

**CITY OF OKEECHOBEE  
MUNICIPAL FIREFIGHTERS' PENSION FUND  
SUMMARY PLAN DESCRIPTION**

**August 3, 2021**

**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 Okeechobee Municipal Firefighters' Pension Fund is pleased to present this booklet which briefly explains the provisions of your Firefighters' Pension Plan. As a participant in the Fund, 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 booklet can assist you in preparing for your retirement and financial future. If you need further information on any of the topics presented in this booklet, please contact any member of the Board of Trustees or the Plan Administrator. 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 booklet 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 pension plan ("Plan") as provided in the ordinances of the City of Okeechobee. If there are any conflicts between the information in this booklet and the ordinances of the City of Okeechobee, the ordinances shall govern. The provisions of this Summary Plan Description shall not constitute a contract between the Member and the Board of Trustees. The plan shall be administered in accordance with state and federal law, notwithstanding any provisions in this booklet 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 55 S.E. Third Avenue, Okeechobee, Florida 34974.

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Chairman, Board of Trustees, City of  
Okeechobee Municipal Firefighters' Pension  
Fund

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Date

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

A. Administration.

- (1) The City of Okeechobee Municipal Firefighters' Pension Fund 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 legal residents of the City who are appointed by the City Council, 2 of whom are active members of the Plan or retired firefighters who are elected by a majority of the active and retired Firefighters who are members of the Plan and a fifth Trustee who is chosen by a majority of the first 4 Trustees. If there are no active or retired firefighters remaining in the plan or capable of serving, the remaining trustees may elect an individual to serve in this firefighter seat. Each Trustee serves a 4 year term.
- (2) DROP participants can be elected as but not vote for elected Trustees.

B. The names and addresses of the current Trustees and the Plan Administrator 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 person employed by the City Fire Department as a full-time Firefighter becomes a member of the Plan All firefighters as of August 2, 2021 who elected, as a result of the merger with Okeechobee County, to remain members of this system, shall remain members of this system as a condition of his employment. All such Firefighters are therefore eligible for all plan benefits as provided for in the plan document and by applicable law. After August 2, 2021, there shall be no new or reemployed members of this system.

3. **PLAN BENEFITS**

All claims for benefits under the Plan shall be made in writing to the Board of Trustees. It is your responsibility to contact the plan and make a written application for benefits when you are eligible to start receiving your benefit at your normal or early retirement date. You should file your application for benefits with the plan administrator at least 45 days prior to the date that benefits are to commence. Benefit payments shall begin only after a written application is filed and payments shall not be made retroactive to your original eligibility date should you delay in applying for benefits.

A. Normal Retirement Eligibility. You are eligible for retirement upon the earlier of the attainment of age 55 and the completion of 10 years of credited service or upon the completion of 25 years of credited service, regardless of age.

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 or the County Fire Service, measured in years and parts of years. Credited service will include credit for up to five 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 L. below).

"Average Final Compensation" is 1/12 of the average salary of the 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 the basic compensation paid by the City or County to you, plus all tax deferred, tax sheltered and tax exempt items of income derived from elective employee payroll deductions or salary reductions otherwise includible in basic compensation.

The normal retirement benefit is calculated by multiplying 3% times years of credited service times your average final compensation:  $(3\% \times CS \times AFC = \text{normal retirement benefit})$ .

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.

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 the commencement of benefits precedes the date which would have been your normal retirement date based upon your actual years of credited service.

E. Cost of Living Increases. In addition to the benefits provided above, the Plan provides for a cost of living increase on every October 1st of odd numbered years. The monthly benefit of each retiree (or their beneficiary or joint annuitant), including disability retirees and vested terminated persons, who has been receiving benefits for at least one year as of the adjustment date, shall be increased by .5%.

F. Supplemental Benefit - Share Plan. Pursuant to Florida law, a separate member "share account" has been created for each member of the plan. 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, then 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. Your share account receives its proportionate share of the income or loss on the assets in the plan.

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 and early 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 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.
  - (b) A retirement income of a monthly amount payable to you for your lifetime only.
  - (c) 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) If you do not participate in the DROP, you may also elect to receive an initial lump sum payment equal to 20% of your accrued benefit with the remaining 80% payable in a form selected by you and provided for in (a) or (b) above or in the normal form (10 years certain and life).
- (2) Deferred Retirement Option Plan (DROP).
- (a) If you become eligible for normal retirement, and are still employed by the City County as a Firefighter, you have the option of "retiring" from the pension plan but continuing your employment as a Firefighter for an additional 5 years. An election to participate in the DROP constitutes an irrevocable election to resign from the service of the City County not later than 5 years from the date you begin DROP participation. 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 6.5% per annum or credited or debited with an investment return or loss equal to the net investment return realized by the system for that quarter. One change in election is permitted.
  - (c) At the time of termination of employment at the end of the DROP period, you will receive your account balance in a lump sum 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 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. 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 monthly pension equal to 3% 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 your average final compensation.
- (2) If the injury or disease is not service connected, you shall be entitled to a monthly benefit equal to the greater of (i) or (ii) where (i) is 2% average final compensation multiplied by the total years of credited service and (ii) is a benefit determined in the same manner as for early retirement. In any event, the benefit shall not be less than 25% of your average final compensation. This non-service connected benefit is only available if you have at least 5 years of credited service. The non-service connected disability benefit is not available to you if you have less years of credited service.

Eligibility for disability benefits. Subject to (4) below, you must be an active member of the plan on the date the Board determines your entitlement to a disability benefit.

- (1) Terminated persons, either vested or non-vested, are not eligible for disability benefits.
- (2) If you voluntarily terminate your employment either before or after filing an application for disability benefits, you are not eligible for disability benefits.
- (3) If you are terminated by the City County for any reason other than for medical reasons, either before or after you file an application for disability benefits, you are not eligible for disability benefits.
- (4) The only exception to (1) above is:
  - (a) If you are terminated by the City County for medical reasons and you have already applied for disability benefits before the medical termination, or;
  - (b) If you are terminated by the City County for medical reasons and you apply within 30 days after your medical termination date.

If either (4)(a), or (4)(b) above applies, your application will be processed and fully considered by the board.

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 2.75% 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 provisions have been met.

A Member who becomes totally and permanently unable to perform useful and efficient service as a firefighter due to a diagnosis of cancer or circumstances that arise out of the treatment of cancer as provided in F.S. §112.1816(1)(a), will be conclusively presumed to be disabled in the line of duty.

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 of~~ Okeechobee County 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.

I. Death Before Retirement. If you die prior to retirement from the ~~City~~ County Fire Department, your beneficiary shall receive the following benefit:

- (1) Prior to Vesting or Eligibility for Retirement. If you were not receiving monthly benefit payments or were not yet vested or eligible for early or normal retirement, your beneficiary shall receive a refund of 100% of your accumulated contributions, including interest.
- (2) Deceased Members Vested or Eligible for Retirement. If you die and, at the date of your death were vested or eligible for early or normal retirement, your beneficiary shall be entitled to a benefit as follows:
  - (a) If you have a right to a vested accrued benefit, whether or not you are still actively employed, you shall be eligible for a death benefit if you die before collecting any other benefits from this Plan. The amount of the death benefit shall be equal to 50% of the actuarially equivalent single sum value of your vested accrued benefit, or your accumulated

contributions, including interest, whichever is greater. If this single sum value is less than \$5,000, it shall be paid in a lump sum. If the value exceeds \$5,000, your beneficiary may elect payment under any of the optional forms available for retirement benefits or a lump sum payment.

- (b) If you are eligible for early or normal retirement, but remain employed and die while so employed, the death benefit shall be determined as follows: It shall be assumed that you had retired immediately preceding your date of death and elected the ten year certain and life thereafter option. However, the death benefit shall be equal to 50% of the actuarially equivalent single sum value of your vested accrued benefit, if larger than the ten year certain and life thereafter option.
- (c) If you die and at the date of your death were a member or terminated vested person with 10 or more years of credited service and prior to your retirement or prior to receipt of benefits, your spouse beneficiary shall be entitled to the accrued normal or early retirement benefit payable at your early or normal retirement age less the value of any benefits paid or payable under this subsection H.(2).

If your beneficiary is not your spouse, the benefits 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.

- (3) If you continue to work beyond your normal retirement date, you may select, on a form provided by the board, an optional pre-retirement death benefit to be paid to your beneficiary or joint pensioner in the event you die before your actual retirement date. If you do survive to your actual retirement date, a new or change in benefit election will be made.

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 10 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 fund.
- (2) If you have 10 or more years of credited service upon termination, you shall be entitled to a monthly retirement benefit. The benefit shall be determined in the same manner for normal or early retirement and based upon your credited service, average final compensation and the benefit accrual rate as of the date of termination. The benefit shall be payable to you beginning at your otherwise normal or early 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 or early retirement date. If you do not withdraw your accumulated contributions and do not survive to your otherwise normal or early 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 pension system 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.

K. Reemployment After Retirement. If you retire under normal or early retirement and wish to be reemployed by the city, you should be aware that your ability to continue to receive your pension benefit upon reemployment may be restricted. While the plan may be permitted to make benefit payments to you if you are reemployed, in this event you may be subject to a 10% tax penalty, which penalty may continue until you attain age 59 ½, whether or not you continue to be employed by the City. Firefighters are not eligible for reemployment as a firefighter with the City after retirement.

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

- (1) "Buy-Back" for Prior Fire Service. The years or fractional parts of years that you previously served as a Firefighter with the City of Okeechobee during a period of previous employment and for which period accumulated contributions were withdrawn from the Fund 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 Firefighter for any other municipal, county or special district fire department in the State of Florida, you will receive credited service only if:

- (a) You contribute to the Fund 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) an additional amount to be determined by the Board's actuary so that there is no cost to the Plan in giving you the additional years of credited service, plus
  - (iii) the amount charged by the actuary for determining the amount you must contribute.
- (b) Multiple requests to purchase credited service may be made at any time prior to retirement.
- (c) 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 for service other than with the City of Okeechobee shall be 5 years of credited service and shall count for all purposes, except vesting and

eligibility for not-in-line of duty disability benefits. There shall be no maximum purchase of credit for prior service with the City of Okeechobee and such credit shall count for all purposes, including vesting.

- (e) In no event, however, may credited service be purchased pursuant to this subsection for prior service with any other municipal, county or special district fire department, if such prior service forms or will form the basis of a retirement benefit or pension from a different employer's retirement system or plan.

(2) "Buy-Back for Prior Military Service". The years or fractional parts of years that you serve or have served on active duty in the active military service of the Armed Forces of the United States, the United States Merchant Marine or the United States Coast Guard, voluntarily or involuntarily, honorably or under honorable conditions, prior to 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 Fund a sum of money 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) an additional amount to be determined by the Board's actuary so that there is no cost to the Plan in giving you the additional years of credited service, plus
  - (iii) the amount charged by the actuary for determining the amount you must contribute.
- (b) Multiple requests to purchase credited service pursuant to this subsection may be made at any time prior to retirement.
- (c) Payment by you 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 shall be 4 years.
- (e) Credited service purchased pursuant to this subsection shall not count toward vesting or eligibility for not-in-line of duty disability benefits.

(3) Transfers Within the City. If you transfer to either of the other two retirement Plans with the City, you must choose one of the following procedures with regard to credited service accrued to date of transfer:

- (a) You may take a refund of your accumulated contributions, in which event no pension benefit shall be payable based on credited service attributable to the period covered.

(b) You may leave your accumulated contributions in the fund, in which event your credited service with both Plans shall be combined for purposes of determining eligibility for benefits and for vesting. When you are eligible to receive a benefit, you shall receive benefits from both Plans, which shall consist of accrued benefits under each Plan based on the provisions of the respective Plan and the earnings and credited service under that Plan.

(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 pension over and above your contributions and any amounts received from the state insurance rebates. You contribute 5% of your salary to the Fund. 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 ~~\$225,000~~ 230,000 annually subject to certain cost of living adjustments and actuarial reductions, under certain circumstances, for retirement 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, including interest, 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 within not more than 270 days from the date of the receipt of such written request, or in the case of a disability claim, from receipt of a medical release and completed interrogatories. The time period may be extended if you agree to the extension.

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;
- (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 Pension Fund Assets. In the event of repeal, or if contributions to the fund are discontinued by the City, there will be a full vesting of benefits accrued to date of repeal.

B. Interest of Members in Pension Fund. 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**

Your retirement benefits are vested after 10 years of credited service.

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 of Okeechobee.
- 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. **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 is attached as Exhibit "B".

- B. A copy of the detailed accounting report of the plan's expenses for the previous fiscal year is available for review upon request to the Plan Administrator.
- C. A copy of the administrative expense budget for the plan, for each fiscal year is available for review upon request to the Plan Administrator.

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~~ the Plan Administrator 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.

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 pension plan retirement benefits. This law went into effect on July 1, 2012. This law contains several exceptions, including not changing the designation of your beneficiary or joint pensioner by Court Order.

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.

To obtain either of the above forms, or if you have any questions, please contact your plan administrator.

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.

**EXHIBIT "A"**

**BOARD OF TRUSTEES**

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

Chairman: Herb Smith  
55 S.E. Third Avenue  
Okeechobee, Florida 34974

Secretary: Adam Crum  
55 S.E. Third Avenue  
Okeechobee, Florida 34974

Member: Josh Sanders  
55 S.E. Third Avenue  
Okeechobee, Florida 34974

Member: John Koepke  
c/o The Resource Centers  
4360 Northlake Blvd., Suite 206  
Palm Beach Gardens, FL 33410

Member: Glenn Hodges  
55 S.E. Third Avenue  
Okeechobee, Florida 34974

**PLAN ADMINISTRATOR**

Ms. Kyle Tintle  
Okeechobee Municipal Firefighters' Pension Fund  
Pension Resource Center  
4360 Northlake Blvd.  
Palm Beach Gardens, Florida 33410

Business: 561-459-2957  
E-mail: [kyle@resourcecenters.com](mailto:kyle@resourcecenters.com)

# EXHIBIT B

City/District Name: Okeechobee

Employee group(s) covered: Fire

Current actuarial valuation date: 10/1/2019

Plan Status: Active

Date prepared: 1/14/2021

|   |             |  |           |
|---|-------------|--|-----------|
| <b>Number of plan participants:</b>                     | 18          | <b>GASB 67 Reporting</b>   |           |
| <b>Actuarial Value of Plan Assets (AVA):</b>            | \$4,416,825 | <b>Discount Rate</b>   | 7.00%     |
| <b>Actuarial Accrued Liability (AAL):</b>               | \$3,888,370 | <b>Total Pension Liability</b>   | 4,073,426 |
| <b>Unfunded Accrued Liability (UAL):</b>                | (\$528,455) | <b>Market Value of Plan Assets</b>                                       | 4,386,834 |
| <b>Market Value of Plan Assets (MVA):</b>               | \$4,358,788 | <b>Net Pension Liability</b>   | -313,408  |
| <b>MVA Funded Ratio (5-year history):</b>               |             | <b>GASB 67 Funded Ratio</b>  | 107.69%   |
|   |             | <b>Averages for all plans with 2019 current actuarial valuation date</b> |           |
| Current valuation                                       | 112.10%     | 86.62%   | *         |
| 1 year prior  | 111.61%     | 88.75%   | *         |
| 2 years prior   | 107.20%     | 85.83%   | *         |
| 3 years prior   | 100.48%     | 82.35%   | *         |
| 4 years prior   | 98.02%      | 82.16%   | *         |
| <b>Rate of Actuarial Value, Actual (2019 Plan Year)</b> | 7.20%       | 7.12%  |           |
| <b>Return: Market Value, Actual</b>                     | 3.30%       | 3.94%  |           |
| Assumed   | 7.00%       | 7.19%  |           |
| <b>Funding requirement as percentage of payroll:</b>    | 27.56%      | 59.70%   | **        |
| <b>Percentage of payroll contributed by employee:</b>   | 5.00%       | 6.47%  | **        |
| <b>Funding requirement as dollar amount:</b>            | 117,329     | N/A  |           |

**Benefit Formula Description:** 3.00% x AFC x SC

**AFC Averaging Period (years):** 5

**Employees covered by Social Security?** Yes

Additional actuarial disclosures required by section 112.664, Florida Statutes:

| Florida Statute Chapter | Discount Rate | Pension Liability | Market Value of Plan Assets | Net Pension Liability | Years assets sustain benefit payments | Total Dollar Contribution | Total % of Pay Contribution |
|-------------------------|---------------|-------------------|-----------------------------|-----------------------|---------------------------------------|---------------------------|-----------------------------|
| 112.664(1)(a)           | 7.00%         | 4,073,426         | 4,386,834                   | -313,408              | 99.99                                 | 125,387                   | 29.45                       |
| 112.664(1)(b)           | 5.00%         | 5,201,039         | 4,386,834                   | 814,205               | 99.99                                 | 275,355                   | 64.68                       |
| Valuation Basis         | 7.00%         | N/A               | N/A                         | N/A                   | 99.99                                 | 125,387                   | 29.45                       |

Link to annual financial statements:

<https://frs.fl.gov/forms/LOC5340586PDF10012019N1.pdf>

\*Adjusted by excluding plans from average whose Funded Ratios were not within two standard deviations from the mean

\*\*Excludes plans with zero payroll

(For explanation of terms, see glossary on page 2)

## Actuarial Summary Fact Sheet – Glossary of Terms

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|  |  |
|--|--|
| <b>Plan Status:</b>                                  | Active, Closed (closed to new entrants) and Frozen (closed to new entrants and no further benefit accruals)  |
| <b>Actuarial Value of Plan Assets (AVA):</b>         | Assets calculated under an asset valuation method smoothing the effects of volatility in market value of assets. Used to determine employer contribution.                  |
| <b>Actuarial Accrued Liability (AAL):</b>            | Portion of Present Value of Fully Projected Benefits attributable to service credit earned as of the current actuarial valuation date.                                     |
| <b>Unfunded Accrued Liability (UAL):</b>             | The difference between the actuarial accrued liability and the actuarial value of assets accumulated to finance the obligation.  |
| <b>Market Value of Plan Assets (MVA):</b>            | The fair market value of assets, including DROP accounts.  |
| <b>MVA Funded Ratio:</b>                             | Market Value of Plan Assets divided by Actuarial Accrued Liability (GASB)  |
| <b>Rate of Return (Assumed):</b>                     | Assumed long-term rate of return on the pension fund assets.   |
| <b>Funding requirement as percentage of payroll:</b> | Total Required Contribution (employer and employee) divided by total payroll of active participants. No interest adjustment is included.                                   |
| <b>Funding requirement as dollar amount:</b>         | Total Required Contribution (employer and employee). No interest adjustment is included.   |
| <b>AFC:</b>  | Average Final Compensation or some variant of compensation (e.g., AME [Average Monthly Earnings], FAC [Final Average Compensation], FMC [Final Monthly Compensation] etc.) |
| <b>SC:</b>   | Service Credit   |

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### Section 112.664 – Glossary of Terms

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|---|---|
| <b>Florida Statute Chapter:</b>               | 112.664(1)(a) – uses mortality tables used in either of the two most recently published FRS valuation reports, with projection scale for mortality improvement<br><br>112.664(1)(b) – uses same mortality assumption as 112.664(1)(a) but using an assumed discount rate equal to 200 basis points (2.00%) less than plan's assumed rate of return.<br><br>Valuation Basis – uses all the assumptions in the plan's valuation as of the current actuarial valuation date. |
| <b>Discount Rate:</b>                         | Rate used to discount the liabilities. Typically the same as assumed rate of return on assets.  |
| <b>Total Pension Liability:</b>               | Actuarial Accrued Liability measured using the appropriate assumptions as specified above and the Traditional Individual Entry Age Normal Cost  |
| <b>Net Pension Liability:</b>                 | Total Pension Liability minus Market Value of Plan Assets.  |
| <b>Years assets sustain benefit payments:</b> | Assuming no future contributions from any source, the number of years the market value of assets will sustain payment of expected retirement benefits. The number of years will vary based on the Florida Statute Chapter assumption.   |
| <b>Total Dollar Contribution:</b>             | Required contribution from all sources (i.e., employee and sponsor). Contribution will vary based on the Florida Statute Chapter assumption.  |
| <b>Total % of Pay Contribution:</b>           | Total Dollar Contribution divided by total payroll of active participants   |
| <b>Annual financial statements:</b>           | A report issued which covers a local government retirement system or plan to satisfy the financial reporting requirements of section 112.664(1), F.S.   |