

Disclaimer

This workshop is designed to be educational in nature and is not intended to provide investment, tax, or legal advice.

You should consult with your own tax, legal, accounting professionals or any other advisors for advice on the implementation of any plan of action in your particular situation.



Pension Workshop

- *Pension Board*
- *Retirement Plan Update*
- *Overview of Benefits*
- *Processing of Applications*



Pension Board (Plan Administrator)



Pension Board (Plan Administrator)

- *Trustees Serve as Fiduciaries*
- *Board Meets Quarterly*
- *Board Hires and Manages All Service Providers*
- *Trustees Review and Approve All Benefits*



Board: Administers Plan

- *Trustees Serve 4-Year Terms*
- *Elected Employee Members*
 - *Jamie Mullis, Chair*
 - *Robert Ellerbee*
- *OUA Board Appointments*
 - *Janet McKinley, Secretary*
 - *Tabitha Trent*
 - *Legal Residents of OUA Jurisdictional Boundaries*
- *Executive Director or Designee:*
John Hayford

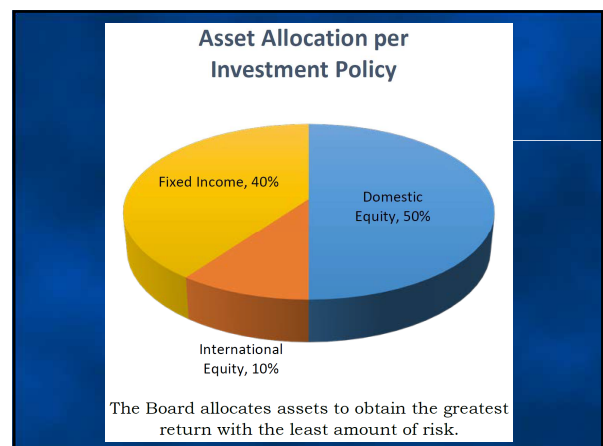
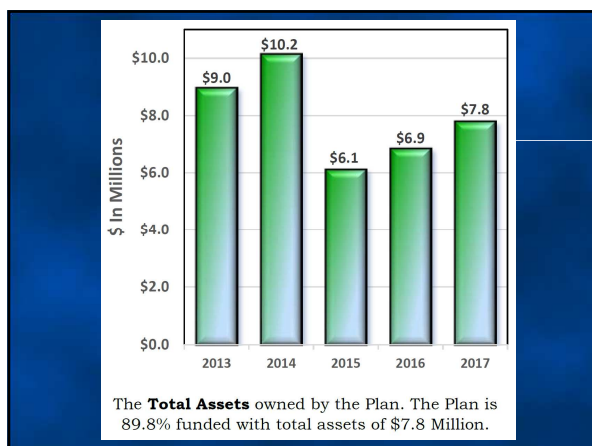


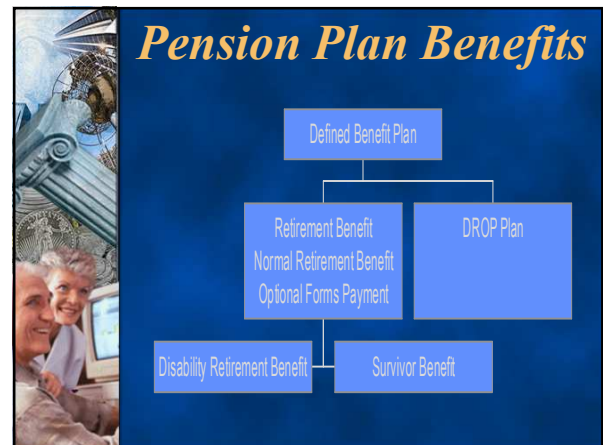
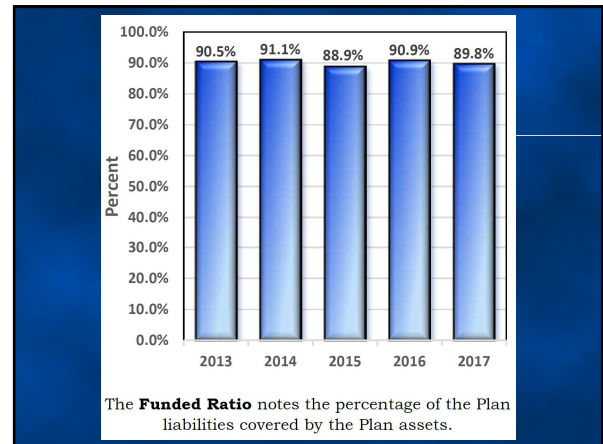
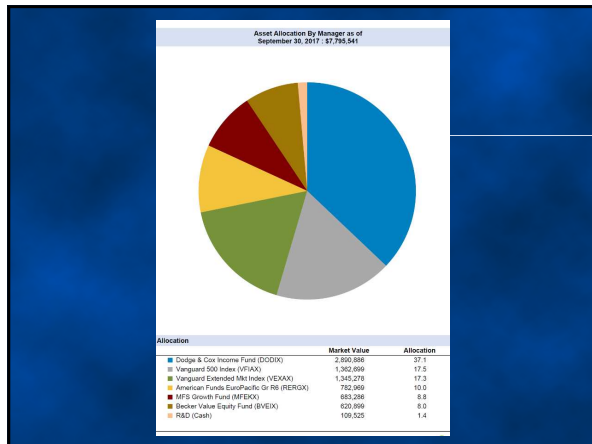

Board Retained Service Providers

- *Attorney: Lewis, Longman, Walker*
- *Actuary: Gabriel Roeder Smith*
- *Auditor: DiBartolomeo, McBee, Hartley, & Barnes*
- *Custodian: Salem Trust*
- *Investment Managers: Six Index & Mutual Fund Allocations*
- *Investment Consultant: AndCo*
- *Plan Administrator: Resource Centers*



Defined Benefit Pension Plan





Defined Pension Benefit

- *Benefits Funded Primarily by Returns on Invested Assets*
- *Authority + Member Contributions*
 - Members Contribute 6% of Pension Salary
 - OUA Contributes 14.07%
- *Vesting with 5 Years Service*
- *Separation before normal retirement*
 - Deferred benefit
 - Refund of contributions with interest

Retirement

- *Age & Service:*
 - Age 65 & 5 Years Service
 - 30 Years Service Regardless of Age
- *Credited Service:*
 - Years & Fractional Years
- *Early Retirement*
 - Age 55 & 10 Years Service
 - Benefit Reduced 2% for Each Year Early Retirement Precedes Normal Date



Benefit Formula

- **Pension Formula:**

$$(Final\ Average\ Salary) \times (Years\ of\ Service) \times Multiplier\ (2.1\%)$$
- **Final Average Salary:**
 - Highest 5 Years in Last 10 Years Service
 - Years Consist of 12 Consecutive Months
- **Salary:**
 Base Compensation Excluding Overtime, Bonuses, and Other Non-Regular Payments



Optional Forms Benefit Payment

- **Normal Form:** Lifetime Benefit with Guarantee 120 Total Monthly Payments
- **Optional Forms Include Life Annuity and Survivor Benefits**
 - Joint 100% Survivor
 - Joint 75% Survivor
 - Joint 66-2/3% Survivor
 - Joint 50% Survivor
 - Life Annuity
- **Member May Change Joint Annuitant Following Retirement in Case of Divorce**
- **20% Partial Lump Sum Option**



Survivor Benefits

- **Non-Vested Member:**
 Refund of Contributions with Interest
- **Vested Member:**
 - 50% of Actuarial Value of Accrued Benefit
 - Refund of Contributions with Interest if Greater
- **Eligible for Retirement:**
 Accrued Benefit Paid for 10 Years



Disability Benefits

- **Member Unable to Work in Current or Alternate Position**
 - Accrued Benefit Reduced for Early Retirement
 - Benefit Actuarially Adjusted Prior to Age 55
- **Benefit Commences 1st of Month Following Determination by Board**
- **Total of Disability Pension and Worker's Comp May Not Exceed 100% of Average Monthly Wage**



DROP Plan



DROP Plan

- **Members Eligible for Normal Retirement Can DROP for up to 5 Years**
- **Options for Investment**
 - Fixed 6.5% Rate of Return
 - Actual Net Return on Plan Assets
 - Members Allowed to Change Election Once
 - Earnings Credited to End of Last Quarter Prior to Separation
- **Members Must Take Full Distribution of Account**

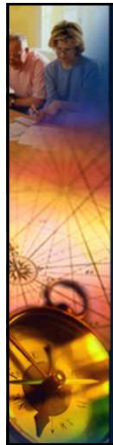


Retirement Procedures



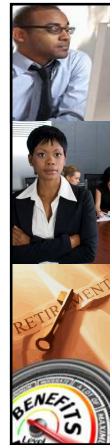
Application Procedures for Retirement

- Application filed with Resource Centers 30 days in advance
- Resource Centers provides estimate of benefit
- Administrator completes final estimate of benefit following retirement date
- Actuary reviews and certifies final calculation



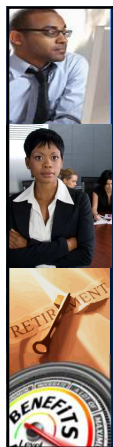
Application Procedures for Retirement

- Participant elects form of benefit payment
- Board approves benefit
- Custodian pays benefit to retired members



Application Procedures for Retirement

- Application: 30 Days Prior To Retirement
- Final Calculation: 7-10 Days Following Receipt of Final Payroll
- Actuary Issues Final Calculation
- Calculation & Forms Sent to Member
- Member: 1-2 Weeks to Respond
- Board Approves of Benefit
- Set-up Payment by Custodian: 1 Week
- Actual Receipt First Check: Direct Deposit

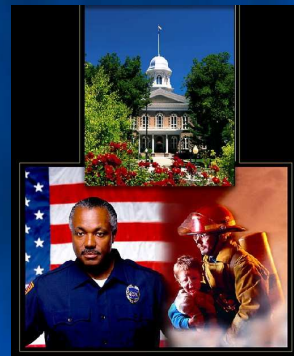


Application Procedures for Retirement

- Required Forms
 - Application for Retirement
 - Tax Withholding Form (W-4P)
 - Benefit Election Form
 - Copy Birth Certificate or Driver's License
- Additional Forms
 - Direct Deposit Form
 - Beneficiary Designation




www.ResourceCenters.com



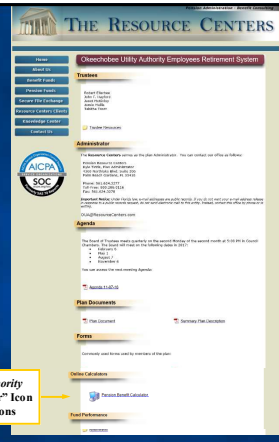


Virtual Pension Office

- Pension plan documents
 - Plan Document
 - Summary Plan Description
- Board approved minutes
- Forms & applications
- Recent Plan investment performance
- Links to other service providers
- Plan Email box:
QUA@ResourceCenters.com
- Online benefit calculation and account inquiry systems



Online Benefit Calculation System



Select Okeechobee Utility Authority
Click on the "Benefit Calculator" Icon
For Pension Benefit Projections



Time To Answer Questions . . .



THANK YOU