

TOWN OF DAVIE POLICE PENSION PLAN

C/O Precision Pension Administration, Inc.

13790 NW 4 Street, Suite 105

Sunrise, Florida 33325

Phone: 954.636.7170

Toll Free Fax: 866.769.0678

March 23, 2020

Dear members and beneficiaries:

On behalf of the Davie Police Pension Plan (“your Plan”), we wanted to take this opportunity to provide a quick update regarding “retirement security” in these unsettled times.

To begin with, thank you for your service and patience as we attempt to navigate the impact of the virus.

Please be assured that your Plan and the Plan’s trustees and staff fully understand the importance of regular monthly pension payments for all retirees. For the actively employed participants, you are also entitled to know that your future retirement benefits are safe.

Your Plan is funded on a “sound actuarial basis.” In plain language that means your Plan’s assets are invested over the long term and your employer guarantees the benefits. We have been assured that the assets in your Plan remain safely held in trust.

Here are some answers to questions that have been asked by retirees:

- Q. What happens to my Plan if there is a recession?
 - A. Your Plan is a long-term investor that was designed to withstand rises and falls in the investment markets. The country’s financial system has had fluctuations before and remains stable over the long term. All of the assets in your Plan are managed by professional investment advisors who are trained to address the kinds of issues present today.
- Q. Does the investment market change my monthly retirement benefit?
 - A. No. You are in a defined benefit plan, also called a “DB” plan for short. Your Plan guarantees a fixed amount every month based on your years of service and your final average compensation. The Florida courts have recognized for decades that your Plan benefits are constitutionally protected and guaranteed by your employer.
- Q. Is the Plan expecting to continue making my payments on time and in full?
 - A. Yes. Your Plan expects to continue making retiree and survivor payments without change. The Board has been in contact with both the Administrator and the Custodian Bank. These entities assure us that they are committed to making sure that the payments will be made in full and on time, even in a quarantine.
- Q. Will the current loss of investment income affect COLA or DROP earnings?
 - A. It could if your Plan uses investment gains to determine these amounts. It does not affect your basic monthly benefit.

Respectfully,



Greg Brilliant, Plan Administrator
FOR THE BOARD