

WEST PALM BEACH POLICE PENSION FUND

2100 North Florida Mango Road
West Palm Beach, Florida 33409

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**IF YOU DO NOT WANT TO MAKE ANY CHANGE(S) TO YOUR EARNINGS METHOD
SIMPLY DISCARD, NO ACTION IS REQUIRED.**

TO: All VESTED Share and/or Drop Members

FROM: Dave Williams, Plan Administrator

SUBJECT: Application to Elect Earnings

DATE: July 28, 2016

Attached hereto is an Application to Elect Earnings for your SHARE and/or DROP Account. If you have a Share and/or DROP Account and are vested with ten or more years of service prior to October 1st, you are able to make a selection on your earnings method.

The rate of return varies based on your status as noted in section 2 and 3 of this form. If you wish to modify your earnings, please properly complete (notarized) and return to the Office of Retirement prior to October 1st.

Should you have any questions or concerns, please let me know.

Respectfully,



David M. Williams, *Plan Administrator*
FOR THE BOARD

c: Member (file)

WEST PALM BEACH POLICE PENSION FUND

APPLICATION TO ELECT EARNINGS METHOD

DATE ENTERED PLAN: _____

PLEASE PRINT OR TYPE:

- 1. a. Name of Participant: _____
- b. Social Security Number: XXX-XX- _____
- c. Date of Birth: _____
- d. Home Telephone Number: (_____) _____
- e. Home Address: _____

I understand that if I make no election of earnings method, my current earnings method will be used.

2. EARNINGS METHOD ELECTION FOR VESTED PARTICIPANTS

RETIRING AFTER OCTOBER 1, 2012.

To elect the earnings method, please initial the line next to your selection.

Only vested members may elect an earnings method.

A. SHARE ACCOUNT:

- _____ Variable based on Fund returns (gains and losses) subject to administrative expenses
- _____ Fixed rate of 8.0%/4.0% subject to administrative expenses¹

Note: No earnings (or losses) are credited to your account for the most recent year if you withdraw the entire balance of your account before September 30th. If necessary, consult your tax advisor. The share accounts are charged an annual pro-rata administrative charge based upon the administrative expenses of the pension fund as a whole.

¹In the event that the amount paid in investment earnings at the 8% rate is more than the Fund actually earns, the rate will be reduced to 4% effective the following October 1 until any losses are made up.

B. DROP ACCOUNT:

_____ Variable based on Fund returns (gains and losses) subject to administrative expenses

_____ Fixed rate of 8.0%/4.0% subject to administrative expenses²

Note: The DROP accounts are charged an annual pro-rata administrative charge based upon the administrative expenses of the pension fund as a whole.

3. **EARNINGS METHOD ELECTION FOR RETIRED MEMBERS AND PARTICIPANTS ELIGIBLE FOR NORMAL RETIREMENT BEFORE OCTOBER 1, 2012.**

To elect the earnings method, please initial the line next to your selection.

A. SHARE ACCOUNT:

_____ Variable based on Fund returns (gains and losses) subject to administrative expenses

_____ Fixed rate of 8.25% subject to administrative expenses

Note: No earnings (or losses) are credited to your account for the most recent year if you withdraw the entire balance of your account before September 30th. If necessary, consult your tax advisor. The share accounts are charged an annual pro-rata administrative charge based upon the administrative expenses of the pension fund as a whole.

B. DROP ACCOUNT:

_____ Variable based on Fund returns (gains and losses) subject to administrative expenses

_____ Fixed rate of 8.25% subject to administrative expenses

Note: The DROP accounts are charged an annual pro-rata administrative charge based upon the administrative expenses of the pension fund as a whole.

²In the event that the amount paid in investment earnings at the 8% rate is more than the Fund actually earns, the rate will be reduced to 4% effective the following October 1 until any losses are made up.

I hereby certify that the above statements are true and correct to the best of my knowledge. I understand that a false statement may disqualify me for benefits.

I have reviewed the Designation of Beneficiary Form filed with the Board of Trustees and I hereby certify its accuracy. If I desire to change my designated beneficiary(ies), I will file a new Designation of Beneficiary Form.

I have been advised to speak with a tax consultant regarding my earnings method election.

This Application form is a supplement to my prior Application (if any) and supersedes it where conflicts exist. Additionally, I certify that I am electing the earnings method marked above. This election revokes any prior elections I have made.

MEMBER'S SIGNATURE

DATE

STATE OF FLORIDA)
)
COUNTY OF PALM BEACH)

BEFORE ME, the undersigned authority, personally appeared _____, who is personally known to me or has produced _____ as identification and who did take an oath and, after being duly cautioned and sworn, deposes and says that he/she has signed the foregoing document for the reasons therein contained.

SWORN TO AND SUBSCRIBED before me this the ____ day of _____, 20____.

Notary Public, State of Florida At Large
Commission No.: _____
Commission Expires: _____

PLEASE NOTE!!!!

March 29, 2016

Mr. David M. Williams, Plan Administrator
West Palm Beach Police Pension Fund
2100 N. Florida Mango Road
West Palm Beach, Florida 33409

**Re: West Palm Beach Police Pension Fund
Expenses for DROP / Share Plan Account**

Dear Dave:

As requested, we have determined the investment and administrative expenses that were charged in the West Palm Beach Police Pension Fund for the fiscal year ending September 30, 2015. These expenses total 0.57% of the average asset value during the fiscal year and include fees paid to the investment manager, plan administrator, actuary, custodian and attorney. This rate is 0.14% on a quarterly basis. The expenses can be calculated by multiplying the DROP/Share Plan balance by .0014 each quarter. **

Section 13(4)(e) of the Ordinance concerning interest that should be credited to DROP accounts states that the "costs, fees, and expenses of administration shall be debited from the individual member account". The same language exists pertaining to the Share Plan Accounts. As discussed, the Board has interpreted this to include all investment and administrative expenses.

We welcome your questions and comments.

Sincerely yours,



Jeffrey Amrose, EA
Senior Consultant & Actuary

This communication shall not be construed to provide tax advice, legal advice or investment advice.

** ADMINISTRATIVE FEE EFFECTIVE 10-01-2016