

TOWN OF DAVIE POLICE PENSION PLAN-TIER 1



SUMMARY PLAN DESCRIPTION

**(TIER 1 – for officers hired prior
to October 1, 2010)**

May, 2026

**TOWN OF DAVIE POLICE PENSION PLAN-TIER ONE
(for employees hired prior to October 1, 2010)**

INTRODUCTION

This Summary Plan Description (this “Summary”) is intended to be a plain language summary of the administration and benefits provided by the Town of Davie Police Pension Plan (the “Fund”). **This Summary governs the Tier One plan for members who were hired prior to October 1, 2010** (hereinafter the “Tier One” plan).

While efforts have been made by the Board of Trustees (the “Board”) to provide an accurate summary, this Summary is not the official plan document and your actual benefits are governed by the appropriate provisions of the actual statutes and ordinances which create the Fund, the Code of the Town of Davie, and 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.

The Fund was last amended with the adoption of Ordinance Number 2026-001 which is described below. Copies of all ordinances are available upon request. Nothing in this Summary 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 the Fund should be directed to the Pension Administrator:

Greg Brilliant
Precision Pension Administration, Inc.
www.ppafl.com
Phone: 954.636.7170
Davie Police Pension website: www.mydpdpension.org

WHAT IS THE OFFICIAL NAME OF THE PENSION PLAN?

The official name of the pension plan is “Town of Davie Police Pension Plan – Tier One.”

WHAT TYPE OF PENSION FUND 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, the Town, and the State of Florida pursuant to an insurance premium rebate program established by the State of Florida pursuant to Chapter 185, Florida Statutes. Under Florida law, the Town is ultimately responsible for making certain that the Fund is actuarially sound.

HOW IS THE FUND ADMINISTERED?

The Fund is administered by a five-member Board. Two of the Trustees are active police officers who are elected by active members of the Fund; two of the Trustees are appointed by the Town Council and must be legal residents of the Town; and a fifth member is appointed by the other four by majority vote. The fifth member need not be a resident of the Town.

The Board is responsible for working with a pension consultant and money managers to oversee the investment of the assets of the 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 investment professionals on a quarterly basis to ensure that the Board is receiving a proper return on the investment of pension assets.

The Board 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. With the assistance of these professionals, the Board is responsible for interpreting and applying the pension ordinance and for determining eligibility on all benefit claims.

The Trustees serve a four-year term and are eligible for re-election or reappointment. The Trustees receive no compensation for their service, and they only receive reimbursement for travel

and for educational activities on behalf of the Fund. In order to keep up on the latest trends in pension management, the Trustees are expected to regularly attend schools and seminars pertaining to the management of pension funds for public employees.

The current members of the Board are:

Paul Ortenzo, Chair
Lawrence J. Davis, Secretary
Edward Taylor
Angel Delarosa
Danny Perez

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

Paul Ortenzo
Davie Police Department
13790 N.W. 4th Street, Suite 105
Sunrise, Florida 33325

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

WHO ADMINISTERS THE FUND?

The Fund is administered by Greg Brilliant, Pension Administrator, whose address is:

Precision Pension Administration, Inc.
13790 N.W. 4th Street, Suite 105
Sunrise, Florida 33325
Telephone number: (954) 636-7170
Davie Police Pension website: www.mydpdpension.org

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

WHAT ARE THE LEGAL DOCUMENTS CREATING THE FUND?

The Fund arises out of the Code of the Town of Davie, Chapter 112, Florida Statutes and Chapter 185, Florida Statutes.

WHAT IS REQUIRED TO PARTICIPATE IN THE FUND?

The Fund is open solely to active police officers of the Town of Davie. A police officer is any person employed full time in the Police Department of the Town, who is certified as a police officer as a condition of employment in accordance with the provisions of Florida Statutes and whose duty it is to protect life and property and exercise lawful arrest powers of the State of Florida. 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 Town of Davie must participate in the Fund.

WHAT MUST I CONTRIBUTE TO THE FUND?

Each active member of the Fund contributes nine (9%) percent of their compensation (defined as base pay, assignment pay, longevity pay, and up to three hundred (300) hours of overtime pay per year) to the Fund. 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 employee contribution prior to the time that the pay is subjected to federal income taxation. The money is then placed directly in the Pension Fund on behalf of the employee by the Town.

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 Town Ordinance and the provisions of Section 414(h)(2) of the Internal Revenue Code.

WHAT BENEFITS DO I RECEIVE FROM THE FUND?

The following benefits are available from the Fund:

a) Normal Retirement Date. Members are eligible for normal service retirement on the first day of the month on or next following the date upon which the member has reached age fifty-five (55) after completing ten (10) years of credited service, has completed twenty (20) years

of credited service, or, in the case of a separated vested member, the anniversary of the date that the member would have completed twenty (20) years of service, provided that the member has completed fifteen (15) years of service in the Fund. In determining when the member has completed twenty (20) years of service, years of service are computed by measuring months from the employment date through the termination date, counting each whole month as 1/12 year and ignoring partial months.

b) Normal Retirement Benefit. Upon reaching their normal retirement date, members who have attained a vested interest in the Fund are entitled to a retirement benefit of three (3%) percent of Final Average Earnings, per year for the first ten (10) years of service, plus four (4%) percent of Final Average Earnings for the years eleven (11) through fifteen (15), plus five (5%) percent of Final Average Earnings multiplied by the member's whole and partial years of service for years sixteen (16) through twenty (20), plus two (2%) percent of Final Average Earnings for the next ten (10) years of service. Benefits are capped at ninety-five (95%) percent of Final Average Earnings.

c) Final Average Earnings. Pension benefits are calculated based on a member's Final Average Earnings. Final Average Earnings are defined as the higher of the monthly average of the member's compensation for the last thirty-six (36) consecutive months' period, or the average of the best five (5) of the last ten (10) years of service. Final Average Earnings include base pay, assignment pay, longevity pay and up to three hundred (300) hours of overtime pay.

d) Years of Service. Years of service are computed in whole and partial years by measuring months from the Employment Date through the Termination Date counting each whole completed month as a one-twelfth (1/12) year and ignoring any partial months.

e) Early Retirement. If a member completes ten (10) years of service and is age fifty (50), the member may elect an early retirement benefit. The early retirement benefit will be

payable on the first (1st) day of each month on or after the date that the member actually retires. The early retirement benefit is the amount the member could have received as a normal retirement benefit, but is reduced for early payment by three percent (3%) for each year that early retirement precedes normal retirement. Members who separate from service prior to normal retirement eligibility may avoid the actuarial reduction of their benefit by delaying retirement until they reach normal retirement age (earlier of age 55 with 10 years of service or the date the member would have 20 years of service, if the member separated from employment with at least 15 years of service).

f) Duty Disability Benefit. If a member becomes permanently and totally disabled from useful and efficient service as a police officer as the result of an accident, illness, or injury arising in the line of duty, a member is entitled to a disability pension which is the greater of either sixty-six and two-thirds (66 2/3%) percent of the member's base pay at the time of disability or the accrued benefit. A duty disability pension is payable in the form of a ten (10) year certain and life annuity (described below in subsection i), unless the member selects an optional form of payment (described below in subsection j).

Duty disability benefits will be offset by Worker's Compensation benefits and any amounts received as disability payments from Social Security to the extent that the total benefit exceeds one hundred (100%) percent of the member's average monthly wage, but reductions to a pension shall not fall below the minimum specified by law (currently 42% of Final Average Earnings).

g) Non-Duty Disability Benefit. If a vested member is injured outside the line of duty, the member is eligible for a non-service connected disability retirement which is equal to the greater of the accrued benefit or twenty-five (25%) of final pay, payable as a ten year certain and life annuity. Non-duty disability benefits will be offset by Worker's Compensation benefits and

any amounts received as disability payments from Social Security to the extent that the total benefit exceeds one hundred (100%) percent of the member's average monthly wage, but reductions to a pension shall not fall below the minimum specified by law (currently 25% of Final Average Earnings).

In all events, disability benefits will not be granted unless a member has had a pre-entry physical examination. This is the same physical examination which an employee is required to take upon being hired with the Town of Davie Police Department.

Payments of disability benefits for either duty or non-duty disabilities continue until the death of the member or recovery from the disability.

h) Disability Procedure. A member seeking a disability retirement should request a disability application from the Pension Administrator and is required to submit proof of the disability. After reviewing a disability application, the Board shall require the applicant to submit to an independent medical examination conducted by a physician or physicians selected by the Board. A member applying for a disability benefit has the right to request a formal evidentiary hearing at which time medical reports will be considered, and the member will have an opportunity to present his or her own evidence and cross-examine all witnesses.

A member who receives a disability pension can be re-examined by the Board at any time prior to the member's normal retirement date, and if found to have recovered, must resume active service with the Town. If a member recovers, yet refuses re-employment with the Town, 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.

i) Payment of Normal Retirement Benefit. Pension benefits may be paid in a number of ways. The normal form of retirement differs based upon whether the member is married or unmarried.

The normal form of retirement for an unmarried member is a ten (10) year certain and life annuity. This means that a member is guaranteed one hundred twenty (120) payments regardless of whether the member dies prior to the one hundred twentieth (120th) payment. If the member dies prior to receiving at least one hundred twenty (120) monthly payments, monthly payments will be made to the member's beneficiary until a total of one hundred twenty (120) payments have been made. If a member is still alive after the payment of the one hundred twentieth (120th) pension check, the pension continues for the life of the member, but there is no survivorship benefit paid to a spouse or any other beneficiary upon the member's death.

The normal form of benefit payable to a married member is either a sixty (60%) percent joint and survivor annuity or the ten (10) year certain and life annuity previously described. A member selecting the sixty (60%) percent joint and survivor annuity will receive a monthly benefit regardless of the age of their designated joint annuitant. The monthly benefit is paid to the member for life, with that same benefit continuing to the member's spouse for twelve (12) months following the member's death and with sixty (60%) percent of that amount continuing to be paid to the spouse until death. The sixty (60%) percent joint and survivor annuity benefit may not be elected for any beneficiary other than the surviving spouse.

j) Optional Forms. Members may also take other forms of a joint and survivor annuity. 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 designated joint annuitant. The options for the joint and 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 benefit of a member selecting a joint and survivor annuity shall be calculated on an actuarial equivalent basis. The consent of a member's joint annuitant is not required for the selection of any option.

After retiring, a member who has selected a joint and survivor annuity is permitted to substitute a replacement joint annuitant as permitted by law. Following the selection of a replacement joint annuitant, the benefit shall be actuarially redetermined, taking into account the ages and sex of the former joint annuitant, the new joint annuitant, and the member.

Another option a member may choose is a single life annuity. This means that a member's 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.

k) Pop-Up Option. A voluntary, actuarial equivalent, "Pop-Up" option is available to members who have elected a joint and survivor option. The purpose of the Pop-Up option is to protect the member if the joint annuitant should predecease the member. By selecting the Pop-Up option, the member receives a lower monthly benefit during the joint lives of the member and joint annuitant. If the joint annuitant should predecease the member, the monthly amount payable to the member will be increased or Pop-Up to equal the normal form of benefit.

The Pop-Up option is an actuarial equivalent benefit. This means that the member is required to pay for the cost of the Pop-Up protection, as calculated by the actuary. The Pop-Up cost is paid by the member who agrees to receive a slightly reduced benefit during the life of the member and joint annuitant.

l) Cost of Living Adjustment (COLA). With the adoption of Ordinance 2001-15, a COLA benefit was created for all members receiving a normal or delayed retirement. Eligible members will receive a two (2%) percent annual COLA (2% of the employee's initial retirement benefit) which is added to the member's retirement benefit. The COLA has a five year delay. The

effective date of the COLA is the sixty-first (61st) month following the normal or delayed retirement date. The two (2%) percent COLA compounds annually until the COLA benefit reaches the maximum COLA cap of thirty (30%) percent of their initial retirement benefit. After reaching the thirty (30%) percent cap, the retiree receives no further COLA increases, but continues to receive the enhanced retirement benefit on a monthly basis.

m) Vesting. A member is considered “vested” upon the completion of ten (10) years of credited service. If a police officer leaves the service of the Town with less than ten (10) years of credited service, all accumulated contributions are returned to the member. If the member earns ten (10) years of credited service and then leaves the Town’s Police Department, the member may receive either a return of contributions or an accrued benefit with payment beginning at age fifty-five (55). If a member has completed fifteen (15) years of service in the Fund, the member may receive either a return of contributions or an accrued benefit payable on the anniversary of the date the member would have completed twenty (20) years of service in the Fund.

n) Rehire after retirement. A member who retired with a Normal Retirement Benefit and is rehired as a school resource officer or appointed as a reserve police officer, may receive an in-service distribution subject to corresponding regulations and IRS code. The member will not be classified as a full time officer and will not earn additional service in the Fund.

Refunded contributions may be paid directly to the member or may be rolled over to another qualified fund, including an individual retirement account (IRA). If contributions are refunded to a member, the member will no longer be eligible for a pension benefit from the Fund.

AM I PERMITTED TO PURCHASE PERMISSIVE SERVICE CREDIT?

The Fund permits members to purchase what is known as “permissive service credit”. As described below, the purchase of permissive service credit will allow a member to increase the value of their monthly benefit in one percent (1%) increments in an amount not to exceed twenty

percent (20%) of Final Average Earnings. Members are also permitted to use permissive service credit to “buy down” their retirement age.

Examples of increased multiplier purchases: A Tier One member who otherwise would have retired with a fifty-five percent (55%) multiplier after fifteen years of service will receive an increased multiplier of seventy-five percent (75%) after purchasing a twenty percent (20%) multiplier increase. A Tier One member who otherwise would have retired with a seventy-five percent (75%) benefit after twenty years will receive an increased multiplier of ninety-five percent (95%) after purchasing a twenty percent (20%) multiplier increase.

Examples of lower retirement age purchases: For example, a member will be permitted to buy down their normal retirement date from “twenty and out” to as early as a “fifteen and out” benefit commencement date. A member selecting this option will not accrue a higher multiplier, but will be permitted to begin receiving an unreduced benefit with fewer years of actual service.

Permissive service credit shall not be granted until the member has paid to the pension Fund the actuarial cost of the purchase, as determined by the actuary for the Fund.

The total benefits actually paid from the Fund to the member after the permissive service credit purchase shall be guaranteed to be not less than the total amount of contributions that the member has made, including permissive service credit purchase contributions.

The contribution by the member of the actuarially determined cost of the permissive service may be made in one lump sum or may be made by payroll deductions in installments for a period not to exceed five (5) years. A member electing to make installment payments shall be charged interest at the Fund’s assumed rate of investment return. A member making installment payments shall complete all required payments prior to payment of any enhanced benefit.

As described below in the section titled, “Am I required to Pay for Actuarial Calculations?”, members are not billed for the actuary’s cost of calculating **one** buyback, permissive service credit or divorce calculation. Subsequent requests shall be billed, based on the actuary’s standard fee schedule. All expenses associated with subsequent permissive service requests shall be borne by the member, and must be paid prior to the completion of the actuary’s calculation.

AM I PERMITTED TO PURCHASE PRIOR MILITARY OR POLICE SERVICE?

The Fund permits members to purchase up to four (4) years of prior service for the purpose of retirement. Eligible service may have been in the form of previous military or police (law enforcement service) with any state, municipal, or federal agency.

All cost of the buyback shall be determined by the Fund’s actuary. Members electing to purchase prior service are required to pay the full actuarial cost of the buyback. As described below in the section titled, “Am I required to Pay for Actuarial Calculations?”, members are not billed for the actuary’s cost of calculating **one** buyback, permissive service credit or divorce calculation. Subsequent requests shall be billed, based on the actuary’s standard fee schedule, for subsequent calculations following a member’s free initial request. All expenses associated with subsequent buyback requests shall be borne by the member, and must be paid prior to the completion of the actuary’s calculation.

The Board may permit the buyback in either lump sum or over a multi-year timeframe, not to exceed five (5) years and not to extend past the member’s retirement date. If the member buys back service over a period of time, additional interest at the Fund’s actuarially assumed rate of return will continue to accrue on the unpaid balance. A member shall not be deemed vested until the completion of ten (10) years of actual service as a sworn police officer with the Town. Prior service will not be granted until the member is fully vested and has paid the actuarial cost of the

service purchased to the Fund. Members are not permitted to purchase service attributable to another employer if the member is already receiving, or will receive in the future, a pension benefit from another retirement system for the same period of service. Members who terminate service prior to vesting in the Fund are entitled to a refund of all sums paid to purchase the buyback of police or military service without interest.

AM I PERMITTED TO PURCHASE PRIOR TOWN BENEFIT AND VESTING SERVICE CREDIT?

The Fund permits members to purchase prior Benefit and Vesting Service Credit. A member who terminates employment and withdraws his or her employee contributions may receive credit for his or her prior service by paying the full actuarial amount required to equal the amount previously withdrawn. Repayment must be completed no later than two (2) years after the date when he resumes employment. Only credit repaid will be given.

WHAT IS A DROP?

The Fund has created a Deferred Retirement Option Program (DROP) which offers active members an opportunity to keep working and simultaneously accumulate pension benefits. From a technical standpoint, a DROP program represents a method of providing for the deferred receipt of benefits from a defined benefit plan. Members who enter DROP will receive a written benefit calculation prior to commencing DROP.

An active member is eligible to enter the DROP beginning upon the attainment of twenty (20) years of credited service, irrespective of age, or at age fifty-five (55) with ten (10) or more years of service. Prior military service or prior police service which has been purchased by the member counts as service credit for purposes of DROP eligibility. Permissive service purchased by the member does not count for purposes of DROP eligibility.

In order to participate in the DROP, the member must submit a timely DROP application. A DROP application will be considered timely if the total years of credited service and years of DROP participation do not exceed thirty-two (32) years. DROP participants may remain in the DROP for up to eight (8) years. The total years of credited service and DROP participation, regardless of a member's DROP entry date, may not exceed the thirty-two (32) year cap.

Upon entering the DROP, 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. Furthermore, all rights in the Fund are frozen as of the date the member enters the DROP. The member, however, may continue working for the Town for up to eight (8) years. At the option of the DROP Participant, DROP accounts may be invested in the same manner as the pension Fund's investment portfolio.

The pension payments which the member would have received had he or she actually separated from service are deposited into an account for the member's benefit and are invested along with the other assets of the Fund. DROP account balances will gain or lose interest based on the performance of the Fund's stock and bond investments. DROP participants are required to agree to hold harmless the Board, Town, their officers, employees and agents from any claim arising out of the decision to participate in DROP, including but not limited to investment losses or adverse tax consequences.

Since a DROP participant is "retired" for pension purposes, the member ceases making regular employee contributions during DROP participation. Because the DROP participant is no longer making contributions into the Fund, the DROP participant's take home pay will generally increase. It is important to recognize, however, that a DROP participant is no longer eligible for any increase in pension benefits after entering into the DROP.

Entry into the DROP is irrevocable once made. A failure to enter the DROP during a member's first thirty-two (32) years of service constitutes an irrevocable waiver of DROP participation.

At the end of participation in the DROP, and not more than eight (8) years, the member must actually separate from service with the Town. Upon separation, the police officer is eligible to receive the proceeds of his or her DROP account, together with any interest earnings or losses. The police officer also begins to receive his or her monthly service pension on the first (1st) day of the month following his or her actual separation from service.

A DROP participant must select a method of payment within ninety (90) days after separation from service. DROP account balances, at the option of the member, may be paid in a single lump sum, in annual installments, in equal monthly installments, by combination of lump sum and periodic payments, or by rollover to another qualified plan. The form of payment may be altered upon written notice to the Board to take effect not more than ninety (90) days from the date of the notice. DROP participants may delay DROP distribution, so long as they elect to do so in writing, on a form prepared by the Board, and provided that they take a partial distribution of at least ten (\$10.00) dollars. DROP participants who delay distributions shall be charged the same monthly administration fee as active DROP participants. The Board and the Town are not liable for any claims associated with investment losses which may occur in the ordinary course of the investment of Fund assets, should you elect to delay a DROP distribution.

Accrued leave pay-outs will be transferred/ frontloaded to the vested employee's DROP account. Upon separation, the remaining balance of the leave accrual payouts, not to exceed any applicable maximum accrual and/or payout caps, will be paid into the employee's DROP account.

Self Directed DROP Option: The Board will approve a series of mutual funds and investment vehicles which may be selected by DROP participants. Any losses, charges, or expenses incurred by the DROP participant shall be borne solely by the DROP participant. At least one of the investment vehicles offered will be a guaranteed investment contract or similar stable value, or low volatility product, with any contractual guarantees provided by the third-party vendor. Existing DROP participants on the date of adoption shall be permitted to make an irrevocable election, within sixty days, to transfer their DROP balance into the self-directed DROP program. The irrevocable default option for DROP participants who do not make an election prior to entering DROP shall be the Pension Plan Return Option.

The Board issued a frequently asked questions (FAQ) sheet to address common DROP questions. Please refer to the FAQ for information relating to all aspects of DROP including distribution.

WHAT IS A TERMINAL LEAVE ACCOUNT?

Terminal Leave Accounts will receive transfers of accrued leave pay-outs at separation for all vested employees who retire but do not enter DROP. Balances will be distributed/rolled-over to the separated employee within ninety (90) days after the separation date.

WHAT IF I DIE BEFORE I RETIRE?

If a member dies prior to retirement or participation in the DROP (even if he/she has reached their normal retirement date but has not actually retired from the Town), benefits are payable to surviving beneficiaries, as applicable. In the case of a duty-connected death, a surviving spouse who was married to the member for at least one (1) year, will receive an amount equal to the greater of fifty (50%) percent of the member's compensation at the rate in effect on the member's date of death, or the member's accrued benefit payable to the member's spouse on the date of what would have been the member's normal retirement date.

If a member dies other than in the line of duty and is vested, the accrued benefit shall be payable to the surviving spouse or beneficiary, on the member's normal retirement date. At the option of the recipient, an actuarially reduced benefit may be paid prior to the normal retirement date. If a member dies other than in the line of duty and is not vested, the Board will refund the Employee Contributions to the named beneficiary of the member as soon as practicable after the death.

WHAT IF I DIE AFTER I RETIRE OR AFTER I COMMENCE PARTICIPATING IN THE DROP?

If a retiree dies, death benefits, if applicable, will be paid in accordance with any optional form of benefit chosen at the time of retirement.

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 and the proceeds of the member's DROP account, including any investment gains or losses, are paid to the member's designated beneficiary. In such event, pension payments are made in accordance with the survivor option elected by the member prior to death. The DROP participant is treated as a retiree and any elected survivorship benefit would become due and payable upon the DROP participant's death, whether or not that death was duty related.

WHAT ADDITIONAL BENEFITS ARE AVAILABLE UPON DEATH?

In addition to benefits payable from the Fund, death benefits are also available from a variety of other sources as well. The State of Florida, for example, provides a \$75,000.00 death benefit if a police 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 \$75,000.00 is available. If the officer is intentionally killed while engaged in the performance of law enforcement duties, the

death benefit is increased to \$225,000. These benefits are subject to change according to the Consumer Price Index.

Moreover, the children and spouse of a police officer intentionally killed in the line of duty are entitled to a college and graduate school level education at a Florida public university, community college or vocational-technical school at the expense of the State. The spouse and children are also entitled to 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 \$370,376.00 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 FUND FORFEITABLE?

As discussed above, if you separate from service before you vest, you will not receive any benefits from the Fund, 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 offenses.

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

Under state law and local ordinance, this Fund 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.

In order to guarantee that the Board follows the requirements of properly entered divorce decrees, members are required to submit all divorce decrees to the Board. Members are encouraged to submit draft copies of divorce orders to the Board for review, prior to the entry of a final divorce decree.

Effective January 1, 2019, changes in the federal tax laws have eliminated tax deductions for alimony if a marriage was dissolved or a proposed settlement agreement was made on or after January 1, 2019. Modifications to existing orders or agreements on or after January 1, 2019, may be tax deductible if both parties agree.

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 Fund at the end of each 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 submitting a retirement application with the Pension Administrator. 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 Pension Administrator.

If an error in retirement benefits is discovered and result in any member or beneficiary receiving from the retirement plan more or less than they would have been entitled to receive had

the records been correct, the board shall have the power to correct such error and, as far as possible, adjust the payments in such a manner that the actuarial equivalent of a benefit to which such member or beneficiary was correctly entitled to shall be paid.

If a member is dissatisfied with any benefit application brought before the Board, the member has the opportunity to appeal that decision within thirty (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 FUND RECORDS KEPT?

The Board keeps accurate and detailed accounts of all investments, receipts, disbursements, and other transactions pertaining to Fund property. The Board's Pension Administrator 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 the Sunshine Law.

WHAT IS THE SHARE PLAN?

The Share Plan has been established as a separate defined contribution plan administered by the Board. Chapter 185 premium tax revenues will be allocated to Fund the Share Plan at a future date.

ARE THERE COLLECTIVE BARGAINING AGREEMENTS THAT GOVERN THE FUND?

From time to time, the Fraternal Order of Police and the Town have negotiated benefit changes. Any contract provision must be made effective by changing the ordinances which govern this Fund. The current Collective Bargaining Agreement between the Fraternal Order of Police and the Town expires September 30, 2028. Pension and retirement issues are located in Article 40.

AM I REQUIRED TO PAY FOR ACTUARIAL CALCULATIONS?

Members are not billed for the actuary's cost of calculating **one** buyback, permissive service credit or divorce calculation. A member's buyback request may contain any combination of permissive service, military or prior police service. Subsequent requests shall be billed, based on the actuary's standard fee schedule, for subsequent calculations following a member's free initial request.

FEDERAL INCOME TAX CONSEQUENCES.

The Plan is intended to qualify under Section 401 of the Internal Revenue Code as a qualified plan. It is important that you consult qualified experts to determine whether you must pay taxes on the pension benefits you receive.

WHAT IF I HAVE FURTHER QUESTIONS REGARDING MY BENEFITS?

All questions should be directed in writing to the Pension Administrator.

Greg Brilliant
Precision Pension Administration, Inc.
13790 N.W. 4th Street, Suite 105
Sunrise, Florida 33325
www.ppafl.com
Phone: 954.636.7170
Davie Police Pension website: www.mydpdpension.org

SUMMARY

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