

**THE CITY OF POMPANO BEACH GENERAL EMPLOYEES' RETIREMENT
SYSTEM SUMMARY PLAN DESCRIPTION**

Prepared August 2022

INTRODUCTION TO YOUR PLAN

The City of Pompano Beach has established a defined benefit pension plan to reward eligible employees for long and loyal service by providing them with retirement and related benefits. This Summary Plan Description is a brief description of that Plan and your rights, obligations, and benefits under it.

This Summary Plan Description is not meant to interpret, extend, or change the provisions of the Plan in any way. The provisions of the Plan may only be determined accurately by reading the actual Plan document, which is Section 34.010 through Sec. 34.040 of the City of Pompano Beach Code of Ordinances.

A copy of the Plan document is on file at the pension office and may be read by you, your beneficiaries, or your legal representatives at any reasonable time. If you have any questions regarding either the Plan or this Summary Plan Description, you should direct your questions to the Executive Director in the pension office. In the event of any discrepancy between this Summary Plan Description and the actual provisions of the Plan document, the Plan document shall govern.

Sincerely,

The Board of Trustees of the City of Pompano Beach General Employees'
Retirement System

GENERAL INFORMATION ABOUT YOUR PLAN

There is certain general information you may need to know about your Plan. This general information is summarized below.

Name of the Plan: The City of Pompano Beach General Employees' Retirement System (hereinafter "Plan")

Employer: City of Pompano Beach

Plan Administrator: Madelene L. Klein, Executive Director

Board of Trustees: The Plan is administered by a board of seven trustees comprised of three persons elected directly by the Members, three Non-Members appointed by the City Commission, and one person elected by the other six trustees.

- George Mitchell, Chairman
- Mark Darmanin, Vice Chairman
- Frankie Chevere, Trustee
- Mark Eddington, Trustee
- Greg Eickhorn, Trustee
- Robert Lawson, Trustee
- Michael Miller, Trustee

Designated Agent for Service of Legal Process: George Mitchell, Chairman of the Board of Trustees

Plan Address: The City of Pompano Beach General Employees'
Retirement System
2255 S. W. 2nd Street
Pompano Beach, Florida 33069

(954) 782-2660 or (954) 782-2704
<http://www.pompgers.org>

Type of Plan: Defined Benefit

Type of Administration: The Board of Trustees is responsible for the overall administration of the Plan. It has discretionary authority to construe the terms of the Plan and make determinations on questions which may affect your eligibility for benefits. The Board of Trustees may also retain the services of attorneys, accountants, actuaries, investment advisors and other professionals.

Plan Year: The 12-month period beginning on October 1 and ending on September 30. The Plan's records are maintained on a Plan Year basis.

Custodian: The Custodian of the Plan is responsible for the safekeeping of securities owned by the Plan. At the direction of the Board of Trustees, the Custodian also pays benefits to eligible persons and pays expenses incurred by the Plan. The Custodian is Regions Bank based in Tampa, Florida.

Investment Manager(s): The investment manager is responsible for selecting the securities to be bought and sold by the Plan, in accordance with guidelines established by the Board of Trustees.

The investment managers are:

- American Realty Advisors—Glendale, CA
- Atlanta Capital Management Co. LLC—Atlanta, Georgia
- Capital Dynamics - New York, New York
- Constitution Capital Partners - Andover, Massachusetts
- DePrince, Race & Zollo, Inc. - Winter Park, Florida
- JP Morgan Asset Management - New York, New York
- LMCG Investments – Boston, Massachusetts
- Principal Global Investors—Des Moines, Iowa
- Rhumblin Advisers - Boston, Massachusetts
- Richmond Capital Management - Richmond, Virginia
- TA Realty – Boston, Massachusetts
- Taurus Private Markets - Malvern, Pennsylvania

Plan Assets: Legal title to all Plan assets is held by the Board of Trustees.

Member

You are a member of the Plan if you fulfill the prescribed eligibility requirements (see Eligibility and Credited Service section).

Beneficiary

Your Beneficiary is each person you designate to the Board of Trustees to receive any payments that may become payable by the Plan upon your death. You should designate a Beneficiary when you become a Member of the Plan. At any time prior to your retirement you may change your Beneficiary upon written notification to the Board of Trustees. Beneficiaries must be natural persons (trusts, charities, corporations, etc. are not permitted to be your Beneficiary).

Relevant Provisions of Local and State Laws: The Plan is set forth in Section 34.010 through 34.040 of the Code of Ordinances of the City of Pompano Beach. The most recent amendment to the Plan which is reflected in this Summary Plan Description is Ordinance No. 2022-26. Your Plan is also governed by certain provisions of Part VII, Chapter 112, Florida Statutes (F.S.) and various federal laws.

Relevant Provisions of Collective Bargaining Agreements: Certain employees covered by the Plan are members of the Federation of Public Employees. The Current collective bargaining agreement between the Federation and the Employer is effective through September 30, 2024.

ELIGIBILITY AND CREDITED SERVICE

Eligibility

If you are full-time, general Regular Employee who has 1) satisfactorily completed and passed all medical examinations for an employee in your classification, and 2) met the requirements of the City's merit system, you are eligible to be a Member of the Plan. Participation in the Plan and contributions as defined below will be mandatory.

City of Pompano Beach Code of Ordinances Sec. 34.010 defines full-time, general Regular Employee, in part, as those employees who work for 26 hours or more per week and five months or more per year for the Employer.

If you were a general employee who transferred to the Broward County Library System or the Broward County Sheriff's Office and you elected to continue participation in the City of Pompano Beach General Employees' Retirement System, you are an eligible Member.

Effective December 14, 2004, the Mayor, City Commissioners, City Clerk, City Attorney, City Auditor and City Manager, and any person who is elected or appointed to any of the foregoing positions after such date are eligible to be Members of the Plan.

Effective February 8, 2022, Management Support Employees are eligible to be members of the Plan. Management Support Employees include the Executive Director and Assistant Administrator who are employed by the Board of Trustees of the City of Pompano Beach General Employees' Retirement System.

Credited Service

Credited Service is used to compute the amount of your pension benefit when you retire, to determine whether you are eligible for certain benefits and to determine whether you are vested. Your Credited Service is equal to your total years and completed months of service with either the City of Pompano Beach or Broward County from your last date of hire until your date of termination, retirement, entry into the DROP, death or disability. (For exceptions to this rule, see the sections below) Authorized vacations and leaves of absence with pay are included in your credited service.

“Tiered service credits”: Depending on the date of your hire and the contributions you make to the Plan your Credited Service may count towards “Tier 1” or “Tier 2” benefits (as defined in the Contributions and Benefit sections below).

Senior Managers who elected to join the Plan in February 2008 under Ordinance 2008-16 will earn Credited Service under the Plan beginning February 14, 2008. These Senior Managers may have chosen to have their prior service as Senior Managers with the Employer counted as Credited Service by paying the full actuarial cost for that service prior to December 11, 2011.

Break in Service

If you terminate employment and later return to work for the City, you will become a Member upon reemployment, subject to the conditions described in the Eligibility section above. Upon your reemployment, you will be credited with your prior eligible service only if you repay in full, with interest at the rate(s) assumed for actuarial purposes, the monies previously refunded to you and the City’s portion of any costs. You must pay all costs of prior service, including the City’s portion of any costs, prior to your retirement, entry into DROP or termination of service. If repayment is not made in full by that time, any monies paid by you for your prior service shall be refunded with interest. Once these monies are returned, there will be no further opportunity for you to obtain credit for prior service.

Military Service

Should you take a leave of absence from the Employer in order to enter the military either voluntarily or non-voluntarily, your period of leave will be included in your Credited Service for vesting purposes if you:

1. Return to City employment within one year from the earlier of the date of military discharge or release from active service, unless otherwise provided by the Uniformed Services Employment and Reemployment Rights Act, as amended; and
2. Are entitled to reemployment with the City under the provisions of the Uniformed Services Employment and Reemployment Rights Act. Any active duty in the military prior to your date of hire by the Employer is not included in the Credited Service with this Employer.

Election to Round Up Credited Service

Effective October 1, 2021, employees may elect to “round up” their Credited Service to the next full year of service. Employees elect to “round up” their Credited Service at the time they apply for retirement benefits. Employees are responsible for paying all costs for the additional time being added to their Credited Service, this includes both the employee and Employer costs. (see Contributions section below)

CONTRIBUTIONS TO THE PLAN

Benefits of the Plan are financed by contributions that are paid into the Plan and by investment earnings generated by investment of the Plan. All eligible active employees and the City will make periodic contributions to the Plan.

Employee Contributions

The amount you contribute to the Plan depends on when you were hired. The Employer “picks up” this contribution through a salary reduction of your base pay. Beginning January 1, 1991, your contributions to the Plan are made on a “before tax” basis. The Plan does not permit additional, voluntary employee contributions (other than the limited elections discussed in the preceding sections and sections below).

If you were hired prior to June 8, 2011 or after December 17, 2020, your contribution rate is 10% of your covered salary. Contributions at a 10% rate will earn Tier 1 service credits. (see heading entitled Retirement Benefits for discussion of Tiered Benefit Levels).

Your Covered Salary is the amount of your compensation including base pay and regular longevity wages, but excluding overtime, bonuses and any other non-regular payments. Covered Salary will be subject to the limitations set forth in Section 401(a)(17) of the Internal Revenue Code (as adjusted periodically for cost-of-living) in any one year. The adjusted pay limit for 2022 is \$305,000.

If you were hired between June 8, 2011 and December 17, 2020, your contribution rate was 7% of your covered salary for the period from your hire date until December 17, 2020. Beginning on December 17, 2020, your contribution rate is 10% of your covered salary. Contributions at a 7% rate will earn Tier 2 service credits. Contributions at a 10% rate will earn Tier 1 service credits. (see heading entitled Retirement Benefits for discussion of Tiered Benefit Levels).

Employees who were hired between June 8, 2001 and December 17, 2020 were permitted to elect to upgrade their Credited Service from Tier 2 to Tier 1 benefits for the period from their hire date up to December 17, 2020. Eligible employees must have formally elected to do so no later than January 31, 2021. To earn the upgraded service credits, the full 3% difference in contribution rates for that period must be paid into the Plan within a permitted timeframe from that date. The timeframe for making those contributions is the earlier of the employee’s retirement, entry into DROP, termination of service or a time period extending after January 31,

2021 equal to the time from the employee's hire to December 17, 2020. If the full amount is contributed within the timeframe the employee will earn Tier 1 benefits. If the **full** contribution is not paid within the timeframe, any difference in contribution rates made will be refunded, without interest, and the employee will earn Tier 2 benefits for those service credits instead.

For example, an employee hired on December 17, 2016 who elected to upgrade service credits would have to contribute an amount equal to 3% of covered salary (for the four years from December 17, 2016 to December 17, 2020). To earn Tier 1 benefits for those four years of service, the employee would have to contribute that amount no later than January 31, 2025 (four years from January 31, 2021) or the date of retirement, entry into DROP or termination of service, whichever is earlier. Otherwise, the employee will earn Tier 2 benefits for those four years of Credited Service instead.

If you are an Elected Official or Appointee, you will not contribute to the Plan. The City will contribute the required percentages into the Plan on behalf of Elected Officials and Appointees.

Your contribution will cease upon your retirement, entry into the Deferred Retirement Option Plan (DROP), death, disability or employment termination.

Your Employer's Contributions

The City of Pompano Beach must periodically contribute an amount determined by the Plan's actuary to be sufficient, along with your contribution, to systematically fund the benefits under the Plan. The City's contribution will vary depending upon the actuarial experience of the Plan.

Additional Contributions to Round Up Credited Service.

Effective October 1, 2021, employees may elect to "round up" their Credited Service to the next full year of service. Employees electing to round up their Credited Service must contribute the full cost of the time they are electing to add to their Credited Service. If requested, the Pension Office will provide the employee the required dollar amount of the total

additional contribution at the time they apply for retirement. The additional contribution must be paid in full no later than their retirement date, DROP entry or separation from service.

Refund of Contributions

If you terminate employment, other than by reason of retirement, disability or death, you may be entitled to a refund of the contributions that you have made into the Plan.

You may elect to immediately receive a refund of your own contributions, plus three (3) percent interest per annum, even if you are not yet eligible to receive a retirement benefit. Please note that the election to take a refund of your contributions with interest would be in lieu of any and all future benefit payments from the Plan, if applicable.

If you terminate employment before you are vested you will receive a refund of your own contributions, plus three (3) percent interest per annum. Please note, however, that you must have at least one year of Credited Service to receive the three percent interest. (See Vesting section below)

If you are an Elected Official or Appointee, you are not entitled a refund of the contributions made by the City on your behalf.

The taxable portion of any refund you receive is subject to an automatic twenty (20) percent withholding for federal income tax purposes. This tax¹ may be avoided, however, if you roll the taxable portion over to a traditional Individual Retirement Account (IRA) or another qualified employer plan. This rollover will result in no tax being due until you begin withdrawing funds from the IRA or other qualified employer plan. The rollover of the distribution, however, MUST be made directly by the Plan to your chosen IRA or other qualified employer plan.

¹ This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction.

TO REQUEST A REFUND OF CONTRIBUTIONS

1. Notify the Executive Director of your termination of employment and arrange to complete an Application for Refund of Contributions form and to obtain the required IRS Special Tax Notice Regarding Plan Payments.
2. Because complex rules apply to your refund and the rollover of payments, you should seek competent tax advice from your tax advisor.
3. Allow 3-4 weeks after you have completed the Application for Refund of Contributions and terminated your employment for your check(s) to be issued by the Plan's Custodian, whether the refund is paid to you or payment is made directly to your IRA or another qualified employer plan.

RETIREMENT DATES

Normal Retirement Date

Your Normal Retirement Date is the earliest date when unreduced retirement benefits may be paid to you. Your Normal Retirement Date is the earlier of:

- the date when you reach age 55 and complete 20 years of Credited Service, or
- the date when you reach age 62 and complete 3 years of Credited Service as a regular employee.

If you terminate your employment prior to reaching your Normal Retirement Date, please see Vested Retirement Benefits section below.

Early Retirement Date

Your Early Retirement Date is the first day of any month following completion of 20 years of Credited Service. You may retire at any time following this date with reduced benefits as described later.

Delayed Retirement Date

You may continue to work past your Normal Retirement Date. If you do so, the date you actually stop working will be your Delayed Retirement Date.

Deferred Retirement Option Plan (DROP)

DROP Election Date: If you participate in the Deferred Retirement Option Plan (DROP), your DROP Election Date is the date when you elect to enter the DROP.

DROP Termination Date: If you elect to enter the DROP, your DROP Termination Date is the date when you cease to be an employee of the City (i.e. separate from service) and begin receiving your calculated retirement benefit.

(See DROP Section below for a full description of that plan)

RETIREMENT BENEFITS

Normal Retirement Benefit

If you retire on your Normal Retirement Date, the monthly benefit that you will receive is your Normal Retirement Benefit. The amount of your Normal Retirement Benefit is based on the following factors: your Average Monthly Salary, your years of Credited Service and the Benefit Accrual Rate.

$$\text{Normal Retirement Benefit} = \text{Average Monthly Salary} \times \text{Credited Service} \times \text{Benefit Accrual Rate}$$

Tiered Benefit Levels

Depending on when you were hired and contributions you have made into the Plan, your service credits may earn either Tier 1 or Tier 2 benefits. Depending on circumstances when you retire, you may receive a “bifurcated” benefit based in part on Tier 1 benefits and in part on Tier 2 benefits.

Tier 1: If you were hired prior to June 8, 2011 or after December 17, 2020 your Credited Service earns Tier 1 benefits. If you were hired between June 8, 2011 and December 17, 2020, AND you elected to upgrade your service credits AND have fully contributed the difference as described in the “Contributions” section above, your Credited Service earns Tier 1 benefits. Tier 1 benefits are calculated as follows:

Average Monthly Salary: is the monthly average of your Covered Salary for the highest 78 completed biweekly pay periods (times 1.0048) during your employment with the Employer. (“3 years’ pay”) “Covered Salary” is defined in the Contributions section, above.

Benefit Accrual Rate: 3% (for active members as of October 1, 2021)

For example, an employee hired on December 17, 2006 who retires on December 17, 2026 at age 55 with 20 years of Credited Service and an Average Monthly Salary of \$4,000 is entitled to a Tier 1 monthly benefit of \$2,400, calculated as follows:

$$\begin{aligned} \text{Normal Retirement Benefit} &= \\ \text{Average Monthly Salary} \times \text{Credited Service} \times \text{Benefit Accrual Rate} \\ &= \$4,000 \times 20 \times 3\% = \$2,400 \text{ per month} \end{aligned}$$

Tier 2: If you were hired between June 8, 2011 and December 17, 2020, and you did not elect to upgrade your service credits or have not fully contributed the difference as described in the “Contributions” section above, your Credited Service up to December 17, 2020 earns Tier 2 benefits.

Average Monthly Salary is the monthly average of your Covered Salary for the highest 130 completed biweekly pay periods (times 1.0048) during your employment with the Employer. (“5 years’ pay”)

Benefit Accrual Rate: 2%

Note: Credited Service after December 17, 2020 earns Tier 1 benefits.

For example, an employee hired on December 17, 2016 retires on December 17, 2036 at age 55 with 20 years of Credited Service. The employee did not elect to upgrade from Credited Service from Tier 2. The employee’s Average Monthly Salary for the highest 78 pay periods is \$4,000, and the Average Monthly Salary of the highest 130 pay periods is \$3,800. The employee is entitled to a Tier 2 monthly benefit for the first 4 years of Credited Service (December 17, 2016 to December 17, 2020) plus Tier 1 benefits for the last 16 years of Credit Service (after December 17, 2020) calculated as follows:

$$\begin{aligned} \text{Tier 2 Retirement Benefit} &= \\ \text{Average Monthly Salary} \times \text{Credited Service} \times \text{Benefit Accrual Rate} \\ &= \$3,800 \times 4 \times 2\% = \$304 \text{ per month (Tier 2)} \end{aligned}$$

$$\begin{aligned} \text{Tier 1 Retirement Benefit} &= \\ \text{Average Monthly Salary} \times \text{Credited Service} \times \text{Benefit Accrual Rate} \\ &= \$4,000 \times 16 \times 3\% = \$1,920 \text{ per month (Tier 1)} \end{aligned}$$

$$\text{Normal Retirement Benefit} = \$304 \text{ (Tier 2)} + \$1,920 \text{ (Tier 1)} = \$2,224$$

Regardless of which tiered benefit you receive, you may not earn more in pension benefits during retirement than you did while working for your employer. The Internal Revenue Code also limits the amount payable from a defined benefit plan. Your maximum retirement benefit is 100% of your Average Monthly Salary or \$90,000 per year (adjusted for inflation), whichever is less. The inflation-adjusted limit for 2022 is \$245,000. Your benefits from this Plan are paid in addition to any benefits you may receive from Social Security.

The Normal Retirement Benefit is paid to you for your life in accordance with the Normal Form of Benefit Payment (See the section on Forms of Benefit Payments, below).

Delayed Retirement Benefit

If you continue to work past your Normal Retirement Age you are eligible for a Delayed Retirement Benefit. The amount of your monthly Delayed Retirement Benefit is calculated and paid in the same way as the Normal Retirement Benefit. However, your Average Monthly Salary and Credited Service as of your actual retirement date are used in the calculation. You may continue to earn service credits past your Normal Retirement Date. The Plan imposes no maximum age or limit on service credits earned.

DEFERRED VESTED RETIREMENT BENEFIT

If you terminate employment, other than by reason of retirement, disability or death, you may be entitled to a Deferred Vested Retirement Benefit. This benefit is equal to your Accrued Benefit on your termination date multiplied by your vested interest. The following chart shows your vested interest in your Accrued Benefit. If your vested interest is 0%, you are entitled to a full refund of your contributions made to the Plan as described in the Contributions section above.

Accrued Benefit

The portion of your Normal Retirement Benefit that you have earned at any point in time prior to your Normal Retirement Date is your Accrued Benefit. Your Accrued Benefit is computed in the same way as the Normal Retirement Benefit above, except you use your present Average Monthly Salary and Credited Service in the preceding calculation. If you are vested at your date of termination, you would be eligible to receive your Accrued Benefit as a monthly amount starting on your Normal Retirement Date.

Vested Interest

Completed Years of Service	Elected & Appointed Officials	Senior Management Employees	All Other General Employees
Less than 5	0%	0%	0%
5 to 7	100%	100%	0%
7 or more	100%	100%	100%

If you become eligible for Early or Normal Retirement while you are working for the City, you are automatically 100% vested. The vested benefit is payable at your Normal Retirement Date.

If you have fewer than 20 years of Credited Service before your termination, the time after your termination will count toward determining when you reach your Normal Retirement Date, but you will not accrue any additional benefit for the time after termination.

If you have 20 or more years of Credited Service before your termination, you may receive your vested benefit, reduced as for Early Retirement, at any time after your termination (see Early Retirement Benefit, below).

Your monthly benefit will be eligible for cost of living adjustments as described in detail in the Cost of Living Adjustment section later in this document.

Early Retirement Benefit

If you have 20 years of Credited Service but have not yet reached age 55, you are eligible for early retirement. If you retire early, you may elect to receive your Early Retirement Benefit either on a deferred basis or immediately.

1. A deferred Early Retirement Benefit means the benefit begins on your Normal Retirement Date (upon reaching age 55) and is paid to you for your life. The benefit is equal to your Accrued Benefit on the date you terminated your employment.

2. An immediate Early Retirement Benefit is a benefit that begins on your Early Retirement Date and is paid to you for your life. The benefit is equal to your Accrued Benefit on the date you retire, but reduced for the number of months by which the starting date of the benefit precedes your Normal Retirement Date (upon reaching age 55). The benefit is reduced to take into account the fact that you will begin to receive the benefit sooner and are expected to receive payments for a longer period of time. The following table shows how much your benefit will be reduced if payments begin before your Normal Retirement Date:

Number of Years Early	Early Retirement Benefit as Percentage of Accrued Normal Retirement Benefit	Number of Years Early	Early Retirement Benefit as Percentage of Accrued Normal Retirement Benefit
1	93.3%	6	63.3%
2	86.7%	7	60%
3	80%	8	56.7%
4	73.3%	9	53.3%
5	66.7%	10	50%

The Early Retirement Benefit is paid to you for your life in accordance with the Normal Form of Benefit Payment as described later (see the sections on Death Benefits After Retirement and Forms of Benefit Payments). Your benefits from this Plan are paid in addition to any benefits you may receive from Social Security.

FORMS OF BENEFIT PAYMENTS

Normal Form of Benefit Payment

Unless you elect otherwise before retirement, your pension is payable as a Life Annuity. A Life Annuity is a series of monthly payments payable to you for your life. Upon your death, no further payments will be made.

Election of Optional Forms of Benefit Payments

You have the right at any time before your actual retirement date to elect not to have your retirement benefit paid in the Normal Form. Your benefit would then be paid in the optional form, which you may choose.

You may choose among the options described below and revoke any such elections and make a new election at any time before your actual retirement. You must make such election by written request to the Executive Director and such election shall be subject to the approval of the Board of Trustees. This election also applies to terminated Participants who are eligible for payment of deferred Vested Retirement Benefits. The options available are as follows:

Option 1 – Joint and Last Survivor Option

You may elect to receive a decreased monthly retirement benefit during your lifetime and have such decreased retirement benefit (or a designated fraction thereof) continued after your death to your designated Beneficiary for the rest of the Beneficiary's lifetime. This election will be null and void if your designated Beneficiary dies before you retire and you do not select another Beneficiary prior to your retirement. You may name only one Beneficiary, who must be a natural person. The present value of the payments to you must initially be at least 50% of the total combined present value of payments to both you and the designated beneficiary.

Option 2 – Ten Year Certain and Life Thereafter Annuity

You may elect to receive a decreased retirement benefit with 120 monthly payments guaranteed. If you die before receiving 120 payments, the payments will continue to your Beneficiary until a total of 120 payments have been made. If you live longer than ten years, payments are continued for the rest of your life, ceasing upon your death. You may name multiple Beneficiaries, who must be natural persons.

Option 3 – Other

In lieu of the other optional forms enumerated in this section, retirement benefits may be paid in any form approved by the Board of Trustees so long as actuarial equivalence with the benefits otherwise payable is maintained.

Under no circumstances shall the Board of Trustees approve a lump sum distribution of the present value of your accrued benefit. However, if you so elect, you may receive a distribution of all of your accumulated contributions, plus 3% interest, in lieu of a monthly retirement benefit.

In no event may the total of benefit payments to you and your Beneficiary be less than your own accumulated contributions plus 3% interest.

FILING FOR RETIREMENT BENEFITS

The following procedures are provided for your information, to assist you as you prepare for retirement (i.e. early, normal or delayed):

1. Advise your supervisor/department head in writing of your plans to retire.
2. Contact the Executive Director to set up an appointment to complete an application for retirement.
3. You will have to provide the Executive Director with certified copies of your birth certificate, marriage certificate, and your Beneficiary's birth certificate. (Last two items are required if you elect to receive an Optional Form of Benefit Payment other than Life Annuity).
4. The Executive Director will advise you when the final benefit calculation has been completed so that you can make a benefit selection. Your selected Beneficiary and one Trustee should be present when the benefit option is selected.
5. The Board of Trustees then approves your retirement election at its next monthly Board meeting.

NOTE: Contact your tax preparer for the most current tax laws concerning your pension.

COST-OF-LIVING ADJUSTMENTS (COLAs)

The Plan will increase your monthly benefits annually to account for increasing costs of living. The amount of the increase and the starting date of cost-of-living adjustments depends of the tiered benefit you are receiving, your age and when you retire. If you are receiving a "bifurcated" benefit, your cost-of-living adjustments will be applied to your Tier 1 and Tier 2 benefits separately. (See Retirement Benefits section above for description of Tiered Benefits.)

Tier 1: For retirements on or after October 1, 2021, Tier 1 monthly benefits are eligible to receive a fixed 3% COLA beginning on the first anniversary of your retirement, payable beginning on the following October 1, and each October 1st thereafter.

Tier 1 Example:

- Normal Retirement Date = March 1, 2027
- First anniversary of retirement = March 1, 2028
- First COLA is payable October 1, 2028

For retirements that were effective before October 1, 2021, Tier 1 monthly benefits are eligible to receive a fixed 2% COLA beginning on the first anniversary of your retirement, payable beginning on the following October 1, and each October 1st thereafter.

Tier 2: All Tier 2 monthly benefits are eligible to receive a graduated COLA beginning on the fifth anniversary of your retirement, payable beginning on the following October 1. The amount of the COLA is based on your age as of the anniversary of your retirement:

Age:	COLA Amount
Under 55:	0%
55 to 64:	1%
65 and older:	2%

Tier 2 Example:

- Normal Retirement Date = March 1, 2031 at age 55
- Fifth anniversary of retirement = March 1, 2036 (age 60)
- First COLA of 1% is payable October 1, 2036. Subsequent annual COLAs of 1% are payable each October from 2037 through 2040. Annual COLAs of 2% are payable beginning October 1, 2041 (age 65).

Variable COLAs

Regardless of the tiered benefit you receive, your age or when you retire, a variable COLA equal to up to one percent (1%) may be granted -- if the Plan is sufficiently funded (as certified by the Plan’s actuary).

For all Retirees, in the event the Plan is not sufficiently funded in any one year to provide the additional, variable one percent increase, a retroactive variable COLA will be provided in subsequent years when the Plan is once again sufficiently funded (as certified by the Plan’s actuary).

DEFERRED RETIREMENT OPTION PLAN (DROP)

Once you have attained 20 years of Credited Service, and are at least age 55, or attained 3 years of Credited Service and are at least age 62, you are eligible to enter the Deferred Retirement Option Plan (DROP).

DROP Provisions

Your election to enter the DROP is irrevocable and cannot later be changed. DROP participants are not entitled to pre-retirement death or disability benefits from the Plan. (see sections below) Once you enter DROP you will no longer contribute to the Plan.

If you have at least 20 years of Credited Service, you may participate in the DROP for a maximum of eight (8) years (96 months). If you have less than 20 years of Credited Service, you may participate in the DROP for a maximum of five (5) years (60 months). You must agree to terminate your employment (i.e. separate from service) no later than the end of this period. You may separate from service at any time prior to the end of this period.

DROP Account

Your DROP Account will be credited with the monthly benefit you would have received had you retired from service on the date you enter the DROP, taking into consideration any optional form of benefit selected, as explained in the Retirement Benefits section. Your DROP Account will be credited with interest at the same rate as the investment earnings assumption for the Plan, paid through your employment termination date.

Exiting DROP

Upon termination of employment, you will receive a distribution of your accumulated DROP Account balance and will begin receiving a monthly benefit equal to the monthly benefit you would have received had you retired from service on the date you entered the DROP, taking into consideration any optional form of benefit selected.

DROP Participants wishing to exit the DROP must notify the Pension Office of their employment termination date, and therefore their intent to exit the DROP, at least seven (7) business days prior to the next scheduled monthly

Board meeting date in order to have their DROP exit approved at that meeting. DROP exit notifications received after the cutoff date will be placed on the following month's meeting agenda and may delay the issuance of the participant's DROP distribution and the start of their monthly retirement benefit payments.

Cost of Living Adjustments

Your monthly benefit will not be eligible for cost of living adjustments while you are participating in DROP. Upon exiting the DROP, your monthly benefit will qualify for a cost of living adjustment as described in detail in the Cost of Living Adjustment section of this document. Your DROP Exit Date will be treated as your Retirement Date for COLA purposes. Please see Cost of Living Adjustment section above.

FILING FOR DROP

The following procedures are provided for your information, to assist you as you prepare for entering the DROP.

1. Advise your supervisor/department head in writing of your plans to enter the DROP at least 30 days prior to the date you wish to enter the DROP.
2. Contact the Executive Director to set up an appointment to complete an application for the DROP program and designate the Beneficiary of your DROP account.
3. You will have to provide the Executive Director with certified copies of your birth certificate, marriage certificate, and your Beneficiary's birth certificate. (Last two items are required if you elect to receive an Optional Form of Benefit Payment other than Life Annuity).
4. The Executive Director will advise you when the final benefit calculation has been completed so that you can make a benefit selection. Your selected Beneficiary and one trustee should be present when the benefit option is selected.
5. The Board of Trustees then approves your DROP entry at its next monthly board meeting.

SURVIVOR BENEFITS

Before Retirement

If you die while you are an active employee but before you are vested, your Beneficiary will receive a death benefit equal to one times your annual earnings, plus a refund of your accumulated contributions plus interest. The death benefit related to your annual earnings will be payable in equal monthly installments for 48 months. The refund of your contributions plus interest will be paid in a single lump sum immediately upon proof of death. If you are an Elected Official or Appointee, your Beneficiary is not entitled to a refund of the contributions made by the City on your behalf. (See Vested section above)

If you die while you are an active employee after you are vested, your Beneficiary will receive a monthly benefit for 10 years as though you had retired on your date of death and had elected to receive your benefit under Option 2, 10 Year Certain and Life (see Forms of Benefits Payable). Your Beneficiary will receive this benefit whether or not you were eligible for early or normal retirement benefits at the time of your death. Your Beneficiary's monthly benefit will be eligible for cost of living adjustments as described in detail in the Cost of Living Adjustment section of in this document.

After Retirement

If you were receiving an optional form of retirement payment which provided for a survivor's benefit to be paid after your death, your Beneficiary will receive payments following your death in accordance with that option. Your Beneficiary's monthly benefit will be eligible for cost of living adjustments as described in detail in the Cost of Living Adjustment section of in this document.

CLAIMING A SURVIVOR BENEFIT

You should notify your Beneficiary(s) that they should immediately contact the Executive Director in the event of your death. Your Beneficiary(s) must present a certified copy of your death certificate and must apply in writing for survivor benefits. All benefits payable to you cease upon your death.

DISABILITY RETIREMENT

If you have become totally and permanently disabled as defined by the Plan, you may be eligible for a disability benefit. In the case of a disability incurred in the line of duty (Service Incurred), you will be eligible for a benefit regardless of your length of service. In the case of a disability that is not incurred in the line of duty (Non-Service Incurred), you will be eligible for a benefit only if you have at least 10 years of Credited Service at the time of disability.

To receive either type of disability benefit, you will have to qualify for such benefit based on standards determined by the Board of Trustees on a uniform, non-discriminatory basis.

Service Incurred

Eligibility: You must be totally and permanently disabled and unable to earn at least 75% of the earnings paid to you immediately prior to your disability. There is no service requirement, but you must be an active employee under the Plan at the time of your disability.

Benefit: The amount of your benefit due to a service incurred disability is 60% of your earnings in effect on the date of disability. This benefit is payable until the earlier of your death or recovery.

Non-Service Incurred

Eligibility: You must be totally and permanently disabled such that you cannot perform your regular and continuous duties as an employee, or any other gainful employment. You must have at least 10 years of Credited Service and must be an active employee under the Plan at the time of your disability.

Benefit: Benefits paid due to a non-service incurred disability depend on the Tiered Service Credits you have earned. If you were hired before June 8, 2011 or after December 17, 2020 your Credited Service earns Tier 1 benefits. If you were hired between June 8, 2011 and December 17, 2020

and you elected to upgrade your service and have fully paid the required additional contributions prior to your disability, your Credited Service earns Tier 1 benefits. If you were hired between June 8, 2011 and December 17, 2020 and did not upgrade your service, Credited Service from your hire date until December 17, 2020 earned Tier 2 benefits, and Credited Service after December 17, 2020 earns Tier 1 benefits.

Non-service incurred disability benefits are calculated in the same manner as Normal Retirement Benefits (See Retirement Benefits section above). Non-service incurred disability benefits for Tier 1 Service Credits accrue at 3.00% times Average Monthly Salary computed from your highest 78 pay periods. Non-service incurred disability benefits for Tier 2 Service Credits accrue at 2.00% times Average Monthly Salary computed from your highest 130 pay periods. Your non-service incurred disability will be the total of your Tier 1 and Tier 2 benefits, subject to a minimum of 25% of your earnings. This benefit is payable until the earlier of your death or recovery from your disability or return to gainful employment either with the City or some other employer.

Cost of Living Adjustments

Cost of Living Adjustments (COLAs) apply to disability retirement benefits in the same manner as normal retirement benefits, based on Tiered Service Credits. Cost of Living Adjustments for Tier 1 benefits are payable beginning at the first anniversary of your disability retirement, payable on the following October 1. COLAs for Tier 2 benefits begin at your fifth anniversary of your disability retirement, payable on the following October 1, at a graduated rate based on your age. This is described in more detail in the Cost of Living Adjustment section above.

FILING FOR DISABILITY RETIREMENT BENEFITS

The following procedures are provided for your information:

1. Advise your supervisor/department head in writing of your plans to file for a disability retirement.
2. Contact the Executive Director to set up an appointment to complete an application for disability retirement.
3. You will have to provide the Executive Director with certified copies of your birth certificate, marriage certificate, and your Beneficiary's birth certificate. (Last two items are required if you elect to receive an Optional Form of Benefit Payment other than Life Annuity).
4. Provide names, addresses and phone numbers to the Executive Director of all doctors, hospitals and other medical facilities that have treated you for the disability.
5. Sign medical records release forms provided by Executive Director.
6. After, and only after, all medical information has been received from your doctors will appointments be made with the Plan's Medical Board physicians.
7. You are then examined by the Medical Board physicians and their written reports are sent to the Board of Trustees.
8. The Medical Board's reports are reviewed by the Board of Trustees at a hearing held by the Board of Trustees and the disability is either approved or denied, or moved on to a formal hearing.

TERMINATION OF THE PLAN

If the Plan is terminated or if the Employer discontinues making contributions, you will immediately become 100% vested in the benefit you have earned to date. All of the assets of the Plan would then be allocated to the Members according to certain classes of priority. Only after all accrued benefits have been paid and any other liabilities have been satisfied can any remaining money be returned to the Employer.

IMPORTANT NOTICE

There are certain circumstances which may result in the disqualification, ineligibility, denial, loss, forfeiture, suspension, or deferral of your benefits in the Plan. The following is a list of some of these circumstances:

1. If you terminate employment before reaching the Normal or Early Retirement Date and do not have enough Credited Service to have earned a vested interest, no benefits will be payable except for a return of your own contributions with interest.
2. No credit is allowed either for benefit accrual or vesting purposes for any period in which you are not considered a full-time employee.
3. Your retirement benefit will not be payable until your actual retirement date, even if you continue to work beyond your Normal Retirement Date.
4. In the event this Plan terminates and the available Plan assets are less than the value of all Accrued Benefits, your Accrued Benefit may be reduced.
5. Payment of your benefits may be subject to an income deduction order made pursuant to state or federal domestic relations laws.

**YOUR ACCRUED BENEFIT MAY BE FORFEITED
UNDER CERTAIN CIRCUMSTANCES**

Benefits are forfeitable pursuant to various provisions of the Florida Statutes, which provide for the forfeiture of retirement benefits of persons who are convicted of certain offenses. Section 112.3173, Florida Statutes, requires the official or board responsible for paying benefits under a public retirement system to make a forfeiture determination when the board has reason to believe that the rights of the person under any such system are required to be forfeited pursuant to the statute. The Florida Constitution provides:

"Any public officer or employee who is convicted of a felony involving a breach of public trust shall be subject to forfeiture of rights and privileges under a public retirement system or pension plan in such manner as may be provided by law."

The Florida Legislature has implemented this constitutional provision in section 112.3173, Florida Statutes. Subsection (3) of the statute requires that:

"any public officer or employee who is convicted of a specified offense committed prior to retirement, or whose office or employment is terminated by reason of his or her admitted commission, aid, or abetment of a specified offense, shall forfeit all rights and benefits under any public retirement system of which he or she is a member, except for the return of his or her accumulated contributions as of the date of termination."

A "specified offense" for purposes of the statute includes:

1. The committing, aiding, or abetting of an embezzlement of public funds;
2. The committing, aiding, or abetting of any theft by a public officer or employee from his or her employer;
3. Bribery in connection with the employment of a public officer or employee;
4. Any felony specified in chapter 838, except ss. [838.15](#) and [838.16](#);
5. The committing of an impeachable offense;

6. The committing of any felony by a public officer or employee who, willfully and with intent to defraud the public or the public agency for which the public officer or employee acts or in which he or she is employed of the right to receive the faithful performance of his or her duty as a public officer or employee, realizes or obtains, or attempts to realize or obtain, a profit, gain, or advantage for himself or herself or for some other person through the use or attempted use of the power, rights, privileges, duties, or position of his or her public office or employment position; or
7. The committing on or after October 1, 2008, of any felony defined in s. [800.04](#) against a victim younger than 16 years of age, or any felony defined in chapter 794 against a victim younger than 18 years of age, by a public officer or employee through the use or attempted use of power, rights, privileges, duties, or position of his or her public office or employment position.

Section 112.3173(5), Florida Statutes, creates the procedure for a forfeiture determination to be made by the official or board responsible for paying benefits under a public retirement system. The statute requires that, upon receipt of notice or whenever the board "otherwise has reason to believe that the rights and privileges of any person under such system are required to be forfeited under this section," the board must give notice and hold an administrative hearing pursuant to Chapter 120, Florida Statutes, to determine whether the subject retirement rights and benefits must be forfeited. If a determination is made that such rights and privileges are required to be forfeited, the board must order the forfeiture. Orders of forfeiture of retirement system rights and privileges are appealable to the district court of appeal.

Section 112.3173, Florida Statutes, requires that "all rights and benefits under any public retirement system of which [the officer or employee] is a member" shall be subject to forfeiture.

YOUR RESPONSIBILITIES

1. Retain this Summary Plan Description with your other important papers for later reference or for replacement by updated versions and supplemental notices, if any.
2. Upon completing eligibility requirements, sign an Application for Membership form and a Designation of Beneficiary form.
3. Keep your Beneficiary designation form updated to accurately reflect your wishes.
4. If you terminate employment, check to see if you are entitled to a Vested Retirement Benefit and the date payable.

If you terminate employment and are not entitled to a Vested Retirement Benefit, apply for a Refund of Contributions.

5. If you should terminate employment with rights to a deferred Vested Retirement Benefit, then, shortly before the date on which it is to begin, you should inform the Executive Director to begin such payments.
6. Upon your retirement under Early, Normal or Delayed Retirement, complete the form necessary to indicate which Optional Form of Benefit you desire.
7. Stay abreast of Plan changes.

CLAIMS PROCEDURES

Claims for benefits under the Plan must be filed in writing with the Executive Director. If you are eligible for any benefits from this Plan, you will be provided with a notification form showing the amount of your benefit and options, if any, and the earliest date on which such benefit is payable. Your request for Plan benefits shall be considered a claim for Plan benefits, and it will be subject to a full and fair review. If your claim is wholly or partially denied, the Board of Trustees shall furnish you with a written notice of this denial within 15 days after its decision. The written notice will contain the specific reason or reasons for the denial, stated as clearly and concisely as is possible. If your claim has been denied, and you wish to submit your claim for review, you must follow the Claims Review Procedure.

Claims Review Procedure

1. Upon the denial of your claim for benefits, you may file a written request for review with the Executive Director.
2. You must file the request for review no later than 15 days after you have received written notification of the denial of your claim for benefits.
3. You may review all pertinent documents relating to the denial of your claim and submit any issues and comments, in writing, to the Executive Director.
4. Within 90 days after the receipt of your request for a rehearing and review, the Board of Trustees shall meet, after giving you a minimum of 15 days' notice. You will have the right to be present at the rehearing with legal counsel, if you desire. At this rehearing you may present any additional evidence in support of your claim. You will be responsible for your own attorney's fees.
5. Your rehearing request will then be given a full and fair review. If your request is again denied, you may, within 30 days of the denial, appeal the Board of Trustees' final decision to the Circuit Court in and for the Seventeenth Judicial Circuit of Broward County. You will be responsible for your own attorney's fees.

TAX, ACCOUNTING AND LEGAL ADVICE DISCLAIMER

The Board of Trustees does not provide tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction associated with this Plan.

This Summary Plan Description is not meant to interpret, extend, or change the provisions of the Plan in any way. The provisions of the Plan may only be determined accurately by reading the actual Plan document.