution. The Board shall inform the District if additional assets are required, in which event the District shall continue to financially support the Plan until all nonforfeitable benefits have been funded.
- B. The Board shall determine the method of distribution of the asset value, whether distribution shall be by payment in cash, by the maintenance of another or substituted trust fund, by the purchase of insured annuities, or otherwise, for each Firefighter entitled to benefits under the plan as specified in subsection C.
- C. The Board shall distribute the asset value as of the date of termination in the manner set forth in this subsection, on the basis that the amount required to provide any given retirement income is the actuarially computed single-sum value of such retirement income, except that if the method of distribution determined under subsection B. involves the purchase of an insured annuity, the amount required to provide the given retirement income is the single premium payable for such annuity. The actuarial single-sum value may not be less than the Firefighter's Accumulated Contributions to the Plan, with interest if provided by the Plan, less the value of any plan benefits previously paid to the Firefighter.
- D. If there is asset value remaining after the full distribution specified in subsection C., and after the payment of any expenses incurred with such distribution, such excess shall be returned to the District, less return to the State of the State's contributions, provided that, if the excess is less than the total contributions made by the District and the State to date of termination of the Plan, such excess shall be divided proportionately to the total contributions made by the District and the State.
- E. The Board shall distribute, in accordance with subsection B., the amounts determined under subsection C.

If, after twenty-four (24) months after the date the Plan terminated or the date the Board received written notice that the contributions thereunder were being permanently discontinued, the District or the Board of the Fund affected has not complied with all the provisions in this Section, the Florida Department of Management Services will effect the termination of the Fund in accordance with this Section.

**SECTION 19. DOMESTIC RELATIONS ORDERS: RETIREE DIRECTED PAYMENTS: EXEMPTION FROM EXECUTION AND NON-ASSIGNABILITY.**

1. Domestic Relations Orders.

- A. Prior to the entry of any domestic relations order which affects or purports to affect the System's responsibility in connection with the payment of benefits of a Retiree, the Member or Retiree shall submit the proposed order to the Board for review to determine whether the System may legally honor the order.
- B. If a domestic relations order is not submitted to the Board for review prior to entry of the order, and the System is ordered to take action that it may not legally take, and the System expends administrative or legal fees in resolving the matter, the Member or Retiree who submits such an order will be required to reimburse the System for its expenses in connection with the order.

2. Retiree Directed Payments.

The Board may, upon written request by a Retiree or by a dependent, when authorized by a Retiree or the Retiree's Beneficiary, authorize the System to withhold from the monthly retirement payment those funds that are necessary to pay for the benefits being received through the District, to pay the certified bargaining agent of the District, to make payment to insurance companies for insurance premiums as permitted by Chapter 175, Florida Statutes and to make any payments for child support or alimony.

3. Exemption from Execution, Non-Assignability.

Except as otherwise provided by law, the pensions, annuities, or any other benefits accrued or accruing to any person under the provisions of this resolution and the Accumulated Contributions and the cash securities in the Fund created under this resolution are hereby exempted from any state, county or municipal tax and shall not be subject to execution, attachment, garnishment or any legal process whatsoever and shall be unassignable.

**SECTION 20. PENSION VALIDITY.**

The Board shall have the power to examine into the facts upon which any pension shall heretofore have been granted under any prior or existing law, or shall hereafter be granted or obtained erroneously, fraudulently or illegally for any reason. The Board is empowered to purge the pension rolls or correct the pension amount of any person heretofore granted a pension under prior or existing law or any person hereafter granted a pension under this resolution if the same is found to be erroneous, fraudulent or illegal for any reason; and to reclassify any person who has heretofore under any prior or existing law been or who shall hereafter under this resolution be erroneously, improperly or illegally classified. Any overpayments or underpayments shall be corrected and paid or repaid in a reasonable manner determined by the Board.

**SECTION 21. FORFEITURE OF PENSION.**

1. Any Member who is convicted of the following offenses committed prior to Retirement, or whose employment is terminated by reason of the admitted commission, aid or abetment of the following specified offenses, shall forfeit all rights and benefits under this System,

except for the return of accumulated contributions as of the date of termination. Specified offenses are as follows:

- A The committing, aiding or abetting of an embezzlement of public funds;
- B. The committing, aiding or abetting of any theft by a public officer or employee from employer;
- C. Bribery in connection with the employment of a public officer or employee;
- D. Any felony specified in Chapter 838, Florida Statutes;
- E. The committing of an impeachable offense;
- F. 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 he acts or in which he is employed, of the right to receive the faithful performance of their duty as a public officer or employee, realizes or obtains or attempts to obtain a profit, gain, or advantage for themselves or for some other person through the use or attempted use of the power, rights, privileges, duties or position of their public office or employment position; or
- G. The committing on or after October 1, 2008, of any felony defined in Section 800.04, Florida Statutes, against a victim younger than sixteen (16) years of age, or any felony defined in Chapter 794, Florida Statutes, against a victim younger than eighteen (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.

2. Conviction shall be defined as an adjudication of guilt by a court of competent jurisdiction; a plea of guilty or a nolo contendere; a jury verdict of guilty when adjudication of guilt is withheld and the accused is placed on probation; or a conviction by the Senate of an impeachable offense.

3. Court shall be defined as any state or federal court of competent jurisdiction which is exercising its jurisdiction to consider a proceeding involving the alleged commission of a specified offense. Prior to forfeiture, the Board shall hold a hearing on which notice shall be given to the Member whose benefits are being considered for forfeiture. Said Member shall be afforded the right to have an attorney present. No formal rules of evidence shall apply, but the Member shall be afforded a full opportunity to present their case against forfeiture.

4. Any Member who has received benefits from the System in excess of Accumulated Contributions after Member's rights were forfeited shall be required to pay back to the Fund the amount of the benefits received in excess of Accumulated Contributions. The Board may implement all legal action necessary to recover such funds.

**SECTION 22. CONVICTION AND FORFEITURE: FALSE, MISLEADING OR FRAUDULENT STATEMENTS.**

1. It is unlawful for a person to willfully and knowingly make, or cause to be made, or to assist, conspire with, or urge another to make, or cause to be made, any false, fraudulent, or misleading oral or written statement or withhold or conceal material information to obtain any benefit from the System.

2. A person who violates subsection 1 commits a misdemeanor of the first degree, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

3. In addition to any applicable criminal penalty, upon conviction for a violation described in subsection 1, a Member or Beneficiary of the System may, in the discretion of the Board, be required to forfeit the right to receive any or all benefits to which the person would otherwise be entitled under the System. For purposes of this subsection, "conviction" means a determination of guilt that is the result of a plea or trial, regardless of whether adjudication is withheld.

### **SECTION 23. INDEMNIFICATION.**

1. To the extent not covered by insurance contracts in force from time to time, the District shall indemnify, defend and hold harmless members of the Board from all personal liability for damages and costs, including court costs and attorneys' fees, arising out of claims, suits, litigation, or threat of same, herein referred to as "claims", against these individuals because of acts or circumstances connected with or arising out of their official duty as members of the Board. The District reserves the right, in its sole discretion, to settle or not settle the claim at any time, and to appeal or to not appeal from any adverse judgment or ruling, and in either event will indemnify, defend and hold harmless any members of the Board from the judgment, execution, or levy thereon.

2. This Section shall not be construed so as to relieve any insurance company or other entity liable to defend the claim or liable for payment of the judgment or claim, from any liability, nor does this Section waive any provision of law affording the District immunity from any suit in whole or part, or waive any other substantive or procedural rights the District may have.

3. This Section shall not apply nor shall the District be responsible in any manner to defend or pay for claims arising out of acts or omissions of members of the Board which constitute felonies or gross malfeasance or gross misfeasance in office.

### **SECTION 24. DIRECT TRANSFERS OF ELIGIBLE ROLLOVER DISTRIBUTIONS; ELIMINATION OF MANDATORY DISTRIBUTIONS.**

#### 1. Rollover Distributions.

##### A. General.

This Section applies to distributions made on or after January 1, 2002. Notwithstanding any provision of the System to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the Board, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

##### B. Definitions.

- (1) Eligible Rollover Distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated Beneficiary, or for a specified period of ten (10) years or more; any distribution to the extent such distribution is required under section 401(a)(9) of the Code and the portion of any distribution that is not includible in gross income. Effective January 1, 2002, any portion of any distribution which would be includible in gross income as after-tax employee contributions will be an eligible rollover distribution if the distribution is made to an individual retirement account described

in section 408(a); to an individual retirement annuity described in section 408(b); to a qualified defined contribution plan described in section 401(a) or 403(a) that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible; or on or after January 1, 2007, to a qualified defined benefit plan described in Code Section 401(a) or to an annuity contract described in Code Section 403(b), that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includible in gross income and the portion of the distribution that is not so includible.

- (2) **Eligible Retirement Plan:** An eligible retirement plan is an individual retirement account described in section 408(a) of the Code; an individual retirement annuity described in section 408(b) of the Code; an annuity plan described in section 403(a) of the Code; effective January 1, 2002, an eligible deferred compensation plan described in section 457(b) of the Code which is maintained by an eligible employer described in section 457(e)(1)(A) of the Code and which agrees to separately account for amounts transferred into such plan from this plan; effective January 1, 2002, an annuity contract described in section 403(b) of the Code; a qualified trust described in section 401(a) of the Code; or effective January 1, 2008, a Roth IRA described in Section 408A of the Code, that accepts the distributee's eligible rollover distribution. This definition shall apply in the case of an eligible rollover distribution to the surviving Spouse.
- (3) **Distributee:** A distributee includes an employee or former employee. It also includes the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse. Effective January 1, 2007, it further includes a nonspouse beneficiary who is a designated beneficiary as defined by Code Section 401(a)(9)(E). However, a nonspouse beneficiary may rollover the distribution only to an individual retirement account or individual retirement annuity established for the purpose of receiving the distribution and the account or annuity will be treated as an "inherited" individual retirement account or annuity.
- (4) **Direct Rollover:** A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.

## 2. **Rollovers or Transfers into the Fund.**

On or after January 1, 2002, the System will accept, solely for the purpose of purchasing Credited Service as provided herein, permissible Member requested transfers of funds from other retirement or pension plans, Member rollover cash contributions and/or direct cash rollovers of distributions made on or after January 1, 2002, as follows:

- A. **Transfers and Direct Rollovers or Member Rollover Contributions from Other Plans.** The System will accept either a direct rollover of an eligible rollover distribution or a Member contribution of an eligible rollover distribution from a qualified plan described in section 401(a) or 403(a) of the Code, from an annuity contract described in section 403(b) of the Code or from an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of

a state or political subdivision of a state. The System will also accept legally permissible Member requested transfers of funds from other retirement or pension plans.

- B. Member Rollover Contributions from IRAs. The system will accept a Member rollover contribution of the portion of a distribution from an individual retirement account or annuity described in section 408(a) or 408(b) of the Code that is eligible to be rolled over.

3. Elimination of Mandatory Distributions.

Notwithstanding any other provision herein to the contrary, in the event this Plan provides for a mandatory (involuntary) cash distribution from the Plan not otherwise required bylaw, for an amount in excess of one-thousand dollars (\$1,000.00), such distribution shall be made from the Plan only upon written request of the Member and completion by the Member of a written election on forms designated by the Board, to either receive a cash lump sum or to rollover the lump sum amount.

**SECTION 25. FAMILY AND MEDICAL LEAVE ACT.**

The fractional parts of the twelve (12) month period ending each March 1 that a Member is on leave without pay from the District pursuant to the Family and Medical Leave Act (FMLA) shall be added to Credited Service provided that:

1. The Member contributes to the Fund the sum that he would have contributed, based on their Salary and the Member contribution rate in effect at the time that the Credited Service is requested, had he/she been a Member of the System for the years or fractional parts of years for which he is requesting credit plus amounts actuarially determined such that the crediting of service does not result in any cost to the Fund plus payment of costs for all professional services rendered to the Board in connection with the purchase of years of Credited Service.
2. The request for Credited Service for FMLA leave time for the twelve (12) month period prior to each March 1 and payment of professional fees shall be made on or before March 31.
3. Payment by the Member of the required amount shall be made on or before April 30 for the preceding twelve (12) month period ending March 1 and shall be made in one (1) lump sum payment upon receipt of which Credited Service shall be issued.
4. Credited Service purchased pursuant to this Section shall not count toward vesting.

**SECTION 26. MILITARY SERVICE PRIOR TO EMPLOYMENT.**

The years or fractional parts of years that a Firefighter serves or has served on active duty in the military service of the Armed Forces of the United States, the United States Merchant Marine or the United States Coast Guard, voluntarily or involuntarily and honorably or under honorable conditions, prior to first and initial employment with the District Fire Department shall be added to years of Credited Service provided that:

1. The Member contributes to the Fund the sum that he/she would have contributed, based on his/her Salary and the Member contribution rate in effect at the time that the Credited Service is requested, had he/she been a Member of the System for the years or fractional parts of years for which he/she is requesting credit plus amounts actuarially determined such that the crediting of service does not result in any cost to the Fund plus payment of costs for all professional services rendered to the Board in connection with the purchase of years of Credited Service.
2. Multiple requests to purchase Credited Service pursuant to this Section may be made at any time prior to Retirement.

3. Payment by the Member of the required amount shall be made within six (6) months of the request for credit, but not later than the retirement date, and shall be made in one (1) lump sum payment upon receipt of which Credited Service shall be given.

4. The maximum credit under this Section shall be four (4) years.

5. Credited Service purchased pursuant to this Section shall count for all purposes, except vesting and eligibility for not-in-line of duty disability benefits.

#### **SECTION 27. PRIOR FIRE SERVICE.**

Unless otherwise prohibited by law, and except as provided for in Section 1, the years or fractional parts of years that a Member previously served as a full-time Firefighter with the District during a period of previous employment and for which period Accumulated Contributions were withdrawn from the Fund, or the years and fractional parts of years that a member served as a Police Officer for any other municipal, county or state law enforcement department or as a Firefighter for any other municipal, county, state or special district fire department in the State of Florida shall be added to years of Credited Service provided that:

1. The Member contributes to the Fund the sum that they would have contributed, based on his/her Salary and the Member contribution rate in effect at the time that the Credited Service is requested, had he/she been a Member of the System for the years or fractional parts of years for which he/she is requesting credit plus amounts actuarially determined such that the crediting of service does not result in any cost to the Fund plus payment of costs for all professional services rendered to the Board in connection with the purchase of years of Credited Service.

2. Multiple requests to purchase Credited Service pursuant to this Section may be made at any time prior to Retirement.

3. Payment by the Member of the required amount shall be made within six (6) months of the request for credit, but not later than the retirement date, and shall be made in one (1) lump sum payment upon receipt of which Credited Service shall be given.

4. The maximum credit under this Section for service other than with the East Niceville Fire District shall be five (5) years of Credited Service and shall count for all purposes, except vesting and eligibility for not-in-line of duty disability benefits. There shall be no maximum purchase of credit for prior service with the East Niceville Fire District and such credit shall count for all purposes, including vesting.

5. In no event, however, may Credited Service be purchased pursuant to this Section for prior service with any other municipal, county Fire department, if such prior service forms or will form the basis of a retirement benefit or pension from a different employer's retirement system or plan as set forth in Section 15, subsection 12.B.

6. For purposes of determining credit for prior service as a Firefighter as provided for in this Section, in addition to service as a Firefighter in this State, credit may be purchased by the Member in the same manner as provided above for federal, other state, county or municipal service if the prior service is recognized by the Division of State Fire Marshal, as provided under Chapter 633, Florida Statutes, or the Firefighter provides proof to the Board that such service is equivalent to the service required to meet the definition of a Firefighter under Section 1, above.

#### **SECTION 28. REEMPLOYMENT AFTER RETIREMENT.**

1. Any Retiree who is retired under this System, except for disability retirement as previously provided for, may be reemployed by any public or private employer, except the District, and may receive compensation from that employment without limiting or restricting in any way the

retirement benefits payable under this System. Reemployment by the District shall be subject to the limitations set forth in this Section.

2. After Normal Retirement. Any Retiree who is retired under normal retirement pursuant to this System and who is reemployed as a Firefighter after that Retirement and, by virtue of that reemployment, is eligible to participate in this System, shall upon being reemployed discontinue receipt of benefits. Upon reemployment, the Retiree shall be deemed to be fully vested and the additional Credited Service accrued during the subsequent employment period shall be used in computing a second benefit amount attributable to the subsequent employment period, which benefit amount shall be added to the benefit determined upon the initial retirement to determine the total benefit payable upon final Retirement. Calculations of benefits upon Retirement shall be based upon the benefit accrual rate, Average Final Compensation, and Credited Service as of that date and the retirement benefit amount for any subsequent employment period shall be based upon the benefit accrual rate, Average Final Compensation (based only on the subsequent employment period), and Credited Service as of the date of subsequent retirement. The amount of any death or disability benefit received as a result of a subsequent period of employment shall be reduced by the amount of accrued benefit eligible to be paid for a prior period of employment. The optional form of benefit and any joint pensioner selected upon initial retirement shall not be subject to change upon subsequent retirement except as otherwise provided herein, but the Member may select a different optional form and joint pensioner applicable to the subsequent retirement benefit.

3. Any Retiree who is retired under normal retirement pursuant to this System and who is reemployed by the District after that Retirement and, by virtue of that reemployment is ineligible to participate in this System, shall, during the period of such reemployment, continue receipt of benefits during any subsequent employment period.

4. After Early Retirement. Any Retiree who is retired under early retirement pursuant to this System and who subsequently becomes an employee of the District in any capacity shall discontinue receipt of benefits from the System. If by virtue of that reemployment, the Retiree is eligible to participate in this System, the Retiree shall be deemed to be fully vested and the additional Credited Service accrued during the subsequent employment period shall be used in computing a second benefit amount attributable to the subsequent employment period, which benefit amount shall be added to the benefit determined upon the initial retirement to determine the total benefit payable upon final Retirement. Calculations of benefits upon retirement shall be based upon the benefit accrual rate, Average Final Compensation, Credited Service and early retirement reduction factor as of that date and the retirement benefit amount for any subsequent employment period shall be based upon the benefit accrual rate, Average Final Compensation (based only on the subsequent employment period), and Credited Service as of the date of subsequent retirement. The amount of any death or disability benefit received as a result of a subsequent period of employment shall be reduced by the amount of accrued benefit eligible to be paid for a prior period of employment. The optional form of benefit and any joint pensioner selected upon initial retirement shall not be subject to change upon subsequent retirement except as otherwise provided herein, but the member may select a different optional form and joint pensioner applicable to the subsequent retirement benefit. Retirement pursuant to an early retirement incentive program shall be deemed early retirement for purposes of this Section if the Member was permitted to retire prior to the customary retirement date provided for in the System at the time of retirement.

5. Reemployment of Terminated Vested Persons. Reemployed terminated vested persons shall not be subject to the provisions of this Section until such time as they begin to actually receive benefits. Upon receipt of benefits, terminated vested persons shall be treated as normal or early Retirees for purposes of applying the provisions of this Section and their status as an early or normal Retiree shall be determined by the date they elect to begin to receive their benefit.



**SECTION 29. SUPPLEMENTAL BENEFIT COMPONENT FOR SPECIAL BENEFITS; CHAPTER 175 SHARE ACCOUNTS.**

There is hereby established an additional plan component to provide special benefits in the form of a supplemental retirement, termination, death and disability benefit to be in addition to the benefits provided for in the previous Sections of this plan, such benefit to be funded solely and entirely by Chapter 175, Florida Statutes, premium tax monies for each plan year which are allocated to this supplemental component as provided for in Section 175.351, Florida Statutes. Amounts allocated to this supplemental component ("Share Plan"), if any, shall be further allocated to the Members as follows:

1. **Individual Member Share Accounts.**

The Board shall create individual "Member Share Accounts" for all actively employed plan Members and maintain appropriate books and records showing the respective interest of each Member hereunder. Each Member shall have a Member Share Account for their share of the Chapter 175, Florida Statutes, tax revenues described above, forfeitures and income and expense adjustments relating thereto. The Board shall maintain separate Member Share Accounts, however, the maintenance of separate accounts is for accounting purposes only and a segregation of the assets of the trust fund to each account shall not be required or permitted.

2. **Share Account Funding.**

- A. Individual Member Share Accounts shall be established as of September 30, 2015 for all Members who were actively employed as of October 1, 2014. Individual Member Share Accounts shall be credited with an allocation as provided for in the following subsection 3. of any premium tax monies which have been allocated to the share plan for that Plan Year, beginning with the Plan Year ending September 30, 2015.
- B. Any forfeitures as provided in subsection 4., shall be used as part of future allocations to the individual Member Share Accounts in accordance with the formula set forth in subsection 3.A.

3. **Allocation of Monies to Share Accounts.**

A. **Allocation of Chapter 175 Contributions.**

- (1) Effective as of September 30, 2015, the amount of any premium tax monies allocated to the share plan shall be allocated to individual Member Share Accounts as provided for in this subsection. Members retiring on or after October 1, 2014 and prior to September 30, 2015 shall receive an allocation. In addition, all premium tax monies allocated to the Share Plan in any subsequent Plan Year shall also be allocated as provided for in this subsection. Available premium tax monies shall be allocated to individual Member Share Accounts at the end of each Plan Year on September 30 (a "valuation date").
- (2) On each valuation date, each current Member of the plan and each Retiree who retires in the Plan Year ending on the valuation date (including each disability retiree), or Beneficiary of a deceased Member (not including terminated vested persons) who is otherwise eligible for an allocation as of the valuation date shall receive a share allocation as follows:
- (3) The total funds subject to allocation on each valuation date shall be allocated to each Member Share Account of those eligible for an

allocation in an amount equal to a fraction of the total amount, the numerator of which shall be the individual's total years and fractional parts of years of Credited Service as of the valuation date, and the denominator of which shall be the sum of the total years and fractional parts of years of Credited Service as of the valuation date of all individuals to whom allocations are being made. Beneficiaries shall receive an allocation based on the years of Credited Service of the deceased Member.

- (4) Re-employed Retirees shall be deemed new employees and shall receive an allocation based solely on the Credited Service in the reemployment period.

**B. Allocation of Investment Gains and Losses.**

On each valuation date, each individual Member Share Account shall be adjusted to reflect the net earnings or losses resulting from investments during the year. The net earnings or losses allocated to the individual Member Share Accounts shall be the same percentage which is earned or lost by the total plan investments, including realized and unrealized gains or losses, net of brokerage commissions, transaction costs and management fees.

Net earnings or losses are determined as of the last business day of the fiscal year, which is the valuation date, and are debited or credited as of such date.

For purposes of calculating net earnings or losses on a Member's share account pursuant to this subsection, brokerage commissions, transaction costs, and management fees for the immediately preceding fiscal year shall be determined for each year by the investment consultant pursuant to contracts with fund managers as reported in the custodial statement. The investment consultant shall report these annual contractual fees to the Board. The investment consultant shall also report the net investment return for each manager and the net investment return for the total plan assets.

**C. Allocation of Costs, Fees and Expenses.**

On each valuation date, each individual Member Share Account shall be adjusted to allocate its pro rata share of the costs, fees and expenses of administration of the Share Plan. These fees shall be allocated to each individual Member Share Account on a proportionate basis taking the costs, fees and expenses of administration of the Share Plan as a whole multiplied by a fraction, the numerator of which is the total assets in each individual Member Share Account (after adding the annual investment gain or loss) and the denominator of which is the total assets of the fund as a whole as of the same date.

**D. No Right to Allocation.**

The fact of allocation or credit of an allocation to a Member's Share Account by the Board shall not vest in any Member, any right, title, or interest in the assets of the trust or in the Chapter 175, Florida Statutes, tax revenues except at the time or times, to the extent, and subject to the terms and conditions provided in this Section.

- E. Members shall be provided annual statements setting forth their share account balance as of the end of the Plan Year.

4. Forfeitures.

Any Member who has less than ten (10) years of Credited Service and who is not otherwise eligible for payment of benefits after termination of employment with the District as provided for in subsection 5. shall forfeit his/her individual Member Share Account. Forfeited amounts shall be included and used as part of the Chapter 175 tax revenues for future allocations to individual Member Share Accounts on each valuation date in accordance with the formula set forth in subsection 3.A.

5. Eligibility For Benefits.

Any Member (or their Beneficiary) who terminates employment as a Firefighter with the District or who dies, upon application filed with the Board, shall be entitled to be paid the value of their individual Member Share Account, subject to the following criteria:

A. Retirement Benefit.

- (1) A Member shall be entitled to one hundred percent (100%) of the value of his/her share account upon normal or early Retirement pursuant to Section 6, upon termination of employment.
- (2) Such payment shall be made as provided in subsection 6.

B. Termination Benefit.

- (1) In the event that a Member's employment as a Firefighter is terminated by reason other than retirement, death or disability, they shall be entitled to receive the value of their share account only if he/she is vested in accordance with Section 9.
- (2) Such payment shall be made as provided in subsection 6.

C. Disability Benefit.

- (1) In the event that a Member is determined to be eligible for either an in-line of duty disability benefit pursuant to Section 8, subsection 1. or a not-in-line of duty disability benefit pursuant to Section 8, subsection 3., he shall be entitled to one hundred percent (100%) of the value of his/her share account.
- (2) Such payment shall be made as provided in subsection 6.

D. Death Benefit.

- (1) In the event that a Member dies while actively employed as a Firefighter, one hundred percent (100%) of the value of his/her Member Share Account shall be paid to the designated Beneficiary as provided in Section 7.
- (2) Such payment shall be made as provided in subsection 6.

6. Payment of Benefits.

If a Member terminates employment for any reason or dies and the Member or their Beneficiary is otherwise entitled to receive the balance in the Member's share account, the Member's share account shall be valued by the plan's actuary on the next valuation date as provided for in subsection 3 above, following termination of employment. Payment of the calculated share account balance

all be payable as soon as administratively practicable following the valuation date, but not later than one hundred fifty (150) days following the valuation date and shall be paid in one lump sum payment. No optional forms of payments shall be permitted.

7. Benefits Not Guaranteed.

All benefits payable under this Section 29 shall be paid only from the assets accounted for in individual Member Accounts. Neither the District nor the Board shall have any duty or liability to furnish any additional funds, securities or assets to fund share account benefits. Neither the Board nor any Trustee shall be liable for the making, retention, or sale of any investment or reinvestment made as herein provided, nor for any loss or diminishment of the Member Share Accounts, except due to their or its own negligence, willful misconduct or lack of good faith. All investments shall be made by the District subject to the restrictions otherwise applicable to fund investments.

8. Notional Account.

The Member Share Account is a notional account, used only for the purpose of calculation of the share distribution account. It is not a separate account in the System. There is no change in the System's assets, and there is no distribution available to the Member until the Member's termination from employment. The Member has no control over the investment of the share account.

9. No Employer Discretion.

The share account benefit is determined pursuant to a specific formula which does not involve employer discretion.

10. Maximum Additions.

Notwithstanding any other provision of this Section, annual additions under this Section shall not exceed the limitations of Section 415(c) of the Code pursuant to the provisions of Section 15, subsection 11.

11. IRC Limit.

The share account distribution, along with other benefits payable from the System, is subject to limitation under Internal Revenue Code Section 415(b).

Approved by the East Niceville Fire District, August, 2019

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 Matt Schwab

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 Leo Tisa