



Florida Municipal Pension Trust Fund

CITY OF TAMPA 457(B) DEFERRED
COMPENSATION



Florida Municipal Pension Trust Fund

- Established in 1983
- Non-profit, tax-exempt entity
- Collectively manages individually designed employee pension and OPEB plans of Florida municipalities
- Provides professional and cost-effective retirement and other post employment benefit programs
- Any agency or political subdivision in Florida may become a member



Current Membership

- 200 Plans
 - 136 Defined Contribution and Deferred Compensation
 - 13 OPEB
 - 49 Defined Benefit
- Over 5,000 Participants
- \$580,000,000 in assets



Current 401 & 457 Membership

Avon Park	Flagler County Sheriff	Live Oak	Sanibel
Belle Isle	Florida Atlantic Research	Longwood	Sarasota Bay Est Program
Belleair Beach	Fort White	Macclenny	SCR Wastewater
Belleair Bluffs	Green Cove Springs Police	Macclenny Housing	Sebring
Broward MPO	Greenacres	Malone	South Indian WCD
Bushnell	Greenwood	Marianna General	South Pasadena
Callaway	Gulf Breeze	Marianna Health & Rehab	South Seminole
Cape Canaveral	High Springs	Mcintosh	Southern Manatee Fire
Cedar Key	Holly Hill	Mexico Beach	Space Florida
Cedar Key Sewer & Water	Indian River County	Micanopy	Springfield
Cinco Bayou	Indian River County Clerk	Mulberry	St. Leo
Cottdale	Indian River Shores	Oakland Park	St. Marks
County Line Drainage	Inverness	Oldsmar	Tampa
Daytona Beach	Jennings	Pahokee	Umatilla
Daytona Beach Shores	Joshua Water Control District	Panama City Port Authority	Valparaiso
Dunnellon	Juno Beach	Penney Farms	Welaka
Eagle Lake	Jupiter Inlet Colony	Plant City	Wellington
Eatonville	Jupiter Inlet District	Ponce Inlet	Wewahitchka
Emerald Coast Utilities	Keys Energy Services	Redington Beach	Winter Garden
Estero Fire District General	Labelle	Redington Shores	Zolfo Springs



Advantages of the FMPTF

- Administered by the Florida League of Cities, a not for profit corporation that is the official organization of municipal governments in Florida.
- Multiple Layers of Oversight
- Local Government Membership
- Extensive Governmental Plan Knowledge
- Economies of Scale
- Enhanced Member Service
- Lower Costs



Oversight – Board of Trustees

The FMPTF is governed and supervised by a five member Board of Trustees made up of elected officials from municipalities participating in the fund.

- Dominick Montanaro (Chair), Councilman, Satellite Beach
- Robert Margolis (Vice Chair), Mayor, Wellington
- Jack Nazario, Vice Mayor, Belleair Bluffs
- Peter Noble, Councilman, Greenacres
- Heyward H. Strong, Jr., Mayor Pro-Tem, Valparaiso



Oversight – Investment Advisory Committee

The Investment Advisory Committee is made of respected municipal officials, and advises the FMPTF Board of Trustees.

- Chairman Robert “Bob” B. Inzer
Clerk of the Courts, Leon County
- Linda Davidson
Finance Director, Boca Raton
- William “Bill” Underwood
Finance Director, Town of Loxahatchee Groves
- Francine Ramalgia
Assistant City Manager, City of Delray Beach
- Joseph LoBello
Town Manager, Town of Juno Beach
- Christopher McCullion
Treasurer, City of Orlando
- Jane Struder
Finance Director, City of Palm Beach
- Bonnie Wise
Finance Director, Hillsborough County
- Darrel Thomas
Treasurer, City of Weston



Oversight – Asset Consulting Group

Asset Consulting Group has over 40 years of investment consulting experience.

- Conflict-free oversight
- Quarterly monitoring reports posted on FLCretirement.com
- Detailed analysis of each fund's performance



Plan Features

Along with having personal representatives of the FMPTF on-site to speak with at certain times through the year, participants will also have access to:

- A participant website to view their account and make changes to investments
- A toll free voice response system available 24 hours a day for checking and updating their account
- A phone number to call a FMPTF representative to speak with about their account
- Vanguard educational materials in print form and on the web
- Quarterly statements mailed or emailed to them
- Ongoing education from FMPTF representatives, covering a range of topics



Plan Administration

A FMPTF representative will be on-site, the frequency will be determined based on plan size. On-site representatives can do the following:

- Provide presentations on the program during open enrollment, or at other requested times
- Meet with individual participants to discuss accounts
- Meet with employer to discuss plan management
- Enroll new participants
- Explain investments, the plan, and other applicable topics



Plan Investments

The FMPTF has a longstanding relationship with Vanguard, the manager of most of the funds available in our Defined Contribution/Deferred Compensation program.

- Vanguard focuses on low-cost investments with an average Vanguard expense ratio in our plan of 0.17%
- Vanguard low cost index funds; Stock 0.04% Bond: 0.08%
- Educational materials from Vanguard can be provided to help participants with their investment choices
- Vanguard Target Retirement funds offer a low-cost way for participants to “set it and forget it” with their retirement planning



Plan Investments

Asset Class	Fund Name	Symbol	Expense Ratio
Cash	Vanguard Prime Money Market	VMRXX	0.10%
Stable Value	Mellon Stable Value Fund	(no symbol)	0.40%
Bonds	Vanguard Intermediate-Term Bond Index	VBILX	0.10%
	Vanguard Total Bond Market Index Adm	VBTLX	0.07%
	Vanguard Long-term Treasury Adm	VUSUX	0.10%
	Vanguard Inflation Protected Securities	VAIPX	0.10%
Balanced	Vanguard Wellington Adm	VWENX	0.18%
Stock	Vanguard Windsor II Adm	VWNAX	0.28%
	Vanguard Institutional Index Inst	VINIX	0.04%
	Vanguard PrimeCap Adm	VPMAX	0.35%
	Vanguard Small-cap Index Adm	VSMAX	0.09%
	EV Atlanta Capital SMID-Cap I	ERASX	0.90%



Plan Investments

Asset Class	Fund Name	Symbol	Expense Ratio
International	Vanguard Total International Stock Index	VTIAX	0.14%
	Vanguard International Growth Adm	VWILX	0.34%
	Vanguard International Value	VTRIX	0.44%
Real Estate	Vanguard REIT Adm	VGSLX	0.12%
Target Retirement	Vanguard Target Retirement Income	VTINX	0.16%
	Vanguard Target Retirement 2010	VTENX	0.16%
	Vanguard Target Retirement 2015	VTXVX	0.16%
	Vanguard Target Retirement 2020	VTWNX	0.16%
	Vanguard Target Retirement 2025	VTTVX	0.17%
	Vanguard Target Retirement 2030	VTHRX	0.17%
	Vanguard Target Retirement 2035	VTTHX	0.18%
	Vanguard Target Retirement 2040	VFORX	0.18%
	Vanguard Target Retirement 2045	VTIVX	0.18%
	Vanguard Target Retirement 2050	VFIFX	0.18%
	Vanguard Target Retirement 2055	VFFVX	0.18%



Plan Investments

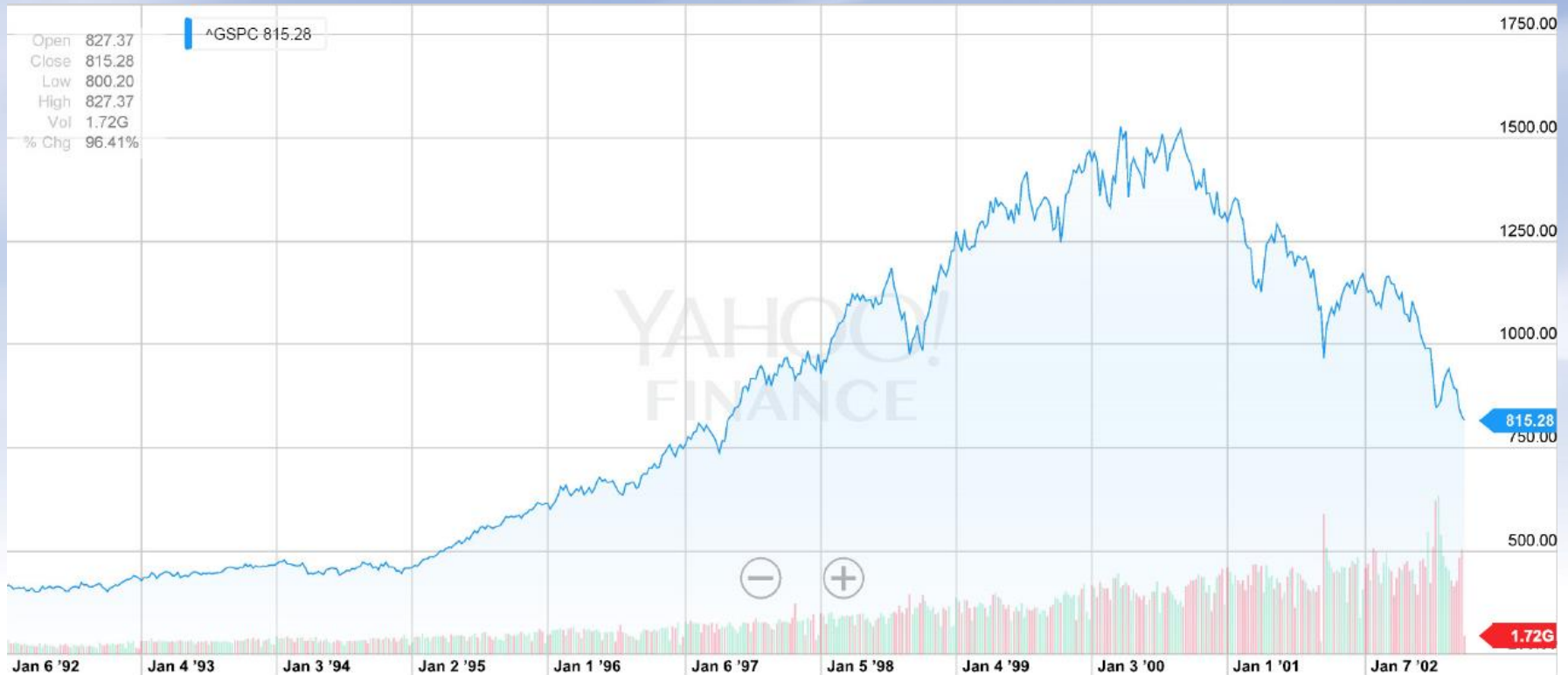
If the investment choices sound scary, consider the Vanguard Target Retirement Funds.

- Designed to “set it and forget it”
- Rebalances, reallocates and diversifies on its own
- Invested appropriately for your age and becomes more conservative as you grow closer to retirement



Stock Market Over Time

- Remember the crash of 2000? 1992-2002 still 100% gain, after crash!





Stock Market Over Time

- From peak in 2000 to today, 50% gain over 15 years!





Stock Market Over Time

- From low in 2009 to today, 140% gain over 6 years!





Traditional Vs Roth

- Traditional also known as Pre-tax or Tax Deferred
- Roth is After-tax
- Roth generally is better if:
 - Contributions are larger
 - Start Roth earlier in your career
 - Know you are going to be in higher tax bracket in retirement (Most people are in the same or a lower income tax bracket in retirement)



Fees

Most plans have between one and three layers of fees. When reviewing providers, you should be looking at the overall cost of participation.

	<u>FMPTF Plan Fees</u>	<u>Example Provider</u>
Participant Fees	\$16 per year	\$0
Administration Fees	0.40% per year	\$0
Investment Expenses	0.21% on average	1.20% on average

The comparison of these two plans may not be clear until you assess the impact on an average participant account.



Fees

Now review the impact of the quarterly fees on various participant account balances:

	<u>FMPTF Plan Fees</u>	<u>Example 1</u>	<u>Example 2</u>
Participant Fees	\$16 per year	\$0	\$0
Administration Fees	0.40% per year	\$0	0.0% per year
Investment Expenses	0.17% per year*	1.20% per year	2.00% per year

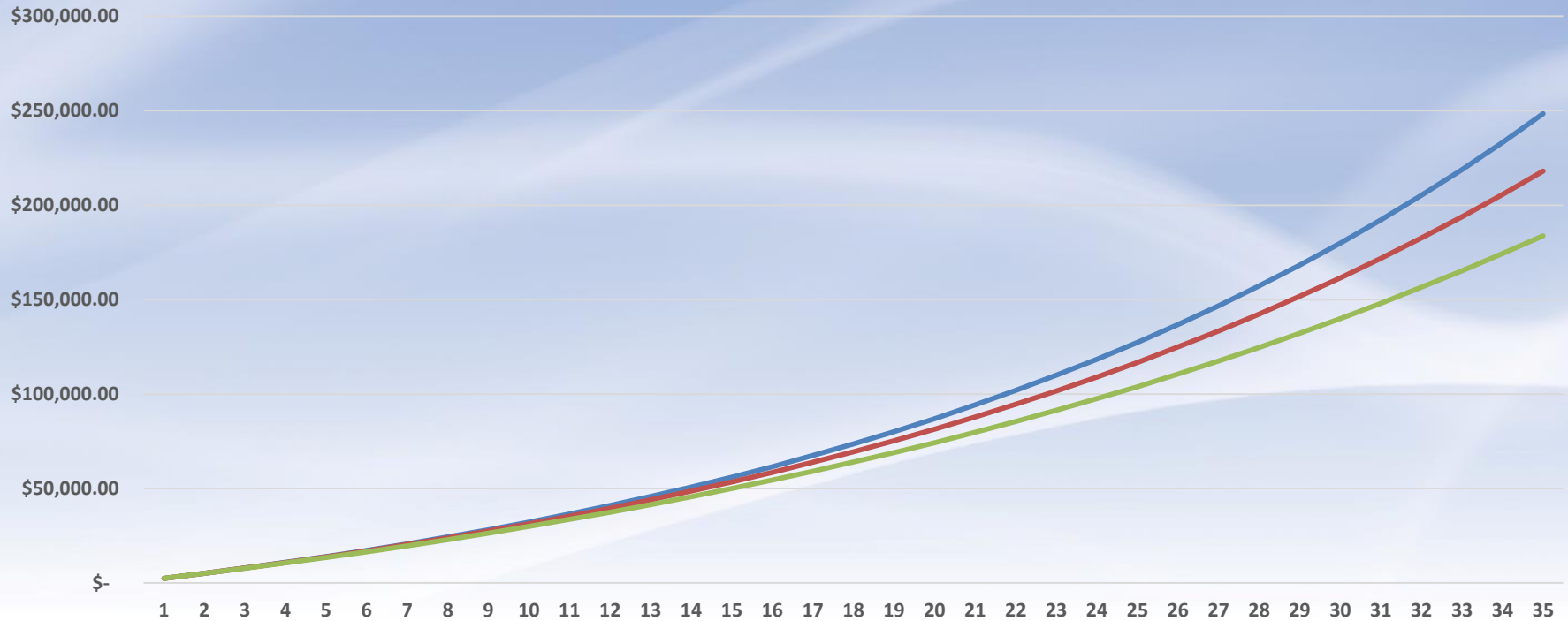
	<u>FMPTF Fees</u>	<u>Example 1 Fees</u>	<u>Example 2 Fees</u>
\$1,000 balance	\$22	\$12	\$20
\$5,000 balance	\$45	\$60	\$100
\$10,000 balance	\$73	\$120	\$200
\$25,000 balance	\$159	\$300	\$500
\$100,000 balance	\$586	\$1,200	\$2,000
\$250,000 balance	\$1,441	\$3,000	\$5,000

* Vanguard Funds



Fees

FMPTF vs. 1.2% vs. 2.0% in fees



\$200 a month, 6% return before fees = \$248,000 vs. \$218,000 vs. \$184,000



How much do I need to save?

Replacement of 80-100% of pre-retirement income?

Maybe. It depends on:

- Age - when will Social Security/Medicare kick in?
- Expenses – are the mortgage and cars paid off?
- Plans – travel, shopping, and adventure? Or a quieter retirement?
- Life expectancy – 30-40 years in retirement?



How much do I need to save?

Your Retirement Team

- Social security
- Employer
 - 401(a) or Florida Retirement System
- Home equity or Inheritance
- You!
 - IRAs and 457(b)
 - Savings in a bank





How much will I get?

Assuming a 6% return

\$25/month = \$22,000

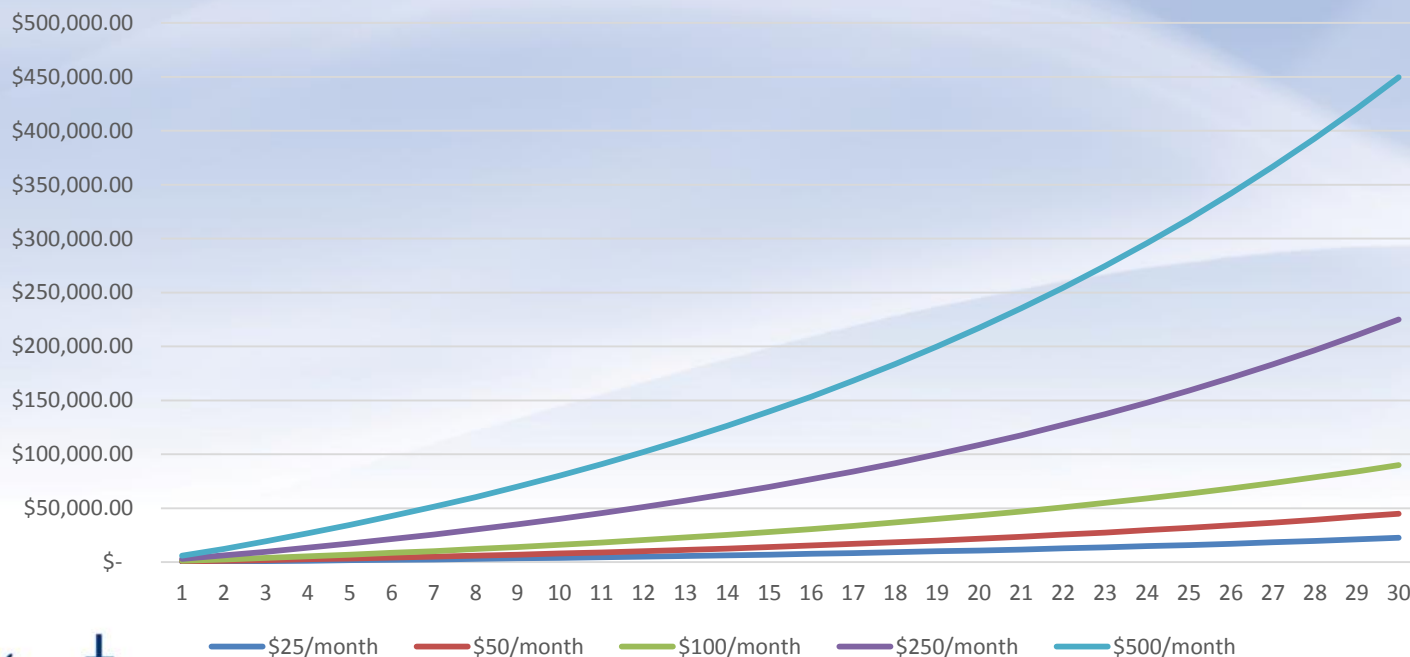
\$250/month = \$225,000

\$50/month = \$45,000

\$500/month = \$450,000

\$100/month = \$90,000

What your deferral amount gets you in retirement with a 6% return





Is it worth it?

Assuming a 6% return

\$25/month = \$22,000

You put it \$9,000

\$50/month = \$45,000

You put in \$18,000

\$100/month = \$90,000

You put in \$36,000

\$250/month = \$225,000

You put in \$90,000

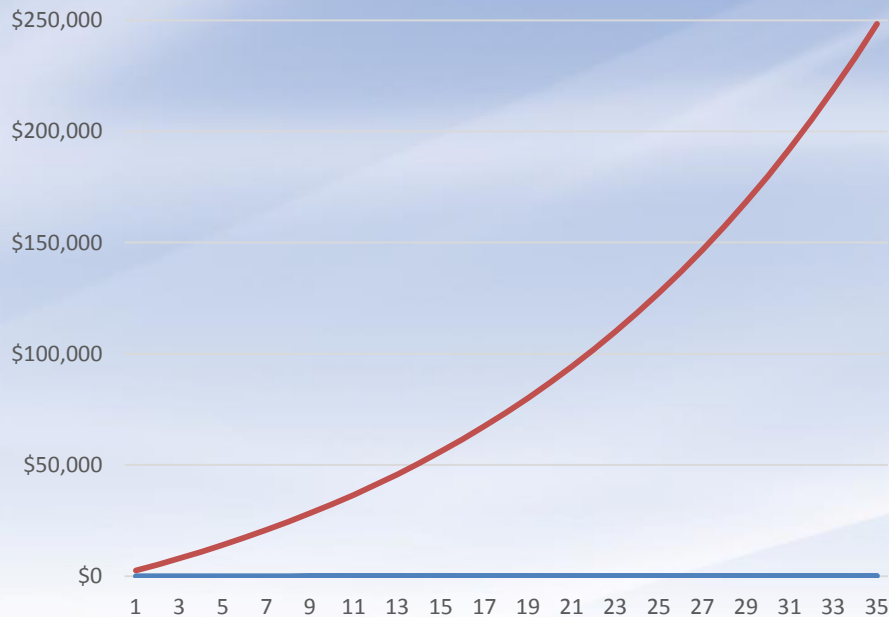
\$500/month = \$450,000

You put in \$180,000



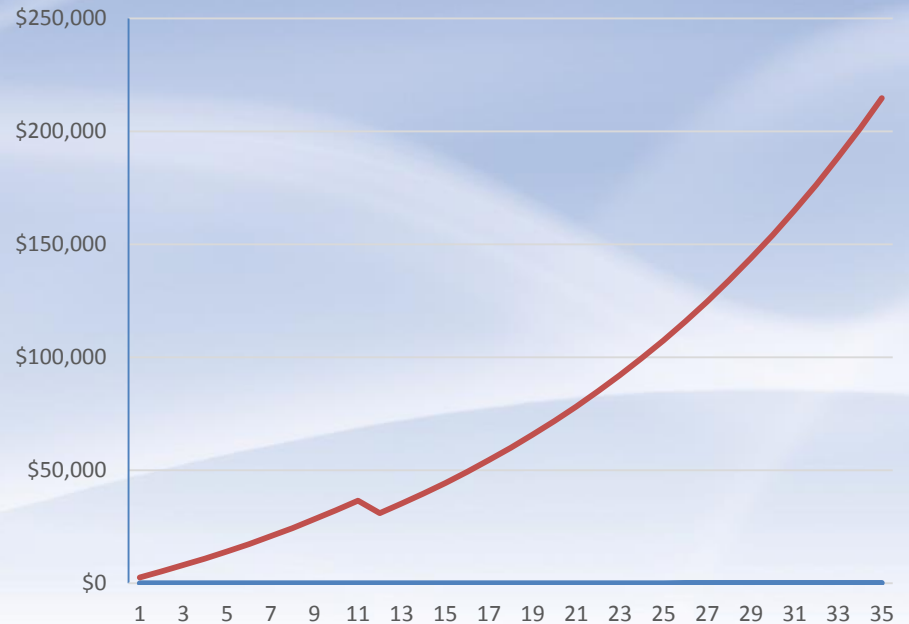
Cost of a Hardship Withdrawal

Retirement plan with no withdrawals



\$200 a month, 6% return before fees = \$248,000

A withdrawal on your account sets you back



A \$10,000 withdrawal = \$34,000 lower ending balance



Contact

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