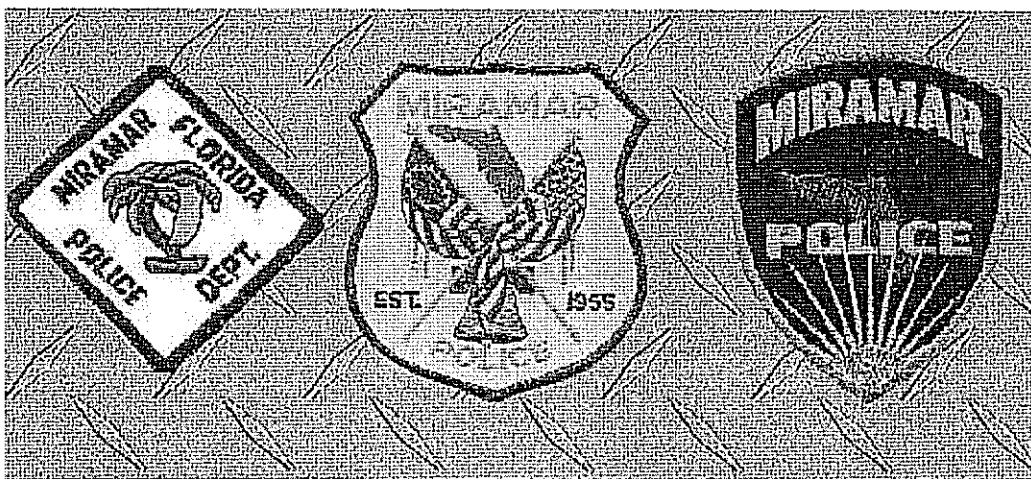


CITY OF MIRAMAR POLICE OFFICERS' RETIREMENT PLAN AND TRUST FUND

TIER 1 (for officers hired on or before
6/9/2008)

SUMMARY PLAN DESCRIPTION



DRAFT DATED: 4/2009

SUMMARY PLAN DESCRIPTION

CITY OF MIRAMAR POLICE OFFICERS' RETIREMENT PLAN AND TRUST FUND

TIER 1 (for officer hired on or before 6/9/2008)

INTRODUCTION

This document is intended to be a plain language summary of the administration and benefits provided by the City of Miramar Police Officers' Retirement Plan and Trust Fund.

This summary is not the official plan document and your actual benefits are governed by the appropriate provisions of the statutes, charter provisions and ordinances which create this Plan, Article IV of the Miramar City Code, Chapter 112, Part VII, and Chapter 185, Florida Statutes. If there is any conflict between those legislative provisions and this summary, the legislative provisions control. Nothing in this document is intended to nor does it create a contract for benefits greater than that provided by law.

Any questions you have regarding your rights or benefits under this Plan should be directed to the Pension Administrator, Doug Falcon at the following address:

DOUG FALCON, FHA Benefit Administrators
6941 SW 196th Avenue, Suite 27
Fort Lauderdale, Fl 33332
Phone: (954) 366-0111 ext.320 / 1-800-707-0501
Fax: (954)332-4952

WHAT IS THE OFFICIAL NAME OF THE PLAN?

The official name of the Plan is the City of Miramar Police Officers' Retirement Plan and Trust Fund.

WHAT TYPE OF PLAN IS THIS?

This is a defined benefit plan. This means the amount of benefits that you receive is a percentage of your salary multiplied by years of service in the Police Department. Money is contributed to the Fund by you, by the City and by the State of Florida pursuant to an insurance premium rebate program established by the State of Florida under Chapter 185, Florida Statutes. Under Florida law, the City is ultimately responsible for making certain that the Plan is actuarially sound.

WHAT IS TIER 1 ?

All police officers hired on or before June 9, 2008 are members of the "TIER 1" plan. Officers hired on or after June 10 are members of the "TIER 2" plan. Pension benefits are different between the two tiers. In particular, TIER 1 and TIER 2 have different retirement ages and calculate benefits differently.

HOW IS THE PLAN ADMINISTERED?

The Plan is administered by a six member Board of Trustees. Three of the Trustees are active police officers who are elected

by active members of the Plan; two of the Trustees are appointed by the City Commission and must be legal residents of the City; a sixth member is appointed by the other five, and must be approved by the City Commission. The sixth member need not be a resident of the City, but may be an active or retired member of the Plan.

The Board of Trustees is responsible for directing the investment of the assets of the Pension Fund to ensure that there will be adequate monies for future benefits. The Fund's money is invested by professional money managers whose performance is monitored by independent investment professionals on a quarterly basis to ensure that you are receiving a proper return on the investment of your pension monies.

The Fund employs a professional actuary who helps determine the cost of future benefits; accountants who determine the proper allocation of monies; and an attorney with expertise in the area of public pension law to advise the Board of Trustees. With the assistance of these professionals, the Board of Trustees is responsible for interpreting and applying the pension ordinance and for determining eligibility on all benefit claims.

The Trustees serve a two year term and are eligible for re-election or re-appointment. The Trustees receive no compensation for their service, and they only receive reimbursement for travel and educational activities on behalf of the Fund. In order to keep up on the latest trends in pension management, Trustees

regularly attend schools and seminars pertaining to the management of pension funds for public employees.

In accordance with Florida law, the Chairman is the registered agent for service of process and his business address is:

Chairman Steve Toyota
Miramar Police Department
3064 N. Commerce Parkway
Miramar, FL 33025

In the absence of the designated Chairman, any member of the Board of Trustees is subject to service of process.

WHO ADMINISTERS THE PLAN?

The Plan is administered by the Pension Administrator, DOUG FALCON, FHA Benefit Administrators and FLORENCE SATIN-ALBIN (954) 366-0111 ext. 320 / 1-800-707-0501.

The day-to-day record-keeping and administrative functions of the Plan are the responsibility of the Pension Administrator. All records and books of the Plan, except medical records, are available for public inspection at the office of the Pension Administrator.

WHAT ARE THE LEGAL DOCUMENTS CREATING THE PLAN?

The Plan arises out of the Code of the City of Miramar, Chapter 112, Florida Statutes, and Chapter 185, Florida Statutes,

which provides a system for the taxation of insurance policies covering property located within the City of Miramar. The following amendments to the Pension Plan were adopted within the past few years: Ordinance No. 04-02, Ordinance No. 04-24, Ordinance No. 05-23, and Ordinance No. 08-20.

WHAT IS REQUIRED TO PARTICIPATE IN THE PLAN?

The Plan is open solely to active police officers of the City of Miramar. A police officer is any person employed full time in the Police Department, who is certified as a police officer as a condition of employment in accordance with the provisions of Florida Statutes and whose duty is to protect life and property, and to exercise lawful arrest powers under Florida law. This definition includes all supervisory and command personnel whose duties include, in whole or in part, the supervision, training, guidance, and management responsibilities of full time police officers. All full time police officers of the City of Miramar must participate in this pension plan.

WHAT MUST I CONTRIBUTE TO THE PLAN?

Each active member of the Plan contributes a percentage of "pensionable earnings" into the Plan. The employee contribution rate is thirteen and four tenths percent (13.4%) of pensionable earnings, which will be automatically deducted from every

paycheck. Member contributions are also required on the first three hundred (300) hours of overtime earned each year.

This contribution is accomplished through what is known as a "pick up" plan. A pick up plan provides for the withdrawal from an employee's pay of the contribution prior to the time that the pay is subjected to federal income taxation. The money is then placed directly in the Pension Plan on behalf of the employee by the City.

The purpose of the pick up plan is to allow an employee to defer taxation on the contribution until such time as an employee actually receives a pension. The pick up plan is authorized pursuant to the City Code and the provisions of Section 414(h)(2) of the Internal Revenue Code.

WHAT BENEFITS DO I RECEIVE FROM THE FUND?

Under the City of Miramar Retirement Plan and Trust for Police Officers, the following benefits are available for "Tier 1" members:

1. Normal retirement date. Members are eligible for normal retirement when the member reaches fifty-five (55) years of age and completes ten (10) years of credited service, or when the member completes twenty (20) years of credited service, whichever occurs first.

2. Normal retirement benefit. Upon reaching retirement age, members are entitled to a monthly retirement benefit equal to three and 1/4 percent (3.25%) of average monthly earnings (see below) times credited service. The maximum benefit provided to an employee by the Pension Plan will be 80% of average final compensation. Effective October 1, 2007, the monthly retirement benefit for members who retire or enter into the DROP after completion of twenty (20) years of credited service shall be eighty percent (80%) of average monthly earnings.
3. Average monthly earnings. Average monthly earnings (also called final monthly compensation) means 1/12 of the average annual compensation of the three best years of the last ten years of credited services prior to retirement or entry into the DROP. Pensionable earnings shall include up to three hundred (300) hours of overtime per year.
4. Credited service. Credited service means uninterrupted service for which a contribution is made. A police officer who, while employed by the City, takes a leave of absence to enter the armed forces of the United States and then returns to the City, is allowed to make contributions to purchase credited service for the time in the military. A police officer who was on active duty prior to becoming employed by the City may make contributions for up to a maximum of four

(4) years for the time spent on active military service. All military service credit must be purchased within two (2) years of entry into the plan or the right to purchase military service shall be deemed forever waived.

Similarly, a member may be permitted to purchase prior police service under certain conditions. A member wishing to purchase prior military or police service should contact the Administrator.

5. Early retirement. If a member completes ten (10) years of credited service and is age fifty (50), the member may elect an early retirement benefit. This retirement benefit may be taken in either of two ways. It may commence immediately on the date of early retirement and continue during the police officer's lifetime. The benefit is reduced by three (3%) percent for each year by which the starting date of the benefit precedes the normal retirement date. Alternatively, a police officer may receive a deferred retirement benefit by waiting to receive a pension benefit until the member reaches normal retirement age. This benefit will continue during the member's lifetime and will not be subject to the three percent (3%) per year early retirement reduction. The amount of the early retirement benefit is computed the same as for normal retirement, except that the average monthly earnings and credited service are determined as of the date

of early retirement.

6. Duty disability benefit. If a member is disabled in the line of duty, the monthly benefit is 66-2/3% of average monthly earnings at the time that the member became disabled. A member is eligible to receive a duty disability benefit immediately upon beginning service as a police officer.
7. Non-duty disability benefit. If a member with ten or more years of credited service is disabled for reasons other than in the line of duty, the member's monthly disability benefit is the accrued normal retirement benefit, but in no event can it be less than 25% of average monthly earnings as of the disability retirement date. A member is not eligible for a non-duty disability benefit unless the member has earned ten or more years of credited service.

Disability benefits for either line of duty or non-line of duty injury continue until the member dies, or the date the member is no longer permanently and totally disabled; provided that if a disability retiree dies after having selected an optional joint and survivor annuity or ten year certain life annuity, the benefit shall be paid to the joint annuitant or beneficiary, as appropriate.

8. Disability procedure. In the case of a police officer who becomes disabled, the disability will be measured by whether the member can perform within the classification of police

officer. A member seeking a disability retirement should request a disability application from the administrator and is required to submit proof of the disability. After reviewing a disability application, the Board may require an applicant to submit to an independent medical examination conducted by a physician selected by the Board. A member applying for a disability benefit has the right to request a formal evidentiary hearing at which time reports from doctors will be considered, and the member will have an opportunity to present his or her own evidence in support of an application for disability retirement.

An employee who receives a disability pension can be reexamined by the Board at any time prior to normal retirement age, and if found to have recovered, must resume active service with the Miramar Police Department. If an employee recovers, yet refuses reemployment with the City, the disability pension will be terminated. Disability benefits may not be awarded to a member whose employment terminated prior to the member's becoming disabled, nor may a member receive a disability benefit as the result of a self-inflicted injury or any disability resulting from the habitual use of narcotics or alcoholic beverages.

9. Normal retirement benefit options. Pension benefits may be paid in a number of ways. The normal form of retirement

benefit is called a ten year certain and life thereafter benefit. This means that a member receiving this form of retirement payment will receive pension payments for the member's entire life with a guarantee of receiving at least ten years worth of pension benefits (120 monthly payments). If the member dies prior to receiving at least 120 monthly payments, the remainder of the 120 monthly payments will be made to the member's beneficiary until a total of 120 monthly payments have been made to the member and his beneficiary. If there is no beneficiary living at the time the member dies, the balance of the 120 guaranteed monthly payments will be commuted to a single sum and will be paid into the member's estate. If the beneficiary of a deceased member dies before receiving the balance of the 120 guaranteed monthly payments, the balance of the payments are commuted to a single sum and are paid into the beneficiary's estate.

If a member dies after their normal retirement date but before receiving benefits, the member's beneficiary shall be entitled to 120 monthly payments in an amount equal to that which the member would have received had he retired on the date of his death. In the case of the death of a married member who is eligible to retire and has not yet begun receiving pension benefits, the surviving spouse may elect

to receive benefits equal to those which would have been paid had the member retired on the day prior to his or her death and elected a one hundred percent survivorship option.

10. Optional forms. As an alternative to the ten year certain and life thereafter benefit, members may elect one of several joint and survivor annuities. This means that a member may choose to receive a benefit during the member's lifetime and to have the benefit continue after death to the member's spouse or other relative for the remainder of the spouse's or other relative's life. The options for the joint survivor annuity are to leave a fifty (50%) percent, sixty-six and two-thirds (66 2/3%) percent, seventy-five (75%) percent, or one hundred (100%) percent benefit to the surviving joint annuitant. The consent of a member's joint annuitant is not required for the selection of any option.

After electing a joint and survivor annuity, a retiree may thereafter change the designated joint pensioner, but only if the Board consents to such change and if the joint pensioner last previously designated is still alive. The consent of a member's joint pensioner to any such change shall not be required. The Board may request evidence of the good health of the joint pensioner that is being removed and the amount of the retirement income payable to the retiree upon the designation of a new joint pensioner shall

be actuarially redetermined taking into account the ages and sex of the former joint pensioner, the new joint pensioner, and the member.

If a joint pensioner dies before the member has retired, the selected option is canceled and the retirement income automatically converts to a ten year certain and life annuity, unless the member designates a new beneficiary prior to retirement.

Another option a member may choose is a single life annuity. This means that a members benefit will continue for his or her life, but upon death the benefit ceases. There is no minimum payment guaranteed and no survivor benefit under this option.

Disability retirees shall be eligible to elect optional forms of payments as set forth above.

11. Delayed retirement. If a member stays employed after the member's normal retirement date, the member may take a delayed retirement. The delayed retirement benefit is computed in the same manner as for normal retirement, except that average monthly earnings and credited service are determined as of the date of the member's actual retirement date.
12. Vesting. A member who completes 10 years of credited service becomes fully vested in the fund. This means that

no further service is required in order to receive a pension upon reaching early or normal retirement age. Instead of waiting until the member reaches retirement age, the member may elect to immediately receive a refund of accumulated contributions which will be paid in a single lump sum. A member electing to receive an immediate refund of contributions forfeits the right to receive a monthly pension.

13. Cost of living adjustment. Effective October 1, 2001 an annual cumulative two percent (2%) cost of living adjustment (COLA) was established as set forth below. The COLA applies to all retirees and DROP participants who were employed on or after October 1, 2001, including DROP participants who had entered the DROP prior to October 1, 2001. COLA payments commence five (5) years after retirement or entry into the DROP, but no earlier than October 1, 2006.

WHAT IS A DROP?

Your Pension Fund has created a Deferred Retirement Option Plan (DROP) which offers active members an opportunity, prior to retirement, to keep working and simultaneously accumulate pension benefits. In other words, it is a chance to earn two incomes at the same time, with one of them being saved and invested without current tax liability. From a technical standpoint, a DROP

program represents a method of providing for the deferred receipt of retirement benefits from a defined benefit plan.

Once an active member has attained the requirements for normal retirement the member may exercise the option to participate in the eight (8) year DROP plan. A member's participation in the DROP when combined with the member's years of credited service may not exceed a total of thirty (30) years. As a result, a member with twenty-two (22) or more years of service loses a year of DROP eligibility for every year that the member delays entry into the DROP. To enter the DROP, the member submits a DROP application to the Pension Board and all rights in the Pension system are frozen as of that time.

The member's service pension is calculated by the Fund's actuary as if the member had actually retired and separated from service on the date of entry into the DROP. The DROP participant, however, keeps working for the City during the DROP period. The pension payments which the member would have received had he or she actually separated from service are accumulated in an account for the member's benefit and are invested as part of the Fund. The member ceases making contributions to the Fund during his or her DROP participation and is no longer eligible for any increase in pension benefits.

Entry into the DROP is irrevocable once made. A failure to enter the DROP during the period of eligibility constitutes an

irrevocable waiver of DROP participation.

At the end of participation in the DROP the member must actually separate from service with the City. A participant may remain in the DROP for up to 8 years, but the combined total of credited service and DROP participation cannot exceed 30 years. As a condition of participation in the DROP, the member must agree to tender an irrevocable resignation to take effect not more than 8 years after commencement of DROP participation or the date when combined credited service and DROP participation equal 30 years, whichever shall occur first.

Upon separation from service, the member receives the proceeds of his or her DROP account together with any interest earnings. The member also begins to receive his or her monthly service pension on the first day of the month following his or her actual separation from service.

The interest earned during the DROP, if any, will depend on the investment returns earned by the pension fund. Investment gains/losses will fluctuate based on the performance of the stock, bond and other investments held by the fund.

At the option of the DROP participant, upon entry into the DROP, the participant may elect to receive interest on their DROP account balance based on the fixed rate of return assumed by the Plan. The current assumed rate of return is 8% per year. The Board, however, has the ability to revise the assumed rate of

return on a prospective basis.

If a member dies while participating in DROP, irrespective of the cause of death, the member is presumed to have separated from service on the date of death. The proceeds of the member's DROP account are paid to the member's designated beneficiary and pension payments are made in accordance with the survivor option elected by the member prior to death.

If a member becomes disabled while participating in DROP, the member will be deemed to have accepted a service retirement on the date immediately prior to the date of disability. The reason that DROP participants are not eligible for disability pensions is because DROP participants, by entering into the DROP program, have retired from the pension plan.

WHAT IF I DIE BEFORE I RETIRE?

If a member dies before completing ten years of service, a death benefit is payable to the designated beneficiary in an amount equal to the member's accumulated contributions. If a member dies before retirement but after ten years of credited service, the designated beneficiary is entitled to receive the benefits otherwise payable at early or normal retirement age. Examples of death benefits payable from the Pension Plan are located in the chart set forth at the end of this summary plan description.

In addition to benefits payable from the Pension Plan, death benefits are also available from a variety of other sources. The State of Florida provides a \$50,000.00 death benefit if an officer is accidentally killed while engaged in the performance of law enforcement duties. If the officer is accidentally killed while in hot pursuit or in responding to what is reasonably believed to be an emergency, an additional \$50,000.00 is available. If the officer is intentionally killed while engaged in the performance of law enforcement duties, the death benefit is increased to \$150,000.00.

Moreover, the children and spouse of a police officer killed in the line of duty are entitled to a college education at a Florida state university, community college or vocational-technical school at the expense of the state. The spouse and children of an officer killed in the line of duty also receive free health insurance. Workers' Compensation provides benefits of up to \$100,000.00 and funeral expenses of up to \$5,000.00.

The United States Department of Justice has created a Public Safety Officer Death Benefit Program. Police officers killed in the line of duty receive a \$100,000.00 payment from the United States government. In addition, police officers killed while assisting federal agents also receive an additional \$50,000.00. These programs are administered by the United States Department

of Justice, Law Enforcement Administration. Finally, Social Security death benefits provide additional income based on statutory criteria.

ARE BENEFITS IN THIS PLAN FORFEITABLE?

As discussed above, if you separate from service before you vest with ten years of credited service, you will not receive any benefits from the Plan, although you are entitled to a refund of your contributions. In addition, benefits are forfeitable pursuant to the provisions of Section 112.3173, Florida Statutes, which provides for the forfeiture of retirement benefits of persons convicted of specific criminal offenses.

**ARE MY PENSION BENEFITS SUBJECT TO CLAIMS FOR ALIMONY,
CHILD SUPPORT OR ANY OTHER CREDITOR?**

Under state law and local ordinance, this Plan is exempt from claims of creditors. The only exception is a court award of child support or spousal support. Under Florida law, there is a specific exemption permitting these payments to be made from the Fund.

In a divorce proceeding, a court can order a police officer to pay a portion of his or her benefits to a spouse once that benefit is received. Once pension monies are actually paid to a retiree, the pension money is no longer exempt from attachment or claim by any creditor.

ARE MY PENSION BENEFITS TAXABLE?

Service retirement payments and non-duty disability pensions are taxable as ordinary income. The retiree will receive a tax form from the Pension Fund every January reporting the income received in the prior year. Service-connected disability retirement pensions, coordinated with Worker's Compensation, are generally considered to be tax exempt. For specific tax advice you should consult a qualified tax expert.

HOW DO I APPLY FOR BENEFITS?

Application for service retirement benefits is made by filing an application form with the Board's secretary. Application for disability retirement requires the completion of a disability application form and submission to such medical exams as may be determined by the Board. All applications may be obtained from the Board's Administrator as identified above.

If a member is dissatisfied with any benefit application brought before the Board, the member has the opportunity to appeal that decision within 30 days of the date of any written decision by the Board by filing a petition for common law certiorari in the circuit court of Broward County, Florida.

ON WHAT BASIS ARE PLAN RECORDS KEPT?

The Board keeps accurate and detailed accounts of all

investments, receipts, disbursements, and other transactions pertaining to Fund property. The Board's secretary keeps a record of all its proceedings and they are available for public inspection. The Board's meetings are open to the public, under the Government In Sunshine Law.

**ARE THERE COLLECTIVE BARGAINING AGREEMENTS
THAT GOVERN THE PLAN?**

From time to time, the PBA and the City have negotiated Plan changes. Any contract provision must be made effective by changing the ordinances which govern this Plan.

WHAT IF I HAVE FURTHER QUESTIONS REGARDING MY BENEFITS?

All questions should be directed in writing to the Chairman or Secretary of the Fund.

SUMMARY

The foregoing Summary Plan Description has been designed to help answer some of your questions about how your Pension Plan is organized and managed. The final authority on any interpretation of the Pension Plan, however, is the actual legislation which created the Plan. In the event of any conflict between this booklet and those laws, the provisions in law control. The ordinances governing your Plan can be found within the City Code of the City of Miramar.

City of Miramar Police Pension Plan

Death Benefit EXAMPLES

a) Years of Service at Date of Death (DOD)	15	15	5	5
b) Vested?	Yes	Yes	No	No
c) Married?	Yes	No	Yes	No
d) 3 Year Average Pay at DOD	\$ 80,000	\$ 80,000	\$ 50,000	\$ 50,000
e) Accrued Benefit (d. x a. x 3.25%)	\$39,000/yr.	\$39,000/yr.	N/A	N/A
f) Accumulated Employee Contributions w/ 3.0% per year interest	\$ 140,000	\$ 140,000	\$ 30,000	\$ 30,000
<hr/>				
Death Benefit Payable to Beneficiary:	\$39,000/yr.	\$39,000/yr.	\$ 30,000	\$ 30,000

Payable at the earlier of the date the member would have attained age 55 or the date the member would have completed 20 years of service.

One-time payment only.