

THE FIREMEN'S RETIREMENT SYSTEM
OF
ST. LOUIS

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*SUMMARY PLAN DESCRIPTION
FOR
FIREFIGHTERS*

As of Feb. 1, 2013
This is a closed Plan

John D. Brewer, Executive Director

Prepared April 1, 2009
Revised February 2015
Revised June 2016

THE FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS

SUMMARY PLAN DESCRIPTION

Introduction

Please keep in mind as you read this Summary Plan Description (SPD) that it is a summary of the Plan's main features, and not a detailed description of all provisions. The complete details of the Plan are described in the legal texts of the Retirement System, which are found in the Missouri Revised Statutes - Chapter 87 and the Revised Code of the City of St. Louis - Section 4.18. The summary of benefits in this document can be cross referenced with the Revised Code of the City of St. Louis - Section 4.18. In the event of any discrepancies between this summary and the legal texts, the legal texts will govern at all times.

Retirement should be a special period of relaxation and enjoyment, but only if there is enough income to meet your continuing needs. The Firemen's Retirement System of St. Louis is designed to make your retirement years a time of comfort and fulfillment by providing a monthly allowance to you when you retire. The Firemen's Retirement System provides you with several retirement and payment options, as well as death benefits. The benefits you receive from The Firemen's Retirement System of St. Louis are paid with the combination of Member Contributions, City Contributions and interest earnings.

Disability claims and benefits are provided by The Firefighters Retirement Plan of St. Louis. For more information on the FRP visit their website at www.stlouis-mo.gov.

If you have any questions about the Plan or your benefits, contact the Pension Office at the following address:

1601 South Broadway
St. Louis, Missouri 63104
Phone 314-588-2288
Fax 314-588-2289

Or you can go online to the FRS web site www.frs-stl.org to see the statutes and this plan summary, as well as, numerous forms and information.

The Firemen's Retirement System FROZEN PLAN as of February 1, 2013

The following is the abbreviated history of how the Frozen Plan came about, and the time table below is based on the opinion rendered by Judge Dierker:

May 8, 2012, the City of St. Louis enacted Ordinance #69143 (BB#270) purporting to repeal, conditionally, the provisions of all ordinances governing the FRS and to freeze benefit levels under the FRS at the level in force at time of adoption of new pension plan to repeal the FRS.

June 29, 2012, the Board of Alderman passed Ordinance 69183 (BB#11) which restricted the Board of Trustees fiduciary authority. The Mayor signed it into law on July 2, 2012 as it contained an emergency clause and it became effective immediately. The Board of Trustees filed suit on the same day.

July 29, 2012, the Board of Alderman passed Ordinance 69245 (BB#12) which terminated the Firemen's Retirement System as it has been since 1960 and created a new retirement system. The Board of Trustees of the Firemen's Retirement System filed suit against the City of St. Louis to halt the action of BB#12.

July 6, 2012, the Court granted a preliminary injunction enjoining enforcement of Ordinance 69183 (BB#11) in part, Judge Dierker entered a temporary restraining order by consent enjoining full implementation of Ordinance 69245 (BB#12). Later, the Court granted a preliminary injunction enjoining implementation of Ordinances 69149 and 69245 pending the trial on merits. That trial was completed on October 22, 2012, with the trial court revoking BB#11 and BB#12.

September 28, 2012, the City enacted Ordinance 69353 (BB#109), which amended Ordinance 69245 R.C. Ch. 4.19 in several significant respects. Ordinance 69353 repealed the conditional repeal of the FRS ordinances enacted in Ordinance 69149 and repealed the provision of Ordinance 69245 which provided for the merger of the FRS plan assets into the new plan, referred to as the Firefighters Retirement Plan (FRP).

June 6, 2013, Judge Dierker made his ruling allowing for dual pension systems, The Firemen's Retirement System which benefits for firefighters is frozen as of February 1, 2013 and establishing the Firefighters Retirement

Plan for all benefits after Feb. 1, 2013 and for all new firefighters after that date. See Judge Dierker's ruling on FRS web site www.frs-stl.org.
July 2013, The Board of Trustees filed a motion to have the Court of Appeals hear the case.

September 16, 2014, The Court of Appeals upheld the decision of Judge Dierker.

September 30, 2014, the FRS filed additional motions in the Appeals Court requesting a rehearing before the Appeals Court and the other was a motion for the Appeals Court to transfer the case to the Supreme Court.

October 21, 2014, the Court of Appeals denied both of these motions.

October 23, 2014, the Board of Trustees voted to have the System's attorneys file a motion asking the Missouri Supreme Court to hear the case. Motion filed on November 5, 2014.

February 3, 2015, The Supreme Court of the State of Missouri ruled to deny our Application for Transfer.

Since there are no other avenues for appeal, the FRS will continue to operate as it has in conjunction with Board Bill 109 (The Firefighters Retirement Plan).

GENERAL INFORMATION ABOUT YOUR PLAN

There is certain information you may need to know about your Plan. This general information is summarized below.

Name of Plan

The Firemen's Retirement System of St. Louis

4.18.015 Created.

Under authority of an act of the Seventieth General Assembly known as Senate Bill No. 314 approved June 17, 1959 there is created and established the Firemen's Retirement System of St. Louis and by such name all of its business shall be transacted, all of its fund invested and all of its cash, securities and other property held. It shall be under the management of a Board of Trustees as provided in this chapter. It shall begin operation as soon as practicably after January 1, 1960.

The Firemen's Retirement System of St. Louis was established on July 26, 1944 and began operations on September 1, 1944 under the provisions of Ordinance 43009 approved June 26, 1944. This ordinance was based on permissive legislation enacted in the Sixty-second (1941-43) session of the Missouri Legislature. The Retirement System provides a program of security for firemen of the City of St Louis and their families.

The System prior to September 1, 1944 was called the St. Louis Firemen's Pension Fund, which had a cash balance of \$61,414.36 on July 31, 1944. These monies were ordered to be transferred into the New System.

As of February 1, 2013, The Firemen's Retirement System has become a Frozen Plan for all plans and is operating in conjunction with The Firefighters Retirement Plan of the City of St. Louis.

Employer

City of St. Louis, Missouri

The Board of Trustees

The Board of Trustees shall have exclusive original jurisdiction in all matters relating to or affecting the funds provided for in the St. Louis City Revised Code Chapter 4.18, including, in addition to all other matters, all claims for benefits and refunds under this law, and its action, decision or determination in any matter shall be reviewable under Chapter 536, RSMo, only, and any party to the proceedings shall have a right of appeal from the decision of the reviewing court. Subject to the limitations of this act, the Board of Trustees shall, from time to time establish rules

and regulations for the administration of funds created by this law, for the transaction of its business, and for the limitations of the time within which claims may be filed. 4.18.60 Jurisdiction – Board of Trustees

Plan Administrator

The Board of Trustees shall elect from its membership a chairman, and shall, by majority vote of its members, appoint a secretary (director) who may be one of its members. It may engage actuarial and other services as required to transact the business of the Retirement System. The compensation of all persons engaged by the Board of Trustees and all other expenses of the Board necessary for the operation of the Retirement

System shall be paid at such rates and amounts the Board and Trustees shall approve. 4.18.65 Officers and Employees

As of March 1, 2015, the staff of The Firemen's Retirement System of St. Louis consists of: Executive Director, Assistant Executive Director, Administrative Assistant and Administrative Secretary.

Note: Article XVIII of the City Charter did not apply to the positions of secretary and staff, employed in the service of the Firemen's Retirement System of St. Louis, thus those positions were not subject to civil service rules. Firemen's Retirement System v, St. Louis (Mo.banc. 1990)

The Missouri Supreme Court ruled in 1990 that the Board of Trustees had the exclusive jurisdiction to hire, fire and set all salaries and benefits for the employees of the Retirement System employed in the service of the Firemen's Retirement System.

Type of Administration

The Plan Administrator (Executive Director) is responsible for the overall administration of the Plan. It has discretionary authority to construe the terms of the Plan and make determinations on questions that may affect your eligibility for benefits. The Plan Administrator will retain the services of attorney, accountants, actuaries, investments advisors and other professionals upon approval of the Board of Trustees.

Plan Year

The Plan's fiscal records are maintained on the basis of a 12 month period beginning on October 1st and ending on September 30th.

Relevant Provisions of Local and State Laws

The Plan is set forth by Section 87.125 of the Missouri Revised Statutes and was created pursuant to Chapter 4.18 of the St. Louis City Revised Code. All legislative

changes to the System must first be approved by the State legislation and then by the City of St. Louis Board of Alderman before enactment.

Custodian – City Treasurer

The City Treasurer shall be the custodian of the Pension's funds. All payments from the funds shall be made by the Treasurer only upon vouchers signed by two persons designated by the Board of Trustees. A duly attested copy of the resolution of the Board of Trustees designating the persons and bearing on its face specimen signatures of the persons shall be filed with the Treasurer as his authority for making payments upon the vouchers. No voucher shall be drawn unless it shall previously have been allowed by the Board of Trustees.

Custodian – Northern Trust Company

The Northern Trust Company, Chicago, Illinois is responsible for the safekeeping of securities owned by the Pension Fund. At the direction of the Plan Administrator funds are provided for payment of benefits.

Performance Manager – Summit Strategies

Mr. Dan Holmes, Summit Strategies, St. Louis, Missouri is responsible for evaluating the performance of the money managers and recommending selection of money managers for investments in accordance with the guidelines of the Asset Allocation policy as approved by the Board of Trustees.

Actuary

Mr. Alex Rivera, Gabriel, Roeder Smith and Company, Chicago, IL is responsible for the valuation of the System and determining the contributions due from the City of St. Louis.

An actuarial valuation of the system is performed annually as required by the Missouri State statutes. The valuation has been done to measure the funding status of the System and determine the contribution for the following year. It includes disclosure information required under GASB Statement No. 25. The assumptions and methods used were reviewed by the actuary and meet the parameters set for the disclosure presented in the financial section by Government Accounting Standards Board (GASB) Statement No. 25.

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

The information presented in the required schedules was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date:	October 1, 2015
Actuarial cost method:	Entry Age - Frozen Initial Liability
Amortization method:	30 year closed period from establishment
Remaining amortization period:	Various
Asset valuation method:	3 – year smoothed market

Actuarial Assumptions:

Investment rate of return	7.00% net of investment and administrative expenses
Wage inflation*	3.00%
Includes inflation at	2.75%
Cost of living adjustments	

Service	COLA
20-24	1.500%
25-29	2.250%
30 or more years	3.000%

Over Age 60
3% with a maximum of 25% in increases
after age 60

*Salary increases include seniority/promotional increases in addition to wage inflation.

Plan Definitions – 4.18.010

The terms listed below are key elements in understanding what your benefits are and how your benefits are determined.

"Accumulated Contributions" - The amount deducted from the bi-weekly salary of the member plus interest (prior to February 1, 2013).

"Average Final Compensation" - The member's best 2 years of earnable compensation.

"Beneficiary" - Any person who is receiving or is entitled to receive a benefit provided by The Firemen's Retirement System of St. Louis.

"Creditable Service" - The period during which compensation is received from the City of St. Louis as a Firefighter.

"Earnable Compensation" - The salary for your position as established by the Civil Service Commission and approved by the Board of Aldermen.

"Firefighter" - Anyone employed by the City of St. Louis for the purpose of fighting fires. (Firefighter prior to February 1, 2013).

"Medical Board" - The physicians who evaluate a member who has applied for a service connected disability. (All disability applications administered by the Firefighters Retirement Plan).

"Member" - Any person who is employed by the City of St. Louis as a Firefighter and is a member of the Retirement System as a condition of their employment. (prior to February 1, 2013).

"Retirement Allowance" - The payment a member receives for their lifetime which is payable in monthly installments for benefits up to February 1, 2013.

"Widow" - The spouse of a member at the time of their death.

Membership

Your membership in The Firemen's Retirement System of St. Louis becomes effective the day you become employed as a Probationary Firefighter with the City of St. Louis Fire Department. (Section 4.18.020) (Prior to February 1, 2013).

Contributions to the System

As of Feb. 1, 2013 all contributions are paid to the Firefighters Retirement Plan of the City of St. Louis. As a member of the Retirement System you contributed 8% of your bi-weekly pay to The Firemen's Retirement System prior to 2-1-13.

Refund of Contributions (as of 2-1-13)

If you terminate your employment with the St. Louis Fire Department prior to being eligible for retirement and request a refund of your contributions, you will be eligible to receive your contributions and interest. The contributions are tax free, but any interest earned during your membership is subject to federal and state taxes.

Any member who is eligible to receive a service retirement benefit, ordinary disability benefit or a service connected disability benefit will receive their contributions without interest up to February 1, 2013. (Section 4.18.130B)

Interest Earnings

Interest is credited to the members account at the beginning of each System fiscal year based upon the rate as determined by the Board of Trustees. (Section 4.18.230)

City Contributions

At the beginning of each fiscal year the City of St. Louis is required to make a contribution to the Retirement System. This contribution is an actuarially determined percentage of the total payroll of all active members of the St. Louis Fire Department, the normal required contribution and the accrued liability contribution. The City's contributions are made to the general reserve fund and are used to pay all benefits not funded by member contributions. (Section 4.18.110, 4.18.290, 4.18.305)

ELIGIBILITY AND CREDITED SERVICE

Military Service Credit

If a member serves in the armed forces during a war or a period of armed hostilities you will earn creditable service as if your service on the Fire Department had not been interrupted as long as you return to the Fire Department not less than 90 days after your discharge from the military.

Break In Service

If you terminate employment with the St. Louis Fire Department and later return to work for the Fire Department, your eligibility for retirement

benefits will start with your new employment date and will be administered by The Firefighters Retirement Plan.

Service Retirement Benefit

Members are eligible for service retirements after twenty years of service or a combination of years of service and sick leave time to reach twenty years of service. There are no age restrictions for retirement with the FRS but for full benefits from FRP must be 55 years of age. Retirement benefits cease to increase after 75% with the exception of your sick leave options if in DROP.

Your normal retirement benefit is determined by your average final monthly compensation (best two years-53 pay periods) and your years of service. (Section 4.18.130A)

Average Final Monthly Compensation is the monthly average of your highest salary for your best two years. Your average final compensation is always your last two years on the Fire Department.

Example:

1st year \$45,000.00

2nd year \$48,000.00

$$\$93,000.00 \div 2 \text{ yrs.} = \$46,500.00 \div 12 = \$3,875.00$$

Years of service is the amount of time you worked as a Fire Fighter and contributed to the System. Your time is then converted to a percentage:

20 years of service 40% 25 years of service 50%
30 years of service 75% (maximum benefit)

Example - if you have 30 years of service and your average final monthly compensation is \$3,875.00 you would calculate in the following manner:

$$\$3,875.00 \times 75\% = \$2,906.25 \text{ (Your monthly retirement benefit)}$$

Sick Leave Benefit

Sick leave is a benefit that can be received in one of three different ways. (Section 4.18.386) Members must elect one of the following options at the time of retirement:

1. Members retiring on a service retirement and ordinary disability retirement, but not including service connected disability, shall be credited with the member's unused sick leave as certified by the City of St. Louis Fire Department. Accumulated

sick leave allows a member to vest in the system and allows a member to exceed the seventy five percent service retirement by adding sick leave to no more than thirty years of creditable service.

2. A member participating in the DROP program who retires may elect to have placed in their DROP account a dollar amount equal to the number of their accumulated sick leave hours.

3. A member participating in the DROP program who retires may elect to have one half of the dollar amount placed in their DROP account, one fourth added to the member's average final compensation and the remaining one fourth of the dollar amount converted to years of service and added to the members creditable service.

Firemen's Retirement Sick Leave Calculation Worksheet

A. Participant Information

Name	John FireFighter
Date of Birth	1/2/1954
Last Day on	2/1/2009
Pre Drop values	
Creditable Service	29 years 4 months
Benefit Percentage	71.66
Monthly Benefit when left Drop	4,283.37
Post Drop values	
Credited Service	0 years
Benefit Percentage	0.00
Sick Leave Houses	2801
Final Hourly Pay Rate	26.551
Total Final Two -year Pay	141804.71
Total Credited Service	29.33

B. Calculation - Monthly Benefit if Sick Leave is Taken as 100% Lump Sum

Benefit: (Total of pre and post Drop amounts + Colas) \$4,283.87

Lump Sum Sick Leave Amount: (Total of sick leave amount x hourly rate)
\$74,369.35

C. Calculations - Monthly Benefit if Sick Leave is Taken as 100% Service

Benefit Before Sick Leave Service	\$4,283.87
Service from Sick Leave - Roundup (SL(hrs)/240)/12 * (Sick Leave Hours divided by the assumed hours in a month(240) rounded up to the nearest month and then annualized)	1 year
Total Service with Sick Leave	30.33
Benefit Percentage from Sick Leave	5%
Benefit with Sick Leave as Service	\$4,579.30

D. Calculation - Monthly Benefit if Sick Leave is taken as 50/25/25

Benefit Before Sick Leave Service	\$4,283.87
Service from Sick Leave - Roundup (1/4*SL(hrs)/240)/12 ** ** One Quarter of the sick leave hours divided by the assumed hours In a month (240 rounded up to the nearest month and then annualized)	0.250
Total Service with Sick Leave	29.583
Benefit Percentage from Sick Leave	1.25%
Two Year Average Pay from Sick Leave (1/4)*SL(\$)/(24) One quarter of the sick leave dollar value divided by 24 months	774.68
Benefit with Sick Leave as Service	\$4,283.87
25% Credited Service Incremental Benefit	73.86
25% Final Average Compensation Incremental Benefit	564.87
Benefit Before Sick Leave	\$4,283.87
25% Credited Service	73.86
25% Final Average Comp. Benefit	567.87
TOTAL BENEFIT WITH 50/25/25	\$4,922.60
LUMP SUM SICK LEAVE ADDED TO DROP (One half of the sick leave dollar value)	\$37,184.68

The following chart shows the percentage rate for the years of service to be used in calculating a benefit:

Cost of Living Allowance

All retired members or members who retire prior to November 1st of each year are entitled to receive a cost of living adjustment on October 1st of each year based upon the Consumer Price Index for the past June to June period as set forth by the Board of Trustees based upon years of service as follows:

Member retired prior to 3-17-1973 - No Cost of Living Allowance.

Members retired between 3-17-73 and 12-27-83 = 3% for life.

Members retired after 12-28-1983 receive the following:

1-24 years of service	-	1 ½%
25-29 years of service	-	2 ¼%
30 years of service	-	3%
Serv. Conn. Disability retirees	-	3%
All retirees over age 60	-	5% or CPI to max of 25%

Members retired after 12-28-1983 will receive their entitled cost of living allowance only if the COLA is equal to or lower than the Consumer Price Index as determined by the Actuary. If the member's cost of living allowance is higher than the CPI the member will only receive what the CPI actually is. Any amounts in the CPI over the allowance set forth above will be "banked" in an account for each member to be used if needed in future years.

Members retired after 12-28-1983 who are over 60 will receive the actual CPI or 5% (if the CPI is over 5%) until they reach a maximum of 25% total cost of living allowances. Then the retiree member is eligible for the SHARE program.

Share Program for Retirees and Dependents

Retirees that do not receive a cost of living (because they have reached their maximum cost of living allowances), widows and dependents are eligible for a share portion. Payment of a share is only made if the System has a positive return on investments and sufficient funds are in the surplus benefit fund for the fiscal year ending September 30th. The System's Actuary determines the amounts of the shares and payments are paid on the members December pension check.

Share Program Codes

The members share portion is based upon his years of services at retirement:

30 Years of Service	-	1 Share
25/29 Years of Service	-	¾ Share
1/24 Years of Service	-	½ Share

Widows and dependents share portion is based upon the members years of service at retirement:

30 Years of Service	-	1/2 Share
25/29 Years of Service	-	3/8 Share
1/24 Years of Service	-	1/4 Share

As an example, if a share is worth \$1000, the 30 year member would receive \$1,000, 25/29 year member would receive \$750, 1/24 year member \$500, Widow or dependent of 30 year \$500, \$375, and \$250 accordingly.

Resignation or Termination

If you terminate employment with the City of St. Louis Fire Department before you have earned twenty years of continuous service, you will not be eligible for a retirement benefit (unless you have enough accumulated sick leave to reach twenty years of service). However, you will be able to withdraw your contributions and any interest you have earned. (Section 4.18.210) To apply for a withdrawal, you should contact the Retirement System and complete a withdrawal of contribution form and rollover option form.

The Retirement System is required to withhold federal and state taxes on the interest portion of your contributions unless you roll over the interest into a qualified plan.

If you withdraw your contributions and at a later date are re-hired by the Fire Department you will be considered a new member in the Retirement System.

Deferred Retirement Option Plan "DROP"

Any member who has twenty or more years of service may elect to participate in the deferred retirement option plan, more commonly known as the DROP. (Section 4.18.131) This program allows you to continue working and start receiving retirement benefits into your DROP account for a period of no longer than five continuous years. While you actively participate in the DROP you stop earning creditable service.

The members DROP monthly benefit is calculated by FRS for your service up to 2-1-13 and the FRP will calculate your service from 2-1-13 until you enter the DROP. Basically you will have two DROP accounts one with the FRS and one with the FRP.

An example would be, you had 23 years when you entered the DROP, you stayed for five years in the DROP, so therefore you have 23 years when you complete active participation in the DROP.

Your bi-weekly contribution to the System will be reduced to 1%. Your retirement will be placed in your account monthly and any interest that is earned on your account will be credited on September 30th^t of each year you are actively working as a Firefighter. For the five years you are receiving a monthly benefit in your account you will receive the aforementioned cost of living increase on October 1st of each year. If you withdraw from the DROP prior to your five year maximum you cannot re-enter the DROP at a later time.

Once your five years are over you can return to the bi-weekly deduction which means you are now earning creditable service again which allows you to increase your monthly retirement benefit if you didn't have 30 years of service when you entered the DROP, or you can retire.

You can make distributions from your DROP account only after you retire from the Fire Department. There are numerous options for distribution after retirement that are set forth in the administrative rules of the DROP.

If a member becomes deceased at any time while there is still a DROP account the member's designated beneficiary will receive the balance in the account in a lump sum. If your designated beneficiary is your spouse and your spouse elects to waive any rights or claim to your DROP their benefit under the provisions of 87.120 to 87.370 will be re-calculated as if you had never been in the DROP.

If you are a member of the DROP program and subsequently make application and are granted a service connected disability benefit you forfeit all rights, claims or interest in your DROP account. (Section 4.18.131E)