

**CITY OF FERNANDINA BEACH
GENERAL EMPLOYEES' PENSION PLAN
SUMMARY PLAN DESCRIPTION**

September 1, 2017

IS YOUR BENEFICIARY FORM CURRENT? IN THE EVENT YOU DIE, YOUR BENEFIT OR CONTRIBUTIONS WILL BE DISTRIBUTED TO THE PERSON OR PERSONS DESIGNATED BY NAME ON THE BENEFICIARY FORM ON FILE WITH THE PENSION PLAN. NO PROVISION IN YOUR LAST WILL AND TESTAMENT WILL CHANGE THIS SELECTION. PLEASE BE SURE THAT YOUR BENEFICIARY FORM DESIGNATES THE PERSON OR PERSONS YOU INTEND TO RECEIVE YOUR BENEFITS AND THAT YOU REVIEW THIS CHOICE IN THE EVENT OF A MAJOR LIFE CHANGE SUCH AS A DIVORCE OR THE DEATH OF YOUR BENEFICIARY.

**CITY OF FERNANDINA BEACH GENERAL EMPLOYEES' PENSION PLAN
SUMMARY PLAN DESCRIPTION**

INTRODUCTION

The Board of Trustees of the City of Fernandina Beach General Employees' Pension Plan is pleased to present this booklet which briefly explains the provisions of your General Employees' Pension Plan. As a participant in the Fund, you are included in a program of benefits to help you meet your financial needs at retirement, or in the event of disability or death.

This booklet can assist you in preparing for your retirement and financial future. If you need further information on any of the topics presented in this booklet, please contact any member of the Board of Trustees. They will either answer questions you might have to help you understand your benefits or otherwise get you an answer to your questions. We urge you to read and understand this booklet in order to become familiar with the benefits of the plan and how they contribute to your financial security and how they will enrich your retirement years.

The information presented is only a summary of the pension plan ("Plan") as provided in the ordinances of the City of Fernandina Beach. If there are any conflicts between the information in this booklet and the ordinances of the City of Fernandina Beach, the ordinances shall govern. The provisions of this Summary Plan Description shall not constitute a contract between the Member and the Board of Trustees. The plan shall be administered in accordance with state and federal law, notwithstanding any provisions in this booklet or ordinances to the contrary. A copy of the ordinance establishing the Plan can be obtained from the City Clerk's office, which is located at Post Office Box 668, Fernandina Beach, 32035.

Chairman, Board of Trustees, City of
Fernandina Beach General Employees'
Pension Plan

Date

1. **BOARD OF TRUSTEES AND PLAN ADMINISTRATION**

A. **Administration.**

(1) The City of Fernandina Beach General Employees' Pension Plan is a defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the Plan. The Board consists of 5 Trustees, 2 of whom are legal residents of the City who are appointed by the City Commission, 2 of whom are members of the Plan who are elected by a majority of the General Employees who are members of the Plan and a fifth Trustee who is chosen by a majority of the first 4 Trustees. Each Trustee serves a two year term.

(2) DROP participants cannot be elected as or vote for elected Trustees.

B. The names and addresses of the current Trustees and the Plan Administrator are attached to this Summary Plan Description as Exhibit "A". The Chairman of the Board of Trustees is designated as agent for the service of legal process.

2. **ELIGIBILITY FOR PLAN MEMBERSHIP**

A. Each person employed by the City as a full-time General Employee becomes a member of the Plan as a condition of his employment. All General Employees are therefore eligible for all plan benefits as provided for in the plan document and by applicable law, except those persons who previously were permitted to opt out of the plan who did not opt back in before August 19, 2007.

B. Plan A Members are all General Employees employed after February 1, 1993, all General Employees who elected to become Plan A Members prior to February 1, 1993 and all future new General Employees. Plan B Members are all General Employees who were employed on or before February 1, 1993 who did not elect to become Plan A Members.

3. **PLAN BENEFITS**

All claims for benefits under the Plan shall be made in writing to the Board of Trustees.

A. **Normal Retirement Eligibility.** You are eligible for retirement upon the earlier of the attainment of age 55 and the completion of 25 years of credited service, the attainment of age 65 and the completion of 6 years of credited service or upon completion of 35 years of credited service, regardless of age.

B. **Amount of Normal Retirement Benefits.** The amount of the normal retirement benefit is based on your credited service and average final compensation:

"Credited Service" is generally your period of employment as a General Employee measured in years and parts of years. Credited service will include a break in employment for military service pursuant to conditions that are required or permitted under state and federal law, as amended from time to time, provided that you are reemployed within 1 year of discharge under honorable conditions. Additional credited service time may also be available (See subsection J. below).

"Average Final Compensation" is 1/12 of the average salary of the 5 best years of the last 10 years of credited service prior to your termination, retirement or death. A year is defined as 12 consecutive months.

"Salary" is:

- (1) If you are represented by the United Brotherhood of Carpenters and Joiners Local 2120, the total compensation for services rendered to the city as a general employee reportable on your W-2 form plus all tax deferred, tax sheltered or tax exempt items of income, excluding bonuses, derived from elective employee payroll deductions or salary reductions. For service earned after October 16, 2012 (the "effective date" for purposes of this definition), salary shall not include more than 300 hours of overtime per calendar year and shall also not include payments for accrued unused sick or annual leave.
- (2) If you are not represented by the United Brotherhood of Carpenters and Joiners Local 2120, the total compensation for services rendered to the city as a general employee reportable on your W-2 form, including all tax deferred, tax sheltered or tax exempt items of income derived from elective employee payroll deductions or salary reductions. For service earned after July 1, 2011 (the "effective date" for purposes of this definition), salary shall not include more than 300 hours of overtime per calendar year and shall also not include payments for accrued unused sick or annual leave.

Provided however, in any event, payments for overtime in excess of 300 hours per calendar year or accrued unused sick or annual leave accrued as of the applicable effective date and attributable to service earned prior to the applicable effective date, may still be included in salary for pension purposes even if the payment is not actually made until on or after the applicable effective date. In any event, with respect to unused sick leave and unused annual leave accrued prior to the applicable effective date, salary will include the lesser of the amount of sick or annual leave time accrued on the applicable effective date or the actual amount of sick or annual leave time for which the retiree receives payment at the time of retirement, regardless of whether the amount of sick or annual leave was, at some time prior to retirement, reduced below the amount on the applicable effective date.

Your normal retirement benefit is calculated by multiplying 2.75% for Plan A Members and 1.9% for Plan B Members times years of credited service times your average final compensation: (2.75% for Plan A Members and 1.9% for Plan B Members x CS x AFC = normal retirement benefit).

Normal and early retirement payments will commence on the first day of the month coincident with or next following your last day of employment. Early retirees may defer the commencement of benefits. The benefit is paid to you for your life, ceasing upon death.

Each vested Plan Member shall be entitled, at the Fund's expense, to receive two actuarial studies (one preliminary and one final) to estimate his or her retirement benefits. Any additional studies shall be provided only at the Member's expense.

C. Early Retirement. You are eligible for early retirement upon the attainment of age 55 and the completion of 6 years of credited service or upon the completion of 25 years of credited service, regardless of age.

D. Amount of Early Retirement Benefits. The amount of the early retirement benefit is calculated in the same manner as for normal retirement and is available as follows:

- (1) Beginning on the date on which you would have qualified for normal retirement; or
- (2) Beginning immediately upon retirement, but if beginning immediately, the amount of the monthly benefit is reduced by 2% for each year by which the commencement of benefits precedes your normal retirement date.

E. Other Retirement Options. At retirement, certain additional options are available as follows:

- (1) Optional Forms of Retirement. In lieu of the amount and form of retirement income payable under normal and early retirement, you may elect to receive a retirement benefit in a different form so long as the form you elect is of equal actuarial value as the normal benefit. The optional forms of benefits which are available are:
 - (a) A retirement income of a modified monthly amount, payable to you for your lifetime, and in the event of your death within a period of 10 years after your retirement, the same monthly amount to be payable to your beneficiary for the balance of such 10 year period.
 - (b) A retirement income of a modified monthly amount, payable to you during your lifetime and following your death, 100%, 75%, 66-2/3% or 50% of such monthly amounts payable to your joint pensioner for his lifetime.
 - (c) If you retire prior to the time at which social security benefits are payable, you may elect to receive an increased retirement benefit until such time as social security benefits shall be assumed to commence and a reduced benefit thereafter in order to provide, to as great an extent as possible, a more level retirement allowance during the entire period of retirement.
 - (d) If you do not participate in the DROP, you may also elect to receive an initial lump sum payment equal to 10%, 15%, 20% or 25% of your accrued benefit with the remaining 90% 85%, 80% or 75%, respectively, payable in a form selected by you and provided for in (a), (b) or (c) above or in the normal form (life annuity).

(2) Deferred Retirement Option Plan (DROP).

- (a) If you become eligible for normal or early retirement, and are still employed by the City as a General Employee, you have the option of "retiring" from the pension plan but continuing your employment as a General Employee for an additional five years. An election to participate in the DROP constitutes an irrevocable election to resign from the service of the City not later than 5 years from the commencement of DROP participation. You must request, in writing, to enter the DROP.
- (b) Upon entering the DROP, your retirement benefit is immediately calculated and each monthly benefit payment is deposited into your DROP account. You may elect to either have your account credited with interest at the rate of 6-1/2% per annum or credited or debited with an investment return or loss equal to the net investment return realized by the system for that quarter. One change in election is permitted.
- (c) At the time of termination of employment at the end of the DROP period, you will receive your account balance in a lump sum and you will also begin receiving your monthly retirement benefit.
- (d) Once you enter the DROP, you are no longer eligible for disability or pre-retirement death benefits, nor do you accrue any additional credited service. Your retirement benefit is fixed as of your entry date. You pay no member contributions to the plan once you enter the DROP.
- (e) Participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants.
- (f) Additional information about the DROP can be obtained from the Board.

F. Disability Retirement. You are considered disabled when you become totally and permanently unable to perform useful and efficient service as a General Employee. A written application is made to the Board of Trustees for a disability pension and the Board of Trustees receives evidence of the disability and decides whether or not the pension is to be granted. If the pension is granted, the benefit amount shall be:

- (1) If the injury or disease is service connected, a monthly pension calculated in the same manner as for normal retirement, but in any event the minimum amount paid shall be 42% of your average final compensation.
- (2) If the injury or disease is not service connected, a monthly pension calculated in the same manner as for normal retirement, but in any event the minimum amount paid shall be 25% of your average final compensation. This non-service connected benefit is only available you if you have 10 or more years of credited service.

Terminated persons, either vested or non-vested, are not eligible for disability benefits. Except, however, if you were terminated by the City for medical reasons, and if you apply within 30 days after your termination date, your application will be processed and fully considered by the board. If you voluntarily terminate your employment after filing the application, you will not be eligible to be considered for any disability benefit.

Your disability benefit terminates upon the earlier of death, with 120 payments guaranteed, or recovery.

Your benefit will be reduced if you receive worker's compensation benefits and your combined benefit exceeds 100% of your final salary. The pension benefit will be reduced so that the total does not exceed 100%.

To receive disability benefits, you must establish, to the satisfaction of the Board, that such disability was not occasioned primarily by:

- (1) Excessive or habitual use of any drugs, intoxicants or narcotics.
- (2) Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections.
- (3) Injury or disease sustained while committing a crime.
- (4) Injury or disease sustained while serving in any branch of the Armed Forces.
- (5) Injury or disease sustained after your employment as a General Employee with the City of Fernandina Beach shall have terminated.
- (6) Willful, wanton or intentional conduct or gross negligence.
- (7) Injury or disease sustained by you while working for anyone other than the City and arising out of such employment.
- (8) A condition pre-existing your membership in the Plan.

As a disabled pensioner, you are subject to periodic medical examinations as directed by the Board to determine whether a disability continues. You may also be required to submit statements from your doctor, at your expense, confirming that your disability continues.

G. Death Before Retirement. If you die prior to retirement from the City, your beneficiary shall receive the following benefit:

- (1) Prior to Vesting or Eligibility for Retirement.

If you were not receiving monthly benefits or were not yet vested or eligible for early or normal retirement, your beneficiary shall receive a refund of 100% of your accumulated contributions.

- (2) Deceased Members Vested or Eligible for Retirement with Spouse as Beneficiary. If you die and, at the date of your death were vested or eligible for early or normal retirement, your spouse beneficiary shall be entitled to a benefit as follows:

- (a) If you were vested, but not eligible for normal or early retirement, your spouse beneficiary shall receive a benefit payable for 10 years, beginning on the date that you would have been eligible for early or normal retirement, at the option of your spouse beneficiary. The benefit shall be calculated as for normal retirement based on your credited service and average final compensation as of the date of your death and reduced as for early retirement, if applicable. Your spouse beneficiary may also elect to receive an immediate benefit, payable for 10 years, which is actuarially reduced to reflect the commencement of benefits prior to your early retirement date.
 - (b) If you were eligible for normal or early retirement, your spouse beneficiary shall receive a benefit payable for 10 years, beginning on the first day of the month following your death or at your otherwise normal retirement date, at the option of your spouse beneficiary. The benefit shall be calculated as for normal retirement based on your credited service and average final compensation as of the date of your death and reduced as for early retirement, if applicable.
 - (c) Your spouse beneficiary may not elect an optional form of benefit, however, the Board may elect to make a lump sum payment.
 - (d) Your spouse beneficiary may, in lieu of any benefit provided for in (a) or (b) above, elect to receive a refund of your accumulated contributions.
 - (e) If your spouse beneficiary commences receiving a benefit under (a) or (b) above, but dies before all payments are made, the remaining benefit shall be paid to the estate of the spouse beneficiary.
- (3) Deceased Members Vested or Eligible for Retirement with Non-Spouse Beneficiary. If your beneficiary is not your spouse, the benefits payable to your non-spouse beneficiary are the same as those to a spouse beneficiary, however, the date of commencement of those benefits may be required to be earlier, with the resulting reduction in the amount.

H. Termination of Employment and Vesting. If your employment is terminated, either voluntarily or involuntarily, the following benefits are payable:

- (1) If you are a Plan A member and have less than 6 years of credited service upon termination, you shall be entitled to a refund of the money you have contributed or you may leave it deposited with the Fund. If you are a Plan B member and have less than 6 years of credited service upon termination, all of your rights under the Plan shall terminate.

- (2) If you have 6 or more years of credited service upon termination, you shall be entitled to a monthly retirement benefit. The benefit shall be determined in the same manner as for normal or early retirement and based upon your credited service, average final compensation and the benefit accrual rate as of the date of termination. The benefit shall be payable to you starting at your otherwise normal or early retirement date, determined as if you had remained employed, provided you do not elect to withdraw your contributions (if you are a Plan A member), and provided you survive to your otherwise normal or early retirement date. If you do not withdraw your accumulated contributions and do not survive to your otherwise normal or early retirement date, your designated beneficiary shall be entitled to a benefit as provided herein for a deceased member, vested or eligible for retirement under Death Before Retirement.

The Internal Revenue Code provides that certain eligible lump sum distributions from the pension system may be directly rolled over into qualified individual retirement accounts, annuities or certain other pension plans. A 20% withholding shall be required on taxable portions of such lump sum distributions not directly transferred to a new custodian.

I. Reemployment After Retirement. If you retire under normal or early retirement and wish to be reemployed by the city, you should be aware that your ability to continue to receive your pension benefit upon reemployment may be restricted.

J. Additional Credited Service. In addition to credited service actually earned in the employment of the City, you may also receive credited service as follows:

- (1) "Buy-Back" of Time Lost Due to Absences Authorized by the Family and Medical Leave Act. If you are absent on unpaid leave under the Family and Medical Leave Act, you may purchase lost credited service by making an actuarially determined contribution to the Plan, such that there is no cost to the Plan in allowing such credited service, within strict time periods provided for in the plan document.
- (2) "Buy-Back" for Military Service Prior to Employment. The time that you serve or have served on active duty in the active military service of the Armed Forces of the United States, the United States Merchant Marine or the United States Coast Guard, voluntarily or involuntarily, honorably or under honorable conditions, prior to first and initial employment with the City shall be added to your years of credited service provided that:
 - (a) You contribute to the Fund a sum of money equal to:
 - (i) the amount that you would have contributed to the plan, based on your salary and the member contribution rate in effect at the time that the credited service is requested, had you been a member of the Plan for the years or fractional parts of years for which you are requesting credit, plus
 - (ii) an additional amount to be determined by the Board's actuary so that there is no cost to the plan in giving you the additional years of credited service, plus

- (iii) the amount charged by the actuary for determining the amount you must contribute.
 - (b) Multiple requests to purchase credited service may be made at any time prior to retirement.
 - (c) Payment of the required amount shall be made within 6 months of your request for credit, but not later than your retirement date, and shall be made in one lump sum payment upon receipt of which credited service shall be given or you may elect to make payment for the requested credited service with interest at 8% per annum over a period of time not to exceed 24 months.
 - (d) The maximum credit under this subsection shall be 4 years.
 - (e) Credited service purchased pursuant to this subsection shall not count toward vesting or eligibility for not-in-line of duty disability benefits.
- (3) "Buy-Back" for Prior Government Service. The years or fractional parts of years that you were previously a member but terminated employment and received a refund of your contributions or terminated employment and were not otherwise entitled to credited service for such previous period of employment as a General Employee or the years or fractional parts of years that you previously served as a full-time employee for any governmental agency in the United States, including but not limited to federal, state or local government service and for which you do not otherwise qualify for and receive credit under this Plan, shall be added to your years of credited service provided that:
- (a) You contribute to the Fund a sum equal to:
 - (i) the amount that you would have contributed to the plan, based on your salary and the member contribution rate in effect at the time that the credited service is requested, had you been a member of the Plan for the years or fractional parts of years for which you are requesting credit, plus
 - (ii) an additional amount to be determined by the Board's actuary so that there is no cost to the plan in giving you the additional years of credited service, plus
 - (iii) the amount charged by the actuary for determining the amount you must contribute.
 - (b) Multiple requests to purchase credited service may be made at any time prior to retirement.
 - (c) Payment of the required amount shall be made within 6 months of your request for credit, but not later than your retirement date, and shall be made in one lump sum payment

upon receipt of which credited service shall be given or you may elect to make payment for the requested credited service with interest at 8% per annum over a period of time not to exceed 24 months.

- (d) The maximum credit under this subsection for service other than with the City of Fernandina Beach shall be 5 years and shall count for all purposes, except vesting and eligibility for not-in-line of duty disability benefits. There shall be no maximum purchase of credit for prior service with the City of Fernandina Beach and such credit shall count for all purposes, including vesting.
 - (e) In no event, however, may credited service be purchased pursuant to this subsection for prior service with any other governmental agency, if such prior service forms or will form the basis of a retirement benefit or pension from a different employer's retirement system or plan.
- (4) "Buy-Back" for Prior Florida Public Utilities Company Service. The time that you serve or have served as an employee with the Florida Public Utilities Company and for which you do not otherwise qualify for and receive credit under this Plan, shall be added to your years of credited service provided that:
- (a) You contribute to the Fund a sum of money equal to:
 - (i) the amount that you would have contributed to the plan, based on your salary and the member contribution rate in effect at the time that the credited service is requested, had you been a member of the Plan for the years or fractional parts of years for which you are requesting credit, plus
 - (ii) an additional amount to be determined by the Board's actuary so that there is no cost to the plan in giving you the additional years of credited service, plus
 - (iii) the amount charged by the actuary for determining the amount you must contribute.
 - (b) Multiple requests to purchase credited service may be made at any time prior to retirement.
 - (c) Payment of the required amount shall be made within 6 months of your request for credit, but not later than your retirement date, and shall be made in one lump sum payment upon receipt of which credited service shall be given or you may elect to make payment for the requested credited service with interest at 8% per annum over a period of time not to exceed 24 months.
 - (d) There shall be no maximum credit under this subsection for the purchase of service with the Florida Public Utilities Company and such service shall count for all purposes, including vesting.

- (5) Other City Service - Limited Credit. In the event you have also accumulated credited service in the Fernandina Beach police and fire pension plan, such other credited service shall be combined with credited service in this plan for determining vesting and eligibility for early or normal retirement under this plan, but not for determining benefits. In the event you terminate membership in this Plan but continue employment with the City as a police officer or firefighter, any benefit to be paid from this Plan shall be based on the benefit accrual rate (based on whether you were a Plan A or Plan B member) in effect for this plan on the date that you actually terminate employment with the City, and all years of employment with the City as a member of either Plan shall be used in calculating average final compensation for benefits from this Plan.
- (6) Rollovers or Transfers of Funds to Purchase Service. In the event you are eligible to purchase additional credited service as provided above, you may be eligible to rollover or transfer funds from another retirement program in which you participate (traditional IRA, deferred compensation plan maintained by a government employer (457 plan), 401k plan, profit sharing plan, defined benefit plan, money purchase plan, annuity plan or tax sheltered annuity) in order to pay all or part of the cost of purchasing such additional credited service.

K. Contributions and Funding. The City is paying the portion of the cost of the pension plan over and above your contributions. If you are a Plan A member, you contribute 6.5% of your salary to the Plan. Your contribution will be excluded from your gross income for withholding purposes so you will realize income tax benefits. Plan B members make no contributions except if they wish to purchase credited service.

L. Maximum Benefits. In no event will the annual benefits paid from this Plan exceed \$215,000.00 annually, subject to certain cost of living adjustments and actuarial reductions for retirement prior to age 62 as set forth in Section 415 of the Internal Revenue Code.

If you began participation for the first time on and after January 1, 1980, you cannot receive a benefit in excess of 100% of your average final compensation.

M. Forfeiture of Pension. If you are convicted of the certain crimes listed in the Plan committed prior to retirement, or if your employment is terminated by reason of your admitted commission, aid or abetment of these crimes, you shall forfeit all rights and benefits under the Plan, except for the return of your contributions as of the date of your termination.

N. Claims Procedure Before the Board. You may request, in writing, that the Board review any claim for benefits under the Plan. The Board will review the case and enter a decision as it deems proper within not more than 180 days from the date of the receipt of such written request, or in the case of a disability claim, from receipt of a medical release and completed interrogatories. The time period may be extended if you agree to the extension.

The Board's decision on your claim will be contained in an order which will be in writing and will include:

- (1) The specific reasons for the Board's action;
- (2) A description of any additional information that the Board feels is necessary for you to perfect your claim;
- (3) An explanation of the review procedure next open to you which includes a formal evidentiary hearing.

4. **NON-FORFEITURE OF PENSION BENEFITS**

A. **Liquidation of Pension Fund Assets.** In the event of repeal, or if contributions to the Fund are discontinued by the City, there will be a full vesting of benefits accrued to date of repeal.

B. **Interest of Members in Pension Fund.** At no time prior to the satisfaction of all liabilities under the Plan shall any assets of the Plan be used for any purpose other than for your exclusive benefit. In any event, your contributions to the Plan are non-forfeitable.

5. **VESTING OF BENEFITS**

Your retirement benefits are fully vested after 6 years of credited service.

6. **APPLICABLE LAW**

The Plan is governed by certain federal, state and local laws, including, but not limited to the following:

A. Internal Revenue Code and amendments thereto.

B. Part VII, Chapter 112, Florida Statutes, "Actuarial Soundness of Retirement Systems".

C. Ordinances of the City of Fernandina Beach.

D. Administrative rules and regulations adopted by the Board of Trustees.

7. **PLAN YEAR AND PLAN RECORDS**

The Plan year begins on October 1 of each year and ends on September 30 of the following year. All records of the Plan are maintained on the basis of the Plan year.

8. **APPLICABLE PROVISIONS OF COLLECTIVE BARGAINING AGREEMENTS**

The current collective bargaining agreement between the City and non-salaried General Employees contains only general non-substantive provisions which deal with pension benefits. There is no collective bargaining agreement between the salaried General Employees and the City.

9. **FINANCIAL AND ACTUARIAL INFORMATION**

A report of pertinent financial and actuarial information on the solvency and actuarial soundness of the Plan has been prepared by the Pension Plan's actuary, Foster & Foster, Inc., and is attached as Exhibit "B".

10. **DIVORCE OR DISSOLUTION OF MARRIAGE**

Federal and state law provides certain restrictions regarding the payment of your pension benefits in the event of your divorce or dissolution of marriage. Immediately upon your involvement in such a legal proceeding, you should provide a member of the Board of Trustees with the name and address of your attorney or your name and address if you have no attorney. The Board's attorney will then provide you or your attorney with information concerning the legal restrictions regarding your pension benefits. In addition, a copy of any proposed order must be submitted to the Board prior to entry by the court. Failure to do so may require you to pay any expenses incurred by the Board in correcting an improper court order.

11. **EX-SPOUSES AS BENEFICIARY OR JOINT PENSIONER**

The Florida Legislature has adopted Section 732.703, Florida Statutes. This law nullifies the designation of your ex-spouse as a Beneficiary or Joint Annuitant / Joint Pensioner on your pension plan retirement benefits. This law went into effect on July 1, 2012.

After July 1, 2012, if you want your ex-spouse to be a beneficiary or joint annuitant/joint pensioner for your plan benefit, you will have to make that designation AFTER the dissolution of marriage. If you currently have an ex-spouse as a beneficiary or joint annuitant/joint pensioner, and want to keep this designation, you will have to designate the ex-spouse again after July 1, 2012.

To reconfirm your current beneficiary, or to designate a new beneficiary, complete a new Designation of Beneficiary Form (PF-3).

To reconfirm your current joint annuitant/joint pensioner, or to designate a new joint annuitant/joint pensioner (if authorized by the current plan provisions), indicate such change on a Change or Confirmation of Designated Joint Annuitant or Joint Pensioner Form (PF-25). If necessary, the plan administrator will submit the new form to the actuary of the plan for recalculation of your benefit. There may be a charge to you to make this change.

To obtain either of the above forms, or if you have any questions, please contact your plan administrator.

EXHIBIT "A"

BOARD OF TRUSTEES

The names and addresses of the members of the Board of Trustees are:

Chairman: John Mandrick
City of Fernandina Beach General Employees' Pension Plan
204 Ash Street
Fernandina Beach, Florida 32034

Secretary: Beano Roberts
City of Fernandina Beach General Employees' Pension Plan
204 Ash Street
Fernandina Beach, Florida 32034

Member: Ron Heymann
City of Fernandina Beach General Employees' Pension Plan
204 Ash Street
Fernandina Beach, Florida 32034

Member: Steve Herbert
City of Fernandina Beach General Employees' Pension Plan
204 Ash Street
Fernandina Beach, Florida 32034

Member: Vacant
City of Fernandina Beach General Employees' Pension Plan
204 Ash Street
Fernandina Beach, Florida 32034

PLAN ADMINISTRATOR

Ms. Teresa Bryan
Fernandina Beach General Employees' Pension Plan
204 Ash Street
Fernandina Beach, Florida 32034
904-310-3125
tbryan@fbfl.org

CITY OF FERNANDINA BEACH GENERAL EMPLOYEES' PENSION PLAN

EXHIBIT "B"

A. Participant Data	New Assump <u>10/1/2016</u>	Old Assump <u>10/1/2016</u>	<u>10/1/2015</u>
Number Included			
Actives	95	95	84
Service Retirees	59	59	58
DROP Retirees	5	5	8
Beneficiaries	9	9	9
Disability Retirees	4	4	4
Terminated Vested	<u>35</u>	<u>35</u>	<u>34</u>
Total	207	207	197
Total Annual Payroll	\$4,783,932	\$4,787,232	\$4,219,243
Payroll Under Assumed Ret. Age	4,704,039	4,787,232	4,219,243
Annual Rate of Payments to:			
Service Retirees	1,096,134	1,096,134	1,021,335
DROP Retirees	179,708	179,708	272,880
Beneficiaries	104,119	104,119	92,466
Disability Retirees	55,760	55,760	55,760
Terminated Vested	176,125	176,125	199,279
B. Assets			
Actuarial Value ¹	18,501,175	18,501,175	17,057,988
Market Value ¹	18,042,439	18,042,439	16,530,959
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	11,672,604	13,546,742	11,708,068
Disability Benefits	367,109	541,191	486,595
Death Benefits	211,135	165,072	148,953
Vested Benefits	2,528,212	1,680,343	1,629,069
Refund of Contributions	74,888	36,734	24,123
Service Retirees	11,134,298	10,545,799	9,638,988
DROP Retirees ¹	2,801,681	2,708,462	4,069,674
Beneficiaries	656,801	609,390	553,542
Disability Retirees	432,251	492,784	502,936
Terminated Vested	<u>1,291,509</u>	<u>1,233,345</u>	<u>1,495,030</u>
Total	31,170,488	31,559,862	30,256,978

C. Liabilities - (Continued)	New Assump <u>10/1/2016</u>	Old Assump <u>10/1/2016</u>	<u>10/1/2015</u>
Present Value of Future Salaries	29,623,167	36,238,722	32,919,440
Present Value of Future Member Contributions	1,925,506	2,355,517	2,139,764
Normal Cost (Retirement)	389,371	553,228	477,729
Normal Cost (Disability)	31,393	45,735	39,189
Normal Cost (Death)	10,340	9,344	7,929
Normal Cost (Vesting)	138,805	103,391	96,378
Normal Cost (Refunds)	<u>19,263</u>	<u>7,982</u>	<u>5,691</u>
Total Normal Cost	589,172	719,680	626,916
Present Value of Future Normal Costs	3,338,827	5,002,487	4,513,846
Accrued Liability (Retirement)	9,461,648	9,669,058	8,236,529
Accrued Liability (Disability)	218,776	268,081	244,562
Accrued Liability (Death)	149,151	100,610	92,740
Accrued Liability (Vesting)	1,673,884	925,626	905,796
Accrued Liability (Refunds)	11,662	4,220	3,335
Accrued Liability (Inactives) ¹	<u>16,316,540</u>	<u>15,589,780</u>	<u>16,260,170</u>
Total Actuarial Accrued Liability	27,831,661	26,557,375	25,743,132
Unfunded Actuarial Accrued Liability (UAAL)	9,330,486	8,056,200	8,685,144
Funded Ratio (AVA / AL)	66.5%	69.7%	66.3%

D. Actuarial Present Value of Accrued Benefits

Vested Accrued Benefits			
Inactives ¹	16,316,540	15,589,780	16,260,170
Actives	5,466,781	4,635,919	3,728,266
Member Contributions	<u>2,494,333</u>	<u>2,494,333</u>	<u>2,216,522</u>
Total	24,277,654	22,720,032	22,204,958
Non-vested Accrued Benefits	<u>299,144</u>	<u>385,440</u>	<u>334,667</u>
Total Present Value Accrued Benefits	24,576,798	23,105,472	22,539,625
Funded Ratio (MVA / PVAB)	73.4%	78.1%	73.3%

Increase (Decrease) in Present Value of Accrued Benefits Attributable to:

Plan Amendments	0	0	
Assumption Changes	1,471,326	0	
New Accrued Benefits	0	628,174	
Benefits Paid	0	(1,793,747)	
Interest	0	1,731,420	
Other	<u>0</u>	<u>0</u>	
Total	1,471,326	565,847	

Valuation Date	New Assump	Old Assump	
Applicable to Fiscal Year Ending	<u>10/1/2016</u>	<u>10/1/2016</u>	<u>10/1/2015</u>
	<u>9/30/2018</u>	<u>9/30/2018</u>	<u>9/30/2017</u>

E. Pension Cost

Normal Cost (with interest)			
% of Total Annual Payroll ²	13.01	15.63	15.45
Administrative Expenses (with interest)			
% of Total Annual Payroll ²	0.73	0.72	0.77
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 29 years (as of 10/1/2016, with interest)			
% of Total Annual Payroll ²	25.61	21.87	25.25
Total Required Contribution			
% of Total Annual Payroll ²	39.35	38.22	41.47
Expected Member Contributions			
% of Total Annual Payroll ²	6.50	6.50	6.50
Expected City Contribution			
% of Total Annual Payroll ²	32.85	31.72	34.97

F. Past Contributions

Plan Years Ending:	<u>9/30/2016</u>
City Requirement	1,574,760
Actual Contributions Made:	
Members (excluding buyback)	302,123
City	<u>1,590,471</u>
Total	1,892,594

G. Net Actuarial (Gain)/Loss (83,133)

¹ The asset values and liabilities for DROP Members include accumulated DROP Balances as of 9/30/2016 and 9/30/2015.

² Contributions developed as of 10/1/2016 are expressed as a percentage of total annual payroll at 10/1/2016 of \$4,704,039.