

FIREFIGHTER RETIRED MEMBERS

Q. When are Board meetings held and where is the Agenda and Board minutes?

The meeting schedule, agendas and minutes are under "Administration" "Meeting Schedule."

Q. Where does the money to pay for the plan come from?

Your Contributions
State Funding

City Contributions
Investment Earnings

Q. How do I know if I am making the right decision to retire?

Discuss it with your tax advisor and financial planner. The pension office cannot and will not give any tax advice.

Q. When can I Retire?

Normal retirement for those hired BEFORE March 15, 2012 is age 55; 25 years of credited service at 85%; and 28 years at 100%. Early retirement for those hired BEFORE March 15, 2012 is at age 45 with 20 years of credited service or age 50 with 10 years of credited service.

Normal Retirement for those hired on or AFTER March 15, 2012 is age 55 and 10 years of credited service; and 25 years of credited years of service, regardless of age. The maximum benefit shall be 90%. Early retirement for those hired AFTER March 15, 2012 is at age 45 with 20 years of service or age 50 with 10 years of service.

Members will be penalized 3% for each year by which the starting date of the immediate monthly benefit precedes the date that would have been his or her normal retirement date had he or she remained in employment.

Members must reach normal retirement in order to enter the DROP.

Q. How do I apply for Retirement?

Call (321) 724-8877 to make an appointment with the pension staff about a month ahead of your tentative retirement date. Some of the documents you need to bring with you are: a certified copy of your birth certificate; a certified copy of your marriage license (if applicable); and a certified copy of your beneficiary's birth certificate.

Q. What is the retirement process?

The process takes about 6-12 weeks.

Choose a date for retirement and file the paperwork

After pension staff receives your final contribution from the City, we create a 10-year spreadsheet which is a review of your pension compensation and contributions. A package is sent to the Board's Actuary which takes about two (2) weeks. Upon receipt of your Benefits Election Form, you meet with pension staff and are then advised to take the election form to your financial, tax, and or legal advisor.

You review your Benefits Election Form and select an option. You must return the election form to the pension office within two (2) weeks.

Your pension payments are processed by the Board's Bank, Salem Trust. You may receive more than one check in your first payment for retro pay. All members are required to have their payments paid by Direct Deposit.

Your monthly pension amount will be deposited into your financial institution on the first of each month; however, if the first falls on the weekend or on a holiday, it will be deposited on the next business day. Pay dates are located on the "Retirees" page.

Q. Once I am retired, can I be rehired by the City of Palm Bay?

In-service distributions are when a retiree, receiving a monthly pension distribution from the Plan, is rehired by the City of Palm Bay in any capacity

within a year of retirement and separation from City employment and receives income from both the Plan and the City. In-service distributions are not allowed by the Plan.

Q. How is my Benefit for Average Final Compensation Calculated?

One-twelfth (1/12) of the average annual compensation of the best five (5) years of the last ten (10) years of credited service prior to retirement, termination or death.

A year shall be twelve (12) consecutive months or such other consecutive period of time as is used and consistently applied.

Please note the Pension Ordinance lists the highest five (5) years out of the last ten (10) years. When calculating the compensation, the Board's actuary looks at each pay period to determine the highest one, and then they must go forward for that year in a consecutive twelve (12) month period, as per Ordinance. For example, if a member's highest pay period in a given year is September 7, 2015, they count that pay period as the beginning of the first year of the five (5) highest and go forward consecutively to August 22, 2016. The following year (second year) could be December 8, 2017-November 27, 2018, especially if that person some type of pay at the end of each year boosting that pay period to the highest within that calendar year.

Whatever compensation is used, the data for the five (5) year period is included in your Benefits Election Form in the top right-hand corner.

Q. The Share Plan

The Fire Share Plan is funded exclusively with available premium tax revenue received from the State of Florida. An individual share account shall be established for each active firefighter member, including DROP participants. Distributions shall only be available for members that meet certain criteria. In the event a Fire Share Plan member separates from City employment without having become a vested Share Plan Member, the member shall forfeit his or her share account balance and the forfeited

account balance shall be added to the available funds for that year. Members with a share account will receive an annual statement. See Ordinance 55.30 regarding the Share Plan details.

Q. What is my supplemental monthly retirement pay and when does it end?

If you terminate while vested or reach normal retirement or early retirement on or after October 1, 2007, you will receive a supplemental benefit of \$25.00 per month for each year of credited service earned prior to March 15, 2012.

Effective March 15, 2012, members who have not attained age 55 with 10 or more years of credited service or 25 years of credited service regardless of age on that date, who either terminate while vested or terminate upon reaching normal or early retirement shall receive a supplemental benefit of \$12.00 per month for each year of credited service earned on or after March 15, 2012.

This benefit shall be only be paid for the life of the member and is not paid to disabled members who are being retained on the City's insurance at the expense of the City. However, this benefit shall cease when the member attains the age of Medicare eligibility. As of May 17, 2019, the age of Medicare is sixty-five (65).

The benefit commences upon entry into the DROP or upon receipt of a retirement benefit and separation from the City.

Q. When does my COLA start?

Firefighters' Cost-of-Living Allowance (COLA) is in the sixth (6th) year of retirement. They are processed each October as a group. This means if you have a retirement date between October 2nd and September 1st you will receive a pro-rated amount for the number of months that fall between your initial retirement date and September 30th. Then the COLA increase will start with the following October 1st payment. For example, if your retirement date is November 15, 2008, with your first pension check due December 1, 2008 then your COLA will start October 1, 2015. Plus, you

will receive a one-time pro-rated amount for the payments between December 2014 and September 2015.

If you select a Social Security Option as a form of retirement payment, then when you reach the age listed on your election form, your payment and COLA will reduce. Your COLA will be recalculated as though you had the reduced pension amount from the beginning of your actual COLA start date.

Q. If I have a portion of my monthly retirement income listed as already being taxed, when must I start paying taxes on the amount?

Some members' pension contributions were taxed in the 1970's or 80's by the City that resulted in part of their monthly payment being amortized out some thirty (30) years or so. Federal Withholding taxes are not deducted from that amount. At the end of the amortization period, the full amount of the monthly pension payment will be taxed.

Additionally, some individuals purchased prior paid Firefighter service. Depending on what funds were used by the member to pay for that purchase, those funds may have already been taxed. A formula has been used to determine the amount of the monthly pre-taxed amount and the date in which taxes will begin to be deducted from those funds.

Q. Once I am retired, what kind of communication can I expect?

You will receive a monthly statement from Salem Trust, the Fund's Custodian, about a week before your Direct Deposit providing a breakdown of your gross and net pension amount, along with deductions that have been made at your request.

Firefighters' Cost-of-Living Allowance (COLA) is in the sixth (6th) year of retirement.

If you chose the City's Health Insurance, Annual Direct Deposit Deduction instructions for any changes that may occur due to open enrollment. Annual 1099R's from Salem Trust.

Supplemental Benefit-When you reach the age of Medicare, your supplement (if applicable) ceases. You will receive a notification in advance from the pension office.

Social Security Options-If you chose one of the two Social Security Benefits Election options, you will receive a notification in advance from the pension office as to when your monthly payment will be reduced, as well as the reduction in your COLA.

Q. How will I receive documents by email?

Complete an Email Authorization Form listing a personal email. To rescind or change the email address, complete the additional section on the form.

Q. What documents will I receive by email and when will I receive them?

Annual Affidavits are sent out around June of each year and are required by State Statute as a necessary fraud prevention tool for the Plan. They let the Board know that you are still alive and allow us to make sure we have all your current information. You have thirty (30) days to return them to the office in person or by mail; however, if not received, your retirement check will be stopped until contact can be made. We have secure email to send you statements, but not to receive them from you.

Mortgage Statement or Income Verification Letters upon request

Q. What is forfeiture?

If you are convicted of the offenses listed in Pension Ordinance 55.22 prior to retirement, or your employment is terminated by reason of your admitted commission, aid or abetment of those listed offenses, you shall forfeit or give up all rights and benefits under the Plan, except that you will receive the return of your accumulated contributions as of the date of termination. If it is determined that you might meet these guidelines, a Forfeiture Hearing may be held to determine your benefits, if any. Also

pertinent to any Plan member is Pension Ordinance 55.23 Conviction and Forfeiture; False, Misleading or Fraudulent Statements.

Q. Tax Cuts and Jobs Act Alters Tax Rules for Alimony

Effective January 1, 2019, changes in the Federal Income Tax Laws have eliminated tax deductions for alimony if the marriage was dissolved or a property settlement was made on or after January 1, 2019. This also includes any modification to an existing order or agreement if the modification is made on or after January 1, 2019. This means that income deduction orders which require alimony payments to a former spouse will be income to the member. Dissolutions of marriage orders or separation agreements entered on or before December 31, 2018 will remain under the prior rule. Members who are involved in a dissolution of marriage proceeding are strongly encouraged to consult a qualified tax advisor concerning the impact of both alimony and equitable division of marital property on the member's Federal Income Tax obligations. The Pension Fund Board of Trustees and staff CANNOT provide individual tax advice. We recommend you meet with your tax advisor on any tax issues.

Q. When do I receive my 1099R from Salem Trust?

You will receive your 1099R (statement of earnings) from Salem Trust in January or February each year. If you receive more than one it may mean that you moved out of the State of Florida during the tax year. One will reflect earnings from the Plan while living in Florida and the other earnings from the Plan while living in your new home state. The state you move to may or may not have State Income Tax. Box 11 will reflect a State ID Code that provides the Internal Revenue Service (IRS) with your state's code that will help them determine if state income tax applies.

Q. Once retired, when do I contact Palm Bay Police and Firefighters' Pension Fund office staff?

If for any reason, you do not receive your payment.

When you move

When you get married or divorced

When you change your beneficiary

When your beneficiary dies

When you change the financial institution where your pension funds are deposited

When you change your current deductions from your monthly pension deposit (health, life, long term care, dental, vision, or Medicare insurance; alimony or child support payments; Federal Withholding deductions; etc.)

Beneficiaries **MUST** notify the pension office if the pensioner becomes disabled or deceased

Q. How do I change my beneficiary form?

Call the pension office staff at (321) 724-8877. Do not use the form on the website. You may change your beneficiary up to two (2) times after retirement; however, there is an actuarial fee that you are responsible to pay in advance to calculate your new benefit which may then reduce your monthly retirement benefit. You must provide a certified copy of your new beneficiary's birth certificate for the analysis to be conducted.

Q. How do I change my address?

Fill out a Change of Address Form located on the "Retiree" web page. The original completed form may be hand-delivered or mailed to the pension office (address located on the website). If you mail it, please call the pension office for confirmation of receipt.

Q. How do I update or change my City of Palm Bay health insurance?

Contact the City's Benefit Coordinator at (321) 952-3421 to change the City's paperwork. Go to the "Retirees" page to print and complete a Direct

Deposit-Monthly Deduction Form. Mail or hand-deliver it to the pension office. If you mail it, call the office to confirm receipt. You may also obtain the form by calling (321) 724-8877 to request one to be emailed, faxed, or mailed to you.

The City of Palm Bay holds an annual Open Enrollment for active and retired Plan members. Notice will be listed on the pension website at www.pbpf.org. Additionally, you will receive a package from the City as well as from the pension office. Our package will include your current Direct Deposit Form listing your current City of Palm Bay insurance coverage and a blank Direct Deposit Form for you to complete. We recommend you contact pension staff prior to completing our forms to discuss what changes you are making.

A deadline date for changes to insurance deductions will be listed in the cover letter. New deductions usually go into effect from your January 1st payment. If we do not receive our required forms by the deadline date, your deduction for premiums will remain the same until a new form is provided. If you fail to provide a new form and you owe the City additional premiums or your premiums have decreased, you must contact the City for any adjustments.

The City is required by State Statute to offer insurance participation at retirement. Failure to sign up at the beginning of your retirement or pay the proper premiums when due may result in cancellation of insurance coverage by the City with no renewal option available.

Q. Can I change my Federal Tax Withholding election?

Yes, obtain the current year's W4-P Form from the "Retirees" page. Print and complete the form. Mail or hand-deliver the original to the pension office. Be advised pension staff will not give tax advice. Please consult with your personal tax advisor.

Q. When must I retire and receive monthly distributions?

According to the IRS, you must Retire and take distributions upon reaching 70 ½ years old.

Q. Once I retire, can I change my Benefits Election Option?

No.

Q. How do I allow my spouse, significant other or beneficiary to obtain information on my retirement?

Click on the Fire Patch on the website. Print and complete an Authorization for Release of Member Pension Information Form. You may mail it, fax it, or hand-deliver it to the pension office. It will be placed in your pension file that will allow pension staff to talk to your designated contact person about all information related to your retirement with the Plan to include, but not limited to payment, election option, benefits, etc. Any change to this consent must be made in writing to the pension office.

Q. What does my family do if I die?

Call (321) 724-8877 immediately to notify pension staff. As soon as it is available provide a certified copy of the death certificate to the pension office.

Q. What do I do if my beneficiary dies?

Call (321) 724-8877 immediately to notify pension staff. As soon as it is available provide a certified copy of the death certificate to the pension office.