

DEERFIELD BEACH MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND

Application for Deferred Retirement Option Program

I. Applicant Information

Member Name: _____

Social Security Number: _____

Date of Birth: _____ Date of Hire: _____

Date of Entry Into DROP: _____

Address: _____

City, State and Zip: _____

Home Phone: _____ Cell Phone: _____

Personal Email Address: _____

Note: The first distribution to the DROP is on the first day of the month coincident with or next following the "Date of Entry Into DROP".

II. DROP Application

I have (i) earned at least 20 years of service, (ii) have attained at least age 52 with 10 years of service, or (iii) have attained age 47 and I choose to participate in the Deferred Retirement Option Program ("DROP").

1. Explanation of Maximum DROP Period

I understand and agree that the total years of participation in the DROP may not exceed five years. I understand and agree that if I have 28 years of Credited Service when I begin to participate, I may only participate for four years. I understand and agree that if I have 29 years of Credited Service when I begin to participate, I may only participate for three years. I understand and agree that if I have 30 years of Credited Service when I begin to participate, I may only participate for two years.

At the time of the execution of this application, I have _____ years of Credited Service.

2. Investment Election

Investment options are as follows:

- (1) Under the first option, the money will be commingled with other assets in the Plan and will be invested by the pension fund's money managers. If the investments of the Plan have a positive return, your DROP account will make money. If the investments of the Plan have a negative return, your account will lose money. This is called the *Commingled Fund Return*.
- (2) Alternatively, you may choose to have all or a portion of the money credited to your DROP account invested in different investment vehicles chosen by the Board of

Trustees. This is called the “self-directed” investment option. The Board has the right to change these options at any time. There are currently two “self-directed” investment options.

- a. Under the first option your money will be invested through the Plan’s custodian, Salem Trust. Salem Trust will open an individual account for you, with only your DROP money in it. The funds in the individual Salem Trust account are invested in the *Federated Treasury Obligations Fund* which is a money market mutual fund. The investment return credited is not a guaranteed return. Salem Trust will not charge a fee for your investment but the Federated Treasury Obligations Fund will charge you a fee. Salem Trust is paid by the Federated Treasury Obligations Fund.
- b. The second investment vehicle is the *VantageTrust PLUS Fund* which is administered by the International City/County Management Association (ICMA). This is a stable value fund which also does not have a guaranteed return. There is, however, one important difference which you must consider carefully before choosing this investment. Once you transfer money into an account with ICMA, you cannot transfer any monies out until you terminate DROP participation. This is different than the other investments that the Board has designated. In comparison, for any of your DROP monies invested in the Plan’s Commingled Fund Return or the Federated Treasury Obligations Fund at Salem Trust, you are allowed to move the monies in and out between these options every quarter. You cannot do this with monies invested with ICMA. Once you transfer or direct funds to an account with ICMA, it is required that those funds stay with ICMA until you separate from service. At the time you terminate DROP participation you may withdraw DROP monies from your ICMA account.

Currently, the Board of Trustees has adopted a policy that you may divide the money and invest a portion with the Commingled Fund Return and a portion in the “self-directed” investment option(s). This is, however, subject to change. You may reallocate your DROP money on a quarterly basis by contacting the Plan Administrator.

Please choose one of the four options below to indicate your investment election.

Choice (1) 100% Commingled Fund Return

Choice (2) 100% Federated Treasury Obligations Fund
(Salem Trust Individual Account)

Choice (3) 100% VantageTrust PLUS Fund
(ICMA Individual Account)

Choice (4) \$_____ to the VantageTrust PLUS Fund,
\$_____ to the Federated Treasury Obligations Fund,
and the remainder of my monthly payment in the Commingled Fund Return.

For money invested with the fund’s money managers where you are credited the *Commingled Fund Return*, you will receive a DROP statement on a monthly basis.

For money invested in the *VantageTrust PLUS Fund*, you will receive statements on a quarterly basis and you will be offered internet access.

For money invested in the *Federated Treasury Obligations Fund*, you will receive a monthly and an annual statement, or you may choose to have internet access and will receive an annual statement only.

Please choose one of the following regarding internet access to your self-directed account at Salem Trust. This section is ONLY with regard to account access for DROP money in the *Federated Treasury Obligations Fund* held in a separate account for you at Salem Trust.

I choose internet access to my account (annual statement only)

I do not choose internet access to my account (monthly and annual statement)

Regardless of the manner in which the DROP money is invested, you may not receive any money from the DROP account, as a loan or otherwise, until you terminate DROP participation.

3. Beneficiary Information

I understand and agree that if I die prior to receiving the accumulated balance of my DROP account, the designated beneficiary indicated below shall have the same rights of distribution as I do with respect to the accumulated balance.

Beneficiary Name: _____

Beneficiary Date of Birth: _____

Beneficiary's Relation to Member: _____

Address of Beneficiary (If different from Member):

4. Accumulated Leave Inclusion Election

You must decide whether to have the value of your accumulated annual and sick leave included in your DROP payments. Up to 350 hours accumulated annual leave and up to 520 hours accumulated sick leave is multiplied by your hourly rate of pay and used to increase your average final compensation. Any accumulated annual leave and accumulated sick leave over these maximums that you include in your DROP payments goes towards increasing your credited service.

include the value in my DROP payments.

include part of my accumulated hours towards computing my DROP payments. The following hours should be applied towards my pension:

_____ hours accumulated annual leave

_____ hours accumulated sick leave

5. Optional Forms of Benefit

You will receive a Benefit Election Form showing the computation of these optional forms of benefit from which to make your selection. You do not make the election as to which optional form of benefit you would like to receive until after your benefit calculation is provided to you. This section is meant to describe the optional forms of benefit.

The normal form of monthly benefit is a 10-year certain & life annuity. This form of benefit provides you with monthly payments for your life with the guarantee that if you should die within 10 years your designated beneficiary will receive a monthly payment equal to the monthly payment you were receiving for the remainder of the 10 years. You may elect another optional form which is actuarially equivalent to the normal form of benefit subject to the approval of the Board of Trustees. The other optional forms of benefit available to you are as follows:

- a. Period Certain & Life Annuity Option: An adjusted monthly benefit payable to you for life. Should you die before the certain period of either 5, 10 or 15 years (according to your election) expires, your designated beneficiary will continue to receive monthly payments in the same amount for the remainder of the certain period.
- b. Life Only Annuity Option: An increased amount payable to you for your lifetime but ceasing upon your death. There are no survivor benefits under this option.
- c. Joint & Survivor Annuity Option: A reduced monthly benefit payable to you for life, and further continuing after your death to your designated beneficiary at either 50%, 66 2/3%, 75% or 100% (according to your election) of the monthly payment you were receiving for their life.
- d. Joint & Last Survivor Annuity Option: A reduced monthly benefit payable to you and your designated beneficiary while you are both alive. Following the death of either you or your designated beneficiary either 50%, 66 2/3%, or 75% (according to your election) of the monthly payment while you were both alive will be paid to whoever of you or your designated beneficiary is the survivor for their life.
- e. Joint & Survivor Annuity With Pop-Up to Life Only Annuity Option: A reduced monthly benefit payable to you for life, and further continuing after your death to your designated beneficiary at either 50%, 66 2/3%, 75%, or 100% (according to your election) of the monthly payment you were receiving for their life. Under the pop-up option, should your designated beneficiary die before you, your benefit will increase to a Life Only Annuity payable to you for the remainder of your lifetime and ceasing upon your death.
- f. Social Security Level Income Option: A higher monthly benefit payable under the Plan until the age at which you specify you will start receiving Social Security benefits. At that time, your monthly Plan benefits will be lowered by the amount you specify you will receive under Social Security. The idea is to give you a "level" dollar amount so that your pension benefits and Social Security benefits, when added together, stay the same throughout your retirement years. Due to differences in the way cost-of-living adjustments may be applied to your benefits, you may not actually receive a level annuity. If you would like to see the numerical calculation of this optional form of benefit, you must state at what age you will start receiving Social Security and how much you expect your Social Security benefit to be.

I will receive Social Security at _____ years of age.

I expect to receive \$_____ per month from Social Security.

III. Certification

I hereby certify that the above information is true and correct and understand that false statements may disqualify me for benefits. I understand and agree that by exercising my election to enter the DROP, I am precluded from accruing any additional benefits under the Deerfield Beach Municipal Firefighters' Pension Trust Fund and that I am no longer entitled to disability benefits once I make my election to enter the DROP. I understand and agree that my Credited Service and salary base for calculation of benefits freezes as of the date I elect to participate in the DROP. I also understand and agree that once I enter the DROP, all contributions by me and on my behalf into the Deerfield Beach Municipal Firefighters' Pension Trust Fund (the Plan) will cease.

I understand and agree that monthly retirement benefits that would have been payable directly to me had I retired from the Plan and elected to receive monthly pension payments will be paid into the DROP on a monthly basis until my DROP term ends or I voluntarily terminate my participation in the DROP. Further, I understand that my participation in the DROP will cease if my employment as a firefighter with the Broward Sheriff's Office (BSO) terminates, whether by cancellation of the contract between Deerfield Beach and the BSO or otherwise and I am not reemployed as a firefighter by the City of Deerfield Beach. I understand that if I am reemployed as a firefighter by the City of Deerfield Beach, I am required to terminate my employment as of my last day of participation in the DROP.

I hereby agree that my participation in the DROP shall be terminated effective _____ (month/day/year) which is the date not more than five years after the date of my first payment into the DROP. I understand that if my DROP participation ends for any reason before that date, my monthly benefit payments into the DROP will also end. I further understand that my decision to enter the DROP is irrevocable.

Member Signature _____
Date

STATE OF _____

COUNTY OF _____

SWORN TO (or AFFIRMED) AND SUBSCRIBED before me

this _____ day of _____, 20_____,

by _____ who:

_____ is personally known to me

_____ OR produced identification: _____

Type of Identification Produced

Signature - Notary Public

NOTARY: Print, type or stamp your name in addition to seal:

Printed Name of Notary