

CITY OF EUSTIS
MUNICIPAL FIREFIGHTERS' PENSION AND RETIREMENT SYSTEM
SUMMARY PLAN DESCRIPTION
JUNE, 2023

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INTRODUCTION

The attached booklet is presented to you as a Member of the City of Eustis Municipal Firefighters' Pension and Retirement System. This booklet is a brief explanation of certain provisions of your pension plan. You are encouraged to study the booklet, in order to become familiar with the benefits provided by the Plan. If you have any questions regarding any provision of the Plan, the Board of Trustees will be happy to answer your questions or get an answer for you.

This booklet is only a brief explanation of the Plan. If there are any conflicts between this booklet and the ordinances of the City of Eustis, the ordinances will govern. A copy of the ordinance establishing the Plan can be obtained from the City Clerk.

Chairman, Board of Trustees,
City of Eustis Municipal Firefighters'
Pension and Retirement System

Date

1. BOARD OF TRUSTEES AND PLAN ADMINISTRATION

- A. Administration. The City of Eustis Municipal Firefighters' Pension and Retirement System is a defined benefit pension plan administered by a Board of Trustees. The Board consists of 5 Trustees, 2 of whom are appointed by the City Commission, 2 of whom are full-time Firefighters, elected by a majority of the members of the Plan, and a fifth Member elected by the other 4 and appointed by Commission. Each Trustee serves a two-year term.
- B. The names and addresses of the current Trustees are attached to this Summary Plan Description as Exhibit "A". The Chairman of the Board of Trustees is designated as agent for the service of legal process.

2. ELIGIBILITY FOR PLAN MEMBERSHIP

Each full-time employee who is classified as a certified Firefighter becomes a Member as a condition of employment. Participation is optional for the Fire Chief.

3. PLAN BENEFITS

In order to receive a pension benefit from the Plan, a Member must have a vested right to a pension benefit, have reached the applicable retirement age, retired, and filed a claim for pension benefits with the Board of Trustees.

- A. Normal Retirement Eligibility. A Member is eligible for normal retirement at the earlier of: 1) the attainment of age 55 and the

completion of 10 years of Credited Service or 2) the attainment of age 52 and the completion of 25 years of Credited Service.

- B. Amount of Normal Retirement Benefits. The amount of the normal retirement benefit is based on a Member's Credited Service and Average Final Compensation as follows:

"Credited Service" means the total number of years and fractional parts of years of service as a Firefighter.

"Average Final Compensation" is 1/12 of the average Salary paid during the highest 5 years of compensation of the last 10 years of Salary as a full-time firefighter.

"Salary" is defined as total compensation for services rendered, including payments of accumulated leave at retirement. For periods on and after July 1, 2011, Salary can include up to 300 hours of overtime annually but excludes lump sum payments of unused vacation and sick leave. If you were employed on July 1, 2011, Salary shall include payment for unused accrued sick and annual leave up to the number of hours of unused sick and annual leave accrued on June 30, 2011.

The normal retirement benefit is calculated by multiplying 4% times Credited Service times Average Final Compensation. The benefit is paid for life, but with a minimum of 120 monthly benefit payments.

As of January 24, 2023 all members hired will calculate by multiplying 3% times Credited Service times Average Final

Compensation. All members hired before January 24, 2023, will retain their current benefits.

- C. Early Retirement Eligibility. A Member is 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 but is reduced by 3% for each year the commencement of benefits precedes his normal retirement date, determined based upon actual years of Credited Service.
- E. Optional Forms of Retirement Benefits. A Member may elect to receive a retirement benefit in a different form so long as the form elected by the Member is of equal value as the normal benefit. The optional forms of benefit which are available are:
 - (1) A retirement income payable to the Member for his life only.
 - (2) A retirement income payable for the lifetime of the Member and continuing thereafter for the life of the joint pensioner beneficiary designated by the Member. Following the death of the Member, the monthly benefit payable to the joint pensioner beneficiary is 100%, 75%, 66 2/3%, or 50% of the monthly amount payable during the joint lives of the Member and the joint pensioner beneficiary.
 - (3) 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.

- F. Deferred Retirement Option Plan. Members eligible for Normal Retirement, and still employed, may cease participation in the plan, and enter the DROP for up to 60 months. Participation in the DROP will end upon resignation, death or termination for cause. Members may participate in the DROP only once, and are not eligible to be a contributing member of the Plan during participation. Contributions to the Plan for participating members will cease.

Average monthly earnings and credited service will be determined on the effective date of participation in the DROP, and monthly benefits that would have been payable will be credited to a DROP account that earns interest at either the amount credited in the FRS DROP (currently 6.5% per year) or, at the election of the member, the net earnings of the Pension Fund. Benefits are fixed as of the DROP entry date. At termination of employment the DROP account balance will be paid in a lump sum, or other approved method of payment, and the monthly payments will

begin being paid to the retiree. If death occurs during DROP participation, the account balance will be paid to the member's beneficiary.

- G. Disability Retirement. A Member is considered disabled when he or she becomes totally and permanently unable to perform useful and efficient service as a Firefighter. A written application is made to the Board of Trustees for a disability pension and the Board of Trustees receives evidence of the disability and decides whether or not the pension is to be granted. Members are covered for disability benefits from date of hire. If the pension is granted, the benefit amount shall be the same as the normal retirement benefit. The minimum benefit for not-in-line-of-duty will be 25% of Average Final Compensation and the minimum benefit for in-line-of-duty will be a percentage of Average Final Compensation equal to 45% plus 2% for each year service up to 65%. For example, a Member who is disabled in the line of duty with 5 years of service would receive a benefit of 55% of Average Final Compensation (45% plus 5 years times 2%). If the pension is granted and it is determined that the disability is from malicious or intentional acts on duty or from a non-preventable traffic crash on duty, the minimum benefit amount shall be 65% of the Member's Average Final Compensation, regardless of credited service. A retired disabled Member is subject to periodic medical examinations as

directed by the Board to determine whether a disability continues.

H. Death Before Retirement.

- (1) Not Vested. If a member dies prior to completing 10 years of Credited Service, the beneficiary will receive a refund of the member's contributions, without interest.
- (2) Vested. If the member had completed more than 10 years of Credited Service, the beneficiary would receive the benefit otherwise payable immediately, or at the date the member would have been eligible for Early or Normal Retirement, at the option of the beneficiary. The benefit is reduced if payable prior to the date the member would have been eligible for Normal Retirement.

I. Termination of Employment and Vesting. If a Member's

employment is terminated, the following benefits are payable:

- (1) If the Member has less than ten (10) years of Credited Service upon termination, a refund of member contributions, without interest.
- (2) If the Member has ten (10) or more years, the Member is entitled to a monthly retirement benefit that is the accrued benefit at the date of termination, payable at his normal retirement date or, on a reduced basis, at his early retirement date, determined based upon actual years of Credited Service.

- J. Contributions and Funding. The City is paying the portion of the cost of the pension over and above the Firefighters' contributions and the contributions received from the State of Florida. A Firefighter contributes between 4% and 7.5% of his pensionable salary to the Plan. This will be calculated based on the members paying 16% of the city's contribution percentage as of October 1st each year. For the remainder of the fiscal year 2022-2023 the contribution percentage will be 5.5% and will increase or decrease no more than 1% of their annual compensation for any fiscal year. A Firefighter's contributions are guaranteed refundable.
- K. Maximum Benefits. In no event will the benefits paid from this Plan exceed the lesser of:
- (1) The actuarial equivalent of \$265,000.00 payable at age 62 as adjusted for cost-of-living and certain floor amounts set forth in Section 415 of the Internal Revenue Code, or
 - (2) 100% of the Member's Average Final Compensation.
- L. Claims Review Procedure. A Member may request, in writing, that the Board review any denial of any claim for benefits under the Plan provided the request is made within 30 days of the Board's denial. The Board will schedule the matter for consideration within 30 days of receipt of the request and will notify the Member. The Board may extend the time for making a decision with the consent of the Member. If the appeal is denied, the decision will outline the

specific reasons for denial.

4. SUPPLEMENTAL BENEFIT; CHAPTER 175 SHARE ACCOUNTS.

In addition to the benefits provided for in the previous sections, you shall also be entitled to an additional supplemental benefit to be funded solely and entirely by certain state premium tax monies received pursuant to F.S. Chapter 175. 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 an equal share for each member. Your share account receives its proportionate share of the income or loss on the assets in the plan. This benefit shall represent your allocated share of the premium monies received by the Fund and payable in one lump sum payment upon retirement, death, disability, terminated DROP participation and vested termination.

5. VESTING OF BENEFITS

A Member's retirement benefits are fully vested after ten (10) years of Credited Service.

6. APPLICABLE LAW

The Plan is governed by the following federal, state and local laws:

- A. Internal Revenue Code and amendments thereto.
- B. Part VII, Chapter 112, Florida Statutes, "Actuarial Soundness of Retirement Systems".
- C. Chapter 175, Florida Statutes. "Municipal Firefighters' Retirement Trust Funds".

- D. Ordinances of the City of Eustis.
- E. Administrative rules and regulations adopted by the Board of Trustees.

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. DIVORCE OR DISSOLUTION OF MARRIAGE/EX-SPOUSES AS BENEFICIARY OR JOINT PENSIONER

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 of Trustees with the name and address of your attorney or your name and address if you have no attorney. The Board will then provide you or your attorney with information concerning the legal restrictions regarding your pension benefits. 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 pension 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 prescribed Beneficiary Form.

9. AGENT FOR SERVICE OF LEGAL PROCESS

The attorney for the Board of Trustees is designated as agent for the service of legal process. His address and telephone number are:

Kevin M. Stone, Esq.
Stone & Gerken, P.A.
4850 North Hwy 19A
Mount Dora, FL 32757
352-357-0330

10. FINANCIAL AND ACTUARIAL INFORMATION

A report of certain financial and actuarial information on the solvency and actuarial soundness of the Plan is attached as Exhibit "B".

EXHIBIT "A"

BOARD OF TRUSTEES

Chairman	Ken Carpenter 19332 Meadow Lane Eustis, FL 32726
Secretary	Joshua Mullaly 100 West Norton Avenue Eustis, FL 32726
Members	Rachel Hartzclaw 100 West Norton Avenue Eustis, FL 32726
	Jeffrey Stephan 332 S Center Street Eustis, FL 32726
	Michael Peckham 100 West Norton Avenue Eustis, FL 32726
	Charles McMaster 100 West Norton Avenue Eustis, FL 32726