

5-10-2011
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Original

**BOYNTON BEACH POLICE OFFICERS' PENSION FUND
STATEMENT OF POLICY ON DETERMINING
AVERAGE FINAL COMPENSATION**

WHEREAS, Pursuant to §18-167(b) of the City Code, the Board of Trustees ("Board") of the Boynton Beach Municipal Police Officers' Pension fund ("Fund") has the power to construe all terms, rules, conditions and limitations of the Plan and its construction is final and conclusive on all parties.

WHEREAS, the term "Average Final Compensation" is defined in the Plan at §18-165(a), but the calculation needs clarification to provide a process for the Board's Administrator;

WHEREAS, the Trustees desire to preserve the Member's retirement security in times of declining salaries;

WHEREAS, the Board of Trustees of the Boynton Beach Municipal Police Officers' Pension Fund ("Trustees") desire to adopt a Statement of Policy on Average Final Compensation;

NOW, THEREFORE, it is hereby resolved that the following Statement of Policy on Determining Average Final Compensation is hereby adopted:

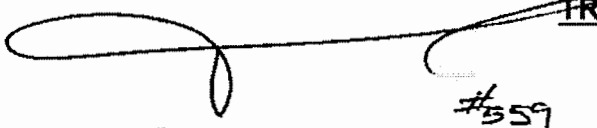
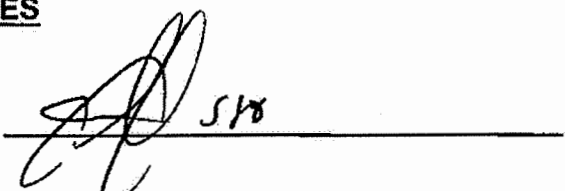
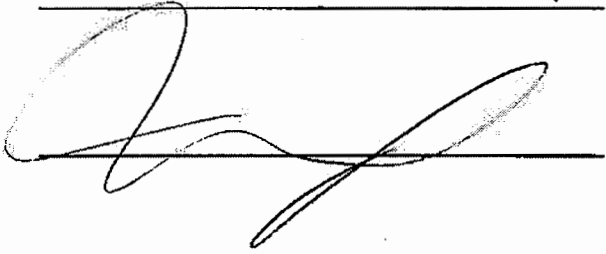
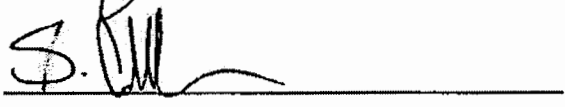
1. In accordance with §18-165(a), "Average Final Compensation" is the average total remuneration received by a police officer during the best five years of service with the City within the last ten years.

2. In accordance with §18-165(a), "Compensation or Salary' is the total cash remuneration including lump sum payments for accumulated sick and vacation leave and 'overtime' paid by the primary employer to a police officer for services rendered, but not including any payments for extra duty or a special detail work performed on behalf of a second party employer paid directly to the police officer by the second party employer and amounts paid to a police officer after December 31, 2008 as differential wages during any period of active duty military service lasting more than 30 days. This definition also excludes severance pay and other similar payments which are not for services rendered."
3. To determine the Average Final Compensation, the administrator will:
 - a. First, determine the employee's compensation (using the employee's compensation as defined in §18-165(a) without the accumulated sick and vacation leave) for the best five years in the last ten years immediately preceding the employee's normal retirement.
 - b. Then, add the sick and vacation pay paid in a lump sum at termination or retirement (including entry into the DROP) to the total determined above. In accordance with §18-175(e) of the Deferred Retirement Option Plan ("DROP"), accumulated sick and vacation leave is included for calculation of compensation, but 120 hours of sick leave and 120 hours of vacation leave must be maintained by the employee at entry into the DROP.

- c. Last, the total of a + b is divided by 5 to determine the Average Final Compensation.
- d. This method will be the method used for all Plan purposes for determining Average Final Compensation.

THIS STATEMENT OF POLICY ON DETERMINING FINAL AVERAGE MONTHLY COMPENSATION is adopted effective May 10th, 2011, by the Board of Trustees of the Boynton Beach Municipal Police Officers' Pension Fund this 10th day of May, 2011.

TRUSTEES

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Witnessed by: Barbara La Due