



**CITY OF MIAMI BEACH
FIREFIGHTERS' RELIEF & PENSION
FUND**

2019 SUMMARY PLAN DESCRIPTION

Introduction

As a participant in the City of Miami Beach Firefighters' Relief & Pension Fund (the "Fund"), you are included in a program of benefits to help you meet your financial needs in retirement, or in the event of disability or death. The purpose of this booklet is to give you a brief description of benefits available to you from the Fund.

Planning for retirement begins now. This booklet can be a valuable tool in preparing for your retirement and financial future. If you need any further information on any of the topics presented in this booklet, please contact the Board of Trustees. They will answer any questions to help you better understand your benefits.

The information presented is a summary of the pension plan as provided in the City of Miami Beach Code of Ordinances (the "Plan") which governs the Fund. The legal citation is Chapter 19112, Acts of Florida, 1939. This booklet has been updated through Ordinance 2018-4193, dated May 16, 2018. Any discrepancies between information in this booklet and the Plan will be governed by the Plan. A copy of the Plan can be obtained from the Fund Administrator. The address is:

Andrew McGarrell - Administrator
Pension Investors, Corp.
3939 Hollywood Blvd., #2A
Hollywood, Florida, 33021
Telephone - 954-986-8688 Ext. 221
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Board of Trustees

Digna Abello – Chairperson
Adam Barrett – Secretary
Chief Virgilio Fernandez
Allison Williams
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GENERAL INFORMATION ABOUT THE PLAN

Administration

The Fund is administered by a Board of Trustees which is responsible for the management and proper operation of the Fund. The Board consists of five members, as follows:

1. The Fire Chief;
2. The Director of Human Resources;
3. Assistant City Manager or his or her appointee; and
4. Two (2) employees of the fire division to be elected from among the participants of the Fund

The Fire Chief, Director of Human Resources and Assistant City Manager shall serve as long as they continue to hold their respective offices, and upon replacement their successors shall succeed to their positions as trustees.

The Board annually elects a chair and secretary who will keep minutes of all Board proceedings. All actions of the Board are by majority vote.

The Board has the power to interpret the provisions of the Fund and to promulgate rules regarding the operation of the Fund.

Fund Year

The Fund's records are maintained on a fiscal year basis beginning October 1st and ending on September 30th. You will receive an account update as of September 30th of each year. Records are kept on a fiscal year basis.

Investment Management

The Board hires professional investment advisors to invest the assets for the Fund. The Fund's assets are currently invested in a balanced account of equities and fixed income securities with Inverness Counsel, LLC. and real estate with Intercontinental Real Estate Corporation. In addition, the Board uses the trust department of a bank as the custodian of the Fund's securities.

Participation in the Pension Fund

Every firefighter of the City is eligible to have moneys credited to their account and to receive benefits from the Fund.

ANNUAL ALLOCATION PROCEDURES

As of September 30th of each year, your account will be credited with its share of:

1. The excise tax refund received from the State (usually distributed by the State in August). Excise taxes are solely funded by Chapter 175 insurance premium taxes revenues.
2. Investment earnings (or losses) of the Fund for the year, and
3. Forfeitures of accounts by participants who leave the City of Miami Beach Fire Department without being eligible to receive any benefits.

Investment Earnings (Losses)

Your share of the investment earnings (losses) of the Fund is determined by multiplying the amount of investment earnings (losses) by the following fraction:

<p>Value of your account prior to allocation of state check</p> <hr/> <p>Value of all participant accounts prior to allocation of state check</p>

RIGHTS AND BENEFITS

Service Retirement

You are eligible to receive the full balance of your account as of your date of retirement and separation from employment with City of Miami Beach Fire

Department. Your date of retirement is the date when you retire pursuant to the service retirement provisions of the Fund.

<u>Years of Service</u>	<u>Distribution Percentage</u>
Under 10	None
10 or more	100%

If you separate from the Miami Beach Fire Department prior to 10 years of service your account balance is forfeited and reallocated to those who continue to participate in the Fund.

Loans

The Board may approve loans not to exceed the lesser of i) your total vested account balance or (ii) \$500.00 (five hundred dollars). Loans shall be made available on a reasonably equivalent basis and no loan shall be made available under this Fund unless it satisfies all of the requirements of the Internal Revenue Code for treatment as a tax-free loan. Loans must be paid back in a reasonable period of time not to exceed 5 (five) years unless such loan is used to acquire a principal residence of the participant in which case a 10 (ten) year repayment schedule is permitted.

Interest shall be charged with respect to the loan amount at the rate of 6% (six) percent per annum on the unpaid balance. Loans shall be made contingent upon the right of the Board to effect repayment by withholding subsequent credits, or by deducting the amount of any loan in default from existing credits. The Board may refuse to make subsequent loans to those who default.

Termination of Employment

If you separate from the Miami Beach Fire Department for any reason prior to normal retirement age, except as provided below, you will be entitled to a distribution from the Fund equal to your vested account balance at that time.

Death

If you die while on active duty, you shall be 100% vested in your entire account balance and your designated beneficiary shall be paid the entire amount of your account balance. If no beneficiary is designated, the account balance shall be paid to your estate.

**IT IS IMPORTANT TO KEEP YOUR
BENEFICIARY DESIGNATION
UP TO DATE**

Disability

If you retire on disability, you shall be 100% vested in your entire account and shall be paid the entire amount of your account balance.

Distribution of Benefits

If you become eligible to receive retirement or disability benefits, you will receive your benefit in a single cash lump sum by direct payment to you less applicable taxes or by direct rollover to a qualified retirement plan. Additionally, you are entitled to a pro-rata share of the state's payment to the Fund next following the date of your retirement.

Your benefit under the Fund shall begin no later than April 1 of the calendar year following the later of: i) the calendar year in which you attains age 70 ½; or ii) the calendar year in which you retire.

FILING FOR RETIREMENT

To receive your pension on time, you should file your application with the Fund Administrator at least 30 (thirty) days before retirement. All forms can be obtained from the Fund Administrator at the address on the Introduction page. In accordance with Florida Statute §175.195, penalties may be imposed for making a false or misleading statement to obtain a pension benefit. It can take up to 60 (sixty) days after your date of retirement to receive your pension check.

FORFEITURE OF PENSION

Pursuant to Florida Statute §112.3173, if you are convicted of any of the offenses below, if committed prior to retirement, you will forfeit all rights and benefits under this Fund. The specified offenses are:

1. Committing, aiding or abetting of an embezzlement of public funds;
2. Committing, aiding or abetting of any theft by a public officer or employee from employer;
3. Bribery in connection with the employment of a public officer or employee;
4. Any felony specified in Chapter 838, Florida Statutes;
5. The committing of impeachable offense;
6. The committing of any felony by a public officer or employee who, willfully and with intent to defraud the public or the public agency for which the public officer or employee acts or in which he or she is employed of the right to receive the faithful performance of his or her duty as a public officer or employee, realizes or obtains, or attempts to realize or obtain, a profit, gain, or advantage for himself or herself or for some other person through the use or attempted use of the power, rights, privileges, duties, or position of his or her public office or employment position; or
7. The committing on or after October 1, 2008, of any felony defined in §800.04, Florida Statutes, against a victim younger than 16 years of age, or any felony defined in Chapter 794, Florida Statutes against a victim younger than 18 years of age, by a public officer or employee through the use or attempted use of power, rights, privileges, duties, or position of his or her public office or employment position.

Pursuant to Florida Statute §112.3173(3), if your employment is terminated by reason of your admitted confession, aid or abetment of a specified offense, you shall forfeit all rights and benefits under the Fund.

If you received benefits from the Fund and you are subsequently convicted of a specified offense, you shall forfeit such benefits and must repay the Fund. The Board may implement legal action necessary to recover such funds.

Additionally, if you make a false or misleading statement to obtain retirement benefits you shall commit a misdemeanor of the first degree. If convicted, you shall forfeit your benefits.

POLICY ON CLAIMS, NOTICES AND INQUIRIES

Claims, Notices and Inquiries

All claims for benefits, designation of beneficiary, verifications of disability, notices of mailing address, notices of appeal, and all other inquiries and matters concerning

the Pension Fund shall be submitted to the Board of Trustees, c/o the Fund Administrator:

Andrew McGarrell - Administrator
Pension Investors, Corp.
3939 Hollywood Blvd., #2A
Hollywood, Florida, 33021
Telephone - 954-986-8688 Ext. 221
Fax - 954-989-9376
MBFD175@mbfd175fund.org

Response to Claims and Inquiries

All inquiries shall be answered promptly. The final decision for approval of benefits shall be made by the Board of Trustees.

Denial of Benefits

If any claim for benefits is denied, in whole or in part, then the claimant shall be provided with a Notice of Denial no more than 30 (thirty) days after the final decision has been made. The Notice will be provided in writing, by certified mail, and shall include:

1. Specific reasons for the denial of benefits; and
2. Specific references to the pertinent provisions of the Pension Ordinance upon which the action is based and a copy of the Pension Ordinance provisions shall be furnished with the Notice; and
3. A description of any additional material or information necessary for the claimant to perfect the claim along with an explanation of why such material or information is necessary; and
4. An explanation of the Claims Review Procedure.

Claims Review Procedure

1. Requests for Review

If a claim for benefits is denied, in whole or in part, the claimant may appeal to the Board of Trustees for full and fair review. In order to file an appeal, a written Notice of Appeal must be submitted within 60 (sixty) days after the notice of denial is received by the claimant (or longer as the Board deems reasonable). The Notice of Appeal shall briefly describe the grounds upon which the appeal is based and shall be signed by the claimant. The claimant shall be allowed to review all pertinent documents during normal business hours, and shall be permitted to submit comments and a statement of issues for consideration by the Board of Trustees.

2. Representation

A claimant may designate an attorney, or any other duly authorized person, to act as a representative at any stage of the Claims Review Procedure. Any rights provided to the claimant during the Claims Review Procedure shall automatically extend to the representative designated by the claimant. A representative may be designated in writing signed by the claimant and the representative, and submitted to the Board of Trustees.

3. Claims Review

The Board of Trustees has the authority to rule on all appeals brought under this section. A decision to grant or deny an appeal shall be based on the record before the Board of Trustees alone, unless it is determined in the discretion of the Board, that a hearing is necessary for the resolution of the appeal. An appeal shall be granted or denied by majority vote of the Board of Trustees. The final decision shall be made by the Board, in writing no later than 60 (sixty) days after receipt of the Notice of Appeal, unless special circumstances (such as the need for a hearing) require an extension of time. In no event, however, should the decision of the Board of Trustees be made later than 120 (one hundred and twenty) days after receipt of the Notice of Appeal. If an appeal is denied in whole or in part then the decision shall set forth the specific reason for the action, with specific references to those Plan provisions upon which the decision is based. The claimant shall be promptly provided with a copy of the decision of the Board of Trustees. Decisions of the Board of Trustees are final and binding.

Exhaustion of Claims Review Procedure

No action in law or in equity may be brought to contest a denial of benefits until the claimant has complied with the procedures provided in the Claims Review Procedure, unless the Board of Trustees fails to render a decision within 120 (one hundred and twenty) days after receipt of the Notice of Appeal. In no case, however, shall any action be brought unless instituted within one year from the time the claimant received the notice of denial provided in the Denial of Benefits provision.

DIVORCE OR DISSOLUTION OF MARRIAGE

The Fund is a governmental plan, and therefore, is not subject to Qualified Domestic Relations Orders (“QDROs”) under federal law, or court orders to effectuate an equitable distribution of marital assets.

The Plan is subject to Section 61.1301, Florida Statutes, entitled Income Deduction Orders (“IDOs”). Section 61.1301 is limited to the collection of alimony and child support. Therefore, if the Plan receives an IDO for alimony or child support it will comply with the Order. Additionally, pension benefits may be distributed by using an “Order Distributing Marital Interest in a Public Retirement Plan.” A copy of this order may be obtained from the Office of the Fund Administrator.

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.

ROLLOVER

Direct Rollovers

Your account balance may be directly rolled over to an IRA, 457, or other qualified retirement plan. Taxes must be paid on these funds when they are received, whether from this Fund or from the IRA, 457, or other qualified retirement plan.

AGENT FOR SERVICE OF LEGAL PROCESS

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