

**CITY OF PANAMA CITY BEACH FIREFIGHTERS' PENSION PLAN**  
**SUMMARY PLAN DESCRIPTION**

Approved by the Board on:

March 3, 2022

**IS YOUR BENEFICIARY FORM CURRENT? IN THE EVENT YOU DIE, YOUR BENEFIT OR CONTRIBUTIONS WILL BE DISTRIBUTED TO THE PERSON OR PERSONS DESIGNATED BY NAME ON THE BENEFICIARY FORM ON FILE WITH THE PENSION PLAN. NO PROVISION IN YOUR LAST WILL AND TESTAMENT WILL CHANGE THIS SELECTION. PLEASE BE SURE THAT YOUR BENEFICIARY FORM DESIGNATES THE PERSON OR PERSONS YOU INTEND TO RECEIVE YOUR BENEFITS AND THAT YOU REVIEW THIS CHOICE IN THE EVENT OF A MAJOR LIFE CHANGE SUCH AS A DIVORCE OR THE DEATH OF YOUR BENEFICIARY.**

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**INTRODUCTION**

The Board of Trustees of the City of Panama City Beach Firefighters' Pension Plan (the "Plan") is pleased to present this Summary Plan Description (SPD) which briefly explains the provisions of your Firefighters' Pension Plan. As a participant in the Plan, you are included in a program of benefits to help you meet your financial needs at retirement, or in the event of disability or death.

This SPD can assist you in preparing for your retirement and financial future. If you need further information on any of the topics presented in this SPD, please contact any member of the Board of Trustees (the "Board"). They will either answer questions you might have to help you understand your benefits or otherwise get you an answer to your questions. We urge you to read and understand this SPD in order to become familiar with the benefits of the Plan and how they contribute to your financial security and how they will enrich your retirement years.

The information presented is only a summary of the Plan as provided in the ordinances of the City of Panama City Beach (the "City"). This SPD has been updated through Ordinance 1572, dated November 10, 2021. If there are any conflicts between the information in this SPD and the ordinances of the City, the ordinances shall govern. The provisions of this Summary Plan Description shall not constitute a contract between you and the Board. The Plan shall be administered in accordance with state and federal law, notwithstanding any provisions in this SPD or ordinances to the contrary. A copy of the ordinance establishing the Plan can be obtained from the City Clerk's office, which is located at 17007 Panama City Beach Parkway, Panama City Beach, Florida 32413-2199.

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Chair, Board of Trustees, City of Panama City  
Beach Firefighters' Pension Plan

\_\_\_\_\_  
Date

1. **BOARD OF TRUSTEES AND PLAN ADMINISTRATION**

A. Administration. The City of Panama City Beach Firefighters' Pension Plan is a defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the Plan. The Board consists of 5 Trustees, 2 of whom shall be legal residents of the City who are appointed by the City Council, 2 of whom are members of the Plan who are elected by a majority of the Firefighters who are members of the Plan and a fifth Trustee who is chosen by a majority of the first 4 Trustees. Each Trustee serves a four year term.

B. The names and addresses of the current Trustees are attached to this Summary Plan Description as Exhibit "A". The Chair of the Board is designated as agent for the service of legal process.

2. **ELIGIBILITY FOR PLAN MEMBERSHIP**

Each person employed by the City Fire Department as a full-time Firefighter becomes a member of the Plan as a condition of his employment. All Firefighters are therefore eligible for Plan benefits as provided for in the Plan document and by applicable law.

3. **PLAN BENEFITS**

All claims for benefits under the Plan shall be made in writing to the Board.

A. Normal Retirement Eligibility.

(1) You are eligible for retirement upon the attainment of age 50 and the completion of 20 years of credited service or the attainment of age 55 and the completion of 10 years of credited service.

(2) You have the option at the time of employment to elect to be eligible for retirement upon the completion of 25 years credited service regardless of age. This election is irrevocable.

B. Amount of Normal Retirement Benefits. The amount of the normal retirement benefit is based on your credited service and average final compensation:

"Credited Service" is generally your period of employment as a Firefighter in the Fire Department measured in years and parts of years. Credited Service will include credit for up to 5 years for a break in employment for military service, pursuant to conditions provided for under state or federal law, provided that you are reemployed within 1 year of discharge under honorable conditions. Additional Credited Service time may also be available (See subsection K. below).

"Average Final Compensation" is 1/12 of your average salary of 5 best years of the last 10 years of Credited Service prior to your termination, retirement or death or the career average as a full-time Firefighter, whichever is greater. A year is defined as 12 consecutive months.

"Salary" is total compensation for services rendered to the City as a Firefighter reportable on your W-2 form plus all tax deferred, tax sheltered, or tax exempt items of income derived from elective employee payroll deductions or salary reductions, but excluding accrued amounts paid at termination of employment, auto allowance and mileage reimbursements. For service earned on or after July 1, 2011, Salary shall not include more than 300 hours of overtime per fiscal year. Provided however, in any event, payments for overtime in excess of 300 hours per year accrued as of July 1, 2011, and attributable to service earned prior to the July 1, 2011, may still be

included in Salary for pension purposes even if the payment is not actually made until on or after July 1, 2011.

The normal retirement benefit is calculated by multiplying 3.35% times years of Credited Service times your Average Final Compensation:  $(3.35\% \times CS \times AFC = \text{normal retirement benefit})$ .

Normal and early retirement payments will commence on the first day of the month coincident with or next following your last day of employment. Early retirees may defer the commencement of benefits. The benefit is paid to you for your life, but you or your beneficiary shall receive at least 120 monthly benefit payments in any event.

Upon vesting you shall be entitled, at the Plan's expense, to receive two actuarial studies (one preliminary and one final) to estimate your retirement benefits. Any additional studies shall be provided only at your expense.

C. Early Retirement. You are eligible for early retirement upon the attainment of age 50 and the completion of 10 years of Credited Service.

D. Amount of Early Retirement Benefits. The amount of the early retirement benefit is calculated in the same manner as for normal retirement and is available as follows:

- (1) Beginning on the date on which you would have qualified for normal retirement; or
- (2) Beginning immediately upon retirement, but if beginning immediately, the amount of the monthly benefit is reduced by 3% for each year by which the commencement of benefits precedes the date which would have been your normal retirement date, determined based upon your actual years of Credited Service.

E. Supplemental Retirement - Share Plan. Pursuant to Florida law, there will be a separate member "share account" created for you. This supplemental benefit may or may not be funded and thus, you may or may not receive a retirement benefit from the share plan. If the share plan is funded, at retirement, termination (vested), disability or death, there shall be an additional benefit paid to you. The share plan is funded solely with state premium tax money and the funding that is received for this share plan is allocated to your share account based on a formula which gives you an allocation based on your years of Credited Service or another formula to be determined. Your share account receives its proportionate share of the income or loss on the assets in the Plan.

F. Cost of Living Increases. In addition to the benefits provided above, the Plan provides for a cost of living increase as follows:

- (1) Supplemental Benefit. As of the effective date, future Retirees, who retire on or after their normal or early retirement date, with an early or normal retirement benefit, or who retire with a disability benefit, shall receive a \$350.00 per month benefit supplement, payable for life. This supplemental benefit does not include joint pensioners, beneficiaries or vested terminated employees, except as provided for pursuant to an optional form of benefit election by you. The supplement shall not be subject to any automatic cost of living adjustments the Plan may provide.

- (2) Cost of Living Adjustment. All future Retirees, joint pensioners and beneficiaries, including disability Retirees, will receive, on the first January 1st following 1 full year of Retirement, a 1% per year cost of living adjustment.

G. Other Retirement Options. At retirement, certain additional options are available as follows:

- (1) Optional Forms of Retirement. In lieu of the amount and form of retirement income payable under normal retirement, you may elect to receive a retirement benefit in a different form so long as the form you elect is of equal actuarial value as the normal benefit. The optional forms of benefits which are available are:
  - (a) A retirement income of a monthly amount, payable to you for your lifetime.
  - (b) A retirement income of a modified monthly amount, payable to you during your lifetime and following your death, 100%, 75%, 66 2/3% or 50% of such monthly amount payable to a joint pensioner for his lifetime.
  - © If you retire prior to the time at which social security benefits are payable, you 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.
  - (d) A retirement income as described under (a) or (b) above, or in the normal form of a life annuity with 120 monthly payments guaranteed, but with an annual increase of 3% on each January 1. The first such increase shall be effective on the January 1 following 1 full year of retirement. Such increases shall be exclusive of any ad hoc cost of living adjustment but inclusive of any automatic Credited Service the Plan may provide, which inclusion shall be reflected in a lesser reduction when the actuarially equivalent monthly payment for this option is determined.
- (2) Deferred Retirement Option Plan (DROP).
  - (a) If you become eligible for normal retirement, and are still employed by the City as a Firefighter, you have the option of "retiring" from the Plan but continuing your employment as a Firefighter for a period not to exceed 60 months beginning at the time your election to participate in the DROP first becomes effective. An election to participate in the DROP shall constitute an irrevocable election to resign from the service of the City not later than the date provided for in the previous sentence. You must request, in writing, to enter the DROP.

- (b) Upon entering the DROP, your retirement benefit is immediately calculated and each monthly benefit payment is deposited into your DROP account. You may elect to either have your account credited with interest at the rate of 5% per annum or credited or debited with an investment return or loss equal to the net investment return realized by the Plan for that quarter. One change in election is permitted.
- © At the time of termination of employment at the end of the DROP period, you will receive your account balance in a lump sum or in another optional form and you will also begin receiving your monthly retirement benefit.
- (d) Once you enter the DROP, you are no longer eligible for disability or pre-retirement death benefits, nor do you accrue any additional Credited Service. Your retirement benefit is fixed as of your entry date. You pay no member contributions to the Plan once you enter the DROP.
- (e) Participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants.
- (f) Additional information about the DROP can be obtained from the Board.

H. Disability Retirement. You are considered disabled when you become totally and permanently unable to perform useful and efficient service as a Firefighter. A written application is made to the Board for a disability pension and the Board receives evidence of the disability and decides whether or not the pension is to be granted. If the pension is granted, the benefit amount shall be:

- (1) If the injury or disease is service connected, you shall be entitled to a benefit equal to 3.35% of your Average Final Compensation multiplied by your total years of Credited Service, but in any event, the minimum amount paid shall be 42% of Average Final Compensation.
- (2) If the injury or disease is not service connected, you shall be entitled to a benefit equal to 3.35% of your Average Final Compensation multiplied by your total years of Credited Service. This non-service connected benefit is only available if you have at least 10 years of Credited Service.

Terminated persons, either vested or non-vested, are not eligible for disability benefits. Except, however, if you were terminated by the City for medical reasons, and if you apply within 30 days after your termination date, your application will be processed and fully considered by the Board. If you voluntarily terminate your employment after filing the application, you will not be eligible to be considered for any disability benefit.

Your disability benefit terminates upon the earlier of death, with 120 payments guaranteed, or recovery. You may, however, select a "life only" or "joint and survivor" optional form of benefit as described above under "Optional Forms of Retirement".

Your benefit will be reduced if you receive workers' compensation benefits and your combined benefit exceeds 100% of your final Salary. The pension benefit will be reduced so that the total does not exceed 100%, except that the pension benefit shall not be reduced below the greater of 42% of Average Final Compensation or 2% of Average Final Compensation times years of Credited Service.

Any condition or impairment of health caused by hypertension or heart disease resulting in death or total and permanent disability is presumed to have been suffered in the line of duty unless the contrary is shown by competent evidence; provided that you have successfully passed a physical examination on entering into service and there is no evidence of the condition at that time.

For conditions diagnosed on or after January 1, 1996, if you suffer a condition or impairment of health that is caused by hepatitis, meningococcal meningitis, or tuberculosis, which results in total and permanent disability, it shall be presumed that the disability is in the line of duty, unless the contrary is shown by competent evidence as provided for in Section 112.181, Florida Statutes; provided that the statutory conditions have been met.

As of July 1, 2019, Section 112.1816, Florida Statutes, provides a conclusive irrebuttable cancer presumption. Once certain criteria are met, Firefighters diagnosed with varying types of cancer may receive benefits under the Plan in lieu of seeking Worker's Compensation benefits.

To receive disability benefits, you must establish to the satisfaction of the Board, that such disability was not occasioned primarily by:

- (1) Excessive or habitual use of any drugs, intoxicants or narcotics.
- (2) Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections or while committing a crime.
- (3) Injury or disease sustained while serving in any branch of the Armed Forces.
- (4) Injury or disease sustained after your employment as a Firefighter with the City shall have terminated.

As a disabled pensioner, you are subject to periodic medical examinations as directed by the Board to determine whether a disability continues. You may also be required to submit statements from your doctor, at your expense, confirming that your disability continues.

I. Death Before Retirement.

- (1) If you die prior to retirement from the Fire Department, your beneficiary shall receive a death benefit equal to 100 times the monthly retirement benefit calculated as for normal retirement based on the average monthly compensation and Credited Service at the date of death. This death benefit shall not be reduced due to your age or failure to attain 10 years of Credited Service upon your date of death. You may direct that payment to your beneficiaries be made under one of the following settlement options:
  - (a) Unless otherwise specified by you, the death benefit will be paid in one lump sum. If this or no option is specified by you, the named beneficiary may, upon your death, elect any of the other options specified hereinafter. You may elect to have the death proceeds paid through any of the following options and, if you do so, such election shall be binding on the named beneficiary, this Plan and any insurer.



- (b) The death benefit may be paid as periodic payments of a specified amount until the original death benefit together with subsequently earned interest, shall be exhausted.
  - © The death benefit may be paid as a monthly annuity for life, with or without period certain guarantees, in an amount equal to the actuarial equivalent of the death benefit determined in accordance with (a) above, based on the beneficiary's age at the time of your death, with installments of not less than \$10.00 per month.
- (2) Additional Regulations with Spouse as Beneficiary: If you die and at the date of your death were vested or eligible for normal retirement, your spouse beneficiary shall be entitled to a benefit as follows in the event that the benefits provided for in (1) above are less than those provided for in this subparagraph (2):
- (a) If you were vested, but not eligible for normal retirement, your spouse beneficiary shall receive a benefit payable for 10 years, beginning on the date that you would have been eligible for normal retirement, at the option of your spouse beneficiary. The benefit shall be calculated as for normal retirement based on your Credited Service and Average Final Compensation as of the date of your death.
  - (b) If you were eligible for normal retirement, your spouse beneficiary shall receive a benefit payable for 10 years, beginning on the first day of the month following your death or at your otherwise normal retirement date, at the option of your spouse beneficiary. The benefit shall be calculated as for normal retirement based on your Credited Service and Average Final Compensation as of the date of your death.
  - © Your spouse beneficiary may not elect an optional form of benefit, however, the board may elect to make a lump sum payment.
  - (d) Your spouse beneficiary may, in lieu of any benefit provided for in (a) or (b) above, elect to receive a refund of your accumulated contributions.
  - (e) If your spouse beneficiary commences receiving a benefit under (a) or (b) above, but dies before all payments are made, the remaining benefit shall be paid to the estate of the spouse beneficiary.
- (3) Deceased Members Vested or Eligible for Retirement with Non-Spouse Beneficiary. If your beneficiary is not your spouse, the benefits payable to your non-spouse beneficiary are the same as those to a spouse beneficiary, however, the date of commencement of those benefits may be required to be earlier, with the resulting reduction in the amount.

J. Termination of Employment and Vesting. If your employment is terminated, either voluntarily or involuntarily, the following benefits are payable:

- (1) If you have less than 5 (five) years of Credited Service upon termination, you shall be entitled to a refund of the money you have contributed or you may leave it deposited with the Plan.
- (2) Effective November 10, 2021, if you have at least 5 years of Credited Service upon termination, you shall be entitled to a monthly retirement benefit based on the following percentages of your accrued benefit at the time you cease to be an active member of the plan:

Completed Years of Service	Vested Percentage of Accrued Benefit
Less than 5 Years	0%
5 years	50%
6 years	60%
7 years	70%
8 years	80%
9 years	90%
10 or more years	100%

- (3) The benefit shall be determined in the same manner as for normal retirement and shall be based upon the vesting schedule, your credited service, Average Final Compensation and the benefit accrual rate as of the date of termination. The benefit shall be payable to you starting at your otherwise normal retirement date, determined based upon your actual years of Credited Service, provided you do not elect to withdraw your contributions and provided you survive to your otherwise normal retirement date. If you do not withdraw your accumulated contributions and do not survive to your otherwise normal retirement date, your designated beneficiary shall be entitled to a benefit as provided herein for a deceased member, vested or eligible for retirement under “Death Before Retirement.”

The Internal Revenue Code provides that certain eligible lump sum distributions from the Plan may be directly rolled over into qualified individual retirement accounts, annuities or certain other pension plans. A 20% withholding shall be required on taxable portions of such lump sum distributions not directly transferred to a new custodian.

In the event that you have also accumulated Credited Service in another pension system maintained by the City, then such other Credited Service shall be used in determining vesting and for determining eligibility for normal retirement in each plan. Such other Credited Service shall not be considered in determining benefits under this Plan, but shall be considered for determining benefits under such other plan using the benefit accrual rate in effect in such other plan at the time of your termination or retirement from the City. Only your Credited Service under this Plan on or after your date of membership in this Plan shall be considered for this Plan’s benefit calculation. If you become eligible for a benefit from this Plan after you became a member of another pension system maintained by the City, your benefit calculation shall be based upon the vesting schedule, your Average Final Compensation and benefit accrual rate in effect on the date of your termination of employment or retirement from the City.

K. Reemployment After Retirement. Effective April 22, 2021, if you retire under normal retirement and wish to be reemployed by the City, you will be eligible to receive retirement benefits from the Plan during your period of reemployment. To receive an in-service distribution, you must have attained your normal retirement age. All in-service distributions must first be approved by the Board as having no effect on the Plan's qualified tax status.

L. Additional Credited Service. In addition to Credited Service actually earned in the employment of the Fire Department, you may also receive Credited Service as follows:

- (1) "Buy-Back" for Prior Fire Service. The time that you previously served as a Firefighter with the City during a period of previous employment and for which period accumulated contributions were withdrawn from the Plan shall be added to your years of Credited Service provided that within the first 90 days of your reemployment you pay into the Plan the withdrawn contributions with interest.

If, after 90 days from your reemployment you have failed to purchase Credited Service pursuant to the previous paragraph or if you served as a full-time paid Firefighter for any other municipal, county or special district fire department in the United States, you will receive Credited Service only if:

- (a) You contribute to the Plan a sum equal to:
  - (i) the amount that you would have contributed to the Plan, based on your salary and the member contribution rate in effect at the time that the Credited Service is requested, had you been a member of the Plan for the years or fractional parts of years for which you are requesting credit, plus
  - (ii) amounts actuarially determined such that the crediting of service does not result in any cost to the Plan, plus
  - (iii) payment of costs for all professional services rendered to the Board in connection with the purchase of years of Credited Service.
- (b) The request shall be made only once and made on or before 6 months from the date of your employment or reemployment with the City Fire Department.
- (c) Payment of the required amount shall be made within 6 months of your request for credit but not later than your retirement date in any event and shall be made in one lump sum payment upon receipt of which credited service shall be given.
- (d) The maximum credit under this subsection for Credited Service purchased for prior fire service with an employer other than the City when combined with Credited Service purchased for military service prior to employment shall be 5 years and shall count for all purposes except vesting and not-in-line of duty disability benefits. There shall be no maximum purchase of credited for prior fire service with the City and such credit shall count for all purposes, including vesting.

- (e) In no event, however may Credited Service be purchased for prior service with any other municipal, county or special district 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.
- (2) "Buy-Back" for Military Service Prior to Employment. The time that you previously served on active duty in the military service of the Armed Forces of the United States or the United States Merchant Marine, prior to your first and initial employment with the City Fire Department, shall be added to your years of Credited Service provided that:
- (a) You contribute to the Plan a sum equal to:
    - (i) the amount that you would have contributed to the Plan, based on your Salary and the member contribution rate in effect at the time that the Credited Service is requested, had you been a member of the Plan for the time for which you are requesting credit, plus
    - (ii) amounts actuarially determined such that the crediting of service does not result in any cost to the Fund, plus
    - (iii) payment of costs for all professional services rendered to the Board in connection with the purchase of years of Credited Service.
  - (b) The request shall be made only once and made on or before 6 months from the date of your employment with the City Fire Department.
  - (c) Your payment of the required amount shall be made within 6 months of your request for credit but not later than your retirement date and shall be made in one lump sum payment upon receipt of which Credited Service shall be given.
  - (d) The maximum credit under this subsection when combined with Credited Service purchased for prior fire service with an employer other than the City shall be 5 years and shall count for all purposes except vesting and eligibility for not-in-line of duty disability benefits.
- (3) "Buy-Back" of Time Lost Due to Absences Authorized by the Family and Medical Leave Act. If you are absent on unpaid leave under the Family & Medical Leave Act, you may purchase lost Credited Service by making an actuarially determined contribution to the Plan, such that there is no cost to the Plan in allowing such Credited Service, within strict time periods provided for in the Plan document.
- (4) Rollovers or Transfers of Funds to Purchase Service. In the event you are eligible to purchase additional Credited Service as provided above, you may be eligible to rollover or transfer funds from another retirement program in which you participate (traditional IRA, deferred compensation plan maintained by a government employer 457 plan, 401k plan, profit sharing plan, defined benefit plan, money

purchase plan, annuity plan or tax sheltered annuity) in order to pay all or part of the cost of purchasing such additional Credited Service.

M. Contributions and Funding. The City is paying the portion of the cost of the Plan over and above your contributions and any amounts received from the state insurance rebates. If you elect to retire upon the completion of 25 years of Credited Service, you contribute 7.5% of your Salary to the Plan. If you do not irrevocably elect to retire upon the completion of 25 years of Credited Service, you contribute 4.1% of your Salary to the Plan. Your contribution will be excluded from your gross income for withholding purposes so you will realize income tax benefits.

N. Maximum Benefits. In no event will the annual benefits paid from this Plan exceed \$230,000.00 annually, subject to certain cost of living adjustments and actuarial reductions, under certain circumstances, prior to age 62 as set forth in Section 415 of the Internal Revenue Code.

If you began participation for the first time on and after January 1, 1980, you cannot receive a benefit in excess of 100% of your Average Final Compensation.

O. Forfeiture of Pension. If you are convicted of the certain crimes listed in the Plan document committed prior to retirement, or if your employment is terminated by reason of your admitted commission, aid or abetment of these crimes, you shall forfeit all rights and benefits under the Plan, except for the return of your contributions as of the date of your termination.

P. Conviction and Forfeiture; False, Misleading or Fraudulent Statements.

It is unlawful for you 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 Plan.

If you violate the previous paragraph, you commit a misdemeanor of the first degree, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

In addition to any applicable criminal penalty, upon conviction for a violation described above, you or your beneficiary may, in the discretion of the Board, be required to forfeit the right to receive any or all benefits to which you would otherwise be entitled under the Plan. 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.

Q. Claims Procedure Before the Board. You may request, in writing, that the Board review any claim for benefits under the Plan. The Board will review the case and enter a decision as it deems proper.

The Board's decision on your claim will be contained in an order which will be in writing and will include:

- (1) The specific reasons for the Board's action;
- (2) A description of any additional information that the Board feels is necessary for you to perfect your claim; and
- (3) An explanation of the review procedure next open to you which includes a formal evidentiary hearing.

#### 4. NON-FORFEITURE OF PENSION BENEFITS

A. Liquidation of Plan Assets. In the event of repeal, or if contributions to the Plan are discontinued by the City, there will be a full vesting of benefits accrued to date of repeal.

B. Interest of Members in Plan. At no time prior to the satisfaction of all liabilities under the Plan shall any assets of the Plan be used for any purpose other than for the Firefighters' exclusive benefit. In any event, your contributions to the Plan are non-forfeitable.

5. **VESTING OF BENEFITS**

The vesting of your retirement benefits is determined by a tiered vesting schedule. Effective November 10, 2021, Plan members with at least five (5) years of Credited Service upon termination of employment, will be entitled to a monthly retirement benefit based on the following percentages commencing at the member's otherwise normal or early retirement date.

Completed Years of Service	Vested Percentage of Accrued Benefit
Less than 5 years	0%
5 years	50%
6 years	60%
7 years	70%
8 years	80%
9 years	90%
10 years	100%

6. **APPLICABLE LAW**

The Plan is governed by certain federal, state and local laws, including, but not limited to the following:

- A. Internal Revenue Code and amendments thereto.
- B. Chapter 175, Florida Statutes, "Municipal Firefighters' Retirement Trust Funds".
- C. Part VII, Chapter 112, Florida Statutes, "Actuarial Soundness of Retirement Systems".
- D. Ordinances of the City.
- E. Administrative rules and regulations adopted by the Board.
- F. Florida Statutes §112.3173, as amended.

7. **PLAN YEAR AND PLAN RECORDS**

The Plan year begins on October 1 of each year and ends on September 30 of the following year. All records of the Plan are maintained on the basis of the Plan year.

8. **APPLICABLE PROVISIONS OF COLLECTIVE BARGAINING AGREEMENTS**

There is no collective bargaining agreement between the Firefighters and the City.

9. **FINANCIAL AND ACTUARIAL INFORMATION**

- A. A report of pertinent financial and actuarial information on the solvency and actuarial soundness of the Plan has been prepared by the Plan's actuary, Aon Consulting, Inc., and is attached as Exhibit "B".
- B. A copy of the detailed accounting report of the Plan's expenses for the fiscal year is available for review upon request to the Board Secretary.
- C. A copy of the administrative expense budget for the Plan, for each fiscal year is available for review upon request to the Board Secretary.

10. **DIVORCE OR DISSOLUTION OF MARRIAGE**

Federal and state law provides certain restrictions regarding the payment of your pension benefits in the event of your divorce or dissolution of marriage. Immediately upon your involvement in such a legal proceeding, you should provide a member of the Board with the name and address of your attorney or your name and address if you have no attorney. The Board's attorney will then provide you or your attorney with information concerning the legal restrictions regarding your pension benefits. In addition, a copy of any proposed order must be submitted to the Board prior to entry by the court. Failure to do so may require you to pay any expenses incurred by the Board in correcting an improper court order.

Effective January 1, 2019, changes in the federal tax laws have eliminated tax deductions for alimony if a marriage was dissolved or a property settlement agreement was made on or after January 1, 2019. Modifications to existing orders or agreements on or after January 1, 2019, may be tax deductible if both parties agree.

11. **EX-SPOUSES AS BENEFICIARY OR JOINT PENSIONER**

The Florida Legislature has adopted Section 732.703, Florida Statutes. This law nullifies the designation of your ex-spouse as a beneficiary or joint annuitant / joint pensioner on your Plan retirement benefits. This law went into effect on July 1, 2012.

After July 1, 2012, if you want your ex-spouse to be a beneficiary or joint annuitant/joint pensioner for your plan benefit, you will have to make that designation AFTER the dissolution of marriage. If you currently have an ex-spouse as a beneficiary or joint annuitant/joint pensioner, and want to keep this designation, you will have to designate the ex-spouse again after July 1, 2012.

To reconfirm your current beneficiary, or to designate a new beneficiary, complete a new Designation of Beneficiary Form (PF-3).

To reconfirm your current joint annuitant/joint pensioner, or to designate a new joint annuitant/joint pensioner (if authorized by the current Plan provisions), indicate such change on a Change or Confirmation of Designated Joint Annuitant or Joint Pensioner Form (PF-25). If necessary, the Plan Administrator will submit the new form to the actuary of the Plan for recalculation of your benefit. There may be a charge to you to make this change.

12. **EXCLUSION OF HEALTH INSURANCE PREMIUMS FROM INCOME.**

When you retire because of disability or have worked to the date you are immediately eligible for normal retirement (not early retirement), you can elect to exclude from income, distributions made from your benefit that are used to pay the premiums for accident or health insurance or long-term care insurance. The premium can be for coverage for you, your spouse, or dependents. The distribution must be made directly from the plan to the insurance provider using pension form PF-22 which authorizes the distribution. (This form may be obtained from your Plan

Administrator) You can exclude from income the smaller of the amount of the insurance premiums or \$3,000.00. You can only make this election for amounts that would otherwise be included in your income.

13. **FEDERAL INCOME TAX CONSEQUENCES**

The Plan is intended to qualify under Section 401 of the Internal Revenue Code as a qualified Plan. It is important that members consult qualified experts to determine whether or not they must pay taxes on the pension benefits they receive.



**EXHIBIT "A"**

**BOARD OF TRUSTEES**

The names and addresses of the members of the Board of Trustees are:

Chair: Shawn Legleiter  
City of Panama City Beach Firefighters' Pension Plan  
17121 Panama City Beach Parkway  
Panama City Beach, Florida 32413

Secretary: Tim Smith  
City of Panama City Beach Firefighters' Pension Plan  
17121 Panama City Beach Parkway  
Panama City Beach, Florida 32413

Member: Jonathan Miller  
City of Panama City Beach Firefighters' Pension Plan  
17121 Panama City Beach Parkway  
Panama City Beach, Florida 32413

Member: Joey Alexander  
City of Panama City Beach Firefighters' Pension Plan  
17121 Panama City Beach Parkway  
Panama City Beach, Florida 32413

Member: J.J. Roberts  
City of Panama City Beach Fire Department  
17007 Panama City Beach Parkway  
Panama City Beach, Florida 32413