

LAKE WORTH FIREFIGHTERS' PENSION FUND



DROP APPLICATION PACKAGE

June 2017



Lake Worth Firefighters' Pension Fund

Index

Application for DROP Participation (*must be notarized*)

Application for Deferred Retirement Option Program (DROP)
Participation and Time Service Retirement

Election to Participate in DROP and Information Checklist
for the Review of DROP Program Information

Age Discrimination in Employment Act Notice

Designation of Beneficiary Form (*must be notarized*)

Date:_____

LAKE WORTH FIREFIGHTERS' PENSION TRUST FUND

APPLICATION FOR DROP PARTICIPATION

PLEASE PRINT OR TYPE:

- 1) a. Name of Employee: _____
(Last) (First) (Middle)
- b. Social Security Number*: _____
- c. Date of Birth: _____ (attach proof of date of birth)
- d. Home Telephone Number: (____) _____
- e. Home Address: _____
(Address) (Street)
- _____ (City) (State) (Zip-code)
- f. Email address: _____
- 2) a. Please complete the following for the person you wish to be your joint pensioner for a survivorship option under the Plan.
- b. Name of Joint Pensioner: _____
- c. Social Security Number*: _____
- d. Date of Birth: _____ (attach proof of date of birth)
- e. If the Joint Pensioner is your spouse, Date of Marriage: _____
- 3.) Names(s) and Dates(s) of Birth of Child(ren):
- | Names(s) | Date(s) of Birth |
|----------|------------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
- 4.) Names of Your Living Parents:
- a.) Mother: _____
- b.) Father: _____
- 5.) Date of Hire by the City as a Fire Fighter/Paramedic: ____/ ____/ ____
- 6.) I plan to enter the DROP on: _____

* In accordance with the provisions of Section 119.071(5)(a)6g, Florida Statutes, the collection and use of social security numbers is authorized for the purpose of the administration of the Pension Fund.

SOCIAL SECURITY INTEGRATION

The member may choose to integrate their pension benefit with Social Security. The member's benefit will be calculated using an actuarial table to determine the present value of anticipated Social Security payments. The monthly annuity will include the anticipated Social Security payment thereby yielding the largest monthly amount available under the Fund. Once the member reaches Social Security eligibility, the pension is substantially decreased based on the actuarial value of the advanced benefits received. **This option will result in a very substantial reduction of monthly retirement income once the member reaches Social Security eligibility.**

_____ Check here if you would like for the Social Security Integration option to be calculated for you. **THIS IS NOT AN ACCEPTANCE OF THIS OPTION.** If you check here, you will need to provide documentation advising of the amount you will be receiving from social security and when you intend to start collecting social security.

_____ Check here if you have no interest in the Social Security integration option and would not like any calculations prepared for you nor presented to you. **THIS IS A WAIVER OF YOUR RIGHTS TO EVER PARTICIPATE IN THIS FORM OF PAYMENT.**

EARNINGS METHOD ELECTION FOR DROP ACCOUNT

To elect the earnings method, please initial the line next to your selection.

_____ Variable based on Fund returns (gains and losses)

_____ Variable based on Fund returns (subject to 0% floor and an 8% cap)

_____ Fixed rate of 3.5%

I hereby certify that all of the above statements are true and correct to the best of my knowledge. I understand that a false statement may disqualify me for benefits.

I have been advised to speak with a tax consultant regarding my decision to enter the DROP and my earnings method election.

MEMBER'S SIGNATURE

DATE

STATE OF FLORIDA

COUNTY OF _____

BEFORE ME, the undersigned authority, personally appeared _____, who is personally known to me or has produced _____ as identification and who did take an oath and, after being duly cautioned and sworn, deposes and says that he/ she has signed the foregoing document for the reasons therein contained.

SWORN TO AND SUBSCRIBED before me this the _____ day of _____, 20____.

Notary Public, State of Florida
At Large

My Commission Expires:

My Commission Number:

LAKE WORTH FIREFIGHTERS' PENSION FUND
APPLICATION FOR DEFERRED RETIREMENT OPTION PROGRAM
(DROP) PARTICIPATION AND TIME SERVICE RETIREMENT

I elect to participate in the DROP in accordance with the provisions of the DROP Rules enacted by the Board of Trustees under its rule-making power and concurrently retire from employment on the date I terminate my participation in the DROP. I understand that the earliest date my participation in the DROP can begin is the first day I reach my normal retirement date upon the attainment of 20 years of credited service and that my DROP participation cannot exceed a maximum of eighty-four (84) months from the date of DROP participation, although I may elect to participate in DROP for less than eighty-four (84) months. I understand that when my participation in the DROP begins, my DROP benefit will be based upon the years of service and compensation levels as of the date of DROP participation. Such DROP benefits shall accrue under my name with earnings for the duration of my DROP participation. Upon termination of my employment and DROP participation, I must elect one of the optional methods of payment. If I do not make an election of one of the optional methods of payment, the Fire Pension Fund will pay directly to me the accrued DROP benefits in a lump sum, less IRS tax. I understand that I cannot add additional service or purchase additional service after my DROP begin date. I also understand that my election to participate in DROP is irrevocable and termination from employment with the City of Lake Worth and DROP participation must occur on or prior to the specified DROP end date. I also understand that this application represents a binding agreement to participate in DROP and to terminate employment once fully executed upon the approval of the Board of Pension Trustees. However, until such time as this application is approved by the Board of Pension Trustees, I may cancel the effectiveness of this application upon delivery of a written request for such cancellation. In addition to the foregoing representations and acknowledgments, I hereby acknowledge that I have read and understand the statements and materials contained in the following documents and agree to the provisions contained herein:

1. Election to Participate in DROP and information checklist for review of DROP Program information.
2. DROP Administrative Rule.
3. Booklet on Frequently Asked Questions on the DROP.

Signature of Applicant

Date: _____



LAKE WORTH FIREFIGHTERS' PENSION FUND

Election to Participate in DROP and Information Checklist for the Review of DROP Program Information

NAME: _____

If you are a Member of the City of Lake Worth Firefighters' Pension Fund and have the service necessary to be eligible for time service retirement, you may elect to participate in DROP.

DROP provides access to a lump sum benefit in addition to your normal monthly retirement allowance.

If you elect to participate in DROP, you must terminate your employment with the City of Lake Worth/Palm Beach County Fire Rescue (hereinafter referred to as the "City" and retire from service no later than the end of the DROP participation period you designate. There is a cap on your participation in DROP. You may not participate in DROP for a period longer than eighty-four (84) months. Your election to participate in DROP and your agreement to terminate City employment and retire are IRREVOCABLE.

Your election to participate in DROP and your agreement to retire and terminate from employment are irrevocable regardless of what may happen between now and your retirement date. For example, if you elect to participate in DROP and your family circumstances change such that you would rather continue working with the City, you still must retire and terminate employment at the end of the period of time you designated for your participation in DROP.

You should consider an election to participate in DROP very carefully. This election to participate and information checklist is designed to help you think carefully about your decision to participate in DROP. A written election to participate in the DROP is a requirement of DROP participation. This document asks you specific questions to provide assurances to the Board of Pension Trustees that you have in fact carefully considered your decision to participate in DROP and understand the consequences of that decision.

Please take the information contained in this document seriously. If anything is unclear, please talk to the Pension Office staff for clarification.

The acknowledgments requested on the following pages are important because it demonstrates that you have carefully considered your election to participate in DROP.

By providing an initial on each page and by signing this election form, I acknowledge the following:

General Statements and Acknowledgments

I have read and understand the provisions of the DROP Rules which sets forth the terms and conditions for participation in DROP.

I have read and understand the booklet provided by the Pension Office which addressed "Frequently Asked Questions" on the DROP.

I understand that the Board of Pension Trustees has the authority to adopt Rules and Regulations governing the administration of the DROP and that such document, if adopted, will be available to me upon my request.

I understand that the Board reserves the right to change such Rules and Regulations from time to time.

Initial Here: _____

I have had the opportunity to meet with the Fire Pension Fund's administrative staff and ask them questions regarding the operation of DROP and its effect on my benefits under the Pension Plan, as well as any potential benefit that may be received by my survivors under the Pension Plan.

I have had the opportunity to seek advice from a professional tax advisor, and understand that the administrative staff of the Pension Office, although providing some general information, cannot and has not rendered legal advice to me on the effect DROP will or may have on the taxation of any benefit I may receive under the Pension Plan, or any potential benefit that may be received by my survivors under the Pension Plan.

In electing to participate in DROP, I have relied upon written information provided by the administrative staff of the Pension Office. My decision to elect to participate in DROP is based solely on my understanding of the program as provided in the Pension Plan and in the Rules and Regulations for the administration of DROP, as adopted by the Board.

I meet the eligibility requirements of DROP as set forth in the Pension Plan or will meet such requirements as of the intended effective date of my participation in DROP.

I understand that upon the effective date of my participation in DROP, my obligation to make contributions to the Pension Fund will be eliminated.

I voluntarily elect to participate in DROP.

I will retire under the Fire Pension Fund and terminate my employment with the City no later than completion of my DROP participation period.

I will abide by the terms and conditions of DROP as specified in DROP Administrative Rule and comply with the administrative rules established by the Board of Pension Trustees.

I have not been subject to any pressure, coercion, intimidation or threats by the City, or the Pension Office staff or any of the agents of the foregoing in connection with my election to participate in DROP.

I have had sufficient time to consider my options regarding my employment with the City.

I understand my election to participate in DROP means I will retire and terminate my employment with the City no later than the period of time I designate to participate in DROP.

I further understand there is a maximum period of eighty-four (84) months for participation in DROP.

I understand my election to participate in DROP has very important consequences for me. I have been advised by the Pension Office staff to consult an advisor such as an accountant or an attorney of my choosing if I have any questions about my participation in DROP.

I understand that DROP participation has very important consequences for me and is legally binding on me. I have been advised by the Pension Office staff to consult an attorney of my choosing if I have any questions about the DROP and the execution of any document related thereto.

I understand that interest on my DROP account will be calculated in one of three ways, based on my election:

- a) Gain or lose interest at the same rate as the Pension Fund, or
- b) Interest at the same rate as the Pension Fund subject to 0% floor and an 8% cap, or
- b) Earn an annual fixed rate of interest of 3.5%. The Board reserves the right to adjust the interest options prospectively in consultation with the Actuary. I can change my election during an open election period.

I acknowledge that upon entry into the DROP, I will be required to make an irrevocable election as to the method of interest to be used for investing my DROP account.

I understand that my participation in DROP and obligation to terminate employment with the City is irrevocable except in the case of my being designated as an appointed official or becoming an elected official of the City of Lake Worth.

I understand that I may withdraw my DROP application at any time before the Board of Pension Trustees approves the application. I further understand that my request to withdraw must be made in writing and received by the Trustees prior to its approval, and that once acted upon by the Trustees, the irrevocability of my DROP participation is in effect.

I understand that the beginning date of the DROP period will generally be the first full month after the subsequent to the date this election form is received and accepted by action of the Board of Pension Trustees.

I understand that my retirement benefits as calculated under the terms of the Pension Plan will be determined as of the effective date of my participation in DROP. I also understand that as a consequence of my election to participate in DROP, the following will apply as of and after the effective date of my DROP participation:

- My eligibility for a benefit supplement to my retirement pension will be determined as of the effective date of my participation in DROP;
- I will forgo any otherwise applicable additional improvements in my retirement pension attributable to increase in pay or years of service with the City;
- As of the effective date of my participation in DROP, I will be ineligible to receive a separate disability pension under the terms of the Pension Plan, but will continue to receive my normal retirement benefit and the full balance that has accrued in my DROP account. I understand that I will remain eligible for any separate benefits which may be payable under state law, but are not payable by the pension plan.
- In the event of my death, my surviving spouse or estate is entitled to receive the accumulated value of my DROP account.

I understand that steps have been taken to structure the DROP in a way which complies with the provisions of the Internal Revenue Code and that the Board will not knowingly take any action which may jeopardize the qualified status of the Pension Plan. I further understand that the final authority in all matters is the Internal Revenue Service and the Board cannot guarantee, absent IRS approval any particular tax treatment of my DROP account. I understand that in order to address the goal of continued tax qualification, my DROP account must be administered and distributed in such a manner as to comply with IRS regulations so as to preserve the tax qualified status of the Pension Fund. I further understand that this means that if IRS procedures change, that the Board may have to make certain changes in the DROP plan to comply with those tax requirements and that I agree, as a condition of participating in the DROP program to any such changes which may be required by law.

Initial Here: _____

Upon termination of my employment and DROP, I understand that I must elect one of the following methods of payment:

1. Lump sum.
2. Direct Rollover.
3. Partial Lump Sum.
4. Monthly Distribution.
5. Annual Distribution.

I also understand that if I fail to elect a method of payment, the Board will pay directly to me the accrued benefits in a lump sum, less IRS taxes.

I understand that any form of payment that I select must comply with the minimum distribution requirements per Section 401(a)(9) of the Internal Revenue Code.

Waiver

I release the City and the Board of Pension Trustees from any and all claims based on my election to participate in DROP and my agreement to retire and terminate my employment with the City upon completion of my participation in DROP. I release the City and the Board of Pension Trustees from any and all such claims under the Florida and Federal Age Discrimination in Employment laws and Civil Rights laws as these laws relate to my participation in DROP and my agreement to terminate employment with the City upon the completion of my participation in DROP.

Covenant Not to Sue

I will not sue the City or the Board of Pension Trustees or their employees, officers and agents for any claim arising out of my election to participate in DROP, my participation in DROP or my decision to retire and terminate City employment upon the completion of my participation in DROP.

Acknowledgment

I acknowledge receipt of this Election to Participate Form. By signing this form, I am acknowledging that I have carefully read this form and that I understand the Election Form. In addition, I am acknowledging that I do not challenge or disagree with any of the representations or statements made in this Election Form and that I have signed my name voluntarily. I further acknowledge that the initials located in the bottom left corner of the pages of this application are my initials.

Member (Signature)

Date:_____

NOTE: An Election Form will be deemed not received if it is incomplete or submitted without an Application for DROP Participation.

Initial Here: _____

AGE DISCRIMINATION IN EMPLOYMENT ACT

NOTICE

I acknowledge that I have been given not less than 45 days advance notice of program availability in which to consider participation in the DROP plan and was provided at least 7 business days following the submittal of the DROP application in which to revoke my application.

Acknowledgment of Notice:

Employee Signature

Date

Employee Name (Please Print)

Last 4 Digits of Employee SS#

Lake Worth Firefighters' Pension Trust Fund
-AND-
Lake Worth Division II Firefighters' Relief and Pension Fund
Designation Of Beneficiary

Pension Fund (Division I)
Share Account (Division II)
DROP Account

(Check all boxes if you want the same beneficiary(ies) for all benefits. If you want different beneficiary(ies) for all benefits, you will need to fill out a separate Form for each benefit.)

*** This Designation of Beneficiary only applies to Division I and Division II. It does not apply to any other beneficiary designation that you may have through the City of Lake Worth (for example, life insurance, health insurance, 457 plan, etc.). You must contact the City of Lake Worth directly in order to change any beneficiary designations for anything other than for Division I and Division II.**

(Participant Name)

(Social Security Number)
(Date Of Birth)

(Address)

(City, State Zip)
(Phone Number)

(Please Print Or Type)

Primary Beneficiary

I hereby designate the following person(s) as my principal beneficiary(ies) entitled to receive any benefit due in the event of my death. Pay my share of the Fund in equal shares (or percentages indicated below) to the following designated person(s). If percentages shown below for surviving beneficiaries do not total 100%, I direct the Pension Fund to pro-rate the benefits in proportion to the percentages shown.

(Name) (Percentage)

(Social Security Number) (Relationship)

(Address)

(City) (State) (Zip Code)

(Date Of Birth) (Phone Number)

(Name) (Percentage)

(Social Security Number) (Relationship)

(Address)

(City) (State) (Zip Code)

(Date Of Birth) (Phone Number)

(Name) (Percentage)

(Social Security Number) (Relationship)

(Address)

(City) (State) (Zip Code)

(Date Of Birth) (Phone Number)

(Name) (Percentage)

(Social Security Number) (Relationship)

(Address)

(City) (State) (Zip Code)

(Date Of Birth) (Phone Number)

Contingent Beneficiary

If none of the above-named beneficiary(ies) survive me, I designate the following person(s) as my contingent beneficiary(ies) entitled to receive any benefit due in the event of my death. Pay my share of the Fund in equal shares (or percentages indicated below) to the following designated person(s). If percentages shown below for surviving contingent beneficiaries do not total 100%, I direct the Pension Fund to pro-rate the benefits in proportion to the percentages shown.

(Name) (Percentage)

(Social Security Number) (Relationship)

(Address)

(City) (State) (Zip Code)

(Date Of Birth) (Phone Number)

(Name) (Percentage)

(Social Security Number) (Relationship)

(Address)

(City) (State) (Zip Code)

(Date Of Birth) (Phone Number)

(Name) (Percentage)

(Social Security Number) (Relationship)

(Address)

(City) (State) (Zip Code)

(Date Of Birth) (Phone Number)

(Name) (Percentage)

(Social Security Number) (Relationship)

(Address)

(City) (State) (Zip Code)

(Date Of Birth) (Phone Number)

The above designation of beneficiaries revokes any and all prior designation of beneficiaries for the accounts indicated. I understand that the beneficiary I select may affect the amount of benefits to be paid to me. I also acknowledge receipt of the attached Rules Applicable to Change a Beneficiary.

Employee's Signature

Date

STATE OF FLORIDA

COUNTY OF _____

BEFORE ME, the undersigned authority, personally appeared _____, who is personally known to me or has produced _____ as identification and who did take an oath and, after being duly cautioned and sworn, deposes and says that he/ she has signed the foregoing document for the reasons therein contained.

SWORN TO AND SUBSCRIBED before me this the _____ day of _____, 20____.

Notary Public, State of Florida
At Large

My Commission Expires:

My Commission Number Is:

* In accordance with the provisions of Section 119.071(5)(a)6g, Florida Statutes, the collection and use of social security numbers is authorized for the purpose of the administration of the Pension Fund.

Lake Worth Firefighters' Pension Trust Fund
-AND-
Lake Worth Division II Firefighters' Relief and Pension Fund

Attachment To *Designation Of Beneficiary*
Rules Applicable To Change A Beneficiary

1. You can change your beneficiary at any time before you retire. In order to change or revoke any designation of beneficiary, the change or revocation must be in writing, signed by you before a notary public, and filed with the Boards of Trustees. Please return the original Designation of Beneficiary to:

Boards of Trustees of the Lake Worth Firefighters' Divisions I and II
c/o The Pension Resource Center, Inc.
4360 Northlake Boulevard, Suite 206
Palm Beach Gardens, FL 33410

2. A change in the family status **except** for divorce (marriage or birth of children) will **not** revoke or cancel your designation of beneficiary. A designation of your spouse as beneficiary **will** be voided in the event of divorce.

Florida Statutes Section 732.703 - voids the designation of the former spouse as a death beneficiary as of the date of the divorce. It applies to all deaths occurring on or after July 1, 2012 regardless of when the designation was made.

3. If your designated beneficiary dies before you, or if you fail to name a designated beneficiary, death benefits may be paid either to your spouse, descendants, parents, heirs, or to your estate, at the discretion of the Boards of Trustees.
4. This Designation of Beneficiary only applies to Lake Worth Firefighters' Pension Trust Fund (Division I) and Lake Worth Division II Firefighters' Relief and Pension Fund (Division II). It does not apply to any other beneficiary designation that you may have through the City of Lake Worth/Palm Beach County (for example, life insurance, health insurance, 457 plan, etc.). You must contact the City of Lake Worth/Palm Beach County directly in order to change any beneficiary designations for anything other than for Division I and Division II.
5. In accordance with the provisions of Section 119.071(5)(a)6g, Florida Statutes, the collection and use of Social Security Numbers is authorized for the purpose of the administration of the Retirement Plan.