

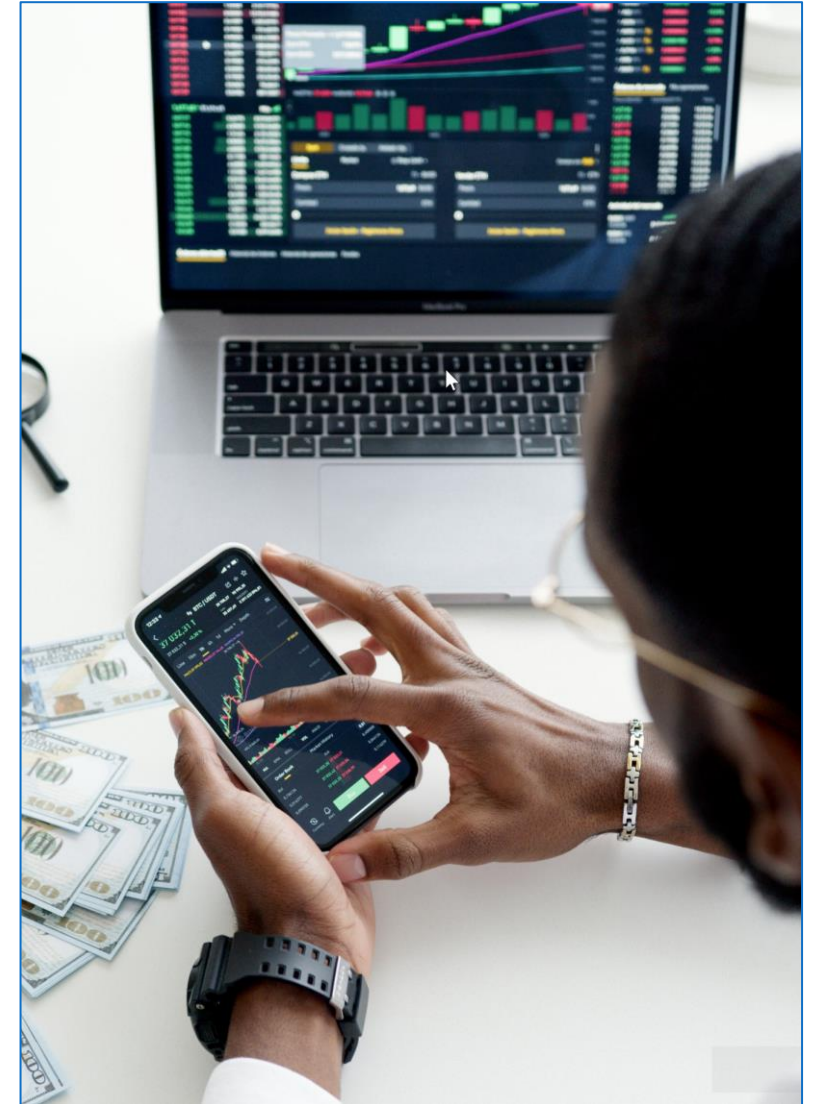


WHAT IS A DEFINED BENEFIT PLAN

Ken Harrison, FPPTA Education Committee

DIRECT BENEFIT PENSION PLAN

- Also known as a BD Plan.
- Funded by contributions from the employer, the employee, and the investments that are generated by the policy of the Board of Trustees.
- This plan develops a benefit that you can never outlive as it is based on years of service, age, a set multiplier, and your final average compensation.
- Once you reach a period of vesting, or eligible age for retirement, your benefit is based on the number of years of service times the multiplier which is determined by your ordinance, and in most cases is approximately 3%. This percentage is then applied to your final average compensation.
- Benefit for life thereafter. You may be able to pass this on to a beneficiary.



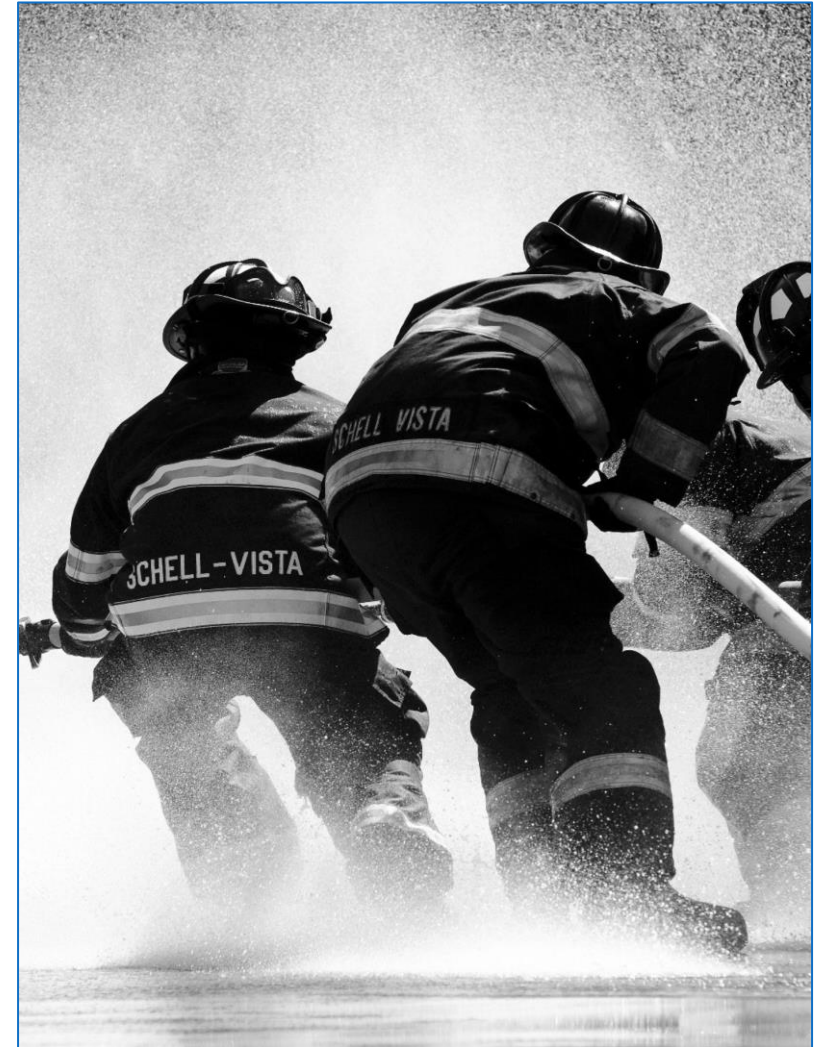


FLORIDA STATUTES IMPACTING DB PLANS

- Chapter 112, Part 7.
- These provision are established for the actuarial soundness of the plan.
- It requires that you have a written investment policy which consists of 17 specific requirements.
- Requires that you must comply with the rules established by the Ethics Commission of the State of Florida.

FIREFIGHTERS PENSION PLANS

- Chapter 175 which establishes minimums for Firefighter DB plans.
- Comprised of 5 members – two of which must be participants of the plan, two must be residents of the local jurisdiction, and the fifth is selected by the other four.
- Requires the enactment of local ordinance to establish special tax called a premium tax on specific types of insurance sold within your jurisdiction.
- The bulk of these dollars come from home owners insurances as well as fire prevention and other specific insurances.



POLICE OFFICERS PENSION PLANS

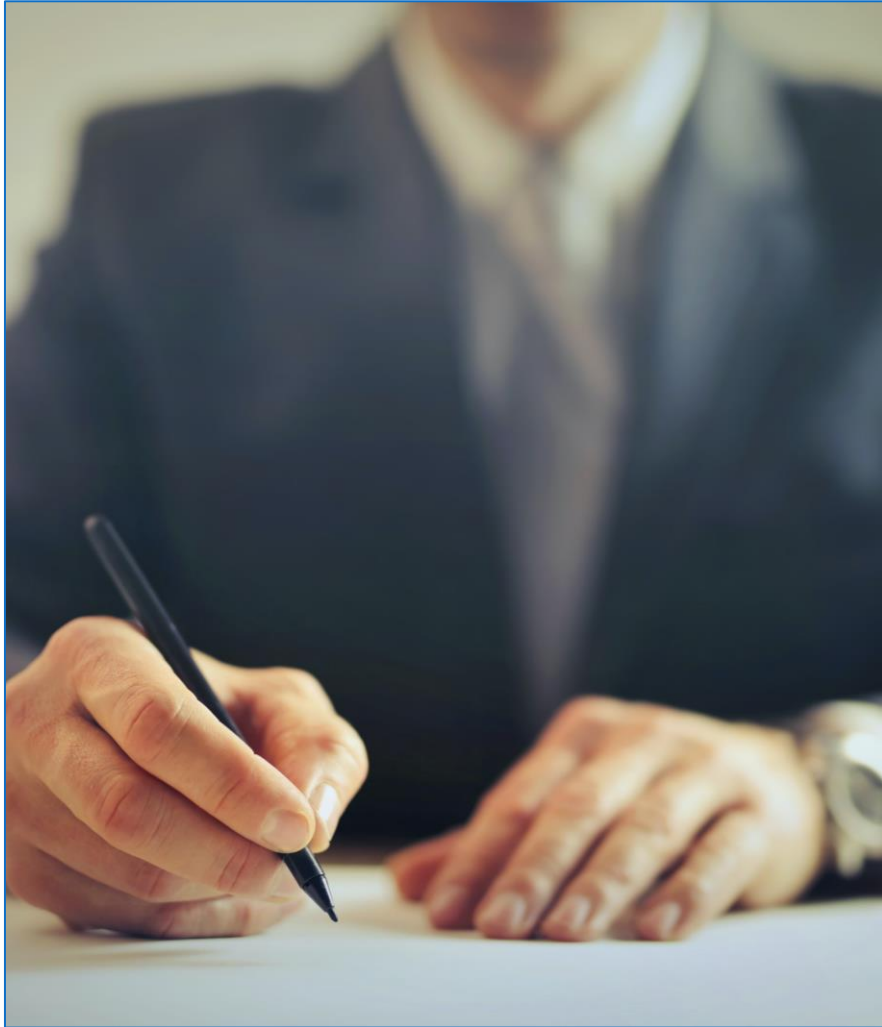
- Chapter 185.
- Requires the enactment of local ordinance to establish special tax.
- Establishes board size.
- Establishes minimum requirements.





FLORIDA GOVERNMENT IN THE SUNSHINE

- Chapter 286.
- Enacted in 1967.
- Provision of statute that establishes standards for government officials as well as Trustees.
- Requires that meetings must be noticed in manner of accessible to participants and residents.
- Establishes that you are limited in your ability to discuss details of your plan outside of regulatory meetings.
- Establishes basic right of access to meetings of boards, commissions and other governing bodies of state and local governmental agencies and authorities.
- Defines limits conflicts, receipt and declaration of gifts or conflict of interests.
- Subject to rules issued by Florida Commission on Ethics.



ATTORNEY GENERAL'S OFFICE

- Provides a manual for Trustees on how to comply with Sunshine Provision.
- To assist public and governmental agencies understanding the requirements and exemptions to the Florida open government laws.
- Attorney General's office complies a comprehensive guide known as the Government in the Sunshine manual.