

CITY OF HOLLYWOOD
FIREFIGHTERS' PENSION FUND
ACTUARIAL IMPACT STATEMENT

February 21, 2019
(Page 1)

Attached hereto is a comparison of the impact on the Total Required Contribution (per Chapter 112, Florida Statutes), and the Required City Contributions, resulting from the implementation of the following changes:

- 1.) Restore the benefits for Tier 1 Members to what was in effect on September 30, 2011, with two exceptions. The first exception is that they will have the option of either participating in a DROP with 6.0% fixed interest or participating in the current RPRB with the market return. For the purpose of this Impact Statement, the assumption is that all members will choose the RPRB instead of the DROP. The second exception is that Members who are not participating in DROP or RPRB at the time of adoption will not be eligible to participate in the 13th check going forward.

A summary of the provisions is as follows:

- Pensionable Salary includes overtime not to exceed 300 hours (this is not an annual limit but an overall limit), payments for workers' compensation and supplemental injury compensation, expense allowances, cash conversion of holiday time, cash conversion of vacation time, 70% of unused vacation hours (subject of a limitation of the amount of time on the books as of the first collective bargaining agreement entered into after July 1, 2011), and educational incentive payments. To value this provision, overtime and incentive compensation was provided for each Firefighter by the City. To value the lump sum sick and vacation, the projected salary in the final year of employment was increased by 7.5%.
- A 3.30% benefit accrual rate for all years of service, with 86% cap.
- Best 3 consecutive year Average Final Compensation.
- 2.0% COLA's beginning 3 years after retirement or 1 year after DROP exit.
- 50 & 10 or 23 & out Normal Retirement.
- Only Tier 1 Members who were participating in DROP or RPRB at the time of adoption would continue to participate in the 13th check. All other Tier 1 Members would not participate in the 13th check going forward. To value this provision, we made an assumption change. Those members not eligible for Normal Retirement as of October 1, 2018 were valued with 7.5% interest instead of the current 7.2%.
- 8 Year DROP (max 33 total years of service) with 6.0% fixed interest.

Please note that this Impact Statement assumes that the restoration will be retroactive and will include Members that are still employed the effective date of the ordinance.

CITY OF HOLLYWOOD
FIREFIGHTERS' PENSION FUND
ACTUARIAL IMPACT STATEMENT

February 21, 2019
(Page 2)

2.) Restore the benefits for Tier 2 Members to what was in effect on September 30, 2011, with exceptions.

A summary of the provisions is as follows:

- Pensionable Salary includes overtime not to exceed 200 hours annually, payments for workers' compensation and supplemental injury compensation, expense allowances, cash conversion of holiday time, cash conversion of vacation time, 70% of unused vacation hours (subject of a limitation of the amount of time on the books as of the first collective bargaining agreement entered into after July 1, 2011), and educational incentive payments. To value this provision, overtime and incentive compensation was provided for each Firefighter by the City. No value was assigned for the lump sum sick and vacation because it is limited to the amounts accrued as of 2011.
- A 3.20% benefit accrual rate for all years of service, with 80% cap.
- Best 5 consecutive year Average Final Compensation.
- 2.5% COLA's every two years beginning after separation from RPRB.
- 50 & 10 or 23 & out Normal Retirement.
- No 13th check. To value this provision, we made an assumption change. Tier 2 Members were valued with 7.5% interest instead of the current 7.2%.
- 8 Year RPRB at market return.
- 9.5% Member Contribution Rate.

The cost impact, determined as of October 1, 2017, for the fiscal year ending September 30, 2019 is as follows:

	<u>Current</u>	<u>Proposed Tier 1 Only</u>	<u>Proposed Tier 1 & Tier 2</u>
Total Required Contribution	20,512,381	22,766,910	23,397,150
Expected Member Contributions	1,426,019	1,510,139	1,747,851
Required City & State Contributions	19,086,362	21,256,771	21,649,299
Estimated State Contribution	1,562,180	1,562,180	1,562,180
Balance from City	17,524,182	19,694,591	20,087,119

CITY OF HOLLYWOOD
FIREFIGHTERS' PENSION FUND

ACTUARIAL IMPACT STATEMENT

February 21, 2019
(Page 3)

Please note that if the effective date of the changes is after October 1, 2018, then the City will not have to begin using the increased requirements until the fiscal year that begins October 1, 2019 and ends September 30, 2020. If the improvements for Tier 2 are done at a later date, then the date the City must fund for those benefits may be later.

Please also note that the Current column reflects the Board Attorney's interpretation of the ordinance that the Cost of Living Adjustments (COLA's) begin 3 years after the effective date of participation in the RPRB. The original valuation report and actuarial impact statement valued COLA's starting one year after termination of participation in RPRB.

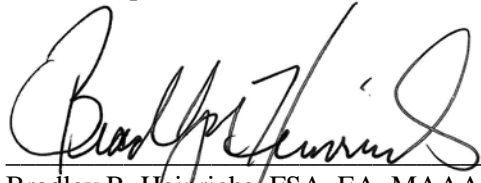
It is assumed that these benefit changes will not affect prior 13th checks.

CITY OF HOLLYWOOD
FIREFIGHTERS' PENSION FUND
ACTUARIAL IMPACT STATEMENT

February 21, 2019
(Page 4)

Please note that the liabilities associated with this analysis were computed based on the data used for the October 1, 2017 valuation. The assumptions and methods were the same as the October 1, 2017 valuation report, except as noted above. All of the sections of this analysis and the October 1, 2017 valuation report, and the July 25, 2018 Actuarial Impact Statement, are considered an integral part of the actuarial opinions.

The changes presented herein are in compliance with Part VII, Chapter 112, Florida Statutes and Section 14, Article X of the State Constitution. The undersigned is familiar with the immediate and long-term aspects of pension valuations and meets the Qualification Standards of the American Academy of Actuaries necessary to render the opinions contained herein.



Bradley R. Heinrichs, FSA, EA, MAAA
Enrolled Actuary #17-6901

STATEMENT OF PLAN ADMINISTRATOR

The prepared information presented herein reflects the estimated cost of the proposed improvement.

Chairman, Board of Trustees

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	Tier 1 Changes <u>10/1/2017</u>	Cur Benefits <u>10/1/2017</u>
A. Participant Data		
Actives	213	213
Service Retirees	176	176
DROP Retirees	11	11
Beneficiaries	39	39
Disability Retirees	21	21
Terminated Vested	<u>13</u>	<u>13</u>
 Total	 473	 473
 Total Annual Payroll	 \$20,642,971	 \$19,493,091
Payroll Under Assumed Ret. Age	20,642,971	19,493,091
 Annual Rate of Payments to:		
Service Retirees	12,997,462	12,997,462
DROP Retirees	751,326	751,326
Beneficiaries	901,005	901,005
Disability Retirees	1,081,823	1,081,823
Terminated Vested	140,150	140,150
 B. Assets		
Actuarial Value (AVA) ¹	224,844,217	224,844,217
Market Value (MVA) ¹	231,470,013	231,470,013
 C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	176,548,595	147,972,034
Disability Benefits	5,873,348	6,937,011
Death Benefits	1,943,115	1,889,293
Vested Benefits	4,822,236	4,025,949
Refund of Contributions	364,577	364,577
Service Retirees	169,729,934	169,729,934
DROP Retirees ¹	101,430,221	101,430,221
Beneficiaries	9,915,426	9,915,426
Disability Retirees	13,479,270	13,479,270
Terminated Vested	2,100,454	2,100,454
Share Plan Balances ¹	62,925	62,925
Excess State Monies Reserve	<u>11,040</u>	<u>11,040</u>
 Total	 486,281,141	 457,918,134

C. Liabilities - (Continued)	Tier 1 Changes <u>10/1/2017</u>	Cur Benefits <u>10/1/2017</u>
Present Value of Future Salaries	283,782,418	274,479,431
Present Value of Future Member Contributions	19,937,141	19,937,141
Normal Cost (Retirement)	5,599,591	4,728,671
Normal Cost (Disability)	390,971	417,248
Normal Cost (Death)	101,500	100,026
Normal Cost (Vesting)	295,108	261,508
Normal Cost (Refunds)	<u>54,404</u>	<u>54,437</u>
Total Normal Cost	6,441,574	5,561,890
Present Value of Future Normal Costs	78,317,603	69,756,058
Accrued Liability (Retirement)	106,924,181	87,335,020
Accrued Liability (Disability)	1,552,890	1,915,675
Accrued Liability (Death)	617,818	564,230
Accrued Liability (Vesting)	2,101,363	1,579,897
Accrued Liability (Refunds)	38,016	37,984
Accrued Liability (Inactives) ¹	296,655,305	296,655,305
Share Plan Balances ¹	62,925	62,925
Excess State Monies Reserve	<u>11,040</u>	<u>11,040</u>
Total Actuarial Accrued Liability (EAN AL)	407,963,538	388,162,076
Unfunded Actuarial Accrued Liability (UAAL)	183,119,321	163,317,859
Funded Ratio (AVA / EAN AL)	55.1%	57.9%

D. Actuarial Present Value of Accrued Benefits	Tier 1 Changes <u>10/1/2017</u>	Cur Benefits <u>10/1/2017</u>
Vested Accrued Benefits		
Inactives + Share Plan Balances ¹	296,718,230	296,718,230
Actives	51,809,643	47,046,348
Member Contributions	<u>12,934,645</u>	<u>12,934,645</u>
Total	361,462,518	356,699,223
Non-vested Accrued Benefits	<u>9,054,802</u>	<u>12,672,180</u>
Total Present Value		
Accrued Benefits (PVAB)	370,517,320	369,371,403
Funded Ratio (MVA / PVAB)	62.5%	62.7%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	2,372,053	
Assumption Changes	(1,226,136)	
New Accrued Benefits	0	
Benefits Paid	0	
Interest	0	
Other	<u>0</u>	
Total	1,145,917	

	Tier 1 Changes	Cur Benefits
Valuation Date	10/1/2017	10/1/2017
Applicable to Fiscal Year Ending	<u>9/30/2019</u>	<u>9/30/2019</u>
E. Pension Cost		
Normal Cost ²	\$7,166,251	\$6,187,603
Administrative Expenses ²	622,931	622,931
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 30 years (as of 10/1/2017) ²	14,977,728	13,701,847
Total Required Contribution	22,766,910	20,512,381
Expected Member Contributions ²	1,510,139	1,426,019
Expected City and State Contribution	21,256,771	19,086,362

¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2017.

² Contributions developed as of as of 10/1/2017 displayed above have been adjusted to account for 1.5 years of interest.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	Trs 1&2 Chgs <u>10/1/2017</u>	Cur Benefits <u>10/1/2017</u>
A. Participant Data		
Actives	213	213
Service Retirees	176	176
DROP Retirees	11	11
Beneficiaries	39	39
Disability Retirees	21	21
Terminated Vested	<u>13</u>	<u>13</u>
 Total	 473	 473
 Total Annual Payroll	 \$21,375,813	 \$19,493,091
Payroll Under Assumed Ret. Age	21,375,813	19,493,091
 Annual Rate of Payments to:		
Service Retirees	12,997,462	12,997,462
DROP Retirees	751,326	751,326
Beneficiaries	901,005	901,005
Disability Retirees	1,081,823	1,081,823
Terminated Vested	140,150	140,150
 B. Assets		
Actuarial Value (AVA) ¹	224,844,217	224,844,217
Market Value (MVA) ¹	231,470,013	231,470,013
 C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	185,829,733	147,972,034
Disability Benefits	4,602,603	6,937,011
Death Benefits	1,947,854	1,889,293
Vested Benefits	5,228,400	4,025,949
Refund of Contributions	439,060	364,577
Service Retirees	169,729,934	169,729,934
DROP Retirees ¹	101,430,221	101,430,221
Beneficiaries	9,915,426	9,915,426
Disability Retirees	13,479,270	13,479,270
Terminated Vested	2,100,454	2,100,454
Share Plan Balances ¹	62,925	62,925
Excess State Monies Reserve	<u>11,040</u>	<u>11,040</u>
 Total	 494,776,920	 457,918,134

C. Liabilities - (Continued)	Trs 1&2 Chgs <u>10/1/2017</u>	Cur Benefits <u>10/1/2017</u>
Present Value of Future Salaries	292,045,553	274,479,431
Present Value of Future Member Contributions	19,937,141	19,937,141
Normal Cost (Retirement)	6,054,503	4,728,671
Normal Cost (Disability)	353,938	417,248
Normal Cost (Death)	102,708	100,026
Normal Cost (Vesting)	327,664	261,508
Normal Cost (Refunds)	<u>62,051</u>	<u>54,437</u>
Total Normal Cost	6,900,864	5,561,890
Present Value of Future Normal Costs	84,962,167	69,756,058
Accrued Liability (Retirement)	108,785,829	87,335,020
Accrued Liability (Disability)	1,408,819	1,915,675
Accrued Liability (Death)	625,334	564,230
Accrued Liability (Vesting)	2,213,548	1,579,897
Accrued Liability (Refunds)	51,953	37,984
Accrued Liability (Inactives) ¹	296,655,305	296,655,305
Share Plan Balances ¹	62,925	62,925
Excess State Monies Reserve	<u>11,040</u>	<u>11,040</u>
Total Actuarial Accrued Liability (EAN AL)	409,814,753	388,162,076
Unfunded Actuarial Accrued Liability (UAAL)	184,970,536	163,317,859
Funded Ratio (AVA / EAN AL)	54.9%	57.9%

D. Actuarial Present Value of Accrued Benefits	Trs 1&2 Chgs <u>10/1/2017</u>	Cur Benefits <u>10/1/2017</u>
Vested Accrued Benefits		
Inactives + Share Plan Balances ¹	296,718,230	296,718,230
Actives	51,507,576	47,046,348
Member Contributions	<u>12,934,645</u>	<u>12,934,645</u>
Total	361,160,451	356,699,223
Non-vested Accrued Benefits	<u>10,009,180</u>	<u>12,672,180</u>
Total Present Value		
Accrued Benefits (PVAB)	371,169,631	369,371,403
Funded Ratio (MVA / PVAB)	62.4%	62.7%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	3,347,108	
Assumption Changes	(1,548,880)	
New Accrued Benefits	0	
Benefits Paid	0	
Interest	0	
Other	<u>0</u>	
Total	1,798,228	

	Trs 1&2 Chgs	Cur Benefits
Valuation Date	10/1/2017	10/1/2017
Applicable to Fiscal Year Ending	<u>9/30/2019</u>	<u>9/30/2019</u>
E. Pension Cost		
Normal Cost ²	\$7,677,211	\$6,187,603
Administrative Expenses ²	622,931	622,931
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 30 years (as of 10/1/2017) ²	15,097,008	13,701,847
Total Required Contribution	23,397,150	20,512,381
Expected Member Contributions ²	1,747,851	1,426,019
Expected City and State Contribution	21,649,299	19,086,362

¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2017.

² Contributions developed as of as of 10/1/2017 displayed above have been adjusted to account for 1.5 years of interest.

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rates

Healthy Active Lives:

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB.

Male: RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB.

Healthy Inactive Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

The assumed rates of mortality are mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2016 FRS actuarial valuation report for special risk employees. We feel this assumption sufficiently accommodates future mortality improvements.

Interest Rate

7.50% per year compounded annually, net of investment related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.

13th Check Load

An underlying interest rate of 7.20% is used (0.3% lower than the assumed rate) to account for the 13th check. Additionally, since the DROP Balances are included in the computation of the 13th check, the resulting load on the accrued liabilities is increased by 60% to account for this (did not modify extra 60% load from original valuation for this Impact Statement).

Termination Rates

See table at the end of this section. These rates are based on the results of an actuarial experience study issued on April 25, 2016.

Retirement Rates

For Members with 10 or more years of service as of September 30, 2011 for current column and all affected members in the proposed columns:

Age	Years of Service						
	10	11 – 22	23	24-30	31	32	33
45	0.00%	0.00%	5.00%	2.50%	2.50%	2.50%	100.00%
46	0.00	0.00	5.00	2.50	2.50	2.50	100.00
47	0.00	0.00	5.00	2.50	2.50	2.50	100.00
48	0.00	0.00	5.00	2.50	2.50	2.50	100.00
49	0.00	0.00	5.00	2.50	2.50	2.50	100.00
50	5.00	5.00	5.00	2.50	2.50	2.50	100.00
51	5.00	2.50	2.50	2.50	2.50	2.50	100.00
52	5.00	2.50	2.50	2.50	2.50	2.50	100.00
53	5.00	2.50	2.50	2.50	2.50	2.50	100.00
54	5.00	2.50	2.50	2.50	2.50	2.50	100.00
55	10.00	2.50	2.50	2.50	15.00	30.00	100.00
56	10.00	2.50	2.50	2.50	15.00	30.00	100.00
57	10.00	2.50	2.50	2.50	15.00	30.00	100.00
58	15.00	15.00	15.00	15.00	15.00	30.00	100.00
59	15.00	15.00	15.00	15.00	15.00	30.00	100.00
60	100.00	100.00	100.00	100.00	100.00	100.00	100.00

For Members with less than 10 of service as of September 30, 2011:

Age	Years of Service					
	10	11 – 24	25-30	31	32	33
45	0.00%	0.00%	2.50%	2.50%	2.50%	100.00%
46	0.00	0.00	2.50	2.50	2.50	100.00
47	0.00	0.00	2.50	2.50	2.50	100.00
48	0.00	0.00	2.50	2.50	2.50	100.00
49	0.00	0.00	2.50	2.50	2.50	100.00
50	0.00	0.00	2.50	2.50	2.50	100.00
51	0.00	0.00	2.50	2.50	2.50	100.00
52	0.00	0.00	2.50	2.50	2.50	100.00
53	0.00	0.00	2.50	2.50	2.50	100.00
54	0.00	0.00	2.50	2.50	2.50	100.00
55	10.00	2.50	2.50	15.00	30.00	100.00
56	10.00	2.50	2.50	15.00	30.00	100.00
57	10.00	2.50	2.50	15.00	30.00	100.00
58	15.00	15.00	15.00	15.00	30.00	100.00
59	15.00	15.00	15.00	15.00	30.00	100.00
60	100.00	100.00	100.00	100.00	100.00	100.00

We feel these assumptions are reasonable given current Plan provisions.

Disability Rates

See table below. These rates are based on the results of an actuarial experience study issued on April 25, 2016.

Line of Duty Incidence

Death – 15% in the line of duty.
Disability – 45% in the line of duty.

Age	Termination Rate During the Year	Disability Rate During The Year
20	0.06	0.00077
25	0.05	0.00121
30	0.02	0.00176
35	0.01	0.00242
40	0.01	0.00352
45	0.01	0.00638
50	0.01	0.01089
55	0.01	0.01562

Salary Increases

Years of Service	Rate
0	25.00%
1	15.00
2	15.00
3	10.00
4	10.00
5	8.00
6+	6.00

These rates are based on the results of an actuarial experience study issued on April 25, 2016.

Payroll Growth

Up to 3.00% per year.

Administrative Expenses

Equivalent to those incurred in the prior year.

Funding Method

Entry Age Normal Actuarial Cost Method.

Actuarial Asset Method

The Actuarial Value of Assets utilizes a five-year smoothing methodology. The annual difference between expected and actual investment earnings (Market Value, net of investment-related expenses), is phased-in over a five-year period.

SUMMARY OF PLAN PROVISIONS
(Through Ord. No. O-2017-17)

LATEST AMENDMENT	October 4, 2017.
ELIGIBILITY	Full-time employees who are classified as full-time Firefighters shall participate in the System as a condition of employment.
CREDITED SERVICE	Total years and fractional parts of years of employment with the City as a Firefighter with Member contributions (computed in quarters with one to three months being one-quarter, more than three but not more than six months being one-half of a year, more than six but not more than nine months being three-quarters of a year, and more than nine but not more than twelve months being one years as a Firefighter).
TIER 1 MEMBER	Hired prior to July 16, 2009.
TIER 2 MEMBER	Hired on or after July 16, 2009.
COMPENSATION	<p><u>For Compensation earned prior to October 1, 2011:</u> Fixed remuneration for services rendered to the City as a Firefighter, including accrued sick leave compensation up to 2,200 hours. Compensation for Tier 1 Members shall include workers' compensation/supplemental compensation, expense allowances, cash conversion of holiday benefits, up to 300 hours of overtime, 70% of the cash payment accumulated, unused annual leave paid at the time of retirement or entry into DROP, expense allowances, and education incentive payment from the Insurance Commissioner's Trust Fund.</p> <p><u>For Compensation earned after October 1, 2011:</u> Fixed remuneration for services rendered to the City as a Firefighter, including only wages and education incentive payment from the Insurance Commissioner's Trust Fund and <u>excluding</u> overtime, workers compensation/supplemental compensation, expense allowances, cash conversion of holiday benefits, accrued leave payouts and cash conversion of blood time and compensatory time.</p>
AVERAGE FINAL COMPENSATION (AFC)	
Benefits accrued prior to October 1, 2011	
Tier 1 Members:	Average compensation of the three highest years of Credited Service.
Tier 2 Members:	Average compensation of the five highest years of Credited Service.

Benefits accrued on and after October 1, 2011

Average compensation of the 60 highest consecutive months of the last 120 months of Credited Service.

MEMBER CONTRIBUTIONS

Tier 1 Members: 8.00% of compensation. Once Member has accrued the maximum benefit of 86% of AFC, their contribution percentage reduces to 0.50% of compensation.

Tier 2 Members: 7.50% of compensation. Once Member has accrued the maximum benefit of 82.50% of AFC, their contribution percentage reduces to 0.50% of compensation.

Notwithstanding the above, all Members hired on or after October 1, 2011 will contribute 7.50% of compensation.

NORMAL RETIREMENT

Date

Tier 1 Members: Less than 10 years of Credited Service as of September 30, 2011:

Prior Benefit: Earlier of 1) Age 50 with 10 years of Credited Service, or 2) 23 Years of Credited Service, regardless of Age.

Future Benefit: Earlier of 1) Age 55 with 10 years of Credited Service, or 2) 25 years of Credited Service.

10 or more years of Credited Service as of September 30, 2011:

Earlier of 1) Age 50 with 10 years of Credited Service, or 2) 23 Years of Credited Service, regardless of Age.

Tier 2 Members: Earlier of 1) Age 55 with 10 years of Credited Service, or 2) 25 years of Credited Service.

Benefit Amount

For benefits accrued prior to October 1, 2011 ("Prior service" piece):

Tier 1 Members: 3.30% of Average Final Compensation times Credited Service. Maximum benefit of 86% of Average Final Compensation.

Tier 2 Members: 3.20% of Average Final Compensation times Credited Service. Maximum benefit of 82.50% of Average Final Compensation.

For benefits accrued on and after October 1, 2011 (“Future service” piece):

Tier 1 Members:	3.00% of Average Final Compensation <u>times</u> Credited Service. Maximum benefit of 86% less 3.30% times the Credited Service accrued through September 30, 2011.
Tier 2 Members:	3.00% of Average Final Compensation <u>times</u> Credited Service. Maximum benefit of 73.60% of Average Final Compensation.
Form of Benefit	For unmarried Members, Ten Year Certain and Life Annuity. For married Members, 50% Joint and Survivor annuity with Ten Years Certain.

COST OF LIVING INCREASES

“Prior Service” Piece	Retirees receive a 2.00% per year cost-of-living adjustment commencing three years after retiree’s benefit payments have begun. Members hired after July 16, 2009 will not receive a COLA on the “Prior Service” Piece.
“Future Service” Piece	None.

DISABILITY

Eligibility

Service Incurred	Covered from Date of Employment.
Non-Service Incurred	5 years of Credited Service.

Benefit

Service Incurred	75% of compensation at the time of disability. The benefit will be offset by any worker’s compensation, pension, or similar benefit payable to the Member or to his dependents.
Non-Service Incurred	25% of earnings at the time of determination of disability. The benefit will be offset by any worker’s compensation, pension, or similar benefit payable to the Member or to his dependents. Upon attainment of normal retirement age, the benefit will be recomputed as a normal retirement benefit with service included for the period of time that the member was receiving a disability retirement benefit.

Form of Payment

10 Year Certain and Life annuity, with a 100% survivor annuity payable to the spouse until death or remarriage (in the case of a member who dies prior to age 50 while receiving a non-service connected disability) or with a 50% survivor annuity payable to the spouse until death or remarriage (for all other members).

VESTING

Schedule 100% after 10 years of Credited Service.

Benefit Amount

Tier 1 Members: Vested accrued benefit payable at age 50.

Tier 2 Members: Vested accrued benefit payable at age 55.

DEATH BENEFITS

Service Connected 50% of compensation at the date of death payable as a monthly life and 10 years certain benefit to the spouse until death or remarriage.

Non-service Connected For Members with five years of service, greater of accrued benefit or 25% of compensation at the date of death payable as a monthly life and 10 years certain benefit to the spouse until death or remarriage.

DEFERRED RETIREMENT OPTION PLAN

Eligibility Only those Members were eligible to retire as of September 30, 2011. There is no DROP for other Members.

Participation Not to exceed 96 months, but pre-DROP service plus DROP service cannot exceed 33 years.

Rate of Return 4.00%, 6.00% or 8.00%, depending upon DROP Entry Date.

Form of Distribution Cash lump sum (options available) at termination of employment.