

ST. LUCIE COUNTY FIRE DISTRICT
RETIREMENT SYSTEM FOR GENERAL EMPLOYEES
STATEMENT OF POLICY REGARDING
BUYBACK OF GOVERNMENTAL OR MILITARY SERVICE

WHEREAS, the Retirement System for the General Employees of the St. Lucie County Fire District ("Fund") provides that Members may purchase prior governmental or military service as credited service in this plan; and

WHEREAS, under federal law, Members are entitled to credit intervening military service in this plan; and

WHEREAS, the Trustees desire to adopt a Statement of Policy regarding the buyback of prior governmental and military service;

NOW, THEREFORE, it is hereby resolved that the following Statement of Policy Regarding Buyback of Governmental or Military Service is hereby adopted:

I. TIME AVAILABLE FOR PURCHASE

- A. A Member may purchase years or fractional parts of years of service that a member previously served as an employee with the St. Lucie County Fire District and for which accumulated contributions were withdrawn from the Fund.
- B. A vested Member may purchase years or fractional parts of years of service that a member:
 - 1. Previously served as an employee with any other municipal, county, state, or federal governmental agency or district; or
 - 2. Previously served in the United States Military.

- C. Members who leave employment with the Fire District to serve (either voluntarily or involuntarily) in the military service of the United States shall be credited with the time service in the military up to 5 years provided the Member meets the requirements of USERRA and:
1. Member makes application with the Fire District within one year of release from active duty, under honorable conditions;
 2. The Member's re-employment is on the basis of the personnel rules and regulations of the Fire District;
 3. The Member pays the retirement system the amount of accumulated member contributions the Member may have withdrawn, together with six (6) percent annual compound interest from the date of withdrawal to the date of repayment. During the period of such armed services, contributions to the retirement system shall be suspended.
- D. A Member shall not be eligible to purchase prior service if such service is or will form the basis for a pension from another retirement system or plan. This exclusion does not apply to military service.
- E. A Member may pay an additional contribution to use the amount of salary required for the buyback as a part of the Final Average Salary calculation provided that:
1. The Member buys within the last ten (10) years of employment.
 2. Salary used for buyback calculation shall be the highest five (5) years of salary in that ten (10) year period; and
 3. The cost of the Member's increased of Final Average Salary must not

result in any cost to the Fund.

Example: If an employee purchases two (2) years of service based on a pay rate of \$100,000 for 2009 and has the following earnings history:

2009 - \$150,000 (\$100,000 pay rate + \$50,000 sick and vacation payout)
2008 - \$90,000
2007 - \$85,000
2006 - \$80,000

Final average earnings *prior* to the amendment is calculated as
 $(\$150,000 + \$90,000 + \$85,000 + \$80,000) / 4 = \$101,250$

Final average earnings *after* the amendment is calculated as
 $(\$150,000 + \$90,000 + \$100,000 + \$100,000) / 4 = \$110,000$

- F. A vested Member may purchase up to a maximum of 4 years of prior state, local, federal or other governmental employment or prior military service, provided that the Member contributes to the Fund the sum that the Member would have contributed to the Plan for the years or fractional years for which credit is requested plus amounts actuarially determined so that such crediting of service does not result in any cost to the Fund in connection with the purchase of years of credited service.
- G. The prior Fire District service of a Member may be reinstated if the Member repays the Plan the accumulated Member contributions previously refunded, plus eight (8) percent annual compound interest from the date of refund to the Member to the date of repayment to the Plan.
- H. Members may request to purchase qualifying service in increments, up to a maximum of 4 years or the total amount of qualifying time available for purchase, whichever is less. Members may elect to purchase service more than one time.

II. APPLICATION PROCESS

- A. A Member shall make application to buyback service time on a form provided

by the Board of Trustees. A copy of the form is attached to this Policy.

- B. The Trustees shall review and approve all requests for buybacks in accordance with this Statement of Policy.
- C. Upon approval of application for Buyback, the cost shall be calculated by the Fund's actuary.
- D. After the numbers are calculated and the Member has elected to purchase permissive service, the Member shall execute a "Buyback Contract" which shall set forth the specific buy back provisions for that individual Member.

III. FUNDS AVAILABLE FOR PAYMENT

A Member may pay for the cost of the purchase of time and applicable interest, with any of the following sources, if available.

- A. Out of pocket, as a lump sum;
- B. Rollovers from other qualified plans; or
- C. Section 457, Deferred Compensation Plans.

IV. REPAYMENT PERIOD

- A. Payment in full must be made within 90 days of receipt of the letter containing the statement from the Actuary showing the cost of the buyback.

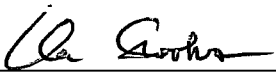
V. COST OF CALCULATIONS

- A. Members must pay the cost of the actuary's calculation for the buyback. However, each member will be entitled to one free calculation.

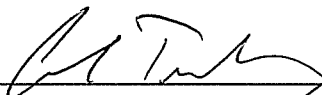
- B. Attached is a chart showing some examples of buyback costs. The cost to purchase time will vary depending upon an individual's age, present rate of pay, amount of time to be purchased, number of years until retirement and other actuarial factors.

THIS STATEMENT OF POLICY, Regarding Buyback of Governmental/Military Service is adopted by the Trustees of the St. Lucie County Fire District Retirement System for General Employees this 16th day of September, 2010.

TRUSTEES











Witnessed by: 

BSJ/lb
Sept. 2, 2010
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