

TAB 6



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Web: www.palmettofl.org

April 20, 2009

Mr. Charlie Mulfinger
Salomon, Smith Barney
100 N. Tampa St., Suite 3000
Tampa, Fl 33602

Fax: 813-227-2070

Regarding: Robert G. Williams and Richard Allard, Sr.
SS # 382-18-9509 S.S. #009-20-3640
General Employees' Retirement Plan

Dear Charlie:

Enclosed please find copies of correspondence with Mary Jean Forrester, Scott Christiansen and Steven Palmquist regarding the CrownLife Insurance Annuity for the General Employees, which is a Group Pension Plan the City had from September 1, 1971 until 1982 when a new plan was adopted.

Three retirees that have been or will be affected by this are Richard Allard, Sr., Robert G. Williams, and Mary Jean Forrester. With CrownLife, Mr. Allard's annuity is \$50.00 per month, Mr. Williams' annuity is \$131.76 per month; and Ms. Forrester's annuity is \$200.17 per month. Each of these retirees chose Life/120 Months which means that payment will be made during the lifetime of the annuitant.

Upon retiring from the City, each pension benefit is calculated by Gabriel Roeder Smith & Company. The amount calculated is reduced by the amount of the CrownLife Annuity. Mr. Williams' total benefit earned under the City of Palmetto General Employees' Retirement Plan payable as a 50% joint and survivor annuity is \$398.22. Upon his death he was receiving \$266.46 from the City and \$131.76 from CrownLife. His beneficiary has been receiving a \$133.23 monthly benefit. After review by Gabriel, Roeder Smith and Company, the portion of benefit that was purchased through the CrownLife Insurance Company should be made up by the City of Palmetto General Employees' Retirement Plan. Mr. Williams passed away June 19, 2006. Therefore, Mr. Williams' beneficiary should receive \$199.11 (50% of \$398.22) per month from the City of Palmetto General Employees' Retirement Plan for the remainder of her lifetime. The difference is \$65.88 per month starting July 1, 2006.

For the period from Mr. Williams' death through April, 2009, his beneficiary would be entitled to \$65.88 per month retro pay. That is a total of 34 months @ \$65.88 per month or \$2,305.80.

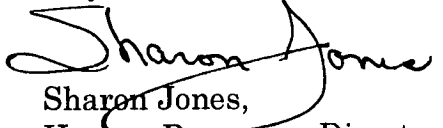
Mr. Allard has the same situation. Mr. Allard's total benefit earned under the City of Palmetto General Employees' Retirement Plan payable as a 50% joint and survivor annuity is \$781.20. A portion of this benefit was purchased through the CrownLife Insurance Company. This portion was equal to \$50.00 per month payable as a ten year certain and life annuity. The remaining monthly benefit of \$731.20 per month was being paid from the City of Palmetto General Employees' Retirement Plan, payable as a 50% joint and survivor annuity. Mr. Allard passed away December 16, 2008. Therefore, Mr. Allard's beneficiary should receive \$390.60 (50% of \$781.20) from the City of Palmetto General Employees' Retirement Plan for the remainder of her lifetime. His beneficiary would be entitled to \$25.00 per month retro pay for the period from Mr. Allard's death through April, 2009. That is a total of 4 months @ \$25.00 per month or \$100.00.

Ms. Forrester is still living so there is no adjustment to be made. We will make the proper adjustment at the appropriate time.

If additional information is required, please contact me at (941) 723-4570. Please send information to my attention.

Sincerely,

City of Palmetto


Sharon Jones,
Human Resources Director
Enclosures

Cc: General Employee's Pension Board
Jim Freeman, City Clerk
Scott Christiansen, Board Attorney

Hi Scott,

I received this from Mary Jean Forrester yesterday. We have already discussed Mr. Allard's situation. I have that ready to take care of.

Mr. Robert Williams passed away June 19, 2006. I am attaching the letter I sent to GRS requesting amount to be paid his beneficiary.

Mr. Williams was receiving \$250.99 taxable plus \$15.47 non-taxable from the City and he was receiving \$131.76 from Crown Life.

Per Rion @GRS she was to receive \$117.76 plus \$15.47 tax exempt.

But according to Steve's letter the amount would be the City's portion of \$266.46 plus Crown Life's portion of \$131.76 divided by 2 which would be \$199.11 instead of the \$133.23 she has been getting.

Please either confirm or correct me. The amount of retro pay to be paid to Mr. Williams beneficiary would be \$65.88 per month starting with July 2006.

Mr. Henderson is not affected because he retired in 1986 and I can not find where he ever received a pension benefit from the City.

-----Original Message-----

From: Mary Jean Forrester [mailto:mjforrester@verizon.net]

Sent: Tuesday, April 14, 2009 11:04 AM

To: Sharon Jones

Subject: Mary Jean Forrester

Dear Sharon:

Thank you for sending the letter from Mr. Palmquist. I was please that Mr. Allard's beneficiary will receive the full 50% joint and survivor annuity. I do have a couple more questions. I can write to Mr. Palmquist directly or if you want to handle.

1. I believe that Mr. Allard's beneficiary should receive back payments for the months that full 50% of joint and survivor annuity was not paid. I am not sure if the letter addresses this.

2. I believe that Mr. Robert Williams' beneficiary is also being paid incorrectly and that the same letter regarding Mr. Allard should apply. Of course, this would be based on approval by Mr. Palmquist. Mr. Williams' beneficiary should receive back payments with approval.

3. I would like to request that a letter be placed in my file stating the same rule would apply since the letter does not address future payments to beneficiaries.

I have looked over the list of Crown employees in a letter from Crown Life Insurance Plan dated January 25, 1996 and believe that these would be the employees involved.

However, I do not recall anything on Roosevelt Henderson and do not know what his choices would have been.

I would like to thank Mr. Palmquist for his research as well as Mr. Christiansen.

Thank you very much for the help you have given.

Mary Jean Forrester

April 8, 2009

Ms. Diane Ponder
Palmetto General Employees' Retirement System
City of Palmetto
Post Office Box 1209
Palmetto, FL 34220-1209

Re: General Employees' Pension Plan

Dear Ms. Ponder:

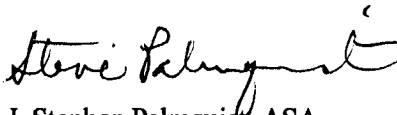
Per a request from Scott Christiansen, we have researched the CrownLife Insurance Plan benefit for Mr. Allard based on the additional information that was sent to us on March 24, 2009. The additional information included a letter dated February 27, 2009 from Mary Jean Forrester (see attached). In this letter, Ms. Forrester is questioning the benefits payable to Mr. Allard's beneficiary since he recently passed away.

Mr. Allard's total benefit earned under the City of Palmetto General Employees' Retirement Plan payable as a 50% joint and survivor annuity is \$781.20. Based on a letter dated January 25, 1996 (see attached), a portion of this benefit was purchased through the CrownLife Insurance Company. This portion was equal to \$50 per month payable as a ten year certain and life annuity. The remaining monthly benefit of \$731.20 per month was being paid from the City of Palmetto General Employees' Retirement Plan payable as a 50% joint and survivor annuity.

Since the purchased benefit was in a different form than the option actually elected, the difference should be made up by the City of Palmetto General Employees' Retirement Plan. We believe that Mr. Allard's beneficiary should receive \$390.60 (50% of \$781.20) from the City of Palmetto General Employees' Retirement Plan for the remainder of her lifetime.

If there are any questions, please let us know.

Sincerely yours,



J. Stephen Palmquist, ASA
Senior Consultant and Actuary

JSP/ja

cc: Scott Christiansen

RECEIVED

APR 13 2009

CITY HALL

From:Christiansen and Dehner PA

9413774848

03/24/2009 18:13

#120 P.002/005

27 09 12:45p

Mary Jean Forrester

9417846044

P.2

*Palmetto
Case*

Scott R. Christiansen, Esq.
Christiansen & Dehner, PA
63 Sarasota Center Blvd.
Suite 107
Sarasota, Fl 34240

February 27, 2009

*3/2
stuff
coming
from
Sharon*

Dear Mr. Christiansen:

This letter is in regard to an opinion by Steve Palmquist of Gabriel, Roeder, Smith and Company about the beneficiary payment for City of Palmetto retiree Richard Allard. My question is concerning the fact that Mr. Allard's beneficiary would not receive 50% of the total amount (City Retirement plus Crown Retirement) that he was receiving at the time of his death. A copy of Mr. Palmquist's determination addressed to Sharon Jones is attached. Mr. Palmquist's opinion seems to be based on the old Crown Life Pension Plan stating that the amount was paid during the lifetime of the annuitant. It is my opinion that the current plan is not dependent on the old Crown Plan. Employees who chose not to be on the Crown Plan were entitled to all prior periods of employment with the City.

If the Crown money used to make up the total retirement amount ends at the retiree's death, the beneficiary should still be entitled to the elected percentage of the total retirement as presented in the General Employees' Retirement System plan document. To calculate the benefit on the basis of the total amount less the Crown money would not fulfill the requirement of the plan document.

When a new plan was initially set up by the City in 1982, all full time general employees of the City became members of the General Employees' Retirement System and were entitled to full benefits of that plan. When I received my "Notification of Benefits Payable as a Result of Retirement" my selection was based on this document completely. I believed that the amount I chose for "Joint and Last Survivor Annuity" as shown on my retirement options would be the amount paid to my beneficiary.

Please consider this letter as a request that you reconsider the decision as it will set a precedent for future beneficiary benefits under the plan. If additional information is needed I can be contacted at 941-792-1201 or 713-2875. Your assistance in this concern is very much appreciated.

Sincerely,

Mary Jean Forrester
Mary Jean Forrester
Retirement Date 9/24/2004



Insurance Company

January 25, 1996

MEMPHIS GROUP PENSION OFFICE
U.S. Pension Operations
Tel: (901) 767-8985 • Fax: (901) 682-3442
Watts: 1-800-682-5464

Ms. Mary Jean Forrester
Deputy City Clerk
City of Palmetto
516 - 8th Avenue West
P. O. Box 1209
Palmetto, Florida 34220-1209

RE: Crown Life Group Contract GDA 11069

Dear Ms. Forrester:

Following is a listing of the paid-up annuities purchased under your above-referenced group pension investment contract.

<u>Annuitant</u>	<u>Monthly Benefit</u>	<u>Commencement</u>	<u>Term</u>
James Anderson	\$250.66	01/31/84	Joint/100% Survivor
Camilla Daisey	159.08	11/02/90	Life/120 Months
→ Joan Schlerath (Foy)	113.66	05/01/82	Joint/100% Survivor (Robert Foy-Retiree)
Roosevelt Henderson	113.21	05/01/86	Life/120 Months
Mary Hornsby	115.90	10/01/84	Joint/100% Survivor
Robert Williams	131.76	09/21/88	Life/120 Months
Mary Forrester	200.17	08/12/98	Life/120 Months
Robert Allard, Sr. Richard	50.00	06/10/97	Life/ 120 Months

Payments have already commenced on all but the last two. Home Office advises that the individuals must request that the annuity payments begin and submit the original annuity certificate along with notification of their current address and Social Security number prior to commencement of the payouts.

We now have the capability of paying these monthly benefits by Electronic Transfer. If any of these individuals are interested in this payment procedure, they may forward to me a voided deposit ticket in order to set this up.

I hope that this will answer your questions. If you need any additional assistance, feel free to contact us at 1-800-682-5464.

Best Regards,

Cherie Perkins
Regional Service Manager

cc: J. Stephen Palmquist