

# City of Pompano Beach General Employees' Retirement System

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# PLAN PROVISIONS

- Normal Retirement Benefits
- Early Retirement Benefits
- Disability Benefits
- Pre-Retirement Death Benefits
- Survivor's Benefits
- DROP (Deferred Retirement Option Program)
- COLA (Cost of Living Adjustment)

# PLAN MEMBERSHIP

**Tier 1** – Regular Employees Hired Before June 8, 2011

**Tier 2** – Regular Employees Hired On or After June 8, 2011

- Includes Senior Management Employees and
- Elected and Appointed Officials

# CONTRIBUTIONS

- Your required employee contribution is
  - Tier 1 -- 10% of covered salary
  - Tier 2 – 7% of covered salary
  - Employee contributions cease upon termination of employment, retirement, DROP entry, disability or death
- The Employer's required contribution is determined annually by the Plan's Actuary

# VESTING

- You will become vested in the Plan upon the completion of seven years of credited service
  - If you terminate employment with more than seven years of credited service but prior to your normal retirement date, you are entitled to a deferred Vested Retirement Benefit payable at your Normal Retirement Date

# VESTING, Continued:

- If you terminate employment with less than seven years of credited service you are entitled to a return of your contributions plus 3% interest.
  - Withdrawal subject to 20% withholding tax (and 10% penalty if taken prior to age 59½)
  - Can be rolled over into another tax-qualified retirement account with no tax consequences

# BENEFICIARY

- Your beneficiary is the person/persons you designate to receive any Plan benefits that may become payable upon your death
  - You may change your beneficiary at any time prior to your retirement, upon written notification to the Board of Trustees
  - Your beneficiary cannot be changed after retirement

Form available online at [www.PompGERS.org](http://www.PompGERS.org)

# BENEFICIARY, Continued:

- It is important that you review your beneficiary designation periodically before retirement to insure that it reflects your current intentions
- You may wish to review your beneficiary designations under the following circumstances:
  - Marriage
  - Divorce
  - Birth or Adoption of a child
  - Death of a loved-one

# NORMAL RETIREMENT DATE

- You may retire with full retirement benefits at any time after meeting either of the following requirements:
  - Age 55 and the completion of 20 years of Credited Service,  
or
  - Age 62 and the completion of 3 years of Credited Service

# EARLY RETIREMENT DATE

- You may retire with reduced benefits, upon completion of 20 years of Credited Service, regardless of age.
- Your benefit will be reduced based upon your age at the time of your early retirement

# NORMAL RETIREMENT BENEFIT

The amount of your Normal Retirement Benefit is based upon your:

- Average monthly salary
- Years of credited service, and
- Benefit accrual rate

# NORMAL RETIREMENT BENEFIT

- Your Covered Salary – This is the amount of your compensation including base pay, temporary upgrade pay and regular longevity wages
  - **Does not include overtime, bonuses or any other non-regular payments**
- Your Average Monthly Salary is based on your Covered Salary (x 1.0048) during your employment with the City:
  - Tier 1 -- highest completed 78 bi-weekly pay periods
  - Tier 2 -- highest completed 130 bi-weekly pay periods

# NORMAL RETIREMENT BENEFIT, Continued:

- Your years of Credited Service at your Normal Retirement Date
- Benefit Accrual Rate:
  - Tier 1 -- 2.75% benefit accrual rate
  - Tier 2 – 2.00% benefit accrual rate

# NORMAL RETIREMENT BENEFIT, Continued:

- The normal retirement benefit is paid to you **for life** depending on the Form of Benefit Payment you select at retirement
- Your retirement benefits from this Plan are paid in addition to Social Security benefits

# CALCULATION OF NORMAL RETIREMENT BENEFIT

- The calculation of your Normal Retirement Benefit is Your Average Monthly Salary multiplied by your Years of Credited Service multiplied by your Tier's Accrual Rate

**Example Tier 1:** Average Monthly Salary is \$3,000  
20 years of Credited Service

$$2.75\% \times \$3,000 \times 20 = \$1,650.00 \text{ per month}$$

**Example Tier 2:** Average Monthly Salary is \$3,000  
20 years of Credited Service

$$2.0\% \times \$3,000 \times 20 = \$1,200.00 \text{ per month}$$

# FORMS OF BENEFIT PAYMENTS

- Life Annuity Benefit
  - This is the Normal Form of Benefit Payment
  - Monthly payment to you during your lifetime
  - Upon your death, no payments will be issued to your beneficiary

# FORMS OF BENEFIT PAYMENTS, Continued:

- Ten-Year Certain and Life Thereafter Benefit
  - 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(s) until a total of 120 payments have been made
  - If you live longer than ten years, payments will continue for the rest of your life, but will cease upon your death
  - Can be paid to multiple beneficiaries

# FORMS OF BENEFIT PAYMENTS,

## Continued:

- Joint and Last Survivor Benefit
  - You may elect to receive a decreased monthly retirement benefit during your lifetime *and* have continuing benefits paid after your death to your beneficiary for his or her lifetime
  - You may elect to have your beneficiary receive 100%, 75%, 66 2/3% or 50% of your benefit upon your death
  - If your beneficiary dies before you, payments will cease upon your death
  - May only have one designated beneficiary

# DISABILITY BENEFIT

- Eligibility – an employee who is permanently and totally disabled and unable to work may be eligible for a disability retirement benefit
  - Service Connected – if injury or illness occurs in the line of duty
  - Non-Service Connected – if injury or illness does not occur in the line of duty
    - For non-service disability, employee must have at least 10 years of credited service

# PRE-RETIREMENT DEATH BENEFIT

- Not Vested: If you die before you become vested, your Beneficiary will receive:
  - a death benefit equal to one times your annual earnings, payable in equal monthly installments for 48 months, and
  - a refund of your accumulated contributions plus interest, paid in a single lump sum

# PRE-RETIREMENT DEATH BENEFIT, Continued:

- Vested: If you die after you become vested, your Beneficiary will receive a monthly benefit for 10 years equal to the 10 Year Certain and Life Benefit Option
  - This benefit is calculated as though you retired on your date of death but it will not be reduced for early retirement if you do not meet the retirement age requirements

# SURVIVOR'S BENEFITS

- After Retirement:
  - Your Beneficiary will receive payments following your death only in accordance with the Form of Retirement Benefit you selected at the time of your retirement

# COST OF LIVING ADJUSTMENT

## Tier 1

- 2% COLA
- Begins one year after retirement or exit from DROP

## Tier 2

- COLA depends on age
  - 0% - under age 55
  - 1% - age 55 to 64
  - 2% - age 65 and older
- Begins five years after retirement or exit from DROP

COLA calculated annually – Payable in October payment  
Beneficiaries are also entitled to COLA increases

# FILING FOR RETIREMENT BENEFITS

- Documentation -- the following documents will be required by the Pension Board in order to process your application for retirement benefits
  - Your Birth Certificate
  - Your Beneficiary's Birth Certificate
  - Your Marriage License (if your beneficiary is your spouse)

# FILING FOR RETIREMENT BENEFITS, Continued:

- When to Apply -- you should notify your supervisor or department head and the Executive Director of your plans to retire, in writing, approximately 6-8 weeks prior to your intended retirement date

# FILING FOR RETIREMENT BENEFITS, Continued:

- Forms you will be asked to complete
  - Application for Retirement Benefits
  - Member's Election of Benefits and Beneficiary
  - W-4P
  - Authorization for Direct Deposit (required)

# FILING FOR RETIREMENT BENEFITS, Continued:

- Your benefits will be payable at your retirement upon the approval of the Board of Trustees

# TAXABILITY OF RETIREMENT BENEFITS

- A portion of each monthly retirement payment will be taxable.
  - All employee contributions made prior to January 1, 1991 were made after taxes were deducted. This portion of your monthly benefit payment will not be taxed again
  - The IRS has devised a formula to determine the taxable and non-taxable portions of your monthly retirement benefit, based upon your age at retirement and the total of your after-tax contributions.

# TAXABILITY, Continued:

- Contact your tax preparer for the most current tax laws concerning your pension and for assistance in determining the amount of tax to withhold from your monthly payments

# STAY IN TOUCH

- Change of Address
  - Beneficiary Form
  - Name Change
  - Marriage or Divorce
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- Your beneficiaries will have to contact us upon your death



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