

In response to questions we have received here's some information on one of the components of the Pension Reform June 9, 2015-the Share Plan.

The Share Plan Overview

On June 9, 2015 the "Share Plan" program was created. This is a 401(a) supplemental defined contribution plan that will provide additional retirement benefits to qualified members. Funding for the Share Plan is from insurance premium tax revenues (rebates) received pursuant to Florida Statutes 175 and 185.

How the Share Plan Works

The City receives funds from the State to be allocated to the Police and Fire Pension Fund to pay for certain retirement benefits. In recent years the total amount of these funds has been approximately \$10 million. Half of this money is deposited by the City to the Pension Fund. The remaining amount is allocated by the Police and Fire Pension Fund Board of Trustees for enhanced benefits such as the Retiree Holiday bonus pool.

Commencing October 9, 2015 and annually thereafter, the Board of Trustees determines the amount to allocate among Share Accounts to members. (Please note the Board is not *required* to make an annual allocation to the Share Plan.) When the Board does authorize an allocation to the Share Plan the allocation is as follows:

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. Members 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.

On October 9th, the Board allocated \$xxx million to the Share Plan. Based on that allocation the distribution to individual accounts in January 2016 for members who were employed for the full 12 months of fiscal year 2015 will be \$xxxxx.

Accounting and Distributions

Share Plan statements for each member will be set up. You can access your yearly statement on the employee self-service site at www.XXXX January X, 2016. Your account will accumulate funds and will increase or decrease based on the actual earnings of the Pension Fund investments while you are employed. Share amounts earn a return based on the pension fund's actual rate of return for the previous fiscal year.

Benefits representing all allocations made to the account along with all earnings and losses posted to the account will be paid in a single lump sum payment upon your termination of employment, disability, retirement or death. If a member separates with less than 10 years of service, he or she will forfeit his or her Share monies. If you die before payment of your benefits that you are entitled to, the entire amount of your account will be paid to your beneficiary.

Important Points to remember

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.

More information on the Share Plan and other changes in the Pension Fund benefits as a result of the Pension Reform Ordinance June 2015 will be in the Summary Plan Description available in January.

Please call your Jacksonville Police and Fire Pension Fund with any questions.