

**PENSION BOARD POLICIES
FIREFIGHTERS & POLICE OFFICERS
PENSION FUND OF THE CITY OF TAMPA**

Policy Number: 425
Policy: 13th Check Program
Eff. Date: 10/27/98 11/24/98 06/13/00 03/28/02 04/22/03 08/26/04 05/22/08 07/24/08 05/26/11 07/22/15
Ref: Sec. 27 of Pension Contract - Board Minutes Chapter 112, Florida Statutes

POLICY:

- I. **PURPOSE:** The purpose of this policy is to implement the provisions of Section 27¹ entitled “13th Check Program.”

- II. **AUTHORITY:** Section 27 entitled “13th Check Program” provides that the Board of Trustees shall make rules as are necessary for the effective and efficient administration of the 13th Check Program.

- III. **ELIGIBILITY:** The following persons shall be eligible for the supplemental pension distribution payable in June of each year, provided that the funding criteria in paragraph IV have been met:
 - A. Retirees and DROP participants who received or were eligible to receive pension benefits for one year as of the October 1 prior to the June 30 13th Check distribution.

Example: A member who retired or entered DROP on 05/27/2013 would receive for his/her first 13th Check in June 2015, because he/she received or was eligible to receive pension benefits for one year as of 10/01/2014. He/she would not be eligible for a 13th Check in June 2014, because he/she was not receiving or was not eligible to receive benefits for one year as of 10/01/2013.

 - B. Surviving spouses eligible for pension benefits under Section 8 or 9 of the pension contract who received or were eligible to receive pension benefits for one year as of the October 1 prior to the June 30 13th Check distribution.

Example: A surviving spouse who began receiving pension benefits on 05/27/2013 would receive his/her first 13th Check in June 2015, because he/she received or was eligible to receive pension benefits for one year as of 10/01/2014.

 - C. Joint annuitants who were married to the retiree at the time of the retiree’s death, who were eligible for pension benefits under Section 8 or 9 of the pension contract, and who received or were eligible to receive pension benefits for one year as of the October 1 prior to the June 30 13th Check distribution.

¹ Section refers to the Pension Contract. Paragraph refers to this Policy.

Example: A joint annuitant who was married to a retiree at the time of the retiree's death began receiving pension benefits on 05/27/2013 would receive his/her first 13th Check in June 2015, because he/she received or was eligible to receive pension benefits for one year as of 10/01/2014.

D. Estate and beneficiary payments of 13th Checks due deceased retirees, eligible surviving spouses, or eligible joint annuitants will be paid pursuant to board policy entitled Release of Pension Benefits of Deceased Pensioner.

IV. FUNDING CRITERIA AND RATE OF RETURN: Effective October 1, 2007, the 13th Check shall be funded by "investment returns in excess of 10% (limited to 1%) on the base plan plus the Post Retirement Adjustment Account market value of assets at each fiscal year ending September 30." Pursuant to the requirements of Section 112.61, Florida Statutes, "actuarial experience may be used to fund additional benefits, provided that the present value of such benefits does not exceed the net actuarial experience accumulated from all sources of gains and losses." Additionally, no 13th Check additional benefit shall be paid unless the net actuarial experience accumulated from all sources of gains and losses is positive.

A. Since the 13th Check is an additional benefit funded by excess investment returns, before payment of the 13th Check benefit may be made, the actuary must certify that the net actuarial experience accumulated from all sources of gains and losses is positive. The actuary shall furnish a written report concerning the net actuarial experience accumulated from all sources of gains and losses. Contract negotiations with the fund's actuary shall specify the date this report is due to the Fund, which shall be no later than the May board meeting.

B. The determination of whether a 13th Check is payable is independent of any make-up of investment losses to the base plan as set forth in P&P 713.

C. The rate of investment return for the 13th Check determination shall be the net investment return based on the language of the most current Pension Contract, as determined by the Fund's actuary.

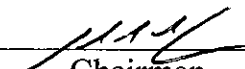
D. Based on certification from the Fund's actuary that the amount of the payment is funded on a sound actuarial basis as required by Section 14, Article X of the State Constitution, the Board of Trustees shall establish the amount of the 13th Check no later than May 31 for the June 30 distribution, provided that there are "investment returns in excess of 10% (limited to 1%) on the base plan plus the Post Retirement Adjustment Account market value of assets at each fiscal year ending September 30." The phrase "sound actuarial basis as required by Section 14, Article X of the State Constitution," means that the retirement program must be funded in such a way that the retirement fund is able to meet its continuing obligations as and when they mature.

E. In summary, a 13th Check is payable for a fiscal year only when all of the following conditions are met:

1. There have been investment returns in excess of 10% (limited to 1%) on the base plan plus the Post Retirement Adjustment Account market value of assets at the fiscal year ending September 30; AND
2. The amount of the benefit is definitely determinable (within the meaning of the Internal Revenue Code); AND
3. The Fund's actuary certifies that the amount of the payment will be funded on a sound actuarial basis, and that the allocation does not exceed the amount of cumulative actuarial experience gains in the plan.

V. AMOUNT OF THE 13TH CHECK: The amount of the 13th Check shall be determined as follows:

1. The amount of the 13th Check shall be the same for all retired members and DROP participants, regardless of years of service, age, years retired or years in DROP, or amount of monthly installment.
 2. The amount of the 13th Check to be paid shall be rounded to the nearest whole number without cents.
- A. If a retiree is eligible on October 1 but dies before payment of the 13th Check in the following June, the retiree's eligible surviving spouse or eligible joint annuitant shall receive the full amount of the payment. If there is no eligible surviving spouse or eligible joint annuitant, the full amount of the retiree's 13th Check payment will be made to the retiree's beneficiary or estate according to board policy entitled Release of Pension Benefits of Deceased Pensioner.
- B. If an eligible retiree dies prior to October 1, then his/her eligible surviving spouse or eligible joint annuitant shall be entitled to fifty percent (50%) of what the eligible retiree would have received but for death. The eligible surviving spouse shall be entitled to the fifty percent (50%) 13th Check benefit until death or remarriage, unless the eligible surviving spouse is the surviving spouse of a firefighter or police officer killed in the line of duty. The eligible joint annuitant shall be entitled to the fifty percent (50%) 13th Check benefit until death.
- C. If an eligible surviving spouse or eligible joint annuitant is eligible for the fifty percent (50%) 13th Check benefit on October 1 but dies before payment of the 13th Check in the following June, his/her beneficiary or estate is eligible for the payment, pursuant to board policy entitled Release of Pension Benefits of Deceased Pensioner.


Chairman