SUMMARY PLAN DESCRIPTION

OF THE

POLICE AND FIRE PENSION FUND

JACKSONVILLE, FLORIDA



JULY 1, 2016 – SEPTEMBER 30, 2017

POLICE AND FIRE PENSION FUND

ONE WEST ADAMS STREET, SUITE 100
JACKSONVILLE, FLORIDA 32202-3616
"We Serve. . .and We Protect"

Phone: (904) 255-7373
Fax: (904) 353-8837

Dear Pension Fund Member:

The Jacksonville Police and Fire Pension Fund is a defined benefit plan that is designed to provide a lifetime source of income to you during your retirement years. The plan also provides disability benefits and in the event of your death, it provides benefits to your surviving spouse and minor children, if any.

Whether your retirement is 20 years from now, or just a few months away, you will want to consider your financial security when you reach retirement. As an aid in your understanding of the provisions of your pension plan, the Board of Pension Trustees has authorized the preparation of a Summary Plan Description for distribution to all members of our Pension Fund. This document has been prepared in a summary format with the goal of providing a broad, but abbreviated, overview of the primary features and aspects of the plan. Accordingly, it is important for all users of this document to understand that the detailed plan documents governing the administration of the Plan will supersede this summary description, and therefore any conflicts that may arise will be settled by referring to the actual Plan documents rather than to the Summary Plan Description.

If you have any questions about your pension plan or should you desire more detailed information, we would invite you to contact our office at 904-255-7373. In addition, we encourage you to visit our website at ***jaxpfpf.coj.net*** frequently. There you will have access to many detailed reports from our money managers, our investment returns, and full transcripts of our Board meetings.

Best regards,

Beth McCague
Interim Executive Director – Plan Administrator

BM/dm

Jacksonville Police and Fire Pension Fund
Summary Plan Description
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Jacksonville Police and Fire Pension Fund
Summary Plan Description

Name of Plan

Jacksonville Police and Fire Pension Fund.

Introduction

This document is referred to as the "Summary Plan Description" (hereinafter referred to as the "SPD") and it is generally revised and redistributed to members of the Jacksonville Police and Fire Pension Fund every two plan years in accordance with the provisions of Section 112.66, Florida Statutes. The plan year runs from October 1st through September 30th and records are generally maintained on a plan year basis, with the exception of tax records of plan beneficiaries which are maintained on a calendar year basis. The SPD is compiled and distributed in order to provide the membership with a document that describes a general outline of the plan in a summary format. Inasmuch as this booklet is a summary only, it is not intended to describe all of the detailed provisions of the Plan nor is it intended to address all of the possible situations and complexities that may occur. In addition, since the SPD is only published once every two years, various plan provisions may be changed between printings which could cause discrepancies between the current plan provisions and this booklet. ***In case of any conflict in language between this summary and the authoritative provisions of the Plan as reflected in Governing Laws (as outlined below) or regulations enacted thereto, or in the case of an omission or a lack of clarification in this booklet of any Plan provisions, the authoritative provisions of the Plan will always supersede the wording in this document. Please be advised that this document does not constitute a contract or promise of benefits.***

Governing Laws

The "Jacksonville Police and Fire Pension Fund" as created by Chapter 18615, Laws of Florida, Acts of 1937 (hereinafter referred to as the "Fund" or the "Plan") is administered in accordance with applicable state laws and statutes as well as local Ordinances and Charter provisions. The City Council and the State Legislature have the responsibility for establishing benefit levels and in providing the statutory guidance for the administration of the Fund. The governing provisions enacted by these bodies are generally represented by Chapter 18615, Laws of Florida, Acts of 1937, as amended, together with Chapter 121 of the City of Jacksonville Ordinance Code, Article 22 of the City Charter, and various provisions reflected in Chapters 112, 175 and 185 of the Florida Statutes. These laws collectively form the basis of a governmental retirement program designed to provide an integral part of the financial security for police officers and firefighters of the City of Jacksonville when they reach retirement. The Board of Trustees is additionally authorized under Charter provisions to develop Rules and Regulations for the administration of the pension plan which are not inconsistent with the terms and provisions of law. Benefits paid from the Plan are also subject to various provisions of the Internal Revenue Code and the corresponding Treasury Regulations.

Other Agreements

In accordance with the provisions of Ordinance 2015-304-E , the City and the Board entered into an agreement which governs various aspects of the relationship between the City and the Fund, including the use of Chapter Funds, Reserve Accounts, Actuarial Assumptions, and dispute resolutions among others. The Fund and the City have also entered into a Financial Services Agreement that describes the coordination of activities and the availability of various support services such as the provision of information technology

support and financial information systems. Future benefit changes will be accomplished through collective bargaining between the City and the respective labor unions for firefighters and police officers. Retirees, beneficiaries, and managerial personnel are not participants in the collective bargaining process.

Type of Plan

Your retirement program is referred to as a contributory "defined benefit" public employee retirement plan. The Plan is maintained in compliance with Section 401(a) of the Internal Revenue Code and has been designated as a qualified plan by the Internal Revenue Service. Members make mandatory contributions to the Plan by payroll deduction on a pre-tax basis and the retirement benefit is calculated by a predetermined formula that produces a "defined benefit" over the life of the member and the surviving spouse of the member. The formula utilizes the number of years of service and takes into account the salary earned by the member. Since the benefits are determined by a formula, no individual member accounts are maintained for the payment of regular pension benefits and no amount is specifically set aside for each member except to maintain an accounting of required member contributions and for the management of DROP accounts in the case of DROP participants.

Contacting the Fund

When you write to the Fund, the Board of Trustees, or to the Executive Director – Plan Administrator of the Fund, please include your full name, your employee id #, your return address and daytime telephone or cell number. Address your correspondence to:

Jacksonville Police and Fire Pension Fund
One West Adams Street, Suite 100
Jacksonville, Florida 32202-3616

In the alternative, you may call us with your questions or you may forward your questions or comments to our fax number:

Phone: (904) 255-7373
Fax: (904) 353-8837

Additional information is available on the Fund's web site at ***jaxpfpf.coj.net***. This site includes current and recent newsletter issues; a copy of City Ordinance Code Chapter 121; Article 22 of the City Charter; Board Reports; Board Rules and Regulations; Investment Reports; Summary Plan Description; Statement of Investment Policy; DROP information; and various other information and materials of interest.

Florida has a very broad public records law. While certain personal information of participants is protected from public disclosure by law, persons contacting the Fund in writing should be aware that the information conveyed may become a public document.

Plan Administration

A five member Board of Trustees is responsible for the overall administration of the Plan and the investment of the assets of the Fund. The Jacksonville City Council has authority to amend the Plan and provide benefit enhancements and is additionally responsible for appointing two trustees. The Police Trustee is an active Police Officer elected by active Police members, and the Fire Trustee is an active Firefighter

elected by active Fire members. These four Trustees select a fifth member who is then confirmed by the City Council, as a ministerial act. The current members of the Board of Trustees are summarized as follows:

The Board of Trustees

Police Lieutenant Christopher M. "Chris" Brown was elected by the Police Officers to serve as Trustee in 2016. He previously served on the Pension Advisory Committee from 2014 thru 2016. Chris has been a lifelong resident of Jacksonville and is a second generation law enforcement officer with JSO. Prior to joining JSO in 2006, he earned the International Baccalaureate Diploma from Stanton College Preparatory High School (1999), as well as a Bachelor of Economics (2002), and a Master of Business Administration (2004) from the University of North Florida.

Richard G. Patsy, CFA, Trustee was confirmed by City Council to the Board of Trustees in 2015 and reconfirmed in 2016. Mr. Patsy is Assistant Vice President of Pensions and Investments with CSX Corporation. He has 24 years of investment experience, the last 19 of which have been with public and private pension plans. His areas of expertise include all aspects of investment management, including portfolio strategy, asset allocation, fixed income portfolio management and trading, and cash management. He previously served as the Vice-Chairman of the Board for the City of Jacksonville Employees Retirement System and has earned the Chartered Financial Analyst (CFA) designation from the CFA Institute. He is retired from the US Navy (Reserve Component) as Captain with over 30 years of service. He is a graduate of Penn State University and holds a Master's in Business Administration from the State University of New York at Albany.

Willard Payne Jr., Trustee, was confirmed by City Council to the Board of Trustees in 2016. He is a Jacksonville business and civic leader who moved to Northeast Florida in 1975. He was a former Chicago public school teacher and administrator, and became the first African-American franchise owner/operator of four McDonald's locations in Jacksonville. He later sold the franchises and currently works with several companies consulting and recruiting minorities. Mr. Payne earned his Bachelor's degree in education from Xavier University and holds a Master of Science degree in Education, Administration, and Supervision from Loyola University in Chicago.

William E. "Bill" Scheu, Trustee, was confirmed by City Council to the Board of Trustees in 2015. He has been a prominent Attorney with Rogers Towers, P.A. Law firm in Jacksonville since 1997. He is also a Certified Circuit Court Mediator. His lengthy community service includes Chairman of the Jacksonville Retirement Reform Task Force during 2013-2014; Supervisor of Elections from October 2004 – April 2005; a member of the Downtown Development Authority and the Mayor's Commission on Housing. He has received many awards over the years for his leadership in the community and his Church. Mr. Scheu graduated from the University of the South in Tennessee with a BA degree, *cum laude*, and from the University of Florida Law School *with honors*.

Fire/Rescue Lieutenant Richard H. Tuten III, Fire Trustee was elected by the Fire Fighters to serve as Trustee in 2003, and was re-elected in 2013. Lieutenant Tuten joined the Fire/Rescue Department in 1997. He received a BS in Economics from Florida State University in 1990. He also received an AS Degree in EMS as well as Paramedic certification from Seminole Community College in 1996. He earned an AS Degree in Fire Science from Florida State College at Jacksonville in 1999, and he completed his MA in Management & Leadership from Liberty University in 2015.

The Board of Trustees is assisted by an Advisory Committee composed of seven members which are

three Police Officers, three Firefighters, and one retiree. The Police Officers are elected by their fellow Police Officers, and Firefighters are elected by their fellow Firefighters. The Retired members elect the Retired Representative. No pension benefits can be approved for any member or beneficiary until first reviewed by the Advisory Committee. In addition, the Advisory Committee takes a particularly active role in reviewing applications for disability retirements.

The Advisory Committee

Police Lieutenant Robert "Ellis" Burns III became a member of the Pension Advisory Committee in 2010. Ellis began his career as a Police Officer with the Jacksonville Sheriff's Office in October, 2000 and is a second generation member of JSO. He graduated from the University of North Florida in August, 2000 with a BS in Political Science and Criminal Justice. He is an active member of the JSO Honor Guard and serves as the Honor Guard Commander. He was promoted to Lieutenant in December, 2013, and is currently assigned to the Patrol and Enforcement Division as a watch commander on the Southside of Jacksonville (Zone 3.)

Fire/Rescue Chief Sean Hatchett became a member of the Pension Advisory Committee in 2002. Sean has earned three Associate degrees from Florida State College at Jacksonville, a Bachelor's Degree in Fire Administration from Cogswell College, and is currently working on his MBA. He has been with the Fire/Rescue Department for twenty years. Chief Hatchett is an Urban Search and Rescue (USAR) team member and instructor. He also does contract work with the military as a Subject Matter Expert (SME) for Haz Mat and USAR. In April, 2015, Sean was promoted to Chief with JFRD.

Police Officer James Holderfield became a member of the Pension Advisory Committee in 2013. James was born and raised in Jacksonville, FL and is a second generation member of the JSO. He graduated from the University of Central Florida with a BA in Philosophy. A six year employee of the United Parcel Service (UPS), James served in several managerial roles including operations, sales, customer service, and information technology. Since joining JSO in 2008 as an IT Analyst, James has received numerous letters of commendation and more notably recognition as Civilian Supervisor of the Year. He is currently assigned to Zone 5 as Proactive enforcement.

Fire/Rescue Lieutenant David McCall became a member of the Pension Advisory Committee in 2006. He received his minimum standards, EMT, and AA degree in Fire Science from FCCJ along with a Fire Officer One certificate from Florida State Fire College. He joined the Fire/Rescue Department in 1996 and soon thereafter received his Paramedic certification. David was promoted to Firefighter Engineer in 2004, and is currently serving as Fire/Rescue Lieutenant.

Fire/Rescue Battalion Chief Brady Rigdon became a member of the Pension Advisory Committee in 2006. Brady earned his Bachelor's Degree in Public Administration from Flagler College, and has earned an AS Degree in Fire Science and an AS Degree in Emergency Medical Services, both from FSCJ. He is also a state certified paramedic. He began with the Fire Department in March, 1991, and was promoted to Firefighter Engineer in 1994, Lieutenant in 1996, Fire Captain in 2002, District Fire Chief in 2003, and served as Division Chief of Operations for the Fire/Rescue Department from November, 2006 until December, 2011.

Police Lieutenant Michael Shell became a member of the Pension Advisory Committee in July, 2016. A native of Jacksonville, he graduated from the University of North Florida in 2003 with a Bachelor's Degree in Criminal Justice and English. Michael has been with JSO since 2004. He served as a Field Training

Officer prior to being promoted to Sergeant in 2010. Michael was working as a supervisor in the Burglary Division when he was promoted to Lieutenant in 2013. He is currently Watch Commander for Zone 5 evening shift.

Retired Police Chief Richard "Rick" Townsend was elected by the Retired Members to serve on the Pension Advisory Committee in 2014. He previously served on the Committee for several terms while on active duty as a Police Chief. Rick has a B.A. Degree from Salem State College in Salem, Massachusetts. He also holds a M.ED. from the University of North Florida. Rick was hired by the Jacksonville Sheriff's Office in 1974, and retired in 2009.

The Financial Investment and Advisory Committee

The **Financial Investment and Advisory Committee** (hereinafter referred to as the "FIAC") was created in 2015 to work with the Board of Trustees on improving investment performance and to assist in setting investment policy, financial matters, and selecting investment/actuarial professionals for the Fund. The Committee is comprised of financially sophisticated individuals with knowledge and experience in managing institutional investments. The members of the Committee, who serve as volunteers, are nominated by the Board of Trustees and confirmed by the City Council. The current Committee members are:

Rob Kowkabany, Sr., Senior Vice President of Commercial Lending at Ameris Bank, was appointed for a 2 year term. Rob has over 29 years in the financial services industry with expertise in commercial banking. He holds a BSBA from the University of Florida and an MBA from UNF. He has previously held 7/63 and Life and Variable Annuity Insurance licenses.

Craig J. Lewis Sr., Private Equity Manager for the Alford I. Dupont Foundation, was appointed for a 3 year term. He has over 20 years of experience in the investment business. He is Director of Private Equity Investment for the Alford I DuPont Trust. Craig has a BS Finance from the University of Florida, and an MBA from the University of Michigan. He is a Chartered Financial Analyst (CFA).

Eric "Brian" Smith Jr., Financial Advisor, was appointed for a 3 year term. He has over 5 years of experience in the investment and insurance industry. Brian is a self-employed Financial Advisor. A graduate of the University of Florida he holds a BA in Political Science and holds licenses for General Lines, Life and Health and Annuity, and is a Certified Financial Practioner (CFP).

Arlie "Rodney" VanPelt, Retired CEO HCA Memorial Hospital, was appointed for a 3 year term. He retired as CFO of HCA Healthcare South Atlantic Division. He is a graduate of FSU and is a retired CAP. Rodney worked 37 years in financial management responsible for goal setting, assessing outcomes and making necessary changes to achieve expectations.

The Administrative Staff

Timothy H. Johnson, Executive Director – Plan Administrator, was appointed by the Board of Trustees effective August 1, 2016. Mr. Johnson has worked in government positions since 2004 including Administrative Services Director for the County of Allegheny. From 2006-2011, he served as a member of the Retirement Board of Allegheny County. In 2012 he was appointed Executive Director of the Allegheny County Employees' Retirement System. Prior to his government experience, Tim worked as a banker in Pittsburgh, PA.

Tim has been active in the Pittsburg area serving on the University of Pittsburgh Institute of Politics Pension Sub-Committee, and the Pennsylvania Association of Public Retirement Systems Board of Trustees. He received a BS in Business Administration from Duquesne University and a Master of Science in Organizational Development from Robert Morris University.

The designated agent for the service of legal process is the Executive Director – Plan Administrator of the Fund.

Devin D. Carter, CPA, CGMA, Chief Financial Officer, joined the Pension Fund staff in August, 2015, and was appointed CFO in January, 2016. He has an extensive background in governmental accounting, financial analysis and reporting, and audit. He previously worked with the City of Jacksonville since 2009, most recently as the Manager of Accounting Services in the Planning and Development Department. Devin is a member of the Florida Government Finance Officers Association. He received his Bachelor of Business Administration from Brewton-Parker College, and his Master of Accountancy from Nova Southeastern University. As of December, 2016, he will complete his MBA at Georgia Institute of Technology.

Charles "Chuck" Hayes, Pension Benefits Manager has been with the Fund since July, 2001. He previously served as the Building Services Manager prior to being promoted to his current position in April, 2011. Chuck processes payroll for our Retired Members, discusses benefit options for members completing DROP, and members entering and leaving the Fund. He also handles the accounts payable for the Fund.

Stephen Lundy, Pension Benefit Specialist/Economic Research/Editor joined our Pension Fund staff in January, 2012. Stephen was a senior economics major at Jacksonville University and graduated with his Bachelors Degree in May, 2012. He was a member of the Phi Kappa Phi and Beta Gamma Sigma honor societies, in addition to being a member of the Brumos Circle of Excellence in JU's Davis College of Business leadership program. In 2013, he graduated with his Masters Degree from JU. He was promoted to his current position in February, 2014 processing new Police and Fire recruits, enrolling members into the DROP program, he provides Pension benefit research and analysis, and he is the Editor of the newsletter and updates the PFPF website.

Deborah "Debbie" Manning, Executive Assistant has been with the Fund since 1998. Prior to employment with the Pension Fund, she worked as a licensed Customer Service Representative for several Insurance Agencies in Jacksonville and surrounding counties. In February 2014, she was promoted to her current position working directly with the Executive Director and the daily operations of the Pension Office as well as assisting the Pension Board of Trustees and Pension Advisory Committee with monthly meetings.

Troy Scherbinski, Building Manager has been with the Fund since December, 2002. He was promoted to his current position in April, 2011 where he oversees the operations and maintenance of our building at One West Adams St., and the maintenance and leasing of our Monroe Street parking garage. He is also a licensed plumber.

Lynn West, Administrative Assistant was hired by the Fund in 2004. She previously worked eleven years for City of Jacksonville Employee Benefits and Risk Management Office, and spent seven years working for the Duval County Housing Finance Authority as an Administrative Assistant. Lynn provides assistance with the daily operations of the office as our receptionist, and also provides valuable assistance for our Pension Benefits Manager with various requests, changes in benefits, and answering questions from our members.

Beth A. McCague, Consultant, most recently served as Interim Executive Director – Plan Administrator from December, 2015 until August, 2016. She has over 35 years of experience in the banking industry in

various areas of responsibility including executive roles and wealth management. She served for 8 years on the Florida State Board of Administration Investment Advisory Committee. Beth holds a BSBA Finance from the University of Florida and a MBA from Jacksonville University.

The Trustees, Advisory Committee, and Administrative Staff may be contacted through the Police and Fire Pension Fund Office, located at One West Adams Street, Suite 100, Jacksonville, Florida 32202-3616. Our phone number is 904-255-7373 and office hours are from 0800 - 1700, except official holidays. Our fax number is 904-353-8837.

Meeting Dates

The Police and Fire Pension Fund Board of Trustees, Advisory Committee, and FIAC normally holds monthly meetings. The dates and times are subject to change. Meetings are typically scheduled at the Police and Fire Pension Fund Office located at One West Adams Street, Suite 100, Jacksonville, Florida 32202-3616. Check our website at ***jaxpfpf.coj.net*** for the date and time of any particular meeting you would like to attend.

Investment Program

The Board of Trustees is responsible for the establishment and implementation of the investment program for the Fund. In discharging these responsibilities, the Trustees have adopted and periodically revise a "Statement of Investment Policy" that is used to guide the investment activities of the Fund within the parameters allowed by law. The "Statement of Investment Policy" currently in effect provides for a strategic asset allocation mix. The Trustees additionally seek diversification within the investment portfolio through the utilization of various investment styles, particularly within the stock component of the portfolio.

In discharging their fiduciary responsibility, the Board of Trustees retains the services of nationally recognized investment management firms in the execution of the Board's investment program. Most assets of the Fund are held in a separately managed trust fund for the exclusive purpose of providing benefits to participants and beneficiaries and defraying the reasonable expenses of administering the Fund. The "Statement of Investment Policy" and the latest schedule of investments are available for review in the Pension Office and on the website ***jaxpfpf.coj.net.***

The Trustees retain the services of a performance measurement consultant that monitors the investment performance of each investment counseling firm under contract to the Fund. This consultant additionally serves as the general pension investment consultant to the Fund and assists the Trustees in periodic searches for the hiring of additional and replacement investment counseling firms.

The Board is also assisted in the performance of its investment functions by the Financial Investment and Advisory Committee (FIAC), described in more detail above.

Eligibility

Participation in the Plan is mandatory for all classified and certified Police Officers and Firefighters of the City of Jacksonville. To ensure compliance with the American's with Disabilities Act (ADA), no Police Officers or Firefighters with pre-existing medical conditions will be excluded from membership in the Fund. However, a waiver for any pre-existing condition is required prior to admission as a member of the Fund. The nature of the waiver to be executed by the prospective member is determined by the Medical

Director of the Fund. Participants will not be covered for a disability pension nor survivor benefits, in the event that the participant's disability or death resulted from the pre-existing condition.

Some non-civil service and elected or appointed officers of the Sheriff's Department and the Fire/Rescue Department are also eligible to join the Plan. Their participation is voluntary. Such employees should notify the Pension Office to determine their eligibility and apply if they wish to join the Plan.

Enrollment

You may become a member enrolled in the Plan only after:

- You have completed the prescribed physical examination;
- You have completed an application for membership;
- You have executed a waiver to the extent that a pre-existing condition was determined by the Fund's Medical Director after a review of your medical examination and application has been completed; and
- The Board of Trustees by official action has approved your application, along with any waivers, thereby enrolling you in the Plan.

Terminated Membership and Entitlements

Once you become a member of the Plan you cannot withdraw any funds nor end participation except in the event of retirement, termination of employment, disability or death, unless you make a willful misstatement or fail to state a material fact relating to your medical history, whereupon your membership in the Plan will be terminated and your contributions will be returned to you, without interest.

In addition thereto, you are subject to the loss of membership and pension benefits in the event you are found guilty or enter a plea of nolo contendere in the participation of a fraud against the Fund. A surviving spouse may additionally be barred from the receipt of pension benefits in the event they have been found to have unlawfully and intentionally killed or participated in the procuring of death of a member.

Members of the Plan are also subject to a loss of pension benefits in the case of specified offenses committed prior to retirement as described under Section 112.3173, Florida Statutes.

Refunds of Contributions upon Resignation or Discharge from Employment

Upon termination of employment, your pension rights and options with respect to the disposition of your pension contributions will vary depending upon your length of service in the Plan and the period under which contributions were made. Unless disqualified for misconduct in the manner stated above, pension rights of members with five or more years of service as of June 19, 2015, become vested upon the completion of five (5) years of service. For members with fewer than 5 years of service as of June 19, 2015, you become vested at the completion of five years however, deferred retirement benefits vary. For members hired after June 19, 2015, vesting occurs at 10 years.

Upon attaining vested status, you may either vest your benefits for a deferred retirement benefit or relinquish your rights to a future pension benefit whereupon you would alternatively receive a 100% refund of your contributions to the Plan, without interest. Please note that the refund of contributions made available to you would not include any matching employer contributions that the City may have made to the

Fund during your period of membership in the Plan. If you do not apply for a vested benefit within thirty (30) days of leaving employment, you will automatically receive a refund of your contributions and you will lose the option to select a deferred retirement benefit. Members should contact the Pension Office to obtain the proper forms in making such elections.

If you have been a member of the Plan for less than five years, you have not attained vested status and your contributions shall be returned to you within thirty (30) days after your termination of employment and membership in the Plan, without interest. As previously described, the refund of contributions made available to the member would not include any matching employer contributions that may have been made by the City on behalf of the member.

In the event of a refund, employee contributions paid into the Fund on and after January 1, 1988 are subject to Federal income tax and will have an automatic 20% withheld for tax purposes when such contributions are refunded to the member. However, that 20% withholding may be avoided by requesting a tax deferred direct rollover to either an Individual Retirement Account (IRA) or another qualified retirement plan that accepts rollovers, inasmuch as refunds of this nature are characterized as "Eligible Rollover Distributions". Contributions made on and prior to December 31, 1987 have already been taxed and therefore the full amount of such contributions will be refunded to members without the requirement to assess federal income tax withholding. Such refunds of contributions made on and prior to December 31, 1987 are not deemed to be "Eligible Rollover Distributions" and therefore they are not eligible for a rollover. Members receiving a refund of contributions are strongly encouraged to seek the advice of a competent CPA or other tax professional to learn of the impact of various distribution decisions as affected by federal tax laws.

Retirement Date

There is no fixed or mandatory retirement age for the Plan. Group I members are eligible for normal retirement after 20 years of credited service, full retirement benefits at 30 years of credited service, regardless of age. Group II members are eligible for early retirement at 25 years; full retirement at 30 years. Retirement benefits will vary according to years of credited service in the Plan and your salary level. You may also elect for "vesting" and deferred retirement after 5 years of credited service for Group I members, and 10 years of service for Group II members, subject again to certain limitations. See the various "Benefits" sections of this summary document for more details.

Temporary Absence from the Payroll

If your earnings are interrupted during a temporary absence from the payroll not covered by accrued vacation or sick leave, your contributions to the Plan during such temporary absence will cease and no further pension benefits will be credited to you until your earnings and contributions resume. Certain exceptions may apply for an absence covered by Worker's Compensation and in the case of some military service leaves.

If your service is terminated during a period of temporary absence, the provisions regarding termination apply.

Military Leave of Absence

Active members of the Fund who are entitled to military leave of absence will continue to receive all benefits under the pension plan while absent on such military leave. During such absence on military leave,

members shall receive pension service credit but shall NOT be required to make contributions to the pension plan during such period of service, except for those contributions that originate from the employee's use of annual leave balances during such military leave of absence or from compensation wherein the member is allowed to remain on the active payroll for the 30 day period following the member's departure for active duty.

Broken Service Connection

If you leave City employment and later return, or if you previously worked for the City or one of its independent agencies before your current job and membership in the Fund, you may be eligible to "connect" the "broken service" so it will be considered continuous for pension purposes. An application for this benefit may be made at any time before retiring; however, the member must complete all payments for the full purchase of the time to be connected before commencement of retirement or DROP participation. Members should also be aware that some restrictions may apply in granting time service connections. For instance, a member will not be permitted to connect service that would entitle the member to benefits under any other pension system, such as the Florida Retirement System. Such entitlement to benefits would normally accrue to a member where the service under consideration for connection would qualify the member to vested status under the other pension plan. If you think you may qualify for time connection benefits, contact the Pension Office for review of your particular circumstances. Another restriction relates to the requirement that the time to be connected must have been considered to be in a "full time" capacity, in accordance with definitions provided in the City Ordinance Code.

The connection of broken service is accomplished by the member's purchase of time service credit based upon the member's current salary and the employee pension contribution rate in effect as of the date of purchase. Service credit may be purchased either in a lump sum or through payroll deduction over a period not to exceed 130 bi-weekly pay periods. A member may also purchase time in conjunction with authorized transfers from a member's Section 457 Deferred Compensation Account. No interest charges are assessed to the member on the unpaid balance where the purchase of time service has been elected to be made under the payroll deduction mechanism. Purchases made under the payroll deduction mechanism carry the added benefit to the member of being eligible for treatment as a pre-tax contribution. Transfers from Deferred Compensation balances also carry tax benefits inasmuch as such transfers are not deemed to be a taxable event to the member; however, you may incur surrender charges from your Deferred Compensation provider depending upon the length of time you have been an active participant with the provider.

Florida Certified Police Officer and Firefighter Service

Members may purchase up to five (5) years of full time employment of a municipality within the State of Florida as a Police Officer (as described in Florida Statutes Chapter 943) or as a certified Firefighter (as described in Florida Statutes Chapter 633). Members qualifying for the purchase of such service must purchase the time prior to retirement and are required to pay 20% of their current pension eligible pay into the Fund. Purchases of time service credit are based on the law in effect at the time of the purchase. Notwithstanding the foregoing, any police officer or firefighter service that is being submitted as the basis for seeking time service credit will not be permitted to the extent that such service is currently being used for entitlement to benefits under another pension system with such entitlement resulting from the attainment of vested status under such other pension system even if that vested status was abandoned.

Military Time Purchase

Members may purchase up to twenty-four (24) months of wartime active military service for use as credited pension service by applying on forms available in the Pension Office. Members qualifying for purchase of military time must purchase the time prior to retirement and are required to pay 20% of their current pension eligible pay into the Fund. Military time during the following periods may be purchased:

August 5, 1964 - May 7, 1975
August 2, 1990 - January 2, 1992
October 7, 2001 - to a date to be determined by Congress or Presidential proclamation
March 19, 2003 - to a date to be determined by Congress or Presidential proclamation

Time connections are not permitted for service that would entitle the applicant to pension benefits under another pension plan for the same time (see Section 112.65(2), Florida Statutes).

You must provide a copy of your DD214 as proper documentation of your military service.

Worker's Compensation

A member of the Pension Plan who becomes eligible to receive Worker's Compensation and who receives a partial salary from the City will contribute the regular pension contribution to the Plan and will accordingly receive full credit for such time toward retirement. If an employee on Worker's Compensation receives no salary from the City during this time, he or she must elect to pay the portion they normally would contribute into the Pension Plan in order to receive full credit for such time toward retirement; otherwise, no credit for pension purposes accrues during that period. Pension benefits for any period during which worker's compensation payments are received shall be based on the member's rate of compensation on which pension contributions were deducted or voluntarily made.

Member Contributions

Group I members of the Plan are required to contribute eight percent (8%) of their pensionable salary to the Plan. In the first pay period after June 19, 2015, which reflects a total general wage increase of at least two percent over the general wages for fire fighter members, and three percent for police members, the salary deduction will simultaneously increase to ten percent. All Group II members are required to contribute ten percent (10%) of their pensionable salary. A record of employee contributions is maintained for each individual member. All employee pension contributions are remitted on a pre-tax basis as provided for under Section 414 (h)(2) of the Internal Revenue Code.

City Contributions

The employer pension contribution rate provided to the Plan by the City within the Annual City Budget varies from year to year depending on actuarial requirements and the extent of revenues and assessments available from other sources.

Other Sources of Funding

In addition to the primary sources of funding represented by member and City contributions, the Plan receives earnings on investments and a portion of the annual distribution of State premium tax proceeds as provided by Chapters 175 and 185 of the Florida Statutes.

Budgetary Provisions

Inasmuch as the Plan is administered on a self-insured basis, the benefits of the Plan and the risk of actuarial losses are not covered by various forms of insurance protection. In lieu thereof, the contributions made to the Plan and the investment of the assets available in the Plan are actuarially determined to be capable of generating sufficient funds over time to meet all present and future claims of retirees and beneficiaries. The adequacy of the Plan to meet these requirements is periodically certified by a nationally recognized actuarial firm whose reports are submitted to designated oversight agencies of the State of Florida for their review and approval. The Board of Trustees annually certifies to the City Council the amount required for inclusion in the Annual City Budget to administer the Pension Fund. Based upon this certification, the City Council provides the required funds and places the amount so designated in the budget for the succeeding fiscal year.

Application for Benefits Procedure

Members and survivors may make application for the payment of benefits under the Plan arising from death, disability or retirement on forms available in the Pension Office. For any reason, should someone be dissatisfied with the decision of the Board of Trustees regarding an application for benefits, provisions are in place to allow a member to pursue an appeal and review of a decision. Claimants may consult the Pension Administrator for procedural due process provisions.

Benefits: General

No benefits are paid from the Plan unless recommended for approval by the Advisory Committee and authorized by the Board of Trustees.

Members are not permitted to designate a beneficiary for the receipt of pension benefits or the refund of pension contributions. Benefits are payable solely to a spouse, married to and living with the member at the time of the member's death or to eligible children. In the absence of an eligible spouse or child, member contributions and a DROP balance as payable to the member's estate. Additional conditions and limitations are discussed in the sections of this summary entitled "Benefits – Surviving Spouse;" "Benefits – Minor Children;" and "Benefits – Death with No Survivors."

Under the Plan, pensions are not assignable and generally are not subject to attachment by any legal process except garnishment by the IRS for nonpayment of taxes or by court action in the case of divorce (See Income Deduction Order discussion on page 15).

Any Social Security benefits that are received will not affect the amount of a City pension; however, a Social Security benefit may be reduced as a result of receiving a City pension. You should contact the Social Security Administration to discuss the impact of any Social Security reductions that may be imposed upon you and your surviving spouse (see Windfall Elimination Provisions and Government Pension Offset, respectively). You may visit the Social Security web site at ***www.ssa.gov*** for more information.

Establishment of Group I and Group II Classifications

In 2015, the City Council established Group I and Group II benefit classes via Ordinances. Group I (A) consists of all persons who completed at least 20 year of service on or before June 19, 2015, together with all current retirees and beneficiaries. Group I (B) consists of all persons who had completed less than

20 years of service as of June 19, 2015. Group II consists of all persons hired on or after June 19, 2015. There are substantial differences in benefits within each group.

Benefits: Time Service (Normal) Retirement

Group I (A and B) members of the Plan may retire after twenty (20) years of credited service, regardless of age, with a minimum benefit of sixty percent (60%) of the average salary received for the 52 pay periods (two years) preceding retirement. Members may receive an additional two percent (2%) for each completed year over twenty (20) up to a maximum of eighty percent (80%) of the average salary. Pension calculations, for the purpose of establishing the average salary, are made using the following types of pay:

Eligible Forms of Pensionable Salary

Base Salary	Retro Pay
Service Raises	Field Officer Training
City College Incentive	Special Operations
Out of Position Pay	Supervisor Differential
EMT Pay	Shift Pay
Paramedic Pay	Differential Pay
Hazardous Duty Pay	Fire Inspectors Certification
Fire Special Assignment	

Holidays, overtime, reimbursed expenses, cleaning allowances, annual leave sell back, and terminal leave lump sum payments are not included in the calculations establishing the average pay of the member nor are such forms of pay subject to the payment of pension contributions by the member.

Group II members shall be entitled to a time service retirement upon the completion of thirty (30) years of credited service with a benefit equal to two and one-half percent (2.5%) of average salary multiplied by the number of years of credited service but not to exceed seventy five percent (75%) of average salary. Group II members working more than 30 years will receive no additional service credit. Early retirement for members with 25 years of service credit is available with a 2.5% accrual rate penalty for each year after 25 but less than 30. Average salary for benefit purposes shall be the average of the last five years bi-weekly pay periods immediately preceding retirement. The annual retirement benefit may not exceed $99,999.99, as adjusted annually by the annual percentage increase amount for Social Security COLA Benefits, but not exceeding 1.5%. Eligible forms of compensation for Group II members will be the same as for Group I members.

Benefits: Permanent Disability

Disability benefits are available to Group I (A) members and Group I (B) members with 5 or more years of service as of June 19, 2015, who are ***totally*** and ***permanently*** disabled during employment with the City of Jacksonville. It makes no difference whether the disabling illness, injury or condition occurred on-the-job or outside of the course of employment. A total and permanent disability would entitle an employee, with twenty (20) years or less of credited service, to a pension of sixty percent (60%) of the average salary for the 52 pay periods preceding disability retirement, which is payable until death. Disability pensions will not be granted in the case of injuries suffered while in the employment of another employer, except in the event that the injury was suffered while serving in the Armed Forces of the United States. Members of Group 1 (B) who have fewer than 5 years of service as of June 19, 2015, are entitled to a pension of sixty

percent (60%) of the average salary for the 104 pay periods preceding disability retirement.

Disability benefits are available to Group II members who are ***totally*** and ***permanently*** disabled during employment with the City of Jacksonville. It makes no difference whether the disabling illness, injury or condition occurred on-the-job or outside of the course of employment. A total and permanent disability would entitle an employee to a pension of fifty percent (50%) of the average salary for the 130 pay periods preceding disability retirement, which is payable until death. In the case of a Group II member eligible for a time service retirement, the disability benefit shall be equal to the time service retirement. Disability pensions will not be granted in the case of injuries suffered while in the employment of another employer, except in the event that the injury was suffered while serving in the Armed Forces of the United States.

Benefits: Temporary Disability

If you have applied for disability retirement and prior to the application being approved, you have exhausted all earned leave time and have been removed from the payroll, you can receive a temporary pension for the period of time your application is pending before the Board of Trustees. If your application is approved, your pension is effective as of the date payment began on the temporary disability pension. If your application is not approved, the payments you received must be returned to the Pension Fund. Special provisions govern a new application made within six months of a denial. Temporary disability benefits will continue until the Trustees take final action on the application, as long as the delay in action is not the fault of the applicant. If the applicant fails to produce requested documentation within sixty (60) days, the temporary pension benefit will be stopped. This section shall apply to both Group I and Group II members.

Benefits: Surviving Spouse

The surviving spouse of a retired member will receive benefits equivalent to seventy-five percent (75%) of the amount the pensioner was drawing, if she or he is the legal spouse and was living with the pensioner at the time of death (please note that a former spouse cannot be a surviving spouse for purpose of the Plan). If a pensioner marries after retirement, the new spouse will be entitled to surviving spouse benefits from the Plan. Up until September 30, 2000, a remarriage of the surviving spouse would cause the surviving spouse to lose their eligibility for the continued payment of pension benefits. However, for remarriages after September 30, 2000, the surviving spouse will continue to be eligible for the payment of pension benefits.

The surviving spouse of an active Group I employee, with less than twenty (20) years service, will receive benefits equivalent to seventy-five percent (75%) of the amount the employee would have received had he or she retired with 20 years service. If a deceased member served in excess of twenty (20) years, the seventy-five percent (75%) entitlement to the surviving spouse shall be based on actual years of service. The benefits that are payable to the surviving spouse are payable for life upon the death of the member. Survivors are entitled to receive the accumulated value of a DROP account if the member participated in DROP, or the balance of the Share Plan account.

The surviving spouse of an active Group II employee, with less than twenty (30) years of service, will receive benefits equivalent to seventy-five percent (75%) of the amount the employee would have received had he or she retired with 30 years of service. If a deceased member served in excess of thirty (30) years, the seventy-five percent (75%) entitlement to the surviving spouse shall be based on actual years of service. The benefits that are payable to the surviving spouse are payable for life.

Benefits: Minor Children of Group I and Group II Members

The amount paid to the surviving spouse may be increased by two hundred ($200.00) dollars a month for each unmarried child under eighteen years of age. However, the total benefit of the survivors (surviving spouse and minor children) cannot exceed 100% of the benefit the employee would have received had he or she retired on a time service pension. Also, in the case of the death of a member who had already retired, the spouse's benefits, together with children's benefits, could not exceed the benefits the retiree was receiving. In compliance with the Tax Code, amounts distributed for the benefit of a minor child are issued in separate checks, payable in the guardian's name but recorded under the child's social security number.

Orphans of active members or retirees who were not married at the time of their death, are entitled to the same benefit a surviving spouse without children would receive. The benefit would be shared equally if there are two or more eligible orphans, and will continue until the children reach age 18 or marry, whichever comes first. However, in the event that the orphan suffers from a disabling condition, a benefit equivalent to 50% of the amount otherwise allocable to the surviving spouse may continue for the life of such disabled orphan, regardless of marital status.

In the event that a child who is eligible for benefits is a full time student at a qualified educational institution, such child may continue to be eligible for the payment of benefits in the amount of $200 per month until reaching age 22.

If the aggregate amount of benefits payable to a minor exceeds $15,000, a guardian of the property will need to be appointed as required by Florida law. The Board will pay benefits to the designated, court approved guardian.

Benefits: Death of a Group I or Group II Employee with No Survivors

In the case of a deceased employee who leaves no surviving spouse or eligible children, 100% of the members contributions to the Plan (without interest) shall be paid to the estate of such deceased employee.

Benefits: Vesting a Pension

Group I (A and B) members may vest your pension after a minimum of five (5) credited years of service to the Plan. To do so, you must apply to the Board of Trustees within thirty (30) days of leaving the payroll or a refund of your contributions will be issued automatically. You would be eligible to draw your pension benefits at the time you otherwise would be eligible for twenty (20) year retirement had you continued employment. Benefit computations would be based on your average annual salary over the fifty-two (52) pay periods preceding the vesting of your pension rights multiplied by 3% times the number of whole years of credited service in the Plan. ***No survivor's benefits are payable if death should occur between the date of vesting and the time you draw your first pension check.*** After you draw your first pension check, your spouse becomes eligible for the future lifetime payment of survivor's benefits in the event of your death. Disability benefits are not granted for vested retirees.

Group II members may vest your pension after a minimum of ten (10) credited years of service to the Plan. To do so, you must apply to the Board of Trustees within thirty (30) days of leaving the payroll or a refund of your contributions will be issued automatically. Benefit computations would be based on your average annual salary over the one hundred thirty (130) pay periods preceding the vesting of your pension rights multiplied by 2.0% times the number of whole years of credited service in the Plan if the member has

less than 25 years of credited service. If the vested member has more than 25 years of service but less than 30 years of service, the benefit will be based on a 2.5% multiplier but reduced by a 2.5% for each year less than 30 years. Benefits commence at age 62. ***No survivor's benefits are payable if death should occur between the date of vesting and the time you draw your first pension check.*** After you draw your first pension check, your spouse becomes eligible for the future lifetime payment of survivor's benefits in the event of your death. Disability benefits are not granted for vested retirees.

Benefits: Supplement for Group I and Group II Members

A minimum supplement of $5.00 per month for each year of credited service will be provided for retirees or their survivors. The supplement may not be less than $25.00 per month nor more than $150.00 per month. This supplement is available for payment to all current and future retirees and survivors upon the commencement of retirement benefits. The supplement is based upon the actual number of years of service rendered by the member as opposed to the assumed years of service that may be granted in the case of disability retirement or member deaths while in active service. The supplement calculated for the benefit of the Retiree is 100% allocable to the surviving spouse.

Benefits: Cost of Living Adjustment

Group I (A) members who retire prior to September 30th of a given calendar year are eligible for the calculation of a COLA on the first full bi-weekly pay period after the succeeding January 1st. Members and their surviving spouses (but excluding children) may simultaneously receive the full amount of the COLA as well as the Adjustment Supplement for periods subsequent to October 1, 2003. (Prior to October 1, 2003, a member was only entitled to receive either the COLA or the adjustment, whichever was larger, but not both simultaneously. Upon original enactment, the COLA was based on the percentage increase in the Consumer Price Index (CPI) recorded for the previous calendar year, subject to a maximum of 3%.) Beginning with the COLA granted in April, 2000, the recipient is to be granted an annual COLA in the fixed rate of 3%.

Group I (B) members shall be eligible for a cost of living adjustment beginning the first January after retirement in an amount equal to 3% applied to the portion of the accrued benefit based on credited service prior to June 19, 2015 and equal to the Social Security COLA for the same plan year, but not to exceed six percent, applied to the portion of the accrued benefit based on credited service on or after June 19, 2015.

Group II Members shall be eligible for a cost of living adjustment beginning the third January after retirement in an amount equal to the adjustment given to Social Security recipients, but not to exceed one and one-half (1.5%) percent.

Benefits: Annual Bonus

After an annual review and certification by the Plan Actuary that funds are available, the Board may authorize the payment of a Bonus to beneficiaries currently receiving payments from the Fund. The Annual Bonus is normally paid in December of each year. This is not a vested benefit nor is it payable to members while in the DROP.

Benefits: Supplemental Share Plan

A portion of insurance premium tax rebates received pursuant to Chapters 175 (Fire) and 185 (Police), Florida Statutes may be set aside for additional employee benefits as provided in City Ordinance Code Section 121.114-115. This section applies to both Group I and Group II active participants.

Each participant defined as a member who was employed on September 30th of the preceding year receives an equal share of the allocated amount based on 12 complete months of credited service. Participants who are employed for less than the entire preceding plan year will receive a proportionate share based on the number of months of credited service during the year.

This account balance increases or decreases based on the performance of the investments in the Pension fund the previous year. No payments are available from the Share Plan until the member retires after ten or more years of service. Once retired, the Share Plan is paid out in lump sum.

Group Health Insurance for Pensioners

When you retire from the City you are given the option to continue your coverage with the City's group health insurance program. You will be offered the opportunity to select coverage from the same providers that serve the active employee population, and have the option to cover yourself and any dependents you have on your plan at the time of retirement in the following categories:

Retiree (only)
***** Spouse (only)
Retiree and Spouse
Retiree and Children
Retiree and Family

If you are married at the time of your death and your spouse and/or children have coverage under your City health plan, they may continue coverage subject to the provisions in the selected plan.

****You may also drop coverage for yourself when you become eligible for Medicare and continue City coverage solely for your covered spouse. You should be aware that the health insurance premium you will be required to pay for the form of selected coverage is not subsidized by the City as it is for active employees.***

If you do not elect to continue coverage from the City's group health insurance program at the time you retire, you will be prohibited from re-joining the City's Plan at a later date under the administrative policies currently in effect by the City. Therefore, you should carefully assess your future health insurance requirements at the time you retire from the City.

The City recently relaxed their enrollment guidelines to allow a covered retiree to add a newly acquired spouse (marriage) and/or dependent children (birth or adoption) on a one time basis if application is made during the first 30 days following such marriage, birth, or adoption. If dependents are dropped from your coverage in retirement, such dependents will not be allowed to enroll back into the group health plan.

Retirees of the Police and Fire Pension Fund are considered to be "Public Safety Officers" under current federal tax laws which allow the first $3,000 of their health insurance premiums payroll deducted on a pre-tax basis, if so elected. However, you should also be aware that the pre-tax election carries with it the requirement to continue such coverage for the full duration of the calendar year of the annual election, unless you have a "qualifying event" such as the death of a covered spouse, or dependent. While retirees may elect to have health insurance premiums treated as a pre-tax item for themselves and their dependents, the same option is not available for coverage elected by surviving spouses. This distinction is attributable to legal reviews that conclude that pre-tax treatment is available to employees or former employees, but not to surviving spouses. The legal stance of the City also concludes that Medicare Supplement coverage for

retirees is not available on a pre-tax basis because it is not allowed under IRS interpretations due to the fact that such coverage is not available to active employees.

Retirees are able to change the form of health care coverage on an annual basis during the open enrollment period; or, if they are under an HMO plan, when they move permanently out of a service area. Health insurance and other forms of insurance are deducted directly from your pension distribution and forwarded by the City to the insurance provider.

What do I do when I am ready to retire?

Contact the Pension Office to set up an appointment to come in and complete your retirement application and supporting documents. You should also contact your personnel or human resources division to determine the requirements or policies your department may have for retiring employees. When you come to the Pension Office to complete your retirement papers, you will need to bring with you a check from your bank account in order to verify account information for the establishment of payments via direct deposit. If you are not currently on direct deposit, you must bring a check to verify your banking information. All arrangements for a continuation of various forms of insurance coverage (i.e. Health, Life and Dental) will be made directly by the retiring employee and the Employee Benefits Office.

What happens if I return to work for the City after retirement?

If you accept employment with the City of Jacksonville after retirement, you will not be entitled to the receipt of your pension while you are working for the City. During any such period of re-employment, the payment of pension benefits will be stopped and subsequently resumed after you cease to be a City employee. However, Elected Officials and retired Police Officers working as Court Bailiffs, Corrections Mail Coordinators, Aviation Supervisor, Court Bailiff Supervisor, Corrections Bond Custodian, or Temporary Logistical and Technical Support Officers (wire tap specialists), are exempt from the application of this rule. If employed with an organization other than the City, there is no effect on the continued payment of the pension benefit. Those members drawing a disability pension may work for an organization other than the City (but not for the City) and not jeopardize the continued payment of a disability pension so long as they remain disabled within the meaning of the laws governing the Plan.

During your period of re-employment with the City (unless you are an Elected Official or a Police Officer working as a Bailiff or Temporary Logistical and Technical Support Officers), your pension benefits checks stop immediately. In the event you are re-employed as a police officer or a firefighter, you are required to re-join the Police and Fire Pension Plan and commence the payment of employee pension contributions. In the event you are re-employed in a City position other than a police officer or firefighter, you may become a member of the General Employees Pension Fund, or if denied membership, you will be enrolled into the Social Security System. To receive a recalculation of your retirement benefit, you must work at least four (4) years or one hundred four (104) pay periods. Your benefit under such circumstances will be recalculated based on the average salary received over the last one hundred thirty (130) pay periods. Re-employment time with the City under Social Security may be purchased by a member and figured into any recalculation of your retirement benefit.

Any return to work payments will also be subject to applicable Internal Revenue Code procedures.

What is the status of my Pension Benefits in the event of divorce and what type of order is used by the Court system to place a lien against the distribution of Pension Benefits in the event of a divorce?

Pension benefits are considered marital property subject to division in a divorce proceeding. While the benefits are not subject to distribution until a member terminates employment with the City, a court can determine that upon distribution, a certain portion of the pension benefits may be awarded to a former spouse through the Domestic Relations Depository.

Qualified Domestic Relations Orders (QDRO's) and Income Deduction Orders (IDO's) are two forms of court orders that are commonly issued pursuant to divorce proceedings. A QDRO is a judgment, decree, or order by a court, usually in the case of a divorce that relates to the provision of child support, alimony payments, or marital property rights to a spouse, child, or other dependent of a participant.

Governmental plans, like the Police and Fire Pension Fund, are not subject to QDRO's. Unlike governmental plans, QDRO's are specifically applicable to private pension plans under Internal Revenue Code Section 414(p)(2). Accordingly, the Police and Fire Pension Fund does not recognize QDRO's for the assignment of any pension rights by a participant for distributions of a divorced spouse's interest. In lieu thereof, the State (under Section 61.1301, F.S.) has provided that IDO's for alimony and child support are mandatory court orders that the Pension Plan must follow. IDO's are taken from benefit checks and remanded directly to the DOMESTIC RELATIONS OFFICE for distribution to the spouse. Separate pension checks are not issued to the former spouse. The divorce laws can be quite complex. Therefore, you may wish to speak to legal counsel to discuss your personal circumstances.

Deferred Retirement Option Program for Group I Members

The Deferred Retirement Option Program (DROP), effective January 9, 1999, is a Program that provides an alternative method for the payment of retirement benefits for eligible members of the Police and Fire Pension Fund. DROP is designed to allow members to accumulate a lump sum cash amount for retirement without affecting your normal monthly retirement benefit as of the date of DROP participation. Under DROP, you technically "retire", yet continue to work as an active Police Officer or Firefighter. For all non-pension benefits, you will continue to be treated as an active Police Officer or Firefighter.

Group I (A) and Group I (B) DROP benefits vary slightly.

There is an in-depth publication available on the DROP Program if you are interested.

BACKDROP for Group II Members

In lieu of the DROP for Group I members, Group II members may utilize the BACKDROP. The BACKDROP is a partial lump sum distribution of benefits and a reduction of future monthly benefits. There is a detailed formula in Section 121.211 of the City Ordinance Code and a separate booklet will be developed for those interested. The BACKDROP is only available for Group II member with 30 or more years of credited service.

Privacy of Member Personal Information Policy

The Police and Fire Pension Fund takes responsibility to protect your personal information very seriously. We are committed to safeguarding the confidentiality of information we maintain regarding your membership in the Fund. To that end, the Board has adopted the following privacy policy:

We receive nonpublic personal information about our members and beneficiaries from applications

or other forms necessary to establish and maintain your pension file.

As required by law, we do not disclose any nonpublic personal information about you to third parties except when you sign a consent form to release nonpublic information.

We restrict access to your personal and account information to those employees who need to know that information to provide services to you. Sensitive personal or financial information and documents (such as 1099R tax forms) will only be released by the Executive Director – Plan Administrator or the Pension Benefits Manager of the Fund.

When there is a need to dispose of out dated nonpublic personal information, employees are required to shred, not discard, the data.

We maintain physical, electronic, and procedural safeguards to guard your nonpublic personal information.

We will adhere to the privacy policies and practices described above with regard to all members relationships.

Forfeiture of Benefits for Conviction of Certain Crimes

Under Florida law, Section 112.3173, Florida Statutes, members, including DROP participants, may be subject to forfeiture of benefits if they are convicted of certain crimes related to employment. In such a circumstance, a member would receive only a return of employee contributions with interest. If a member is charged with certain crimes, and begins retirement, benefits may not exceed the amount of employee contributions, without interest, until the resolution of the pending prosecution. In addition, the federal government may garnish or seize retirement benefits as part of a court ordered program of restitution under Title 18, United States Code or to satisfy a federal income tax lien.

Tax Obligations

Your pension from the Jacksonville Police and Fire Pension Fund is subject to federal income tax. At the time that you retire you will be asked to record your marital status and the number of exemptions for purposes of federal income tax withholding. Each January, the Fund sends each pension beneficiary a Form 1099-R. This form describes the pension distributions that were made to you during the previous calendar year and the portion of such distributions that are subject to federal taxation as well as the amount of taxes that were withheld. The 1099-R information is also sent to the Internal Revenue Service.

You have after-tax dollars on deposit with the Fund if you made contributions to the Fund during periods of employment prior to January 1, 1988, or you purchased additional service credit using after-tax dollars. You have already paid taxes on this money and you won't be taxed again on it. Federal law requires the tax credit on such after-tax dollars be distributed to you over the expected lifetime of you and your spouse. Therefore, each pension distribution to you contains both a taxable and a non-taxable element.

Group I Members who participate in the DROP may have special tax issues when they begin to receive a payout of their accumulated DROP balance upon termination of employment. Accordingly, DROP participants are encouraged to seek competent tax advice in conjunction with DROP distributions.

Hearings and Appeals Before the Trustees

Initial disability determinations and contested death benefit determinations are made by the Pension Advisory Committee pursuant to a comprehensive review of all relevant information. The findings of the Pension Advisory Committee are then forwarded to the Board of Trustees for a public hearing and final action, whereupon the applicant is additionally permitted to present arguments in support of his petition for benefits. The Board's decision shall be the final administrative action with respect to the benefit determination.

Other decisions of the Board which affect a member may be appealed by the member. In the case of such disputes, a member has the right to request a full hearing before the Board. During such hearing, the member shall have the right to present witnesses and evidence as the member deems appropriate. Following the final administrative action by the Board and the issuance of a written order ("Final Order"), the petitioner has 30 days to seek a review of the decision to the Circuit Court.

Financial and Actuarial Information

The financial records of the Plan are maintained on a fiscal year basis ending each September 30th. An audit is conducted each fiscal year by a firm of independent auditors in accordance with the provisions of the City Charter. In addition thereto, the Plan is legally required to prepare an annual report to the State of Florida and an actuarial valuation on a frequency no less often than once every three years. An annual report is additionally prepared by the Executive Director – Plan Administrator to the members and other interested parties.

Each of these periodic reports contains financial and actuarial information that may be of interest to members. Copies of the following reports are available for review at the Pension Office as well as on our website at ***jaxpfpf.coj.net.***

1. Annual Financial Statement and Independent Auditor's Report on the Jacksonville Police and Fire Pension Fund.
2. Annual Report to the State of Florida, Department of Management Services, Division of Retirement for the Jacksonville Police Officers & Firefighters Pension Fund.
3. Administrator's Annual Report on the Jacksonville Police and Fire Pension Fund.
4. Actuarial Valuation of the Jacksonville Police and Fire Pension Fund.

7/1/16dm



Police and Fire Pension Fund
Jacksonville, Florida
Summary Plan Description
July 1, 2016 – September 30, 2017