

**LAUDERDALE-BY-THE-SEA VOLUNTEER FIREFIGHTERS
PENSION PLAN**

SUMMARY PLAN DESCRIPTION

Prepared March, 2008

INTRODUCTION TO YOUR PLAN

The Town has established a defined benefit pension plan to provide eligible volunteers with retirement and related benefits.

This Summary Plan Description is a brief description of your Plan and your rights, obligations and benefits under that Plan. This Summary Plan Description is not meant to interpret, extend or change the provisions of your Plan in any way. The provisions of your Plan may only be determined accurately by reading the actual Plan document.

A copy of your Plan is on file at the Fire Department and may be read by you, your beneficiaries or your legal representatives at any reasonable time. If you have any questions regarding either your Plan or this Summary Plan Description, you should ask your Plan's Administrator. In the event of any discrepancy between this Summary Plan Description and the actual provisions of the Plan, the Plan shall govern.

GENERAL INFORMATION ABOUT YOUR PLAN

There is certain general information you may need to know about your Plan. This general information is summarized below.

Name of Plan

Lauderdale-By-The-Sea Volunteer Firefighters Pension Plan

Employer

The Town of Lauderdale-By-The-Sea

Plan Administrator

Board of Trustees of the
Town of Lauderdale-By-The-Sea Volunteer
Firefighters Pension Plan
4442 Sea Grape Drive
Lauderdale-By-The-Sea, Florida 33308
Telephone: (954) 647-7752

Trustee

Plan Administrator

Designated Agent for Service of Legal Process

Chairman of the Board of Trustees

Type of Administration

The Plan Administrator is responsible for the overall administration of the Plan. It has discretionary authority to construe the terms of the Plan and make determinations on questions which may affect your eligibility for benefits. The Plan Administrator may also retain the services of attorneys, accountants, actuaries, investment advisors and other professionals.

Plan Year

Each 12 month period beginning on October 1st and ending on September 30th. The Plan's fiscal records are maintained on this basis.

Relevant Provisions of Local and State Laws

The Plan is set forth in Article V, Division 3 of the Code of Ordinances.

The most recent amendment to the Plan which is reflected in this Summary Plan Description is Ordinance No. 2005-03.

Your Plan is also governed by certain provisions of Part VII, Chapter 112, Florida Statutes (F.S.), Chapter 175 F.S. and various federal laws.

Relevant Provisions of Collective Bargaining Agreements

No volunteer covered by the Plan is a member of any collectively bargained unit.

Custodian

The custodian of the Plan is responsible for the safe-keeping of securities owned by the Pension Fund. The custodian is:

Northern Trust Securities
Boca Raton FL

Investment Manager(s)

The investment manager is responsible for selecting the securities to be bought and sold by the Pension Fund, in accordance with guidelines established by the Plan Administrator. The investment manager is:

Board of Trustees

Member

Each volunteer who is eligible to participate in the Plan and who fulfills the prescribed eligibility requirements.

Beneficiary

Each person designated to the Plan Administrator by you to receive any payments that may become payable by the Plan upon your death. You should designate a beneficiary when you become a member of the Plan. You may change your designation at any time upon written notification to the Plan Administrator.

CONTRIBUTIONS TO THE PLAN

Benefits of the Plan are financed by contributions that are paid into the pension fund and by investment earnings generated by investment of the pension fund. Contributions to the fund are made by:

State of Florida

Monies are paid each year by the State pursuant to Chapter 175, F.S. Said monies are used for the benefit of firefighters.

Your Employer

Your Employer must contribute an amount determined by the Plan's actuary to be sufficient, along with the State contribution, to fund systematically the benefits under the Plan. The Employer's contribution will vary depending on the experience of the Plan.

ELIGIBILITY AND CREDITED SERVICE

Eligibility

You are eligible to be a Member of the Plan if you are a firefighter as of September 10, 1985. If you become a firefighter after September 10, 1985, you will become a member upon completion of your application for membership, which must be completed within 30 days of becoming eligible for this Plan.

Credited Service

Credited Service is the number of years of service credited to you for eligibility, benefit and vesting purposes. It is equal to the number of calendar years after 1971 in which you are awarded at least 30 service credits. You receive a service credit for attendance at a meeting, attendance at a drill, responding to a fire alarm, or responding to a false fire alarm. You will not receive credit for a year unless you are awarded with at least 30 service credits. No credit will be given for more than 30 years of service.

RETIREMENT DATES

Normal Retirement Date

The Normal Retirement Date is the earliest date when unreduced retirement benefits may be paid. Your Normal Retirement Date is the date when you reach age 55 and complete ten years of Credited Service or reach age 52 and complete 25 years of Credited Service.

Early Retirement Date

Your Early Retirement Date is the date when you reach age 50 and complete ten years of Credited Service. You may retire anytime after this date with reduced benefits as described later.

Late Retirement Date

You may continue to work past your Normal Retirement Date. The date you actually stop working will be your Late Retirement Date.

RETIREMENT BENEFITS

Normal Retirement Benefit

The monthly benefit that you will receive if you continue in employment until your Normal Retirement Date is called your Normal Retirement Benefit.

The amount of your Normal Retirement Benefit is based on your years of Credited Service and Average Monthly Salary at your Normal Retirement Date.

The benefit on your Normal Retirement Benefit is calculated as follows:

\$10 multiplied by your years of Credited Service, up to a maximum of 30 years.

As an example, if your Credited Service at your Normal Retirement Date is equal to 20 years, then the benefit is determined as follows:

$\$10.00 \times 20 \text{ years} = \200.00

The retirement benefit is paid to you as a Ten Year Certain and Life Annuity in accordance with the Normal Form of Benefit Payment as described later (however, see the sections on Death Benefits After Retirement and Election of Optional Forms of Benefit Payments).

Accrued Benefit

The portion of your Normal Retirement Benefit that you have earned at any point in time is called your Accrued Benefit. Your Accrued Benefit is computed in the same way as the Normal Retirement Benefit, except you use your present Credited Service in the calculation. The Accrued Benefit is a monthly amount which starts on your Normal Retirement Date.

Late Retirement Benefit

The amount of your monthly Late Retirement Benefit is calculated and paid in the same way as the Normal Retirement Benefit. However, your Average Monthly Salary and Credited Service as of your actual retirement date is used in the calculation.

Early Retirement Benefit

If you decide to retire early, you may receive your Early Retirement Benefit on a deferred basis or immediately.

1. A deferred Early Retirement Benefit is a benefit that begins on your Normal Retirement Date and is paid for the rest of your life. The benefit is equal to your Accrued Benefit.
2. An immediate Early Retirement Benefit is a benefit that begins on your Early Retirement Date and is paid for the rest of your life. The benefit is equal to your Accrued Benefit but is reduced for the number of months by which the starting date of the benefit precedes your otherwise Normal Retirement Date. The benefit is reduced to take into account your younger age and the earlier commencement of benefit payments. The following table shows how much your benefit will be reduced if payments begin before your Normal Retirement Date:

Number of Years Early	Percentage Reduction
1	3%
2	6
3	9
4	12
5	15

DISABILITY RETIREMENT

If you become totally and permanently disabled as provided by the Plan, you may be eligible for a disability benefit.

In the case of a disability incurred in the line of duty, you will be eligible for a benefit regardless of your length of service. In the case of a disability that is not incurred in the line of duty, you will only be eligible for a benefit if you have at least ten years of Credited Service.

The amount of your benefit due to line of duty disability would be the same as your Accrued Benefit. The benefit is payable once the Board confirms your eligibility and is payable until your recovery.

If you pass away without recovery from the disability, the last payment would be the later of your death or the 120th monthly payment. In lieu of the benefit payment detailed above, you may select an optional form of benefit as detailed in a later section.

SURVIVOR BENEFITS

Before Retirement

If you pass away with at least 10 years of credited service but before your actual retirement, a death benefit shall be paid from the fund to your beneficiary for 120 months. Your benefit shall be computed as though you had retired on your date of death and had chosen the Normal Form of Benefit.

After Retirement

If you were receiving a form of retirement payment which provided for a survivor's benefit to be paid after your death, your Beneficiary will receive payments following your death. A later page describes the various forms of retirement payments.

VESTED RETIREMENT BENEFIT

If you terminate your membership in the volunteer fire department, other than by reason of retirement, disability or death, you may be entitled to a deferred Vested Retirement Benefit. This benefit is equal to your Accrued Benefit on your termination date multiplied by your vested interest. The following chart shows your vested interest in your Accrued Benefit.

Vesting Schedule	
Completed Years of Credited Service	Vested Interest
Less than 10	0%
10 or more	100

The vested benefit is payable at any time after you reach age 55. If you terminate your membership before you have ten years of Credited Service, you will not receive a benefit, you will receive a refund of contributions, if any.

FORMS OF BENEFIT PAYMENTS

Normal Form of Benefit Payment

Unless you elect otherwise before retirement, your pension is payable as a Ten Year Certain and Life Annuity. This is a series of monthly payments for your life that cease upon your death. If, however, you die before 120 payments are made, payments are then continued to your beneficiary until a total of 120 payments are made.

Election of Optional Forms of Benefit Payments

You have the right at any time before your actual retirement date to elect not to have your retirement benefit paid in the Normal Form. Your benefit would then be paid in the form which you choose.

You may choose among the options described below and revoke any such elections and make a new election at any time before actual retirement. You must make such an election by written request to the Plan Administrator and such an election shall be subject to the approval of the Plan Administrator. This election also applies to terminated Participants who are eligible for payment of deferred Vested Retirement Benefits. The options available are as follows:

1. **Option 1 - Joint and Last Survivor Annuity**

You may elect to receive a decreased monthly retirement benefit during your lifetime and have such decreased retirement benefit (or a designated fraction thereof) continued after your death to and during the lifetime of your Beneficiary.

2. **Option 2 – Single Life Annuity**

You may elect to receive an increased monthly retirement benefit payable for your life only that would cease upon your death.

3. **Option 3 Other**

Benefits may be paid in any form approved by the Board so long as Actuarial equivalence with the benefits otherwise payable is maintained.

AMENDMENT OR TERMINATION OF THE PLAN

The Plan may be amended or terminated at any time by the Employer. If the Plan were terminated, you would immediately become fully vested in the benefit you had earned so far. All of the assets of the Plan would be allocated to the Members according to certain classes of priority. Only after all accrued benefits have been paid and any other liabilities have been satisfied could any remaining money be returned to the Employer.

IMPORTANT NOTICE

There are certain circumstances which may result in the disqualification, ineligibility, denial, loss, forfeiture, suspension or deferral of your benefits in this Plan. The following is a list of these circumstances:

1. If you terminate membership before reaching the Normal Retirement Date and you do not have enough Credited Service to have earned a vested interest, no benefits will be payable.
2. If you die before attaining a vested interest, no benefits will be payable.
3. No credit is allowed either for benefit accrual or vesting purposes for any year in which you do not earn 30 service credits.
4. Your retirement benefit will not be payable until actual retirement date, even if you continue to work beyond the Normal Retirement Date.
5. In the event that this Plan terminates and the available Plan assets are less than the value of all Accrued Benefits, then your Accrued Benefit may be reduced.
6. Your Accrued Benefit may be forfeited if you are convicted of certain felonies as provided by State law (Chapter 112.3173 F.S.).
7. Payment of your benefits may be subject to an income deduction order relating to child support or alimony made pursuant to a state domestic relations law.

YOUR RESPONSIBILITIES

1. Retain this Summary Plan Description with your other important papers for later reference or for replacement by updated versions and supplemental notices, if any.
2. Upon completing eligibility requirements, sign a Membership Form, including a Beneficiary designation.
3. Keep your Beneficiary designation form updated to express your wishes.
4. If you terminate membership, check to see if you are entitled to a Vested Retirement Benefit and the date payable.
5. If you should terminate membership with rights to a deferred Vested Retirement Benefit, then, shortly before the date on which it is to begin, you should contact and notify the Employer to begin such payments.
6. Upon your Normal Retirement, complete the form necessary to indicate which Optional Form of Benefit you desire.

CLAIMS AND PROCEDURES

Claims for benefits under the Plan must be filed in writing with the Plan Administrator. If you are eligible for any benefits from this Plan, you will be provided with a notification form showing the amount of your benefit and options, if any, and the earliest date on which such benefit is payable.

Your request for Plan benefits shall be considered a claim for Plan benefits, and it will be subject to a full and fair review. If your claim is wholly or partially denied, the Plan Administrator shall furnish you with a written notice of this denial. This written notice must be provided to you within a reasonable period of time after the receipt of your claim by the Plan Administrator. The written notice must contain the following information:

1. The specific reason or reasons for the denial;
2. Specific reference to those Plan provisions on which the denial is based;
3. A description of any additional information or material necessary to correct your claim and an explanation of why such material or information is necessary; and
4. Appropriate information as to the steps to be taken if you or your Beneficiary wishes to submit your claim for review.

If notice of the denial of a claim is not furnished to you in accordance with the above within a reasonable period of time, your claim shall be deemed denied. You will then be permitted to proceed to the review stage described in the following paragraphs.

If your claim has been denied, and you wish to submit your claim for review, you must follow the Claims Review Procedure established by the Board.

PERTINENT ACTUARIAL INFORMATION		
	As of October 1st	
	2006	2005
Number of Members of the Plan		
Active Employees	89	80
Those Receiving or Due to Receive Benefits	9	9
Annual Rate of Benefits in Pay Status	\$ 16,916	\$ 16,916
Actuarial Accrued Liability	309,304	298,072
Net Assets Available for Benefits (Actuarial Value)	434,524	341,169
Unfunded Actuarial Accrued Liability	(125,220)	(43,097)
Required Contribution to be Made to the Plan	19,208	36,708
Required Contribution Per Active Member	216	459
Required Contribution to be Paid During Year Ending	9/30/07	9/30/06

PENSION FUND INCOME AND DISBURSEMENTS		
	9/30/06	9/30/05
Market Value at Beginning of Period	\$ 404,196	\$ 340,487
Income		
Member Contributions	11,810	10,691
State Contributions	77,186	14,206
Employer Contributions	11,810	13,674
Other Contributions	0	0
Investment Earnings		
Interest & Dividends	80	88
Realized & Unrealized GL	47,276	49,701
Total	47,356	49,789
Other Income	<u>0</u>	<u>0</u>
Total Income	148,162	88,360
Disbursements		
Monthly Benefit Payments	14,404	19,254
Lump Sum Distributions	0	0
Refunds of Contributions	2,950	1,182
Investment Related Expenses	0	0
Other Administrative Expenses	868	4,215
Insurance Premiums	0	0
Other Expenses	<u>0</u>	<u>0</u>
Total Disbursements	18,222	24,651
Net Increase During Period	129,940	63,709
Market Value at End of Period	534,136	404,196
Less: State Contribution Reserve	99,612	63,027
Final Market Value	434,524	341,169