

ARTICLE II. - CORAL SPRINGS POLICE OFFICERS' PENSION PLAN

Sec. 13-5. - Purpose; definitions.

It is the intent of the city that this Coral Springs Police Officers' Pension Plan at all times satisfy Internal Revenue Code "(IRC)" Section 401(a) by meeting the requirements of IRC Section 414(d).

As used herein, unless otherwise defined or required by the context, the following words and phrases shall have the meaning indicated:

- (a) *Accrued benefit* means the accrued benefit at any time shall be determined in the same manner as that for retirement at the normal retirement date except that continuous service and average monthly earnings and/or average monthly earnings plus shall be determined as of the date of termination or disability.
- (b) *Accumulated contributions* means a member's own contributions plus any interest credited thereto.
- (c) *Actuarial equivalence* or *actuarially equivalent* means that any benefit payable under the terms of this plan in a form other than the standard form of benefit for participants shall have the same actuarial present value on the date payment commences as such standard form of benefit. For the purposes of establishing the actuarially equivalent value of any form of payment, all future payments shall be determined by using seven (7) per cent interest as the discount factor and the unisex mortality table promulgated by the secretary of the treasury for purposes of calculating lump sum distributions pursuant to IRC Section 417(e)(3) as the mortality factor.
- (d) *Amended plan effective date* means July 3, 1979.
- (e) *Average monthly earnings* means one-twelfth (1/12 th) of the arithmetic average annual earnings for the highest consecutive four (4) years of the ten (10) full years immediately preceding the actual retirement or termination date of a member; provided that if a member shall have been employed for fewer than four (4) years such average shall be taken only over the period of his actual employment.
- (f) *Average monthly earnings plus* means one-twelfth (1/12 th) of the arithmetic average annual earnings for the highest consecutive three (3) of the ten (10) full years immediately preceding the actual retirement or termination date of a member; provided that if a member shall have been employed for fewer than three (3) years such average shall be taken only over the period of his actual employment.
- (g) *Beneficiary* means the person or persons entitled to receive benefits hereunder at the death of a member who has or have been designated in writing by the member and filed with the board. If no such designation is in effect at the time of death of the member, or if no person so designated is living at that time, or if no provision for an alternate or contingent beneficiaries is otherwise provided, or if no such alternate or contingent beneficiary is living at such time, the beneficiary shall be the member's estate.
- (h) *Board* means the board of trustees, which shall administer and manage the plan herein provided and serve as trustee of the fund.
- (i) *City* means City of Coral Springs, Florida.
- (j) *City Commission* means the City Commission of the City of Coral Springs, Florida.
- (k) *Continuous service* means the uninterrupted service (expressed as years and completed months), from the date a member last entered employment, until the date his employment shall be terminated by death, disability, retirement, resignation, or discharge; provided however, the continuous service of any member shall not be deemed to be interrupted by reason of:
 - (1) Temporary layoff, not exceeding six (6) months;
 - (2) Any authorized leave of absence with pay;
 - (3) Any authorized leave of absence without pay but not exceeding six (6) months;
 - (4) Military service in the U.S. Armed Forces provided such member is reemployed within three (3) months following termination of such service.

Except as otherwise required under subsection 13-17(f) of this Code, no credit for benefits or vesting shall be allowed for any period of time due to leave of absence or military service in excess of one (1) year. All members similarly situated in similar circumstances shall be treated alike pursuant to uniform, non-discriminatory rules and policies established by the board.

No credit shall be allotted for any period of time during which a police officer elects not to be a contributing member to the plan. However, those employees under the prior plan who joined the plan when first eligible to do so or who were hired prior to 1980 and joined the plan within one (1) year of becoming eligible shall receive credit from their date of employment. Provided, further, that any member may purchase credits for past service by paying the full cost thereof as determined by the board actuary.

Any officer may purchase up to two (2) years of pension credit after the completion of ten (10) years of continuous service. This purchase will only be available when an officer possesses an equal amount, up to two (2) years, of military or sworn law enforcement officer service for which the officer is not receiving or will not receive pension payments. The officer shall purchase these credits at the full cost to the plan as determined by the board actuary. Beginning on January 1, 2002, officers may use IRC Section 457 Deferred Compensation Plan retirement assets to purchase those pension credits. If an officer elects to use IRC Section 457 Deferred Compensation Plan assets to purchase pension credits, the purchase transfer must be made directly from the trustee of the IRC Section 457 Deferred Compensation Plan assets to the trustee of the plan. Once used to purchase pension credits, IRC Section 457 Deferred Compensation Plan retirement assets will be subject to the distribution rules set forth in this plan. The limits on nonqualified service credits do not apply to such IRC Section 457 Deferred Compensation Plan assets used to purchase pension credits.

Notwithstanding the above, any officer employed as of November 1, 2007 may purchase an additional one (1) year of pension credit. This credit shall be purchased by the officer at the full cost to the plan by February 29, 2008. However, in no event may purchased service credit exceed four (4) years.

- (l) *Deferred retirement option plan* means the optional program of accruing retirement income on a deferred basis while remaining in the active employ of the city. This shall also be known as the "DROP."
- (m) *Earnings* for an officer retiring or entering the DROP after September 30, 2012 and before December 16, 2015 means base salary only, excluding overtime, leave payouts at separation and off-duty details. For an officer retiring or entering the DROP after December 15, 2015, earnings means total cash remuneration excluding overtime, off-duty details, annual sick leave conversion payments, vacation payment incentives, and all end of career payouts (sick, vacation/annual, compensatory time). Total cash remuneration other than base salary shall be limited to seven and one-half (7½) per cent of base salary.
- (n) *Earnings plus* means all compensation excluding leave payouts at separation and off-duty details. For purposes of inclusion in earnings, overtime shall be limited to three hundred (300) hours per calendar year, or a prorated amount for a partial year. Effective November 16, 2006, compensation other than base salary shall be limited to fourteen and one-half (14½) per cent of base salary.
- (o) *Eligible retired police officer* means a member who has retired as an officer of the city (i) by reason of disability or (ii) on or after his or her normal retirement date and who is also a "public safety officer" as defined in IRC Section 402(l)(4)(C) and any applicable guidance thereunder.
- (p) *F.O.P.* means the Fraternal Order of Police, Lodge 87, a labor organization as defined in F.S. Ch. 447, which represents the city's police officers.
- (q) *Fund* means the trust fund established herein as part of the plan.
- (r) *Initial effective dates* means June 1, 1973.
- (s) *Member* means a police officer who fulfills the prescribed participation requirements.
- (t) *Officer* means any person who is employed by the city on a full time basis and who is classified by the city as a certified police officer and is covered by the F.O.P. I or II collective bargaining agreements.
- (u) *Ordinance* means this written instrument setting forth the provisions of the retirement system.

- (v) *Plan* means the City of Coral Springs Retirement Plan as contained herein and all amendments thereto.
- (w) *Plan year* means the period from October 1 through September 30.
- (x) *Police officer* means any officer or supervisory officer as those terms are defined herein.
- (y) *Qualified health insurance premiums* shall mean premiums for coverage for the eligible retired police officer (and his or her spouse and dependents, if applicable) under accident and health insurance (including an accident or health plan within the meaning of IRC Section 105(e)) or a qualified long-term care insurance contract as defined in IRC Section 7702B(b).
- (z) *Qualified health insurance premium distribution* shall mean an amount deducted from an eligible retired police officer's benefit payment under the plan and paid directly to the insurer, employer, agency or firm that is providing the coverage for which qualified health insurance premiums are paid. Such amount may not exceed the amount of the qualified health insurance premiums.
- (aa) *Qualified military service* means any service in the uniformed service (as defined in Chapter 43 of Title 38, United States Code) by any individual if such individual is entitled to reemployment rights under such chapter with respect to such service (IRC Section 414(u)(5)).
- (bb) *Spouse* shall mean the lawful spouse of a member.
- (cc) *Supervisory officer* means any person who is employed by the city on a full time basis and who is classified by the city as: a certified police sergeant, lieutenant, commander, assistant chief, chief or other supervisory certified police officer.
- (dd) *USERRA* means Uniformed Services Employment and Reemployment Rights Act (P.L. 103-353).

(Ord. No. 94-153, § 1, 12-6-94; Ord. No. 98-117, § 2, 7-21-98; Ord. No. 99-119, § 2, 7-20-99; Ord. No. 2001-114, § 2, 7-17-01; Ord. No. 2001-131, § 2, 12-3-01; Ord. No. 2004-118, § 3, 8-17-04; Ord. No. 2007-124, § 2, 12-11-07; Ord. No. 2008-113, § 2, 9-16-08; Ord. No. 2012-112, § 2, 9-18-12; Ord. No. 2015-125, § 2, 12-16-15; Ord. No. 2017-104, § 2, 5-17-17)

Sec. 13-6. - Membership.

(a) *Conditions of eligibility.*

- (1) All police officers already covered under the city's retirement plan on the amended plan effective date (July 3, 1979) shall automatically continue participation under the amended plan without any further action being required.
 - (2) All persons employed by the city as police officers following the amended plan effective date (July 3, 1979) may become members of the plan upon attaining the age of eighteen (18).
 - (3) Effective as of February 1, 1985, participation in the plan is mandatory. The chief of police shall have an option to participate, or not in the plan.
 - (4) Police officers who have not elected to participate in the plan and who were hired between January 1, 1984 through February 1, 1985, shall be afforded a one-time opportunity to apply for membership in the amended plan within thirty (30) days of the adoption of this section. The application for membership shall be in accordance with subsection (b) below except that any police officers who wish to apply for membership in the plan must apply within thirty (30) days from the adoption of this section. The application for this amended plan is prospective only and no credit shall be given for past service under this plan.
- (b) *Application for membership.* Each employee eligible for membership and who desires to become a member shall complete an application within thirty (30) days after the applicant's employment date, the form of which shall cover the following points, as well as such other points or items as may be prescribed by the board:
- (1) Acceptance of the terms and conditions of the plan; and

- (2) Designation of a beneficiary or beneficiaries; and
- (3) Authorization of a payroll deduction payable to the plan as specified in subsection 13-12(a)(1) of this Code.

For purposes of member contributions, the application for membership shall be considered to have been in effect from date of employment

- (c) *Withdrawal from plan.* No member shall have the right to withdraw from the plan subsequent to May 1, 1987. The election to participate in the plan shall be non-revocable.
- (d) *Change in designation of beneficiary.*
 - (1) A member may at any time prior to retirement change his designated joint annuitant or beneficiary by a written notice to the board upon forms provided by the board. Upon such change, the rights of all previously designated beneficiaries to receive any benefit under the plan shall cease.
 - (2) A retired member, including a member who has elected to participate in the DROP, may change the designation of a joint annuitant or beneficiary after the commencement of retirement income or benefits up to two (2) times without the approval of the board upon forms provided by the board. Any additional changes must be approved by the board. The retired member need not provide proof of the good health or the joint annuitant or beneficiary being removed, and the joint annuitant or beneficiary being removed need not be living. The consent of the retiree's joint annuitant or beneficiary to any change in such designation shall not be required. Upon such change, the rights of all previously designated joint annuitants or beneficiaries to receive any benefit under the plan shall cease. The retired member must pay the full cost of determining the equivalent actuarial value of the benefit payable for any changes made pursuant to this paragraph.

(Ord. No. 94-153, § 1, 12-6-94; Ord. No. 98-100, § 1, 5-19-98; Ord. No. 2001-131, § 3, 12-3-01; Ord. No. 2008-113, § 3, 9-16-08; Ord. No. 2010-104, § 2, 4-20-10; Ord. No. 2017-104, § 2, 5-17-17)

Sec. 13-7. - Retirement dates and benefits,

- (a) *Normal retirement date.* Supervisory officers and officer members who are members of the plan as of September 30, 2012 may retire on the first day of the month co-incident with or next following that date on which such member completes twenty (20) years of continuous service regardless of age or attainment of the member's fifty-fifth (55) birthday and completion of ten (10) years of credited service. Effective October 1, 2012, supervisory officers and officer members joining the plan may retire on the first day of the month co-incident with or next following that date on which such member completes twenty-three (23) years of continuous service regardless of age or attainment of the member's fifty-fifth (55) birthday and completion of ten (10) years of credited service. Any member who, on or after May 1, 2008, elects to retire and:
 - (1) Terminates employment with the city;
 - (2) After attaining one of the normal retirement ages specified in this subsection 13-7(a) that is based solely on the completion of the applicable service condition;
 - (3) May elect to commence distribution of normal retirement benefits and payments from their DROP account (and notwithstanding anything in subsection 13-7(k) to the contrary) and the distribution of such benefits shall continue regardless of the fact that such member is rehired by the city provided that the member is rehired as a part-time law enforcement officer, seasonal school resource officer, chief of police, or any civilian position;
 - (4) A member shall become one hundred (100) per cent vested in his/her benefits provided by the system upon attaining normal retirement age
- (b) *Normal retirement benefit.*

- (1) *Amount.* The monthly normal retirement benefit shall be an amount determined as follows: three (3) per cent of average monthly earnings for an officer retiring or entering the DROP after September 30, 2012 and before December 16, 2015 and three and one-quarter (3.25) per cent of average monthly earnings for an officer retiring or entering the DROP after December 15, 2015 times continuous service.

In any event, the retirement benefit cannot be less than two (2) per cent of average monthly earnings for each year of continuous service. The initial maximum monthly normal retirement benefit shall be an amount equal to the greater of:

- (i) Seventy-five (75) per cent of average monthly earnings for an officer retiring or entering the DROP after September 30, 2012 and before December 16, 2015 and eighty-one and one-quarter (81.25) per cent of average monthly earnings for an officer retiring or entering the DROP after December 15, 2015, not to exceed one hundred ten thousand dollars (\$110,000.00) per year; or
- (ii) Two (2) per cent of average monthly earnings for each year of continuous service.

The normal retirement benefit amount shall apply only to service on or after October 1, 2012, except that members who have attained twenty (20) years of service as of October 1, 2012 shall accrue benefits at the normal retirement benefit plus amount.

- (2) *Duration survivor benefit.* A member retiring hereunder on his normal retirement date shall receive, upon his written request to the board, a monthly benefit which shall commence on his normal retirement date and be continued thereafter during his lifetime. The normal form of benefit is a life annuity, under which benefits cease upon the member's death. A member must elect in writing to have the benefit paid in the normal form. Alternatively, an optional form of benefit payment providing a survivor benefit may be selected in writing by the member prior to actual retirement. If no written election is made, the benefit will automatically be actuarially reduced and paid in the form of a ten-year certain and life thereafter annuity. In any event there shall be paid to or in behalf of such member or his beneficiaries an amount equal to such member's accumulated contributions.

(c) *Normal retirement benefit plus.*

- (1) *Amount.* The monthly normal retirement benefit plus shall be an amount determined as follows: 3.5% of average monthly earnings plus times continuous service. In any event, the retirement benefit cannot be less than two (2) per cent of average monthly earnings plus for each year of continuous service. The maximum monthly retirement benefit plus shall be an amount equal to the greater of:

- (i) Eighty-seven and one-half (87.5) per cent of average monthly earnings; or
- (ii) Two (2) per cent of average monthly earnings for each year of continuous service, in each case.

The normal retirement benefit plus amount shall apply only to service before October 1, 2012. Members who have attained twenty (20) years of service as of October 1, 2012 shall accrue benefits at the normal retirement benefit plus amount.

- (2) *Duration survivor benefit.* A member retiring hereunder on his normal retirement date shall receive, upon his written request to the board, a monthly benefit which shall commence on his normal retirement date and be continued thereafter during his lifetime. The normal form of benefit is a life annuity, under which benefits cease upon the member's death. A member must elect in writing to have the benefit paid in the normal form. Alternatively, an optional form of benefit payment providing a survivor benefit may be selected in writing by the member prior to actual retirement. If no written election is made, the benefit will automatically be actuarially reduced and paid in the form of a ten-year certain and life thereafter annuity. In any event there shall be paid

to or in behalf of such member or his beneficiaries an amount equal to such member's accumulated contributions.

- (d) *Early retirement date.* A member may retire on the first day of the month coincident with or next following the attainment of age fifty (50) and the completion of ten (10) years of continuous service.
- (e) *Early retirement benefit.* A member retiring hereunder on his early retirement date may receive, upon his written request to the board, either a deferred, or an immediate monthly retirement benefit as follows:
- (1) A deferred monthly retirement benefit which shall commence on his normal retirement date and shall be continued on the first day of each month thereafter during his lifetime. The amount of the benefit shall be determined and paid in the same manner as for retirement at his normal retirement date except that average monthly earnings and continuous service shall be determined as of his early retirement date, or
 - (2) An immediate monthly retirement benefit which shall commence on his early retirement date and shall be continued on the first day of each month thereafter during his lifetime. The benefit payable shall be as determined in section 13-7(b)(1) hereof, reduced for the actual years and months by which the starting date of the benefit precedes the normal retirement date. The reduction factors shall be as on the following:

EARLY RETIREMENT CHART

Years and Months Early	Factor
0	
1	.99444
2	.98889
3	.98333
4	.97778
5	.97222
6	.96667
7	.96111
8	.95556
9	.95000
10	.94444
11	.93889
1	
0	.93333
1	.92778
2	.92222
3	.91667

4	.91111
5	.90556
6	.90000
7	.89444
8	.88889
9	.88333
10	.87778
11	.87222
2	
0	.86667
1	.86111
2	.85556
3	.85000
4	.84444
5	.83889
6	.83333
7	.82778
8	.82222
9	.81667
10	.81111
11	.80556
3	
0	.80000
1	.79444
2	.78889
3	.78333
4	.77778
5	.77222
6	.76667
7	.76111
8	.75556

9	.75000
10	.74444
11	.73889
4	
0	.73333
1	.72778
2	.72222
3	.71667
4	.71111
5	.70556
6	.70000
7	.69444
8	.68889
9	.68333
10	.67778
11	.67222
5	
0	.66667

- (f) *Delayed retirement date.* The delayed retirement date shall be that date following normal retirement date on which a member actually retires.
- (g) *Delayed retirement benefit.* A member retiring hereunder at his delayed retirement date shall receive, upon his written request to the board, a monthly retirement benefit which shall commence on the first day of the month coincident with or next following such delayed retirement date. The amount of each such monthly retirement benefit shall be determined in the same manner as for normal retirement except that average monthly earnings and continuous service shall be determined as of the member's actual retirement date. The benefit shall be paid as provided in subsection 13-7(b)(2).
- (h) *Applicable benefit formula.* The benefit formula applicable in all cases of retirement, whether normal, early or delayed, shall be that in effect on the member's employment termination date.
- (i) *Cost of living adjustment.* A cost-of-living adjustment (COLA) shall be applied to a member's retirement benefit as follows:
- (1) For any member who attained twenty (20) years of service as of October 1, 2012, the benefit formula as currently calculated in this section 13-7, whether normal, early, or delayed, shall be

adjusted annually by two and one-half (2.5) per cent as of the first day of January each year. A prorated portion of the COLA will be applied on the first January 1st subsequent to retirement.

- (2) For any member who has not attained twenty (20) years of credited service as of October 1, 2012, the benefit formula as currently calculated in this section 13-7, whether normal, early, or delayed, shall be adjusted on a pro rata basis:

- A. Annually by one (1) per cent as of the first day of January each year, after a five-year delay for all credited service earned on or after October 1, 2012. The one (1) per cent plus a prorated portion of the COLA will be applied on the first January 1st five (5) years subsequent to eligibility.
- B. Annually by two and one-half (2.5) per cent as of the first day of January each year for all credited service earned prior to October 1, 2012. A prorated portion of the COLA will be applied on the first January 1st subsequent to retirement.

(j) *Voluntary early retirement programs.*

- (1) *Voluntary early retirement program (1995).* All active full-time members of the plan who are either (i) age fifty-three (53) with three (3) years of continuous service, or (ii) have eighteen (18) years of continuous service regardless of age may participate in this voluntary early retirement program offered by the city. In order to participate, the member must have notified the city of his/her intent to participate by end of business on February 27, 1995, with a retirement date of no later than June 30, 1995. Participants retiring under the program will receive a monthly retirement of three and thirty-three hundredths (3.33) per cent of base salary on retirement date times continuous service. For purposes of determining base salary participants whose base salary has not been increased by the twenty-year two and one-half (2.5) per cent longevity benefit prior to retirement will have their base salary increased by two and one-half (2.5) per cent when calculating the monthly benefit. Additionally, participants will receive two (2) years of health benefits from the date of retirement under the city's existing group health plan at premium rates applicable to active employees. Following this period each participant will receive three hundred dollars (\$300.00) per month from the plan until the employee reaches age sixty-five (65) to assist participant in procuring continuing insurance coverage. If the early retiree is subsequently employed and is eligible to receive health insurance from the new employer, said insurance shall be primary and the insurance purchased from the city shall be secondary so long as the employee remains eligible for the insurance provided by the new employer. If the other employment ends, the employee would be able to elect city health plan coverage as primary again. A participant who does not continue coverage with the city either as primary or secondary cannot choose to have city health plan coverage at a later date.

- (2) *Voluntary early retirement program (1993).*

All active full-time members of the plan who on or before December 31, 1992 (a) attains age forty-eight (48); and (b) completes eighteen (18) years of continuous service may retire on any date up to and including December 31, 1992. Participants retiring under the program will receive a monthly retirement of three (3) per cent of base salary on retirement date times continuous service. Continuous service shall mean that number of years and completed months determined without the application of this amendment, plus two (2) full years. Average monthly earnings means one-twelfth (1/12) of the member's earnings for the last twelve (12) months of employment. Additionally, participants will receive two (2) years of health benefits from the date of retirement under the city's existing group health plan at premium rates applicable to active employees. Following this period each participant will receive three hundred dollars (\$300.00) per month credit towards the full cost of city health coverage. If the early retiree is subsequently employed and is eligible to receive health insurance from the new employer, said insurance shall be primary and the insurance purchased from the city shall be secondary so long as the employee remains eligible for the insurance provided by the new employer. If the other employment ends the employee would be able to elect city health plan coverage as primary again. A participant who does not continue coverage with the city either as primary or secondary cannot choose to have city health plan coverage at a later date.

- (3) *Future retirement programs.* Nothing herein shall prohibit or restrict the city from offering plan members other voluntary early retirement programs or benefits. The city will comply with all necessary notice, approval and funding requirements provided by law.
- (k) *Deferred retirement option plan.*
- (1) A deferred retirement option plan is hereby created.
 - (2) A member shall become eligible for participation in the DROP on the first day of the month coincident with or next following their normal retirement date.
 - (3) At the time of a member's entry into the DROP, the member's continuous service, accrued benefit and average monthly earnings shall be calculated as if the member had actually retired from service. No additional continuous service shall be earned after entry into the DROP. Any changes in plan benefits shall not apply to members in the DROP, unless otherwise applicable to retired members of the plan.
 - (i) For members who enter into the DROP prior to October 1, 2018, there shall be no further member contributions after entry into the DROP.
 - (ii) For members who were eligible for normal retirement on October 1, 2018 but had not yet entered into the DROP, there shall be no further member contributions after entry into the DROP.
 - (iii) For members hired before October 1, 2012 but enter the DROP after October 1, 2018, there shall be no further member contributions after entry into the DROP.
 - (iv) On and after October 1, 2018, for members hired on and after October 1, 2012 who enter into DROP between the twenty-third (23rd) and twenty-fifth (25th) year of service, member contributions as provided for in section 13-12 will continue until the member's employment is terminated or the member has a total of twenty-five (25) years of service with the Coral Springs Police Department as a police officer or supervisory officer or any combination thereof.
 - (4) The member shall select the retirement option from the list available in section 13-11 of the City Code and shall designate any beneficiary. In the absence of a beneficiary designation or should the designated beneficiary pre-decease the member, the member's estate shall be the contingent beneficiary.
 - (5) The maximum period of DROP participation shall be seven (7) years.
 - (6) An election to participate in the DROP plan shall constitute an irrevocable election to resign from the service of the city not later than eighty-four (84) months after commencement of DROP participation. Except as to law enforcement sergeants and law enforcement lieutenants, for participants that entered the DROP on or before October 1, 2018, and who are employed by the city on June 19, 2019, the irrevocable election to resign from service shall be extended an additional twenty-four (24) months from the original date of resignation so that such DROP participants will be able to participate in the DROP for a period not to exceed eighty-four (84) months from the original date of the commencement of DROP participation. Consistent with the provisions of the Older Worker's Benefits Protection Act, 29 U.S.C. § 626(f), as amended, all DROP participants shall be given forty-five (45) days in which to consider the terms of the DROP agreement and, after election to participate in the DROP, shall have seven (7) days following the execution of such agreement to revoke said agreement.
 - (7) Upon entry into the DROP, an amount equal to the member's monthly retirement benefit shall be transferred to an account within the plan designated by the member for investment. Members may direct their DROP money to any of the investment options approved by the board from the investments made available by the vendor selected by the board. The only permissible investment options shall be "regulated investment companies" as defined in IRC Section 851 or similar entities (e.g. mutual funds, etc.). If the board desires to alter the available investment options of the manner of investing member DROP accounts or the methodology for allocating investment experience to member DROP accounts, such changes shall satisfy the definitely determinable

benefit requirements contained in IRC Section 401(a)(25) and Section 1.401-1(b)(1)(i) of the regulations. The amount of any net appreciation, depreciation, gain or loss resulting from the investment and reinvestment of the members' DROP accounts shall be allocated to the individual account of each member. Under the DROP, the individual accounts shall be adjusted for investment gains and losses on a daily basis. The amount of the member's monthly retirement benefit that is transferred to the member's DROP account shall be adjusted to take account of any COLA available under the plan to retired members.

- (8) There shall be no guaranteed rate of investment return on DROP deposits accounts. Upon transfer of the DROP money to the account designated by the member, neither the city nor the plan shall have any obligation to the member concerning investment gains or losses. Transfers between accounts shall be in accordance with the rules of the deferred compensation program.
- (9) The decision to participate in the DROP is irrevocable.
- (10) Upon entry into the DROP, a member shall no longer be eligible for death or disability benefits under the plan. In the event of a disability or death, the member shall be presumed to have retired on a normal retirement on the day prior to the disability or death. Distribution from the DROP account shall be made to the member, or in the case of the member's death, to the member's designated beneficiary.
- (11) Except as members rehired pursuant to subsection 13-7(a)(3) of this Code, no member may receive a distribution from the DROP until actual separation from service. Distribution from the DROP may be received, upon written election to the board, in a lump sum, periodic payments, an annuity, or a combination. A member may also elect to rollover the DROP account to another qualified retirement plan, including an individual retirement account. Distribution from the DROP must commence not later than provided in IRC Section 401(a)(9). It is the intent of the city that this plan at all times be a qualified plan as determined by IRC Section 401(a).
- (12) During DROP participation, a member shall be considered a retiree with deferred receipt of benefits for all plan purposes. For all other purposes, the member shall be considered an active employee of the city entitled to all rights of employment.
- (13) The board shall be empowered to promulgate uniform rules for the administration of the DROP, provided the rules are not inconsistent with the provisions of this plan.

(Ord. No. 94-153, § 1, 12-6-94; Ord. No. 94-157, § 2, 12-20-94; Ord. No. 96-126, § 1, 7-16-96; Ord. No. 98-117, § 3, 7-21-98; Ord. No. 99-119, § 3, 7-20-99; Ord. No. 99-128, § 2, 10-5-99; Ord. No. 2000-120, § 2, 8-15-00; Ord. No. 2001-114, § 3, 7-17-01; Ord. No. 2004-118, § 4, 8-17-04; Ord. No. 2007-124, § 3, 12-11-07; Ord. No. 2012-112, § 3, 9-18-12; Ord. No. 2013-115, § 2, 9-18-13; Ord. No. 2014-100, § 2, 4-2-14; Ord. No. 2015-125, § 2, 12-16-15; Ord. No. 2017-104, § 2, 5-17-17; **Ord. No. 2019-105, § 2, 4-3-19; Ord. No. 2019-115, § 2, 6-19-19**)

Sec. 13-8. - Disability benefits.

- (a) *Eligibility period.* The eligibility requirements for service incurred and non-service incurred disability benefits for all members shall be as follows:

Non-service incurred—Ten (10) years of continuous service as a member of the plan.

Service incurred—Eligible from entry date as a member of the plan.

- (b) *Definition of disability.* An illness, injury, disease or disability which permanently incapacitates a member physically or mentally from his regular and continuous duty as a police officer for a period of six (6) months or more.

- (c) *Non-service incurred disability benefit and duration.*

- (1) Any member otherwise eligible as stated above who receives a non-service incurred disability shall receive, upon written request to the board, from the plan a monthly disability benefit equal

to his accrued benefit, determined as of the last day he was actively at work for the city, and paid in the form of a ten (10) year certain and life thereafter annuity. The minimum benefit shall be twenty-five (25) per cent of the member's average monthly earnings as of the date he became disabled.

- (2) Disability payments shall commence on the first day of the first month after the board determines such entitlement and include any portion due for a partial month. Payments shall continue until the earlier of:
 - a. Death or one hundred twenty (120) monthly benefits, whichever is later; or
 - b. Recovery from such disability prior to normal retirement date.
- (d) *Service incurred disability benefit and duration.*
- (1) Any member otherwise eligible as stated above who receives a service incurred disability (i.e. disability as a result of an act occurring in the performance of service to the city), shall receive, upon written request to the board, from the plan in equal monthly installments a monthly disability benefit equal in amount to the greatest of:
 - a. His accrued benefit, determined as of the last day he was actively at work for the city; or
 - b. The difference between seventy (70) per cent of his current base monthly salary or average monthly earnings as of the date he became disabled and workers' compensation income received by reason of such disability. As and when changes are made in the amounts received by the member from workers' compensation no adjustment shall be made in the payments from the plan.
 - c. Forty-two (42) per cent of the member's average monthly earnings as of the date he became disabled.
 - (2) Disability payments shall commence on the first day of the first month after the board determines such entitlement and shall include any portion due for a partial month. Payments shall continue until the earlier of:
 - a. Death or one hundred twenty (120) monthly payments, whichever is later; or
 - b. Recovery from such disability.
- (e) *Determination of disability.* No disability benefit shall be granted except upon approval of and certification by the board. Such approval of and certification shall include but not be limited to determination that such disability was service or non-service incurred and that such member has undergone medical examination by the medical board designated by the board and that such disability has been substantiated by the medical board to be total and permanent. Any refusal by a member to undergo such examination shall result in denial of disability benefits.
- (f) *Required re-examination of disability retirees.* Any service or non-service incurred disability retiree may be required to undergo a re-examination periodically by the medical board designated by the board of trustees in order to confirm the continued existence of the disability condition. Any refusal by a member to undergo such examination or re-examination shall result in a termination of disability payments until such disability condition is again medically substantiated by the medical board to the satisfaction of the board.
- (g) *Additional provisions re disability retirees.*
- (1) *Exclusions.* Disability benefits shall not be payable in cases where the disability arose as a result of the member's own willful intent or self-inflicted injury, intoxication, or use of narcotics or other items considered to be dangerous drugs, or commission of a criminal act.
 - (2) *Recovery.* In the event of recovery from disability as determined by the board, and re-employment by the city, within sixty (60) days of such recovery date, the period of time while disabled shall be included as continuous service. In the event of recovery, but without such re-employment by the city, the member's future benefits shall be determined as though he initially terminated employment on his date of disability.

- (h) *Cost-of-living adjustment.* A cost-of-living adjustment (COLA) shall be applied to a disability retiree's retirement benefit as follows:
- (1) For any member who attained twenty (20) years of service as of October 1, 2012, the benefit shall be adjusted annually by two and one-half (2.5) per cent as of the first day of January each year. A prorated portion of the COLA will be applied on the first January 1st subsequent to retirement.
 - (2) For any member who has not attained twenty (20) years of credited service as of October 1, 2012, the benefit formula shall be adjusted on a pro rata basis:
 - (a) Annually by one (1) per cent as of the first day of January each year, after a five-year delay for all credited service earned on or after October 1, 2012. The one (1) per cent portion of the COLA will be applied on the first January 1st five (5) years subsequent to eligibility.
 - (b) Annually by two and one-half (2.5) per cent as of the first day of January each year for all credited service earned prior to October 1, 2012. A prorated portion of the COLA will be applied on the first January 1st subsequent to retirement.

(Ord. No. 94-153, § 1, 12-6-94; Ord. No. 2007-124, § 4, 12-11-07; Ord. No. 2013-115, § 3, 9-18-13; Ord. No. 2017-104, § 2, 5-17-17)

Sec. 13-9. - Death benefits.

(a) *Death prior to retirement—Not in the line of duty.*

- (1) In the event of the death of a member not in the line of duty prior to the time of becoming vested for early or normal retirement, the member's designated beneficiary shall be paid from the fund an amount equal to the member's accumulated contributions together with interest thereon, at the interest rate set forth in subsection 13-12(a)(2).
- (2) In the event of death not in the line of duty after vesting for early or normal retirement, a death benefit shall be paid from the fund in accordance with either (1) or (2) below, but not both. If the member has a surviving spouse or surviving child(ren) under age eighteen (18), then the death benefit will be payable under either (i) or (ii), whichever provides the greater death benefit on an actuarial basis. This does not preclude the member from designating a beneficiary or beneficiaries other than a surviving spouse or children, in which case any benefits to that beneficiary or beneficiaries will be payable under (i). Otherwise, if the member has no surviving spouse and no surviving child under age eighteen (18), then the death benefit will be payable under (i) below. Once payments have commenced under either (i) or (ii), as applicable, no additional death benefits will be payable other than those specified in the applicable section.
 - (i) The death benefit payable under this section shall be paid to the member's named beneficiary(ies) as of the first day of each month for one hundred twenty (120) months following the member's death. This death benefit is payable to the member's named beneficiary(ies) in equal shares or, if no beneficiary has been named, then to the member's estate. The amount of the monthly death benefit payable under this section is equal to the member's monthly accrued benefit. If a member has designated a beneficiary, has chosen an optional form of benefit pursuant to F.S. § 185.161, and continues beyond normal retirement, the benefit payable to the beneficiary will be provided for the lifetime of the beneficiary, under the optional form selected.
 - (ii) The death benefit payable under this section shall be paid beginning the first day of first month following the member's death for the life of the member's surviving spouse or, if there is no surviving spouse, then to the member's surviving child(ren), if any, until age eighteen (18). If there is no surviving spouse or surviving child under age eighteen (18), then no benefits are payable under this section. If there is more than one (1) surviving child under the age of eighteen (18), then the death benefit payable under this section shall be payable in equal shares to each of the member's surviving children until each child attains eighteen

(18) years of age. The amount of the monthly death benefit payable under this section is equal to fifty (50) per cent of the member's average monthly earnings.

- (3) In the event that a designated beneficiary pre-deceases the member, or in the case of dissolution of marriage where the spouse is the designated beneficiary, the member may designate a new beneficiary as set forth in the plan. After retirement benefits have commenced, a retired member may change his or her designation of joint annuitant or beneficiary only twice, pursuant to F.S. § 185.161. Any benefit to be paid to a newly designated beneficiary shall be based on the age and gender of the new beneficiary.
 - (4) The death benefit will be paid on the first day of the first month immediately following the members death, if administratively feasible.
- (b) *Death in the line of duty.*
- (1) A death in the line of duty is a death that arises out of and in the actual performance of duty required by a member's employment during his or her regularly scheduled working hours or irregular working hours as required by the city. A death shall be presumed to be in the line of duty for members that die as a result of a condition described in F.S. §§ 112.18(1)(a), 112.181(2), and Florida Administrative Code Chapter 60S Section 4.008(9)(c) and (d), as may be amended in the future, unless the contrary is shown by competent evidence.
 - (2) Except as to retirees and members participating in the DROP as described in subsection 13-7(k) of this Code, the following shall apply to a death in the line of duty and shall supersede any other distribution that may have been provided by the member's designation of beneficiary:
 - a. The surviving spouse of any member that dies in the line of duty shall receive a monthly pension equal to one hundred (100) per cent of the monthly base salary being received by the member at the time of death for the rest of the surviving spouse's lifetime. A COLA shall be applied to the pension amount in the same manner as subsection 13-8(h) of this Code. This pension shall terminate upon the death of the surviving spouse except as provided for subsection (2)b., below.
 - b. If the surviving spouse of a member that dies in the line of duty dies after commencement of the pension described in subsection (2)a. the monthly payments that would have been payable to such surviving spouse had such surviving spouse lived shall be paid for the use and benefit of such member's child or children under eighteen (18) and unmarried until the eighteenth (18) birthday of the member's youngest child. Each child shall receive an equal pro-rata share of the pension described in subsection (2)a. The board may begin or extend monthly payments for a surviving child until the twenty-fifth (25) birthday of the child of the member for as long as the child is unmarried and enrolled as a full-time student. The payments provided for herein shall terminate for a child upon reaching the age of eighteen (18) or twenty-five (25) if extended by the board, the marriage of the child, or the child not maintaining enrollment as a full-time student, whichever occurs first. In the event a member has children receiving payments, upon termination of a child's payment, those payments and the pro-rata share attributed to that child shall be paid to and divided equally among the other children.
 - c. If a member that dies in the line of duty leaves no surviving spouse but is survived by a child or children under eighteen (18) years of age, the benefits provided by subsection (2)a., normally payable to a surviving spouse, shall be paid for the use and benefit of such member's child or children under eighteen (18) years of age and unmarried until the eighteenth (18) birthday of the member's youngest child. Each child shall receive an equal pro-rata share of the pension described in subsection (2)a. The board may begin or extend monthly payments for a surviving child until the twenty-fifth (25) birthday of the child of the member for as long as the child is unmarried and enrolled as a full-time student. The payments provided for herein shall terminate for a child upon reaching the age of eighteen (18) or twenty-five (25) if extended by the board, the marriage of the child, or the child not maintaining enrollment as a full-time student, whichever occurs first. In the event a member has children receiving payments, upon termination of a child's payment, those payments and

the pro-rata share attributed to that child shall be paid to and divided equally among the other children.

- (c) *Death after retirement.* No benefit shall be paid upon the death of a retiree except such benefits as result by reason of the use of a pre-retirement selection of an option providing a survivor benefit.

(Ord. No. 94-153, § 1, 12-6-94; Ord. No. 2017-104, § 2, 5-17-17; Ord. No. 2019-105, § 2, 4-3-19)

Sec. 13-10. - Termination benefits.

All rights to benefits under this plan shall cease upon a member's termination of employment, other than by reason of early, normal, or delayed retirement (at which time members are one hundred (100) per cent vested); however, all members shall acquire a vested right to accrued benefits attributable to city contributions pursuant to the following vesting schedule provided the employee maintains his own contributions in the plan.

ATTRIBUTABLE TO CITY CONTRIBUTIONS

Completed Years of Continuous Service With the City	Cumulative Vested Non-Forfeitable Interest in the Plan
Less than 5	0%
5	50
6	60
7	70
8	80
9	90
10	100

Provided, any member not eligible for an early, normal or delayed retirement benefit but who has a vested interest at time of termination shall receive, upon written request to the board, such benefit commencing at his regular normal retirement date; provided, however, that the board may also, in its sole discretion but on a non-discriminatory basis, approve any method or date of payment so long as actuarial equivalence is maintained.

Provided further, in lieu of receiving any benefits attributable to city contributions a member may elect to receive, upon written request to the board, immediately on termination of employment payment of his accumulated contributions in a lump sum. Any member who terminates employment and at such time is not vested shall receive payment of his accumulated contribution in a lump sum amount immediately on termination of employment.

(Ord. No. 94-153, § 1, 12-6-94; Ord. No. 2017-104, § 2, 5-17-17)

Sec. 13-11. - Optional forms of benefits payable and required minimum distributions.

- (a) Each member entitled to a normal, early, delayed or disability retirement benefit shall have the right at any time prior to the date on which benefit payments begin to elect to have the benefit payable under any one of the options hereinafter set forth in lieu of the benefits otherwise provided herein, and to revoke any such elections and make a new election at any time prior to the actual beginning of payments. The value of optional benefits shall be actuarially equivalent to the value of benefits

otherwise payable, and the present value of payments to the retiring member must be at least equal to fifty (50) per cent of the total present value of payments to the retiring member and his beneficiary. The member shall make such an election by written request to the board, such request being retained in the board's files. In the absence of such election, retirement benefits shall automatically be paid in the form of a ten (10) years certain and life thereafter annuity (as described below) and the amount shall be calculated to be actuarially equivalent to the value of the benefit payable in the normal form.

- (1) *Option 1—Life Annuity.* This is the normal form of benefit. The monthly benefit continues during the retiree's life and ceases upon his death.
 - (2) *Option 2—10 Years Certain and Life Thereafter.* The member may elect to receive a reduced benefit for life with one hundred twenty (120) monthly payments guaranteed. If, after payments commence, the member dies before one hundred twenty (120) monthly payments are made, payments shall then be continued to his designated beneficiary until the balance of the one hundred twenty (120) payments have been made.
 - (3) *Option 3—Joint and Last Survivor Option.* The member may elect to receive a reduced benefit during his lifetime and may have such benefit (or a designated fraction thereof: one hundred (100) per cent, sixty-six and two-thirds ($66 \frac{2}{3}$) per cent or fifty (50) per cent) continued after his death to and during the lifetime of his spouse or a relative other than his spouse as referenced in F.S. Ch. 185.161(1)(a)2 as may be amended from time to time. In addition, the member may optionally add a "pop-up feature" to such joint and survivor option. If the member elects to add a "pop-up feature" to his joint and survivor option, then, upon the death of his joint annuitant, the amount of his monthly payment will be increased to the amount of his monthly life annuity under Option 1 and such increased amount will be payable as of the first day of each month after the death of his joint annuitant for the remainder of his lifetime. A member electing to add the "pop-up feature" to his joint and survivor option will have his monthly benefit as otherwise determined under this Option 3 reduced actuarially to take into account the addition of the "pop-up feature."
 - (4) *Option 4—Joint and Last Survivor Option.* The member may elect to receive a reduced benefit as long as both he and his joint annuitant are alive such that, upon the death of either the member or the joint annuitant, such benefit (or a designated fraction thereof: one hundred (100) per cent, seventy-five (75) per cent, sixty-six and two-thirds ($66 \frac{2}{3}$) per cent, or fifty (50) per cent) be continued to the surviving party for the remainder of his or her lifetime. The member may name as his joint annuitant his spouse or a relative other than his spouse as referenced in F.S. § 185.161(1)(a)2. The election of either Option 3 or Option 4 shall be null and void if the designated beneficiary dies before the member's benefit payments commence. If a member has elected an option with a joint pensioner or beneficiary and his retirement income benefits have commenced and the member thereafter changes his designated joint pensioner or beneficiary, then the amount of the retirement income payable to the member upon the designation of a new joint pensioner shall be actuarially redetermined taking into account the ages and sex of the former joint pensioner, the new joint pensioner, and the member. The member must pay the full cost of determining the equivalent actuarial value of the new benefit payable.
 - (5) *Option 5—Other.* In lieu of the other optional forms enumerated in this section, benefits may be paid in any form approved by the board so long as actuarial equivalence with the benefits otherwise payable is maintained. An interest only option or an option providing guaranteed payments over a period in excess of twenty (20) years or beyond age eighty-five (85) may not be elected. The board, in its sole discretion, may make a lump sum payment of any monthly payment with a present value not exceeding one thousand seven hundred fifty dollars (\$1,750.00).
- (b) *Required minimum distributions.* Notwithstanding anything herein to the contrary, a member's benefits shall commence no later than April 1 of the calendar year following the later of (i) the calendar year in which he or she attains age seventy and one-half ($70\frac{1}{2}$) or (ii) the calendar year in which he or she retires. All distributions from the plan (including the DROP) shall conform to the regulations issued under IRC Section 401(a)(9), including the incidental death benefit provision of IRC Section 401(a)(9)(G). Further, such regulations shall override any plan or DROP provision that is inconsistent with IRC Section 401(a)(9). Notwithstanding any other provision of this plan to the contrary, a form of retirement income payable from this plan shall satisfy the following conditions:

- (1) If the retirement income is payable before the member's death:
 - a. It shall either be distributed or commence to the member not later than April 1 of the calendar year following the later of the calendar year in which the member attains age seventy and one-half (70½), or the calendar year in which member retires;
 - b. The distribution shall commence not later than the calendar year defined above, and (i) shall be paid over the life of the member or over the lifetimes of the member and spouse, issue or dependent, or (ii) shall be paid over the period extending not beyond the life expectancy of the member and spouse, issue or dependent.

Where a form of retirement income payment has commenced in accordance with the preceding paragraphs and the member dies before his entire interest in the plan has been distributed, the remaining portion of such interest in the plan shall be distributed no less rapidly than under the form of distribution in effect at the time of the member's death.

- (2) If the member's death occurs before the distribution of his interest in the plan has commenced, member's entire interest in the plan shall be distributed within five (5) years of member's death, unless it is to be distributed in accordance with the following rules:
 - a. The member's remaining interest in the plan is payable to his spouse, issue or dependent;
 - b. The remaining interest is to be distributed over the life of the spouse, issue or dependent or over a period not extending beyond the life expectancy of the spouse, issue or dependent; and
 - c. Such distribution begins within one (1) year of the member's death unless the member's spouse is the sole designated beneficiary, in which case the distribution need not begin before the date on which the member would have attained age seventy and one-half (70½) and if the member's spouse dies before the distribution to the spouse begins, this section shall be applied as if the spouse were the member.
- (3) Qualified health insurance premiums. If permitted by the board, a member who is an eligible retired police officer and is receiving benefits under the plan may elect in a written request to the board to have qualified health insurance premium distributions made in accordance with this paragraph (3). Qualified health insurance premium distributions may be excluded from the gross income of the eligible retired police officer under IRC Section 402(l), subject to the annual dollar limitation therein.

(Ord. No. 94-153, § 1, 12-6-94; Ord. No. 2000-120, § 3, 8-15-00; Ord. No. 2007-124, § 5, 12-11-07; Ord. No. 2010-104, § 3 4-20-10; Ord. No. 2017-104, § 2, 5-17-17)

Sec. 13-12. - Contributions.

(a) Member contributions.

- (1) *Amount.* For service on or after October 1, 2012 and prior to December 16, 2015, members shall make mandatory regular contributions at a rate of eight (8) per cent of earnings. For service after December 15, 2015, members shall make mandatory regular contributions at a rate of nine and eight-tenths (9.8) per cent of earnings. Member contributions shall be deposited in the fund on at least a monthly basis. The city agrees to assume and pay (pick up) all member contributions in lieu of direct contributions by the members, such contributions shall accordingly be paid into the plan on behalf of the members. The city shall have the option of choosing to receive the contributed amounts directly instead of having them paid by the city directly to the plan. All such contributions by the city shall be deemed and considered as part of the member's accumulated contributions and subject to all provisions of this plan pertaining to accumulated contributions of members. The intent of this language is to comply with IRC Section 414(h)(2). The member contributions amount shall apply only to service on or after October 1, 2012, except that members who have attained twenty (20) years of service as of October 1, 2012 shall contribute at the

member contributions plus rate. No member shall have the option of choosing to receive the contributed amounts directly instead of having them paid by the city to the fund.

- (2) *Interest.* Interest shall be credited annually (on the first day of each plan year) to member contributions at a rate of three (3) per cent per annum.
 - (3) *Guaranteed refund.* All benefits payable under this plan are in lieu of a refund or accumulated contributions. In any event, however, each member shall be guaranteed the payment of benefits on his behalf at least equal in total amount to his accumulated contributions.
- (b) *Member contributions plus.*
- (1) *Amount.* Members of the plan shall make mandatory regular contributions at a rate of nine and eight hundred seventy-five thousandths (9.875) per cent of earnings plus. Member contributions shall be deposited in the fund on at least a monthly basis. The city agrees to assume and pay (pick up) all member contributions in lieu of direct contributions by the members, such contributions shall accordingly be paid into the plan on behalf of the members. The city shall have the option of choosing to receive the contributed amounts directly instead of having them paid by the city directly to the plan. All such contributions by the city shall be deemed and considered as part of the member's accumulated contributions and subject to all provisions of this plan pertaining to accumulated contributions of members. The intent of this language is to comply with IRC Section 414(h)(2). The member contributions plus amount shall apply only to service before October 1, 2012, except that members who have attained twenty (20) years of service as of October 1, 2012 shall contribute at the member contributions plus rate.
 - (2) *Interest.* Interest shall be credited annually (on the plan anniversary date) to member contributions at a rate of three (3) per cent per annum.
 - (3) *Guaranteed refund.* All benefits payable under this plan are in lieu of a refund or accumulated contributions. In any event, however, each member shall be guaranteed the payment of benefits on his behalf at least equal in total amount to his accumulated contributions.
- (c) *State contributions.* Any monies received or receivable by reason of laws of the State of Florida for the express purpose of funding or paying for retirement benefits for police officers shall be deposited in the fund within five (5) days of receipt by the city. As of October 1, 2018, any available state contributions (as determined by the board's actuary) received in fiscal years 2019, 2020, and 2021 will be used to reduce the city's actuarially determined contribution.
- (d) *City contributions.* So long as this plan is in effect, the city shall make an annual contribution to the fund in an amount at least equal to the difference in each year as between the total of aggregate member and state contributions for the year and the total cost for the year as shown by the most recent actuarial valuation and report for the plan. The total cost for any year shall be defined as the total of normal cost plus the additional amount sufficient to amortize the unfunded accrued past serviced liability over a forty-year period commencing with the effective date of the plan. City contributions shall be deposited in the fund on at least a quarterly basis. Any forfeiture arising shall serve solely to reduce future contributions to the plan.

(Ord. No. 94-153, § 1, 12-6-94; Ord. No. 2007-124, § 6, 12-11-07; Ord. No. 2012-112, § 4, 9-18-12; Ord. No. 2015-125, § 2, 12-16-15; Ord. No. 2017-104, § 2, 5-17-17; Ord. No. 2019-105, § 2, 4-3-19)

Sec. 13-13. - Finances, fund management, tax provisions.

(a) *Establishment and operation of trust fund.*

- (1) As part of the plan there is hereby established a trust fund, into which shall be deposited all of the contributions and assets whatsoever attributable to the plan.
- (2) The supervision of the fund (and assets thereof) and the responsibility for custodianship shall be vested in the board. Payment of benefits and disbursements from the fund shall be made by the disbursing agent on authorization from the board.

- (3) The board may hire and appoint such persons, agents or entities (including corporate fiduciaries) as in its discretion may be required or advisable to the performance of custodial and investment duties hereunder. The board may enter into agency, investment advisory and custodial agreements as it deems appropriate.
 - (4) All funds and securities of the plan may be commingled in the fund, provided that accurate records are maintained at all times reflecting the financial composition of the fund, including accurate accounts and entries as regards the following:
 - a. Amounts of accumulated contributions of members on both an individual and aggregate account basis; and
 - b. Receipts and disbursements; and
 - c. Benefit payments; and
 - d. All monies, funds and assets whatsoever attributable to contributions and deposits from the city and state; and
 - e. All interest, dividends and gains (or losses) whatsoever; and
 - f. Such other entries as may be properly required so as to reflect a clear and complete financial report of the fund.
 - (5) It shall be impossible, at any time prior to the satisfaction of all liabilities with respect to police officers, and their beneficiaries under the trust, for any part of the principal or income of the trust to be used for, or diverted to, purposes other than for the exclusive benefit of the police officer, or their beneficiaries, except for usual and customary charges and expenses associated with the operation and management of the plan and fund. There will be no reversion of the assets of the fund or city contributions, except as permitted under IRC Section 401(a) and the regulations and rulings issued by the Internal Revenue Service relating to IRC Section 401(a), including Revenue Ruling 91-4.
- (b) *Tax provisions.*
- (1) *Pick up contributions; 26 USC 414(h).* The city shall solely for the purpose of compliance with 26 USC 414(h) of the IRC, pick up the members' contributions required to be made by employees on earnings paid. The contributions so picked up shall be treated as employer contributions in determining tax treatment under the IRC, member contributions picked up by the city pursuant to this subsection shall be treated for all other purposes of this and other laws of the city in the same manner and to the same extent as member contributions made prior to the effective date of this section.
 - (2) *Unemployment compensation amendments of 1992.* This section applies to distributions made on or after January 1, 1993. Notwithstanding any provisions of the plan to the contrary that would otherwise limit a distributee's election under this section, a distributee may elect, at any time and in the manner prescribed by the board, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover. For the purposes of this section the following definitions shall apply:

Direct rollover: A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee. Effective as of January 1, 2008, a non-spouse beneficiary may make a direct rollover only to an "inherited" individual retirement account as described in IRC Section 408(b). If a non-spouse beneficiary receives a distribution from the plan, the distribution is not eligible for a 60-day (non-direct) rollover.

Distributee: A distributee includes a police officer or former police officer. In addition, the police officer's or former police officer's surviving spouse are distributees with regard to the interest of the spouse. Effective January 1, 2008, a police officer's or former police officer's non-spouse beneficiary is a distributee with regard to the interest of the police officer or former police officer.

Eligible retirement plan: An eligible retirement plan is an individual retirement account described in IRC Section 408(a), an individual retirement annuity account described in IRC Section 408(b), an annuity plan described in IRC Section 403(a), or a qualified trust described in IRC Section 401(a), that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity. Effective for distributions made after December 31, 2001, an eligible retirement plan shall also mean an annuity contract described in IRC Section 403(b) and an eligible plan under IRC Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan.

Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) of the distributee or the joint lives (joint life expectancies) of the distributee and the distributee's designated beneficiary, for a specified period of ten (10) years or more; any distribution to the extent such distribution is required under IRC Section 401(a)(9); and the portion of any distribution that is not includable in gross income.

- (3) *Omnibus Budget Reconciliation Act of 1993.* In addition to other applicable limitations set forth in the plan, and notwithstanding any other provisions of the plan to the contrary, for the plan years beginning on or after October 1, 1996, the annual compensation of each employee (who first became a plan participant in a plan year beginning after September 30, 1996) taken into account under the plan shall not exceed the Omnibus Budget Reconciliation Act of 1993 (OBRA '93) annual compensation limit. The OBRA '93 annual compensation limit is one hundred fifty thousand dollars (\$150,000.00), as adjusted by the commissioner for increases in the cost-of-living in accordance with IRC Section 401(a)(17)(B). The cost-of-living adjustment in effect for a calendar year applies for any period, not exceeding twelve (12) months, over which compensation is determined (determination period), beginning in such calendar year. If a determination period consists of fewer than twelve (12) months, the OBRA '93 annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period and the denominator of which is twelve (12). For plan years beginning on or after October 1, 1996, any reference in this plan to the limitation under IRC Section 401(A)(17) shall mean OBRA '93 annual compensation limit set forth in this provision. The OBRA '93 annual compensation limit shall not apply to employees who were participants in the plan before the first plan year beginning after September 30, 1996.
- (4) *Section 415 limits.* Notwithstanding any other provisions of this plan, the retirement benefit of a member shall be reduced to the extent that it exceeds amounts specified in IRC Section 415, and the final regulations under IRC Section 415, as applicable. For purposes of applying the limitations of IRC Section 415, the "limitation year" shall be the plan year.

(c) **Defined contribution component.**

Pursuant to the requirements of Section 185.35(6), Florida Statutes, a defined contribution plan component is established in addition to the defined benefit component of this local law plan. This defined contribution component is not currently funded.

(Ord. No. 94-153, § 1, 12-6-94; Ord. No. 94-157, § 2, 12-20-94; Ord. No. 2015-125, § 2, 12-16-15; Ord. No. 2017-104, § 2, 5-17-17)

Sec. 13-14. - Board of trustees—Plan administration.

- (a) The board shall be the plan administrator and as such shall be charged with the general administration and responsibility for the proper operation of the plan and fund and for making effective the provisions of this chapter. The board shall consist of five (5) voting members as follows:

- (1) Two (2) legal residents of the city, to be selected by the city commission, the tenure as a board member to be two (2) years unless replaced sooner by the city commission at whose pleasure they shall serve. However, the term of office for each legal resident appointed on or after April 20, 2010 shall be four (4) years unless replaced sooner by the city commission at whose pleasure they shall serve. Any legal resident so selected may serve successive terms as a board member if so designated and selected by the city commission.
 - (2) Two (2) police officers, who are actively employed as full time law enforcement officers, including DROP members, to be elected by a majority of the actively employed full time law enforcement officers at times and places designated by the board. Their tenure as board members shall be two (2) years, unless they sooner leave employment of the city as a police officer, whereupon the city commission shall choose a successor in the same manner as an original appointment. However, the term of office for each police officer elected on or after April 20, 2010 shall be four (4) years, unless they sooner leave employment of the city as a police officer, whereupon the city commission shall choose a successor in the same manner as the original appointment. Each police officer may succeed himself in office.
 - (3) The fifth member shall be chosen by a majority of the previous four (4) members, and such persons name shall be submitted to the city commission for appointment to the board for a two (2) year term. However, the term of office for such member appointed on or after April 20, 2010 shall be four (4) years. Such member may serve successive terms as a board member.
 - (4) The board shall meet, organize and elect members as chairman, vice chairman and secretary, within ten (10) days after the trustees are duly qualified.
- (b) If a vacancy occurs in the office of trustees, the vacancy shall be filled for the unexpired term in the same manner as the office was previously filled.
 - (c) The trustees shall serve without compensation, but they may be reimbursed from the fund for all necessary expenses which they may actually expend through service on the board.
 - (d) Each trustee shall, within ten (10) days after appointment or election, take an oath of office before the city clerk of the city, to diligently and honestly administer the affairs of the said board, and will not knowingly violate or permit to be violated any of the provisions of law applicable to the plan. Such oath shall be subscribed to by the board members and certified by the said clerk and filed in the office of the city clerk.
 - (e) Each trustee shall be entitled to one vote on the board. Three (3) affirmative votes shall be necessary for a decision by the trustees at any meeting of the board.
 - (f) Subject to the limitations of this chapter, the board shall from time to time establish uniform rules and regulations for the administration of the plan and fund created by this chapter and for the transaction of its business.
 - (g) The board shall engage such actuarial and other services as shall be required to transact the business of the plan. The compensation of all persons engaged by the board and all other expenses of the board necessary for the operation of the plan shall be paid at such rates and in such amounts as the board shall agree. Funds may be disbursed by the city's department of financial management or other disbursing agent as determined by the board, but only upon written authorization by the board.
 - (h) The duties and responsibilities of the board shall include, but not necessarily be limited to, the following:
 - (1) To construe the provisions of the plan and determine all questions arising thereunder.
 - (2) To determine all questions relating to eligibility and participation.
 - (3) To determine or have determined and certified the amount of all retirement allowances or other benefits hereunder.
 - (4) To receive and process all applications for participation and benefits and, where necessary, conduct hearings thereon.

- (5) To authorize all payments whatsoever from the fund, and to notify the disbursing agent, in writing, or approve benefit payments and other expenditures arising through operation of the plan and fund.
 - (6) To make recommendations to the city commission regarding changes in the provisions of the plan.
 - (7) To review reports of and have meetings with the custodian and investment agent(s) or advisor(s); to require written reports from the custodian on fund assets and transactions on a semiannual basis or more frequently basis if deemed advisable by the board; to require written and oral reports from the investment agents or advisors on at least a semi-annual basis, such reports to reflect fund investment, performance, investment recommendations and overall review of fund investment policies.
 - (8) To determine or have determined that the retirement plan complies at all times with the provisions of Florida law and including the following:
 - a. Have prepared annually and distributed to all members a plan description which contains pertinent financial and actuarial information; and
 - b. Assure that member contributions are deposited into the fund at least monthly and city contributions at least quarterly;
 - c. Assure that all regular and special actuarial reports are filed with the Florida Division of Retirement within sixty (60) days of receipt;
 - d. Have actuarial valuations performed on a regular basis. Have special actuarial work performed so as to determine cost of any plan changes or amendments;
 - e. Establish a uniform procedure for prompt review and rehearing of all claims by members or beneficiaries.
 - (9) To maintain a minute book containing the minutes and records of the proceedings and meetings of the board.
 - (10) The board shall meet at least quarterly each year.
- (i) *Board members—Standards of responsibility.* Board members, in the performance of their duties, must conform and act pursuant to the documents and instruments establishing and governing the plan. Members shall carry out their duties with the care, skill, prudence and diligence under the circumstances then prevailing which a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and like aims. Members are subject to the fiduciary standards in F.S. §§ 112.656, 112.661, and 518.11, and the Code of Ethics in F.S. §§ 112.311—112.3187.

(Ord. No. 94-153, § 1, 12-6-94; Ord. No. 2006-100, § 3, 4-18-06; Ord. No. 2010-104, § 4 4-20-10; Ord. No. 2017-104, § 2, 5-17-17)

Sec. 13-15. - Board of trustees—Investment authority.

(a) The board shall have the following investment powers and authority:

- (1) The board shall be vested with full legal title to said fund, subject however, and in any event to the authority and power of the city commission to amend or terminate this trust, provided that no amendment or fund termination shall ever result in the use of any assets of this fund except for the payment of regular expenses and benefits under this plan prior to satisfaction of all liabilities with respect to covered members and their beneficiaries.
- (2) All contributions from time to time paid into the fund, and the income thereof, without distinction between principal and income, shall be held and administered by the board or its agent in the fund and the board shall not be required to segregate or invest separately any portion of the fund.

- (3) The fund may be invested and reinvested in such securities or property, real or personal, wherever situated and of whatsoever kind, as shall be approved by the board, including but not limited to stocks, common or preferred, bonds, and other evidences of indebtedness or ownership.
- (4) The board may retain in cash and keep unproductive of income such amount of the fund as it may deem advisable, having regard for the cash requirements of the plan.
- (5) No person or entity shall be liable for the making, retention, or sale of any investment or reinvestment made as herein provided, nor for any loss or diminishment of the fund, except that due to his or its own negligence, willful misconduct or, lack of good faith.
- (6) The board may cause any investment in securities held by it to be registered in or transferred into its name as trustee or into the name of such nominee as it may direct, or it may retain the unregistered and in form permitting transferability, but the books and records shall at all times show that all investments are part of the fund.
- (7) The board is empowered, but is not required, to vote upon any stocks, bonds, or securities of any corporation, association, or trust and to give general or specific proxies or powers of attorney with or without power of substitution; to participate in mergers, reorganizations, recapitalization, consolidations, and similar transactions with respect to such securities; to deposit such stock or other securities in any voting trust or any protective or like committee or with the trustees or with depositories designated thereby; to amortize or fail to amortize any part or all of the premium or discount resulting from the acquisition or disposition of assets; and generally, to exercise any of the powers of an owner with respect to stocks, bonds, or other investments, comprising the fund which it may deem to be to the best interest of the fund to exercise.
- (8) The board shall not be required to make any inventory or appraisal or report to any court, nor to secure any order of court for the exercise of any power herein contained.
- (9) Where any action which the board is required to take or any duty or function which it is required to perform either under the terms herein or under the general law applicable to it as trustee under this chapter can reasonably be taken or performed only after receipt by it from a member, the city or any other entity of specific information, certification, direction or instructions, the board shall be free of liability in failing to take such action or perform such duty or function until such information, certification, direction or instruction has been received by it.
- (10) Any overpayment or underpayment from the fund to a member or beneficiary caused by errors of computation shall be adjusted with interest at a rate per annum approved by the board. Overpayment shall be charged against payments next succeeding the correction. Underpayment shall be made up from the fund.
- (11) The board shall sustain no liability whatsoever for the sufficiency of the fund to meet the payments and benefits herein provided for.
- (12) In any application or proceeding or action in the courts, only the city commission and the board shall be necessary parties, and no member or other person having an interest in the fund shall be entitled to any notice or service of process. Any judgement entered in such a proceeding or action shall be conclusive upon all persons.
- (13) Any of the foregoing powers and functions reposed in the board may be performed or carried out by the board through duly authorized agents, provided that the board at all times requires of and reviews reports of any such agent; provided further, that legal title to said fund shall always remain in the board.

(Ord. No. 94-153, § 1, 12-6-94; Ord. No. 2017-104, § 2, 5-17-17)

Sec. 13-16. - Repeal or termination of system.

This chapter establishing the plan and fund, and subsequent ordinances pertaining to said plan and fund, may be modified, terminated, or amended, in whole or in part solely by the city commission. If the

city, by ordinance of the city commission, terminates the plan or provides written notice to the board that contributions to the plan are being permanently discontinued, the rights of all members to benefits accrued to the date of such termination and the amounts credited to the members' accounts are deemed to be non-forfeitable. Thereafter, the fund shall be distributed in accordance with the following procedures:

- (a) The board shall determine the date of the distribution and the asset value required to fund all non-forfeitable benefits, after taking into account the expenses of the distribution. The board shall inform the city if additional assets are required, in which event the city shall continue to financially support the plan until all non-forfeitable benefits have been funded.
- (b) The board shall determine the method of distribution of the asset value, whether distribution shall be by payment in cash, by the maintenance of another or substituted trust fund, by the purchase of insured annuities, or otherwise, for each member entitled to benefits under the plan, as specified in subsection (c) below.
- (c) The board shall distribute the asset value as of the date of termination in the manner set forth in this subsection, on the basis that the amount required to provide any given retirement income is the actuarially computed single-sum value of such retirement income, except that if the method of distribution determined under subsection (b) involves the purchase of an insured annuity, the amount required to provide the given retirement income is the single premium payable for such annuity. The actuarial single-sum value may not be less than the member's accumulated contributions to the plan, with interest if provided by the plan, less the value of any plan benefits previously paid to the member.
- (d) If there is asset value remaining after the full distribution specified in subsection (c), and after payment of any expenses incurred with such distribution, such excess shall be returned to the city, less return to the state of the state's contributions, provided that, if the excess is less than the total contributions made by the city and the state to date of termination of the plan, such excess shall be divided proportionately to the total contributions made by the city and the state.
- (e) The board shall distribute, in accordance with the manner of distribution determined under subsection (b), the amounts determined under subsection (c).
- (f) If, after twenty-four (24) months after the date on which the plan terminated, or the date the board received written notice that the contributions thereunder were being permanently discontinued, the city or the board has not complied with all the provisions in this section, the Florida Department of Management Services shall effect the termination of the plan in accordance with this section.

(Ord. No. 94-153, § 1, 12-6-94; Ord. No. 2010-104, § 5 4-20-10)

Sec. 13-17. - Miscellaneous.

- (a) *Medical board.* The board shall designate a medical board to be comprised of one (1) or more physicians who shall arrange for and pass upon all medical examinations required under the provisions of this chapter, shall investigate all essential statements or certificates made by or on behalf of a member in connection with an application for disability or retirement and shall report in writing to the board its conclusions and recommendations upon all matters referred to it. The payment for such services shall be determined by the board.
- (b) *Discharged members.* Members entitled to a pension shall not forfeit the same upon dismissal from the city, but shall be retired as herein described.
- (c) *Non-assignability.* No benefit provided for herein shall be assignable or subject to garnishment for debt or for other legal process except to the extent required by law.
- (d) *Pension validity.* The board shall have the power to examine into the facts upon which any pension shall heretofore have been granted under any prior or existing law, or shall hereafter be granted or obtained erroneously, fraudulently or illegally for any reason. Said board is empowered to purge the pension rolls of any person heretofore granted a pension under prior or existing law or hereafter

granted under this ordinance if the same is found to be erroneous, fraudulent or illegal for any reason; and to reclassify any pensioner who has heretofore under any prior or existing law or who shall hereafter under this ordinance be erroneously, improperly or illegally classified.

- (e) *Incompetents.* If any beneficiary is a minor or in the judgement of the board a member is otherwise incapable of personally receiving and giving a valid receipt for any payment due him under the plan the board may, unless and until claims shall have been made by a duly appointed guardian or committee of such person, make such payment or any part thereof to such person's spouse, children or other person deemed by the board to have incurred expenses or assumed responsibility for the expenses of such person. Any payment so made shall be a complete discharge of any liability under the plan for such payment.
- (f) *Qualified military service.* Notwithstanding any provisions of this plan to the contrary:
 - (1) Contributions, benefits and service credit with respect to qualified military service will be provided in accordance with (i) IRC Section 414(u) and (ii) F.S. Ch. 185;
 - (2) In the case of a death occurring on or after January 1, 2007, if a member dies while performing qualified military service, the survivors of the member are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the fund as if the member had resumed and then terminated employment on account of death;
 - (3) For benefit accrual purposes, the plan will treat any member who dies or becomes disabled on or after January 1, 2007, while performing qualified military service (as defined in IRC Section 414(u)) as if the member had resumed employment in accordance with his reemployment rights under USERRA, on the day preceding death or disability (as the case may be) and separated from service on the actual date of such death or disability; and
 - (4) Differential wage payments. For years beginning after December 31, 2008, (i) an individual receiving a differential wage payment, as defined by IRC Section 3401(h)(2), is treated as a member of the employer making the payment, (ii) the differential wage payment is treated as compensation, and (iii) the plan is not treated as failing to meet the requirements of any provision described in IRC Section 414(u)(1)(C) by reason of any contribution or benefit which is based on the differential wage payment.
- (g) *Construction; separability; amendment; repeal.* In the construction of the plan, the masculine shall include the feminine and the singular the plural in all cases where such meanings would be appropriate. The headings and subheadings in this plan have been inserted for convenience or reference only, and are to be ignored in any construction of the provisions hereof.

As described in section 13-5, the provisions of this Code and the plan are intended to meet the requirements of a qualified plan under IRC Section 401(a) and to be tax-exempt under IRC Section 501(a). Should any changes be required to the ordinance for the ordinance or the plan to comply or to continue to comply with the provisions of IRC Sections 401(a) and 501(a), the board shall prepare a statement for the city describing the changes and the city shall, after reviewing the board's statement, make any such required changes to the ordinance.

(Ord. No. 94-153, § 1, 12-6-94; Ord. No. 2017-104, § 2, 5-17-17)