

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

Policy Number: 439
Policy: Buy-backs of Past Credited Service
Eff. Date: 08/25/11 09/23/15 07/14/21 04/27/22
Ref: Section 17(E) of Pension Contract, Board Minutes

POLICY:

- I. **PURPOSE:** The purpose of this policy is to implement the provisions of Section 17(E) of the pension contract which provides for the purchase of up to five years of past credited service from a government-sponsored defined benefit system based upon:
- a. Service as a full-time certified firefighter or certified police officer employed by a city, county, state, federal, or other public agency where certification is a requirement for employment, OR
 - b. Military service in the Armed Forces of the United States.

Temporary, auxiliary, reserve, volunteer, or private agency service shall not apply. If a member previously participated in a defined contribution system to which the employer made contributions, he/she is not eligible to purchase that period of time. **Service credit purchased under the provisions of this section shall not count for vesting purposes.**

This policy shall also apply to restoration of prior Tampa service credit for members who fail to meet the time requirements for restoration of withdrawn contributions in Policy 207.

- II. **ELIGIBILITY:** Any member of the Tampa F&P Pension Fund who is actively working on or after October 1, 2011 as a sworn firefighter or police officer who has not yet retired or entered DROP shall be eligible to purchase past credited service. For the purposes of this policy, the term "actively working" means a member who is in payroll status (meaning he/she is receiving a bi-weekly paycheck and paying pension contributions) or who is on an authorized, unpaid leave of absence for a non-disciplinary reason.

III. **PROCEDURES:**

- 1. The full actuarial cost of the service purchased shall be paid by the member purchasing the service. In the event the member elects payroll deductions, as provided for in paragraph 4 (below), prior service shall be granted incrementally with each payment made until the member has paid to the pension fund the full actuarial cost of the service purchased. The full actuarial cost shall be determined by the fund's actuary utilizing actuarial assumptions consistent with the fund's annual actuarial valuation in effect at the time the request for purchase is made. The actuarial assumptions used by the Board may change from time to time. The

member's cost however, will not change but will be based upon the actuarial calculation that is valid at the time the member agreed to purchase credited service.

2. Actuarial calculations for service purchased under this policy shall be valid for thirty (30) days from the date of the calculation, at which point a new calculation must be run.
3. Pursuant to Florida Statute 112.65(2), no service credit may be purchased if the member is receiving or will receive any other retirement benefit based on the service with a different employer for the period of time purchased, except in the case of a military pension or Social Security. If after retirement from this Fund, a member with non-vested service is later employed by another agency and seeks vesting credit in the prior retirement system, it is the responsibility of the member and later vesting retirement system to monitor compliance with Section 112.65(2), Fla. Stat.
4. Payments to the Tampa Fire & Police Pension Fund for prior service purchases (aka buy-backs) may be made by:
 - a. One lump sum by check, money order, cashier's check, or custodian to custodian transfer.
 - b. Payroll deductions in equal bi-weekly installments for a period of time which shall not exceed the number of years being purchased.
 - i. A member making installment payments shall be charged interest based on the actuarially assumed rate of return for the Plan in effect at the time the purchase is made.
 - ii. A member making installment payments shall complete all required payments prior to payment of any benefit under this section.

The pension office cannot accept cash, credit card, or debit card payments.

A member may choose to make a down-payment in one lump sum, and pay the remaining balance of the buy-back through payroll deductions in equal bi-weekly installments. Once the installment method is selected, it cannot be changed until the payments are completed. Once the payroll deduction installment payments have been initiated, they will be automatically deducted at the same amount over the life of the installment period.

5. Subject to any requirements or restrictions in the Internal Revenue Code, additional principal payments outside of payroll deductions may be made to the F&P pension office in amounts of \$100.00 or greater by check, money order, or cashier's check. An additional principal payment will not change the bi-weekly

installment amount, but will pay off the balance sooner. Should it be determined necessary, this option may be discontinued in order for the fund to maintain compliance with the Internal Revenue Code.

6. The minimum amount of service that can be purchased is one (1) month. The maximum amount of service that can be purchased is five (5) years (60 months). Partial years may be purchased in monthly increments (e.g. 4 years, 7 months).
7. A non-vested member who terminates service through dismissal or resignation or who dies while in service from non-duty related causes shall be entitled to a refund, without interest, of the buy-back amount paid for prior military, firefighter, or police officer service. A non-vested member who becomes disabled or dies prior to retirement or DROP entry while in service from duty-related causes, and is eligible for disability or death benefits from the Fund, shall not be eligible for a refund of buy-back contributions.
8. A vested member who becomes disabled or dies prior to retirement or DROP entry, whether line-of-duty or non-line-of-duty, and is eligible for disability or death benefits from the Fund, shall not be eligible for a refund of buy-back contributions.
9. Proof of prior military service may be provided to the F&P pension office in the form of either a DD-214 or orders reflecting enlistment and honorable discharge dates.
10. Verification of prior firefighter or police officer credited service shall be conducted by the F&P pension office utilizing a buy-back request and verification form signed by the member authorizing the pension office to obtain specific information in writing from the prior agency. To qualify for buy-back under this policy, the prior agency must verify:
 - a. the member's prior service was as a full-time certified firefighter or full-time certified police officer by a city, county, state, federal or other public agency; and
 - b. the member is not receiving and is not eligible to receive a pension benefit in the future from the prior agency for the time period being bought back.

In order to prove that the member's service was as a police officer or firefighter, the member's service must meet the statutory definition of police officer or firefighter, set forth below in (i) for police officer and/or (ii) for firefighter:

- i. In order to prove that the member's service was as a police officer, the member or prior agency must be able to prove to the Board of Trustees that the prior service is equivalent to the service required to meet the statutory definition

under Chapter 185, Fla. Stat. in effect at the time the service is purchased or as interpreted by the Division of Retirement.

- ii. In order to prove that the member's service was as a firefighter, the member or prior agency must be able to prove to the Board of Trustees that the prior service is equivalent to the service required to meet the statutory definition under Chapter 175, Fla. Stat. in effect at the time the service is purchased or as interpreted by the Division of Retirement.
11. Each buy-back is subject to approval by the Board of Trustees consistent with the applicable law and this policy. The Board reserves the right to reject any requested buy-back which does not meet all legal requirements. A member consents to this policy by virtue of filing the buy-back request.
12. If the pension office is unable to obtain sufficient written verification of qualifying full-time certified firefighter or certified police officer service from the member's previous employer(s), the member may submit written documentation supporting the buy-back application to the pension office. If the Board denies the request, the member may appear before the Board, pursuant to policies 107 and 108. The Fund shall not be required to act on any application where the information provided is incomplete or fails to meet the requirements of this policy.
13. If a vested member signs up for buy-back installment payments through payroll deduction and then separates from service, whether voluntarily or involuntarily, prior to the buy-back installments being completed, in this limited circumstance the vested member may either:
- a. Receive credited pensionable service for only the partial buy-back that has been completed up to the separation date; or
 - b. Make a single lump-sum payment of the remaining balance of the buy-back.

This early separation scenario will only be initiated upon receipt of an executed Notice of Separation. If the member chooses the second option, the lump-sum payment must be completed within fifteen (15) days of written notification from the pension office of the amount due, which will be the principal balance on the amortization schedule in effect at the date of separation.

Since prior service shall not be granted until the member has paid to the pension fund the actuarial cost of the service purchased, a complete retirement benefit calculation, and thus retirement benefit payment, cannot be calculated or made until the buy-back has been completed, which may delay receipt of the member's first pension benefit.

14. The Board of Trustees and staff shall not advise members of the financial feasibility or federal tax consequences of buy-backs. Members considering

buying back prior service credit are strongly encouraged to seek their own personal tax and financial planning advice.

15. By electing to buy service pursuant to this policy, the member consents to the conditions in this policy.


Chairman

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