

# **Sarasota Firefighters' Insurance Trust Fund**

**Summary Plan Description**

**Group Health Benefit Plan**

**As of**

**July 28, 2021**

## **Introduction**

In the early 1990's employers across the country began discontinuing payment for their retirees' medical insurance. Marty Ferris realized that something needed to be done to subsidize the costs of retiree insurance and to safeguard a funding mechanism for future participants. While sitting at home reading Forbes Magazine, a vision began to form. Determined to make it a reality, countless hours were spent in planning and negotiating this vision into what we know today as the Sarasota Firefighter's Insurance Trust Fund. This benefit was enacted and protected by the Collective Bargaining Agreement between Sarasota County and the Suncoast Professional Firefighter's and Paramedics, Local 2546. It is further protected by individual contracts between the employee and the employer.

The Fund was started on December 28, 1992, through Union President Marty Ferris & DVP Merv Kennell's successful negotiations; twenty five thousand dollars in seed money was provided by the County. Employee contributions of 4% (in lieu pay raises), continued to grow the fund. No participants were permitted to draw from the fund for the first 7 years of its infancy, even if all retirement requirements had been met. This allowed for fund solvency to occur. Moreover, employees in their final 5 years sacrificed their annual final compensation figures to ensure the Fund's success. Several employees retired during that 7 year window and as a result had to pay out of pocket, until completion of the 7<sup>th</sup> year. In addition, there was, is, and will always be a minimum requirement of 10 years employment and age 55, to be eligible to receive benefits from this Fund. The benefit is determined annually by an actuary's valuation report. In 1998, an additional 2% in pay raises added to the Health Trust Fund.

Realizing the need to protect our current employees and recognizing the inequities between disability benefits provided for by the chapter 175 retirement plans and the Florida Retirement System, Marty and Merv negotiated the Disability Plan. This Plan's funding mechanism is reflective of the Trust Fund. Many of our senior employees, already eligible for retirement, selflessly forfeited an additional 1.78% pay raise to protect our less senior and often times younger employees. This fund was created on October 1, 1994.

We will forever be indebted to Marty Ferris, founding Chairman and visionary, for pioneering the Sarasota Firefighter's Insurance Trust Fund. Since its inception, public and private entities, including fortune 500 companies, have emulated Marty's vision turned reality. On behalf of the many participants and future beneficiaries, thank you Marty Ferris and Merv Kennell.

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## **Purpose of the Health Fund**

The Health Trust Fund was created to subsidize insurance premiums and cover health care expenses in one's post-retirement years.

## **Explanation of the Health Plan Benefits**

Six percent of a Journeymen Firemedic, top step base pay, is contributed into the Health Fund. Contributions generally come from the employer. In some cases, employees may separate employment prior to reaching Fund eligibility. Provided the Participant has at least 10 years of credible service, he/she could self-contribute the above 6% to the Fund, until eligibility requirements are achieved. Upon meeting eligibility requirements, each participant's benefit account shall be credited with the monthly benefit established by the Trustees, acting upon the advice of the Plan's actuary. Unused benefits from each month shall be carried forward to succeeding months; should a participant die with any unused benefits, the unused benefits in the participant's account shall be made available to the designated beneficiary, or if none, to the surviving spouse.

## **Definitions**

**Employer:** Sarasota County Government

**Employee:** Employees within the bargaining Unit represented by the Local 2546 and participating in the Florida Retirement System.

**Participant:** Any former employee who is or may be eligible to receive a benefit of any type from this Trust Fund.

**Beneficiary:** An individual, such as a spouse, child or dependent parent, who is receiving or has been chosen by a Participant (in writing) potentially to receive a Health Benefit from the Health Fund in the event of the Participant's Death.

**Health Fund:** The Sarasota Firefighter's Insurance Trust Fund.

**Health Benefit:** The benefit paid to Participants of the Health Fund.

**Disabled:** Shall mean in receipt of an in-line-of-duty disability benefit from the Florida Retirement System.

## **Eligibility Conditions**

**Normal Retirement Age requires one of the following:**

- Age 55 with at least 10 years of service;
- Age 52 and at least 25 years of employment, which can include up to 4 years of military service.

- 25 years of continuous employment regardless of age.
- 30 years of employment regardless of age, which can include up to 4 years of military service.
- If an Employee serves a minimum of 10 years and is NOT age 55, he/she can self-contribute into the Health Fund until age 55 or until 25 years of continuous contributions are met.
- For a person who last became an Employee on or after July 1, 2011, age 60 and at least 10 years of employment with an Employer, including employment as a firefighter, EMT or paramedic.
- In-Line-of-Duty Disability as recognized by the Florida Retirement System.

### **Health Plan Benefits**

The participant can enjoy the following covered benefits:

- **Health Insurance and Long Term Care (Tax Free)**
  - Benefits are payable for any health or long term care insurance premium payments made by or on behalf of a participant for coverage for the participant, participant's spouse or dependents.
- **Reimbursements of Uninsured Medical Expenses (Tax Free)**
  - The Health Fund will reimburse uninsured medical expenses as defined in Section 213(d) of the Internal Revenue Code and 26C.F.R. 1.213(e) of the Treasury Regulations.
    - Normal medical expenses such as medical bills, prescription bills, vision, dental, premiums and deductibles are eligible medical expenses.
    - Over the counter medicine used to cure, treat or prevent disease may also be reimbursable.
    - Items **NOT** reimbursable include vitamins, dietary supplements, and other general health products.
  - Claims will be paid on a quarterly basis.
- **Reimbursement of Term Life Insurance (Taxable)**
  - Whole Life will **NOT** be covered.
  - Term Life Insurance premium coverage or reimbursement shall require submittal of annual current declarations page reflecting coverage dates, policy limits and premium costs.
- **Death Benefit – Effective November 1, 2016:**
  - Active Participants shall have the option of making a one-time irrevocable election to receive an actuarially reduced "10-year certain" benefit option at retirement. After receipt of 120 payments (i.e. 12 months x 10 years), a Participant's monthly benefit shall revert back to the normal, unreduced benefit thereafter and continue to be paid for the life of the Participant only. Should the Participant die without having received 120 benefit payments, their designated beneficiary shall be entitled to receive the balance remaining from the maximum 120 benefit payments. Should the Participant die after

receiving 120 benefit payments, there shall be no further benefits paid and designated beneficiaries or spouses shall be entitled to any balance remaining in such deceased Participant's account.

- Current retirees who have been retired less than 10 years (i.e. received less than 120 payments) would be given a one-time option to elect the actuarially reduced "10-year certain" benefit option.
- Certain beneficiaries of Participant retirees reported as deceased within the first 10 years of retirement are eligible to receive an actuarially reduced continuation of the normal benefit for the remainder of the 10 years or 120 benefit payments after such deceased Participant's retirement based on the predecessors current and future benefit levels as applicable.
- Beneficiaries of deceased active members with 10 or more years of credited service shall be given the option to continue paying member contributions to the Plan until the date on which such deceased active member would have attained Normal Retirement eligibility as set forth in the Plan document had the member remained employed with a qualified Employer. Beneficiaries would then receive an actuarially reduced benefit for 10 years (i.e. 120 benefit payments) based on the then current and future benefit levels afforded by the Plan. In the case of previously deceased active members who had 10 or more years of service upon death, the actuarially reduced survivor's benefit will be reduced for both the "10-year certain" guarantee as well as to account for the missed member contributions until what would have been the deceased member's age 55.

### **General Provisions**

- **Filing a Health Claim**
  - Health claims may be submitted by the 15<sup>th</sup> of the month, for reimbursement on the 1<sup>st</sup> of the subsequent month.
- **Time and Payment of Benefits**
  - All benefits payable under this Plan shall be paid upon written proof of such loss or as soon thereafter as reimbursement funds become available in the participant's benefit account.
  - Claims for reimbursement of losses are requested to be submitted to and paid by the Fund at least on a quarterly basis.
  - In the case of sickness , written proof of claim shall be submitted no later than 1 year after the occurrence of the event on which the claim is based
- **Termination of Employment Before Retirement**
  - If a Participant with less than 10 years of employment quits or is fired, future rights to the Health Fund are relinquished.

- If a participant has at least 10 years of credited service when employment terminates, the rights to the Health Fund are retained as long as the terminated member continues to contribute 6% of base Journey Firemedic pay, top step, to the Fund until Benefit Eligibility is achieved.
- **Participants opting to self-contribute are required to make payments in full on a timely basis as required each quarter. Any Past due contribution payments shall only be accepted up to eighteen (18) months tardy. Participants who fail to make all required contribution payments timely shall be ineligible for any benefits from the Plan and shall forfeit all past contributions.**

### Questions and Answers

Q. How do I become vested in the Health Plan and what does being vested mean?

A. An employee becomes vested after:

- Ten years of service with the Sarasota County Fire Department and being a contributing member of the Health Plan.
- Vesting means the member can separate employment, or promote out of the bargaining unit, and still make contributions to the plan on one's own behalf, until eligibility conditions are met.

Q. An employee works for 20 consecutive years with SCFD. The same employee has 5 years prior in FRS, at another Special Risk department. The employee wants to retire from SCFD with 20 years of service at age 47; can the employee receive the Health Benefit upon retirement, given this example?

A. **No.** According to the Declaration of Trust, only the time worked for the Sarasota County Fire Department is counted. Since the employee is vested, he/she can continue to self-contribute for the remaining 5 years, which would give you 25 consecutive years of contributions. For further information; reference the Declaration of Trust, Section 5.23 (a) (2) – “through self contributions...”

Q. Why don't we allow a 4% pay out, of the Trust benefit, for every year of service?

A. Section 9.10: states that the Trust Fund is established “for paying benefits which are uniform with regard to the rate of the contribution made at the rate then in effect as of the participant's date of retirement...”

Clarification: A uniform benefit would reflect that participants receive the same benefit upon retirement. If a participant meets “normal retirement age” according to the trust; it doesn't matter whether there was a 10 year & age 55 contribution, or a 25 consecutive year contribution. The benefit must remain the same. With a 4% multiplier, the benefit would vary and thus would be in violation of the Trust Declaration.

Q. Can we change this language?

A. **No.** According to section 9.10, the only elements of change involve “eligibility provisions, conditions of termination of the Trust, and the composition of the board of trustees.” Even these changes would require “four of the trustees and a three-quarters vote of all participants, retired and active”, according to the Trust – Section 9.10.



## ADMINISTRATION OF THE HEALTH FUND

The Health Fund is administered by a Board of Trustees which is responsible for overseeing the investment of Health Fund assets and application of the provisions of the governing documents. The Board has authority over distribution of all health benefits and makes final decisions on claims and appeals. Five trustees comprise the Board: The Union President, if an employee or former employee of the Sarasota County Fire Department, and the Union District Vice-President for the Sarasota County Fire Department, shall automatically serve as Trustees. The remaining Trustees shall be participants in the Health Fund and members of the Union elected by the members of Local 2546 employed by the Sarasota County Fire Department. Health Fund assets are maintained and invested entirely separate from County assets and cannot be used for any purpose other than those specified in the Declaration of Trust.

The following individuals are members of the Board of Trustees of the Sarasota Firefighters Insurance Trust Fund:

Philip Vets- Chairman, Matt Seiler, Johnny Rigney, Jr., Robert Flynn, Matt Scarbrough

Special Advisor to the Board:

Martin Ferris- Founding Chairman  
Merv Kennell - Consultant

Legal counsel for the Board of Trustees is:

Pedro A. Herrera, Esquire  
Sugarman & Susskind, P.A.  
100 Miracle Mile, Suite 300  
Coral Gables FL 33134

CPA for the Board of Trustees is:

Walt Menzel, CPA, CMA  
Menzel & Bero, CPAs, PA  
727 Second Street Suite Three  
Sarasota, FL 34236

The Board of Trustees has presently Resource Centers, Inc. to administer and process the claims of the Health Fund. They can be reached at:

Resource Centers, LLC/o Amber McNeill  
4360 Northlake Blvd, Suite 206  
Palm Beach Gardens, FL 33410  
Phone: (561) 624-3277 Fax: (561) 624-3278  
[www.ResourceCenters.com](http://www.ResourceCenters.com)

**Insert Personal Contract Here**

**SIGNATURES**

**IN WITNESS WHEREOF**, the Board of Trustees have caused this Summary Plan Description to be accepted and authorized for distribution to the membership on this 28<sup>TH</sup> day of July, 2021.

\_\_\_\_\_  
MERV KENNELL

\_\_\_\_\_  
MATT SEILER

\_\_\_\_\_  
JOHNNY RIGNEY, JR.

\_\_\_\_\_  
ROBERT FLYNN

\_\_\_\_\_  
MATT SCARBROUGH

Witnessed By: \_\_\_\_\_