

TAB 6

Rex K. Hannaford
1909 5th Street West
Palmetto, Florida 34221

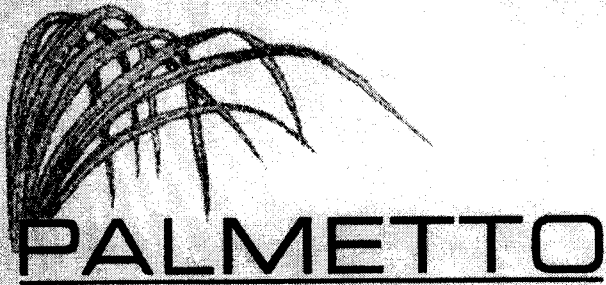
To: Shirley Groover Bryant, Mayor
Rick Wells, Chief of Police

The undersigned, Rex K. Hannaford, of the Palmetto Police Department, Palmetto, Florida, do hereby announce my retirement from the Police Department and the City of Palmetto, and my entering into the Deferred Retirement Option Program (DROP), effective immediately.

Dated this 3rd day of August, 2011.



REX K. HANNAFORD



516 8th Avenue West
P.O. Box 1209
Palmetto, Florida 34220-1209
Phone (941) 723-4570
Fax: (941) 723-4576
Suncom: 516-0829
E-mail: chgeneral@palmettofl.org
Web: www.palmettofl.org

September 12, 2011

data@Foster-Foster.com
Mr. Douglas Lozen
Foster & Foster
13420 Parker Commons Boulevard
Suite 104
Fort Myers, FL 33912

Re: Rex K. Hannaford
Police Officers' Retirement Plan
Entry into the DROP October 1, 2011

Dear Mr. Lozen:

Please find enclosed pension history documents for preparing pension benefits for Rex K. Hannaford. Mr. Hannaford is vested in the Police Officers' Retirement Plan. He will enter the DROP on October 1, 2011. Please include all options per plan document for Mr. Hannaford.

If additional information is required, please contact me. Please send notification of benefits payable to my attention.

Sincerely,

City of Palmetto

Sharon Jones, FPHRA
Human Resources Director
Benefits Administrator

Enclosures: Pension History, DF-1, DF-2

**CITY OF PALMETTO
POLICE OFFICERS' RETIREMENT PLAN**

**DEFERRED RETIREMENT OPTION PLAN (DROP)
APPLICATION / AGREEMENT**

DATE: August 30, 2011

TO: Board of Trustees

In accordance with the provisions of the ordinance governing the operation of the City of Palmetto Police Officers' Retirement Plan, the undersigned hereby makes voluntary application for participation in the Deferred Retirement Option Plan (DROP).

Rex K. Nennaford
Name



In exchange for my membership in the DROP, I acknowledge and agree to the following:

- That in order to become a member of the DROP, I must have retired under normal service retirement, and elect to defer receipt of my retirement benefit, into my DROP Account. For the purposes of calculating my monthly retirement benefit, the effective date of my participation shall be concurrent with my effective retirement date of Oct. 1, 2011, furthermore, such election to become a member of the DROP shall be effective on the first day of the first calendar month which is at least fifteen (15) business days after the election is received by the Board or the Board's designee.
- I agree that my participation in the DROP will begin on my retirement date and will not extend beyond Sept 30, 2016, which date is no later than 60 months from the date I first became eligible for normal retirement. I hereby irrevocably elect to resign from employment as a Police Officer effective as of the previous date if I have not resigned prior thereto.
- That at no time during my participation in the DROP will I have access to, nor be able to borrow against my monthly "DROP" retirement benefit, nor any of the funds accumulated in my DROP Account.
- That funds accumulated in my DROP Account shall be debited or credited after each fiscal quarter and shall: (initial one)

_____ be invested in the same manner and along with all of the assets of the system and earn a "net investment return". "Net investment returns" shall be credited or debited to the average daily balance of my DROP Account after each fiscal year quarter. "Net investment return" means the total return of the assets in which my account is invested less brokerage commissions, management fees and transaction costs. I hereby acknowledge that there may be losses accrued due to the investment experience. I understand that such losses will be charged against my DROP Account. I agree that any of the foregoing losses incurred are not the responsibility of the City of Palmetto Police Officers' Retirement Plan. I understand that depending upon the investment experience of the system, my DROP Account can experience either gains or losses.

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OR

earn interest at an effective rate of 6.5% per annum compounded monthly on the prior month's ending balance.

- That I may change the election in the previous section only once during my DROP participation.
- That after my election to participate in the DROP I will not accrue any additional pension credited service or benefits in the City of Palmetto Police Officers' Retirement Plan, even if I subsequently terminate my participation in the DROP, unless the current plan specifically provides to the contrary.
- That upon my termination from the DROP, I will make a written request for distribution and a written selection on a form provided by the Board regarding the distribution of the balance in my DROP Account, by selecting one of the following options:
 - a full and single lump sum distribution
 - purchase of an annuity
 - rollover all or a portion of the account balance to another qualified retirement plan (as permitted by law), such as an IRA, with any amount not rolled over paid directly to me.
- That payments from my DROP Account may be subject to penalties, income tax withholding, or other withholding or liabilities required by law. No distribution or rollover will be made until I complete the forms required by the Board and my account will not be credited with earnings, interest or debited with losses after the end of the quarter immediately preceding my termination of DROP participation and prior to distribution or rollover.
- That, if I should die before my DROP Account balance is distributed, my DROP Account balance shall be paid in accordance with DROP Attachment A. I acknowledge that my selection on DROP Attachment A applies only to the balance of my DROP Account and at no time should it be construed to give the recipient any rights towards any payment of my monthly pension benefit.
- That the Board of Trustees in its discretion can amend the rules governing the DROP at any time and from time to time. Such amendments shall be in accordance with and consistent with the provisions covering the deferred retirement option plan set forth in the City's ordinances, amended from time to time, and shall, to the extent permitted by law, be binding upon all current DROP participants, all former DROP participants who have balances in their account and all future DROP participants.
- That I have read and understand the provisions of the City of Palmetto Police Officers' Retirement Plan (the System), which establishes the Deferred Retirement Option Plan (DROP).
- That I understand that I am subject to the rules of DROP participation set forth in the ordinance, and the DROP policies and procedures adopted by the Board.
- That I understand that the Board may from time to time amend the policies and procedures governing my participation in the DROP.

- That I have had the opportunity to meet with the System's administrative staff and ask questions regarding the operation of the DROP and its effect on my benefits from the System, including but not limited to the effect that my DROP election will have on the calculation of my service pension, the form of benefit distributions, survivor benefits available to my eligible survivors, and ineligibility for disability and pre-retirement death benefits.
- That I have been advised by the System's administrative staff that I should consider seeking advice from a professional tax advisor, and understand that the System's administrative staff, although providing some general information, cannot and has not rendered legal or financial advice to me on the effect the DROP will or may have on the taxation of any benefit I may receive under the System or any potential benefit that may be received by my survivors as a survivor benefit.
- That in electing to participate in the DROP, I have received and considered information provided by the System's administrative staff. My decision to voluntarily elect to participate in the DROP is based on my understanding of the DROP program as provided for in the ordinance, and the DROP policies and procedures as adopted by the Board.
- That I meet the eligibility requirements of the DROP as set forth in the ordinance or will meet such requirements as of the intended effective date of my participation in the DROP.
- That I understand that upon the effective date of my participation in the DROP, I will begin to accrue DROP benefits, as provided for in the ordinance.
- That I understand that while my DROP benefits will be accounted for separately by the Fund, my DROP Account will not be physically separated from other System assets, until payment.
- That I understand that I can participate in the DROP for no more than a maximum of 60 months from the date on which I first became eligible for normal retirement. After participating in the DROP for this period of time and until I terminate active service with the Police Department:
 - My DROP Account will not be credited with amounts equal to my monthly benefit, and I will not be entitled to receive, at any time, monthly benefits attributed to this period of time.
 - My DROP Account will not be credited with any earnings, debited with losses or credited with interest.
- That I understand that following this permissible period of DROP participation, I will not resume earning credited service or adjustments in my compensation for retirement pension calculation purposes, unless the current plan specifically provides to the contrary.
- That I understand that as a result of my election to participate in the DROP, the following will apply from my DROP effective date forward:
 - I will forego any otherwise applicable additional improvements in my retirement pension, including, but not limited to, improvements in the benefit formula, credit for any increase in pay or years of service with the Police Department that has not been credited by the System as of the effective date of my DROP participation.

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- As of the effective date of my participation in the DROP, I will also be ineligible to receive disability and pre-retirement death benefits under the terms of the ordinance.
- My employment rights will not be affected including any rights included in any collective bargaining agreement which is applicable to me and that participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants.

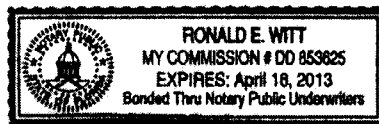
I acknowledge receipt of this four (4) page Application/Agreement. By signing this form, I accept the responsibility to review and understand all the provisions of the Application/Agreement and the City of Palmetto Police Officers' Retirement Plan. I also acknowledge that the Board of Trustees of the City of Palmetto Police Officers' Retirement Plan does not act as my legal or financial advisor in this DROP Application/Agreement and that all decisions are my responsibility and that I have been advised to seek independent legal and financial advice.

Rex Hannaford
Signature of Applicant

STATE OF FLORIDA
COUNTY OF ~~MANATEE~~ PINELLAS

The foregoing instrument was acknowledged before me this 3rd day of August, 2011, by Rex K. Hannaford, who is personally known to me or who produced a N/A as identification and who did not take an oath.

Ronald E. Witt
Notary Public





516 8th Avenue West
P.O. Box 1209
Palmetto, Florida 34220-1209
Phone (941) 723-4570
Fax: (941) 723-4576
Suncom: 516-0829
E-mail: chgeneral@palmettofl.org
Web: www.palmettofl.org

October 3, 2011

SalemOps@SalemTrust.com
Salem Trust
4890 West Kennedy Blvd., Suite 160
Tampa, Florida 33609

Sent via fax: (813) 301-1295

Regarding Rex K. Hannaford

██████████
Monthly Recurring Benefit
DROP Account

Dear SalemTrust,


Mr. Rex Hannaford entered the DROP with an effective date of October 1, 2011. He is vested in the Police Officers Retirement System with 23.9973 years of service and is 51 years of age and chose to enter the DROP.

Enclosed please find the signed Notification of DROP Retirement Benefits Form prepared by Foster and Foster, chosen by Mr. Hannaford, the DROP Survivor Beneficiary Form. Mr. Hannaford chose "For Retirees Lifetime with 100% continued to Joint Annuitant" option. The amount of his monthly benefit will be \$4,006.68.

If any additional information is required, please contact me at (941) 723-4570.

Cordially,

City of Palmetto


Sharon Jones,
Human Resources Director
Enclosures

Member's Election of Benefit Option Form, Beneficiary Designation

City of Palmetto Police Officers' Retirement Plan

Notification of DROP Retirement Benefits (Estimate as of September 26, 2011)

Member's Name: Rex Hannaford

Date of Birth: [REDACTED]

Years of Credited Service: 23.9973

Benefit Rate: 3.00% per Year of Credited Service.

Total After Tax Contributions: \$1,936.48

Calendar Year Earnings History		
2011	64,743.60	(Estimate)
2010	73,135.99	
2009	69,078.72	
2008	66,555.33	
2006	64,938.22	
2007	16,363.03	(Partial Year)

Average Final Compensation: \$5,913.58

Form of Benefit	Monthly Benefits as of October 1, 2011		NonTaxable Portion
For Retiree's Lifetime Only	4,307.41		5.38
For Retiree's Lifetime with 120 Payments Guaranteed	4,257.29		5.38
Social Security Option* to Age 67 (For Retiree's Lifetime Only)	<u>Before 2/1/27</u>	<u>2/1/27 and After</u>	5.38
	4,477.36	3,689.61	
Social Security Option* to Age 64 (For Retiree's Lifetime Only)	<u>Before 2/1/24</u>	<u>2/1/24 and After</u>	5.38
	4,497.22	3,867.02	

*The Member may obtain an accurate determination of Social Security benefits from the Social Security Administration.
*The amounts shown are payable regardless of actual Social Security benefits.

	To Surviving Joint		NonTaxable Portion
	To Retiree	Annuitant	
For Retiree's Lifetime with 100% continued to Joint Annuitant <i>Rex</i>	4,006.68	4,006.68	4.72
For Retiree's Lifetime with 75% continued to Joint Annuitant	4,077.86	3,058.39	4.72
For Retiree's Lifetime with 66 2/3% continued to Joint Annuitant	4,102.15	2,734.90	4.72
For Retiree's Lifetime with 50% continued to Joint Annuitant	4,151.61	2,075.80	4.72

(Joint Annuitant Information for Survivorship Options: Terri Hannaford, Female, Born: June 20, 1958)

Prepared By: *San Baumer*

Reviewed By: *Dan Long*

Foster & Foster, Inc.

[Handwritten Signature]

DROP ATTACHMENT "A"

CITY OF PALMETTO
POLICE OFFICERS' RETIREMENT PLAN
DROP SURVIVOR BENEFICIARY FORM

If I, Rex K. Hannaford, should die before my DROP Account balance is distributed, the following person or persons:

Terri Hannaford 100 %
Name

[Redacted] Spouse
Date of Birth / Relationship

N/A N/A %
Name

N/A
Date of Birth / Relationship

shall receive the balance of my DROP Account balance. The pay-out of the DROP Account balance selected by the foregoing shall be in addition to any payments payable according to the retirement option selected.

In the event that the foregoing person(s) predecease me, then the portion payable to that person(s) shall be payable to the following person or persons:

Kane Hannaford 100 %
Name

[Redacted] Son
Date of Birth / Relationship

N/A N/A %
Name

N/A
Date of Birth / Relationship

In the event that all of the foregoing persons predecease me, then the balance of my DROP Account shall be paid to my estate.

Rex Hannaford
Signature

August 30, 2011
Date

STATE OF FLORIDA
COUNTY OF PIZZAR

The foregoing instrument was acknowledged before me this 30th day of August, 2011, by Rex K. Hannaford, who is personally known to me or who produced a N/A as identification and who did not take an oath.

[Signature]
Notary Public

