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**Plan 1:** Paid annually, on October 1 for retired members (or their beneficiaries) who have been retired for at least one year. Increase is 2%. An additional 1% will be payable if either there is a net experience gain for the year, or the City cost for the year is zero after payment of the variable COLA.

**Plan 2:** Paid annually, on October 1 for retired members (or their beneficiaries) who have been retired at least five years. No increase is given for eligible retirees under 55 on October 1. A 1% increase is given for eligible retirees between 55 and 64. A 2% increase is given for eligible retirees 65 or older. A “variable” increase (of not more than one percent) will be granted when the plan is sufficiently funded.

**Drop Retirement**

**Eligibility:**

The earlier of attainment of age 55 with 20 years of Continuous Service, or age 62 with 3 years of Credited Service as a “regular employee” with the City.

**Benefit:**

**Plan 1:** 2.75% of AME times years of service.

**Plan 2:** 2.00% of AME times years of service.

**Normal Form of Benefit:**

Life annuity to the member.

**COLA:**

Same as Normal Retirement, except that the COLA is first credited and paid on the October 1 the member is eligible to receive a COLA after leaving employment (exits DROP)

**DROP Period:**

The Member may remain in the DROP for any period up to five years.

**Contributions:**

Member contributions cease when Member enters DROP.

**DROP Interest:**

DROP account balances are credited at the beginning of each month with interest at 1/12<sup>th</sup> of the rate assumed in the actuarial valuation for that year.



**Disability Retirement – Service Incurred**

**Eligibility:**

Members are immediately eligible for a Disability Retirement Benefit where the Disability results from an act occurring in the performance of service with the City of Pompano Beach.

Disability Retirement eligibility is forfeited upon entry into the DROP.

**Disability Definition:**

Total and permanent disablement and unable to earn at least 75% of regular earnings. A member who is eligible for full primary Social Security old age benefits is not eligible.

**Benefit:**

60% of Earnings.

**Normal Form of Benefit:**

Life annuity to the member.

**COLA:**

**Plan 1:** Paid annually, on October 1 for retired members (or their beneficiaries) who have been retired for at least one year. Increase is 2%. An additional 1% will be payable if either there is a net experience gain for the year, or the City cost for the year is zero after payment of the variable COLA.

**Plan 2:** Paid annually, on October 1 for retired members (or their beneficiaries) who have been retired at least five years. No increase is given for eligible retirees under 55 on October 1. A 1% increase is given for eligible retirees between 55 and 64. A 2% increase is given for eligible retirees 65 or older. A “variable” increase (of not more than one percent) will be granted when the plan is sufficiently funded.

**Disability Retirement – Non-Service Incurred**

**Eligibility:**

Total and permanent disablement, 7 years of service, and unable to be gainfully employed. A member who is eligible for full primary Social Security old age benefits is not eligible.

Disability Retirement eligibility is forfeited upon entry into the DROP.



**Benefit:**

Accrued pension, subject to a minimum of 25% of Earnings.

**COLA:**

**Plan 1:** Paid annually, on October 1 for retired members (or their beneficiaries) who have been retired for at least one year. Increase is 2%. An additional 1% will be payable if either there is a net experience gain for the year, or the City cost for the year is zero after payment of the variable COLA.

**Plan 2:** Paid annually, on October 1 for retired members (or their beneficiaries) who have been retired at least five years. No increase is given for eligible retirees under 55 on October 1. A 1% increase is given for eligible retirees between 55 and 64. A 2% increase is given for eligible retirees 65 or older. A “variable” increase (of not more than one percent) will be granted when the plan is sufficiently funded.

**Pre-Retirement Death Benefit – Basic**

**Benefit:**

1 times annual earnings (payable in monthly installments over four years) plus a refund of contributions with interest. Alternatively, for members eligible for Early or Normal Retirement, or who have a vested benefit whether still actively employed by the City or not, the pension is payable to the beneficiary for 10 years as though retirement occurred on the date of death under Option 2, Ten Year Certain and Life (no reduction for early retirement if death occurs prior to normal retirement).

**COLA:**

**Plan 1:** Paid annually, on October 1 for retired members (or their beneficiaries) who have been retired for at least one year. Increase is 2%. An additional 1% will be payable if either there is a net experience gain for the year, or the City cost for the year is zero after payment of the variable COLA.

**Plan 2:** Paid annually, on October 1 for retired members (or their beneficiaries) who have been retired at least five years. No increase is given for eligible retirees under 55 on October 1. A 1% increase is given for eligible retirees between 55 and 64. A 2% increase is given for eligible retirees 65 or older. A “variable” increase (of not more than one percent) will be granted when the plan is sufficiently funded.



**Withdrawal – Non Vested**

**Eligibility:**

First day of work, up to the earlier of 7 years of City service or 5 years of Senior Management Service for regular employees only.

**Benefit:**

Accumulated contributions with 3% interest.

**Form of Benefit:**

Lump sum.

**Withdrawal – Vested**

**Eligibility:**

Regular employees – at least 7 years of service.

Senior Managers – earlier of 7 years of City service and 5 years of Senior Management Service.

Elected Officials and Appointees – at least 5 years of service.

**Benefit:**

A vested benefit deferred to regular normal retirement date. Alternatively, a regular employee or Senior Management participant may withdraw the accumulated contributions and forfeit the deferred vested benefit.

**Member Contributions**

**Contributions:**

**Elected Officials and Appointees**

No member contributions. However, the City will make contributions at the same rate that applies to Regular Employees on behalf of these participants. These contributions are not eligible for refund upon termination.

**Regular Employees and Senior Managers**

**Plan 1:** 10.0% of earnings.

**Plan 2:** 7.0% of earnings. Members in Plan 2 were provided with the option to make an additional 3% member contribution for past service retroactive to the date of participation and receive benefits under the Plan 1 benefit structure.



**Interest Crediting Rate:**

3% per year.

**Optional Forms of Payment**

**Option 1:**

Joint and last survivor option.

**Option 2:**

Ten-Year Certain and Life option.

**Additional Provisions**

**Reentry Provision:**

Credit for prior service is granted in full upon repayment of all monies refunded to the member with interest at the assumed interest rate for actuarial purposes.

**Second Retirement Provision:**

Members may retire and return to work as a regular employee. Prior pension payments are continued during the period of reemployment. A second benefit is earned based solely on the second period of employment, provided the employee worked at least three years during the second period of employment.



The following Plan Amendments have been adopted within the past few years. Amendment changes that have first been reflected in this valuation are shown in bold print:

1. Effective June 8, 2011

- a) For members hired on or after June 8, 2011, average monthly earnings is the average of the highest 130 bi-weekly pay periods times 1.0048.
- b) For members hired on or after June 8, 2011, the monthly retirement benefit is 2.0% times average monthly earnings.
- c) For members hired on or after June 8, 2011, the contribution rate is 7.0% of earnings.
- d) For members hired on or after June 8, 2011, a member is eligible for a COLA on their fifth anniversary of retirement. No increase is given for eligible retirees under 55 on October 1. A 1% increase is given for eligible retirees between 55 and 64. A 2% increase is given for eligible retirees 65 or older. A “variable” increase (of not more than one percent) will be granted when the plan is sufficiently funded.

2. Effective January 13, 2015

- a) Members are 100% vested upon completion of 7 years of continuous service with the City.

3. Effective December 8, 2020:

- a) Members hired on or after June 8, 2011 but prior to December 8, 2020 were given a one-time election to make additional 3% contributions for past service retroactive to the date the member became eligible to participate. Members who elect to make retroactive contributions will receive benefits for all service calculated under the Plan 1 benefit structure. Members who do not elect to make the additional 3% contribution for past service will have benefits calculated under Plan 2 for service rendered from June 8, 2011 through December 8, 2020 and service accrued on or after December 8, 2020 will be calculated under Plan 1 benefit structure.
- b) Effective December 8, 2020, all future benefit accruals will be calculated under the Plan 1 benefit structure.