

WEST PALM BEACH FIREFIGHTERS PENSION FUND

STATEMENT OF POLICY REGARDING

BUYBACK OF FIREFIGHTER/MILITARY SERVICE

WHEREAS, the West Palm Beach Firefighters' Pension Fund ("Fund") provides that participants may purchase prior firefighter or military service as credited service in this plan; and

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

NOW, THEREFORE, it is hereby resolved that the following Statement of Policy Regarding Buyback of Firefighter/Military Service is hereby adopted effective November 4, 2004.

I. TIME AVAILABLE FOR PURCHASE

- A. A Member may purchase years or fractional parts of years of service that a member:
 - 1. Previously served as a firefighter with the City of West Palm Beach and for which accumulated contributions were withdrawn from the Fund;
 - 2. Previously served as a firefighter with any other municipal, county or state firefighter department or district; or
 - 3. Previously served in the United States Military.
- B. 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.

- C. A Member may not buy volunteer firefighter service.
- D. A Member may purchase up to a maximum of 5 years.
- E. For Members eligible to retire before 26 years, the cost to purchase the service will be determined with an assumption of an expected retirement at the earliest normal retirement date. A Member may also elect to purchase service without changing the eligibility date for retirement. However, once a member has elected to purchase under one method, the expected retirement date shall be calculated under that election and no changes shall be made to that election.
- F. The final average salary determination shall be made both including the purchase time and excluding the purchase time (both calculations shall be before the 23rd year). A member may elect to purchase service under either cost. However, once a member has elected to purchase under one method, the final average salary shall be calculated under that election and no changes shall be made to that election.

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. The Administrator shall forward the application to the Actuary within 2 weeks of receipt from the Member. The Actuary shall return the application to the

Administrator within 30 days of receipt from the Administrator. The Administrator shall promptly forward the calculations from the Actuary to the Member.

III. FUNDS AVAILABLE FOR PAYMENT

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

- A. Out of pocket, either deducted from the bi-weekly paycheck or lump sum;
- B. Rollovers from other qualified plans;
- C. Section 457, Deferred Compensation Plans; or
- D. Share account after vesting (10 years).

IV. REPAYMENT PERIOD

- A. A Member may pay for the buyback over time. The time period for repayment is 5 years.
- B. Repayment must begin within 90 days of receipt of the certified letter containing the statement from the Actuary showing the cost of the buyback.
- C. The interest rate will be the Fund's actuarial assumption, which is currently 8.25%.
- D. Once a member begins to purchase service over time, the buyback can be stopped. The Member would be entitled to credited service for the amount of time purchased. However, if the buyback has been stopped, it cannot be started again. Additionally, the Member has then exercised the one time opportunity to purchase time.
- E. While in repayment status, no credit will be given for any years of service

until the full number of years of service to be purchased has been repurchased.

IV. COST OF CALCULATIONS

- A. Participants 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 FIREFIGHTER/MILITARY SERVICE is adopted by the Trustees of the WEST PALM BEACH FIREFIGHTERS' PENSION FUND this 5th day of October, 2004.

TRUSTEES

Alonzo Miller
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Witnessed by: Bruce J. Jones

BSJ/ka

Revision Dates: March 12, 2002
November 4, 2004
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