

**CITY OF LAKE ALFRED  
GENERAL EMPLOYEES' RETIREMENT SYSTEM  
SUMMARY PLAN DESCRIPTION**

**June 1, 2021**

**IS YOUR BENEFICIARY FORM CURRENT? IN THE EVENT YOU DIE, YOUR BENEFIT OR CONTRIBUTIONS WILL BE DISTRIBUTED TO THE PERSON OR PERSONS DESIGNATED BY NAME ON THE BENEFICIARY FORM ON FILE WITH THE PENSION PLAN. NO PROVISION IN YOUR LAST WILL AND TESTAMENT WILL CHANGE THIS SELECTION. PLEASE BE SURE THAT YOUR BENEFICIARY FORM DESIGNATES THE PERSON OR PERSONS YOU INTEND TO RECEIVE YOUR BENEFITS AND THAT YOU REVIEW THIS CHOICE IN THE EVENT OF A MAJOR LIFE CHANGE SUCH AS A DIVORCE OR THE DEATH OF YOUR BENEFICIARY.**

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**INTRODUCTION**

The Board of Trustees of the City of Lake Alfred General Employees' Retirement System is pleased to present this booklet which briefly explains the provisions of your General Employees' Pension Plan. As a participant in the Fund, you are included in a program of benefits to help you meet your financial needs at retirement, or in the event of disability or death.

This booklet can assist you in preparing for your retirement and financial future. If you need further information on any of the topics presented in this booklet, please contact any member of the Board of Trustees. They will either answer questions you might have to help you understand your benefits or otherwise get you an answer to your questions. We urge you to read and understand this booklet in order to become familiar with the benefits of the plan and how they contribute to your financial security and how they will enrich your retirement years.

The information presented is only a summary of the pension plan ("Plan") as provided in the ordinances of the City of Lake Alfred. If there are any conflicts between the information in this booklet and the ordinances of the City of Lake Alfred, the ordinances shall govern. The provisions of this Summary Plan Description shall not constitute a contract between the Member and the Board of Trustees. The plan shall be administered in accordance with state and federal law, notwithstanding any provisions in this booklet or ordinances to the contrary. A copy of the ordinance establishing the Plan can be obtained from the City Clerk's office, which is located at 155 East Pomelo Street, Lake Alfred, Florida 33850.

\_\_\_\_\_  
Chairman, Board of Trustees, City of Lake  
Alfred General Employees' Retirement System

\_\_\_\_\_  
Date

1. **BOARD OF TRUSTEES AND PLAN ADMINISTRATION**

A. **Administration.**

(1) The City of Lake Alfred General Employees' Retirement System is a defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the Plan. The Board consists of seven Trustees, three of whom are legal residents of the City who are appointed by the Lake Alfred City Commission, three of whom are members of the System who are appointed by a majority of the General Employees who are members of the System and a seventh Trustee who is chosen by a majority of the first six Trustees. Each Trustee serves a three year term.

(2) DROP participants can be elected as and vote for elected Trustees.

B. The names and addresses of the current Trustees are attached to this Summary Plan Description as Exhibit "A". The Chairman of the Board of Trustees is designated as agent for the service of legal process.

2. **ELIGIBILITY FOR PLAN MEMBERSHIP**

Each person employed by the City as a full-time General Employee becomes a member of the System as a condition of his employment. All General Employees are therefore eligible for plan benefits as provided for in the plan document and by applicable law. A new employee hired as the City Manager may, in the event he has elected to participate in another pension program, upon employment as City Manager, notify the Board and the City, in writing of his election to not be a member of the System. Other newly employed General Employees' who enter into contracts with the City, whose Contracts permit them to opt-out of the system may opt-out only at the time of employment.

3. **PLAN BENEFITS**

All claims for benefits under the System shall be made in writing to the Board of Trustees. It is your responsibility to contact the plan and make a written application for benefits when you are eligible to start receiving your benefit at your normal or early retirement date. You should file your application for benefits with the plan administrator at least 45 days prior to the date that benefits are to commence. Benefit payments shall begin only after a written application is filed and payments shall not be made retroactive to your original eligibility date should you delay in applying for benefits.

A. **Normal Retirement Eligibility.** You are eligible for retirement upon the attainment of age 57 and the completion of 10 years of credited service.

B. **Amount of Normal Retirement Benefits.** The amount of the normal retirement benefit is based on your credited service and average final compensation:

"Credited Service" is generally your period of employment as a General Employee with the City measured in years and parts of years. Credited service will include credit for up to 5 years for a break in employment for military service, pursuant to conditions provided for under state or federal law, provided that you are reemployed within 1 year of discharge under honorable conditions. Additional credited service time may also be available (See subsection J. below).

"Average Final Compensation" is 1/12 of your average salary of the 5 best years of the last 10 years of credited service prior to your termination, retirement or death or the career average as a full-time General Employee, whichever is greater. A year is defined as 12 consecutive months.

"Salary" is the total compensation for services rendered to the City as a General Employee reportable on your W-2 form plus all tax deferred, tax sheltered or tax exempt items of income derived from elective employee payroll deductions or salary reductions.

For service earned after July 1, 2011, Salary shall not include more than 300 hours of overtime per fiscal year and shall also not include payments for accrued unused sick or annual leave. Provided however, in any event, payments for overtime in excess of 300 hours per calendar year or unused sick or annual leave accrued as of July 1, 2011 and attributable to service earned prior to July 1, 2011, may still be included in Salary for pension purposes even if the payment is not actually made until on or after July 1, 2011. In any event, with respect to unused sick leave and unused annual leave accrued prior to July 1, 2011, Salary will include the lesser of the amount of sick or annual leave time accrued on July 1, 2011 or the actual amount of sick or annual leave time for which the retiree receives payment at the time of retirement, regardless of whether the amount of sick or annual leave was, at some time prior to retirement, reduced below the amount on July 1, 2011.

Your normal retirement benefit is calculated by multiplying 2.72% times your average final compensation for each year of credited service, up to a maximum of 40 years:  $(2.72\% \times AFC \times CS)$  (up to a maximum of 40 years) = normal retirement benefit).

Normal and early retirement payments will commence on the first day of the month coincident with or next following your last day of employment. Early retirees may defer the commencement of benefits. The benefit is paid to you for your life, but you or your beneficiary shall receive at least 60 monthly benefit payments in any event.

Each vested Plan Member shall be entitled, at the Fund's expense, to receive two actuarial studies (one preliminary and one final) to estimate his or her retirement benefits. Any additional studies shall be provided only at the Member's expense.

C. Early Retirement. You are eligible for early retirement upon the attainment of age 55 and the completion of 10 years of credited service.

D. Amount of Early Retirement Benefits. The amount of the early retirement benefit is calculated in the same manner as for normal retirement and is available as follows:

- (1) Beginning on the date on which you would have qualified for normal retirement; or
- (2) Beginning immediately upon retirement, but if beginning immediately, the amount of the monthly benefit is reduced by 3% for each year by which the commencements of benefits precedes the date which would have been your normal retirement date had you continued employment as a general employee.

E. Other Retirement Options. At retirement, certain additional options are available as follows:

- (1) Optional Forms of Retirement. In lieu of the amount and form of retirement income payable under normal and early retirement, you may elect to receive a retirement benefit in a different form so long as the form you elect is of equal actuarial value as the normal benefit. The optional forms of benefits which are available are:

- (a) A retirement income of a monthly amount payable to you for your lifetime only.
- (b) A retirement income of a modified monthly amount, payable to you during your lifetime and following your death, 100%, 75%, 66 2/3% or 50% of such monthly amount payable to a joint pensioner for his lifetime.
- (c) If you retire prior to the time at which social security benefits are payable, you may elect to receive an increased retirement benefit until such time as social security benefits shall be assumed to commence and a reduced benefit thereafter in order to provide, to as great an extent as possible, a more level retirement allowance during the entire period of retirement.
- (d) If you do not participate in the DROP, you may also elect to receive an initial lump sum payment equal to 10%, 15%, 20% or 25% of your accrued benefit with the remaining 90% 85%, 80% or 75%, respectively, payable in a form selected by you and provided for in (a), (b) or (c) above or in the normal form (5 years certain and life).

(2) Deferred Retirement Option Plan (DROP).

- (a) If you become eligible for normal retirement, and are still employed by the City as a General Employee, you have the option of "retiring" from the pension plan but continuing your employment as a General Employee for an additional 5 years from the date on which you first become eligible for normal retirement. An election to participate in the DROP constitutes an irrevocable election to resign from the service of the City not later than 5 years from the date you first became eligible for normal retirement. You must request, in writing, to enter the DROP.
- (b) Upon entering the DROP, your retirement benefit is immediately calculated and each monthly benefit payment is deposited into your DROP account. You may elect to either have your account credited with interest at the rate of 6-1/2% per annum or credited or debited with an investment return or loss equal to the net investment return realized by the system for that quarter. One change in election is permitted.
- (c) At the time of termination of employment at the end of the DROP period, you will receive your account balance in a lump sum and you will also begin receiving your monthly retirement benefit.
- (d) Once you enter the DROP, you are no longer eligible for disability or pre-retirement death benefits, nor do you accrue any additional credited service. Your retirement benefit is fixed as of your entry date. You pay no member contributions to the plan once you enter the DROP.

- (e) Participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants.
- (f) Additional information about the DROP can be obtained from the Board.

F. Disability Retirement. You are considered disabled when you become totally and permanently unable to perform useful and efficient service as a General Employee. A written application is made to the Board of Trustees for a disability pension and the Board of Trustees receives evidence of the disability and decides whether or not the pension is to be granted. If the pension is granted, the benefit amount shall be 2.72% of your average final compensation multiplied by your total years of credited service, up to a maximum of 40 years, actuarially reduced from age 60.

Eligibility for disability benefits. Subject to (4) below, you must be an active member of the plan on the date the Board determines your entitlement to a disability benefit.

- (1) Terminated persons, either vested or non-vested, are not eligible for disability benefits.
- (2) If you voluntarily terminate your employment either before or after filing an application for disability benefits, you are not eligible for disability benefits.
- (3) If you are terminated by the City for any reason other than for medical reasons, either before or after you file an application for disability benefits, you are not eligible for disability benefits.
- (4) The only exception to (1) above is:
  - (a) If you are terminated by the City for medical reasons and you have already applied for disability benefits before the medical termination, or;
  - (b) If you are terminated by the City for medical reasons and you apply within 30 days after your medical termination date.

If either (4)(a), or (4)(b) above applies, your application will be processed and fully considered by the board.

Your disability benefit terminates upon the earlier of death, with 60 payments guaranteed, or recovery.

To receive disability benefits, you must establish to the satisfaction of the Board, that such disability was not occasioned primarily by:

- (1) Excessive or habitual use of any drugs, intoxicants or alcohol.
- (2) Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections.
- (3) Injury or disease sustained while committing a crime.
- (4) Injury or disease sustained while serving in any branch of the Armed Forces.

- (5) Injury or disease sustained after your employment as a General Employee with the City of Lake Alfred shall have terminated.
- (6) Willful, wanton or intentional misconduct or gross negligence.
- (7) Injury or disease sustained while working for anyone other than the City and arising out of such employment.
- (8) A condition pre-existing your membership in the system.

As a disabled pensioner, you are subject to periodic medical examinations as directed by the Board to determine whether a disability continues. You may also be required to submit statements from your doctor, at your expense, confirming that your disability continues.

G. Death Before Retirement. If you die prior to retirement from the City, your beneficiary shall receive the following benefit:

- (1) Prior to Vesting or Eligibility for Retirement. If you were not receiving monthly benefits or were not yet vested (10 years of credited service) or eligible for early or normal retirement, your beneficiary shall receive a refund of 100% of your accumulated contributions, with interest.
- (2) Deceased Members Vested or Eligible for Retirement with Spouse as Beneficiary. If you die and, at the date of your death were vested or eligible for early or normal retirement, your spouse beneficiary shall be entitled to a benefit as follows:
  - (a) If you were vested, but not eligible for normal or early retirement, your spouse beneficiary shall receive a benefit payable for 5 years, beginning on the date that you would have been eligible for early or normal retirement, at the option of your spouse beneficiary. The benefit shall be calculated as for normal retirement based on your credited service and average final compensation as of the date of your death and reduced as for early retirement, if applicable. Your spouse beneficiary may also elect to receive an immediate benefit, payable for 5 years, which is actuarially reduced to reflect the commencement of benefits prior to your early retirement date.
  - (b) If you were eligible for normal or early retirement, your spouse beneficiary shall receive a benefit payable for 5 years, beginning on the first day of the month following your death or at your otherwise normal retirement date, at the option of your spouse beneficiary. The benefit shall be calculated as for normal retirement based on your credited service and average final compensation as of the date of your death and reduced as for early retirement, if applicable.
  - (c) Your spouse beneficiary may not elect an optional form of benefit, however, the Board may elect to make a lump sum payment if the total value of benefit does not exceed \$1,000.00.

- (d) Your spouse beneficiary may, in lieu of any benefit provided for in (a) or (b) above, elect to receive a refund of your accumulated contributions, with interest.
  - (e) If your spouse beneficiary commences receiving a benefit under (a) or (b) above, but dies before all payments are made, the remaining benefit shall be paid to the estate of the spouse beneficiary.
- (3) Deceased Members Vested or Eligible for Retirement with Non-Spouse Beneficiary. If your beneficiary is not your spouse, the benefits payable to your non-spouse beneficiary are the same as those to a spouse beneficiary, however, the date of commencement of those benefits may be required to be earlier, with the resulting reduction in the amount.
  - (4) If you continue to work beyond your normal retirement date, you may select, on a form provided by the board, an optional pre-retirement death benefit to be paid to your beneficiary or joint pensioner in the event you die before your actual retirement date. If you do survive to your actual retirement date, a new or change in benefit election will be made.

H. Termination of Employment and Vesting. If your employment is terminated, either voluntarily or involuntarily, the following benefits are payable:

- (1) If you have less than 10 years of credited service upon termination, you shall be entitled to a refund of the money you have contributed, with interest, or you may leave it deposited with the Fund.
- (2) If you have 10 or more years of credited service upon termination, you shall be entitled to a monthly retirement benefit payable to you at age 57 (or age 55, reduced as for early retirement), provided you do not elect to withdraw your contributions and provided you survive to age 55. If you do not withdraw your accumulated contributions and do not survive to age 55, your designated beneficiary shall be entitled to a benefit (reduced for early retirement) as provided herein for a deceased member, vested or eligible for retirement under Death Before Retirement.

The Internal Revenue Code provides that certain eligible lump sum distributions from the pension system may be directly rolled over into qualified individual retirement accounts, annuities or certain other pension plans. A 20% withholding shall be required on taxable portions of such lump sum distributions not directly transferred to a new custodian.

I. Reemployment After Retirement. If you retire under normal or early retirement and wish to be reemployed by the city, you should be aware that your ability to continue to receive your pension benefit upon reemployment may be restricted. While the plan may be permitted to make benefit payments to you if you are reemployed, in this event you may be subject to a 10% tax penalty, which penalty may continue until you attain age 59 ½, whether or not you continue to be employed by the City.

J. Additional Credited Service. In addition to credited service actually earned in the employment of the City, you may also receive credited service as follows:

- (1) "Buy-Back" of Time Lost Due to Absences Authorized by the Family and Medical Leave Act. If you are absent on unpaid leave under the Family & Medical Leave Act, you may purchase lost credited service by making an actuarially determined contribution to the Plan, such that there is no cost to the Plan in allowing such credited service, within strict time periods provided for in the plan document.
- (2) "Buy-Back" for Military Service Prior to Employment. The years or fractional parts of years that you serve or have served on active duty in the active military service of the Armed Forces of the United States, the United States Merchant Marine or the United States Coast Guard, voluntarily or involuntarily, honorably or under honorable conditions, prior to first and initial employment with the City shall be added to your years of Credited Service provided that:
  - (a) You contribute to the Fund a sum of money equal to:
    - (i) the amount that you would have contributed to the plan, based on your salary and the member contribution rate in effect at the time that the credited service is requested, had you been a member of the system for the years or fractional parts of years for which you are requesting credit, plus
    - (ii) amounts actuarially determined such that the crediting of service does not result in any cost to the Fund, plus
    - (iii) payment of costs for all professional services rendered to the Board in connection with the purchase of years of credited service.
  - (b) Multiple requests to purchase credited service pursuant to this subsection may be made at any time prior to retirement.
  - (c) Payment of the required amount shall be made within 6 months of your request for credit, but in any event prior to retirement, and shall be made in one lump sum payment upon receipt of which credited service shall be given.
  - (d) The maximum credit under this section shall be 5 years.
  - (e) Credited service purchased pursuant to this section shall not count toward vesting.
- (3) "Buy-Back" for Prior Government Service. The years or fractional parts of years that you serve or have served as an employee for any government agency in the United States, prior to first and initial employment with the City, or any years of service with the City of Lake Alfred for which you have not received credit for under subsection (1) above, shall be added to your years of credited service provided that:
  - (a) You contribute to the Fund a sum equal to:

- (i) the amount that you would have contributed to the plan, based on your salary and the member contribution rate in effect at the time that the credited service is requested, had you been a member of the system for the years or fractional parts of years for which you are requesting credit, plus
    - (ii) amounts actuarially determined such that the crediting of service does not result in any cost to the Fund, plus
    - (iii) payment of costs for all professional services rendered to the Board in connection with the purchase of years of credited service.
  - (b) Multiple requests to purchase credited service pursuant to this subsection may be made at any time prior to retirement.
  - (c) Payment of the required amount shall be made within six months of your request for credit, but not later than your retirement date, and shall be made in one lump sum payment upon receipt of which credited service shall be given.
  - (d) The maximum credit under this subsection for service other than with the City of Lake Alfred shall be 5 years of credited service and shall count for all purposes, including vesting. There shall be no maximum purchase of credit for prior service with the City of Lake Alfred and such credit shall count for all purposes, including vesting.
  - (e) In no event may credited service be purchased pursuant to this subsection for prior service with any other governmental agency, if such prior service forms or will form the basis of a retirement benefit or pension from a different employer's retirement system or plan.
  - (f) Notwithstanding the previous subsections, the City may elect to pick up all or a portion of the amount of the contribution required for the purchase of prior government service for you. The contributions, although designated as employee contributions, are being paid by the City in lieu of contributions made by you; and you do not have the option to receive the contributed amounts directly instead of having them paid by the City to the plan.
- (4) Purchase of Non-Qualified Service Credit. Unless otherwise prohibited by law, if you have accrued at least 5 years of participation (which does not include purchased service) under this system you shall be permitted to purchase up to 5 years of additional Credited Service under this System for periods when there was no performance of service ("air time") provided that:
- (a) You contribute to the fund the sum that you would have contributed had you been a Member of the System for the years or fractional parts of years for which you are requesting credit plus amounts actuarially determined such that the crediting of service does not result in any cost to the Fund

plus payment of costs for all professional services rendered to the Board in connection with the purchase of years of Credited Service.

- (b) Multiple requests to purchase Credited Service pursuant to this subsection may be made at any time prior to Retirement.
  - (c) Your payment of the required amount shall be made within 6 months of your request for credit, but, in any event, prior to Retirement, and shall be made in one lump sum payment upon receipt of which Credited Service shall be given.
  - (d) Service purchased pursuant to this Section shall count for all purposes including vesting and eligibility for disability benefits. The maximum combined purchase under this subsection and subsections (2) and (3) above shall be 8 years. However, there shall be no maximum purchase of credit for prior service with the City of Lake Alfred and such purchased service shall not be considered in determining the 8 year maximum.
- (5) Rollovers or Transfers of Funds to Purchase Service. In the event you are eligible to purchase additional credited service as provided above, you may be eligible to rollover or transfer funds from another retirement program in which you participate (traditional IRA, deferred compensation plan maintained by a government employer (457 plan), 401k plan, profit sharing plan, defined benefit plan, money purchase plan, annuity plan or tax sheltered annuity) in order to pay all or part of the cost of purchasing such additional credited service.

K. Contributions and Funding.

- (1) The City is paying the portion of the cost of the pension plan over and above your contributions.
- (2) You contribute 5% of your salary to the Plan. Your contribution will be excluded from your gross income for withholding purposes so you will realize income tax benefits. The City reserves the right to pick up your contributions and the amount necessary to purchase Credited Service under subsection J.(4) on behalf of certain Members as may be elected by the City. Such contributions shall be excluded from your gross income.
- (3) In the event there is a specific employment agreement between you and the City in which the City agrees to pay all or a part of your contributions on your behalf, and you do not have the option to receive the contributed amounts directly instead of having them paid by the City to the Fund, the City may pick-up and pay such contributions on your behalf, and such payments shall be excluded from your gross income.

L. Maximum Benefits. In no event will the annual benefits paid from this Plan exceed \$230,000.00, subject to certain cost of living adjustments and actuarial reductions, prior to age 62 as set forth in Section 415 of the Internal Revenue Code.

You cannot receive a benefit in excess of 100% of your average final compensation.

M. Forfeiture of Pension. If you are convicted of the certain crimes listed in the Plan committed prior to retirement, or if your employment is terminated by reason of your admitted commission, aid or abetment of these crimes, you shall forfeit all rights and benefits under the Plan, except for the return of your contributions as of the date of your termination.

N. Claims Procedure Before the Board. You may request, in writing, that the Board review any claim for benefits under the Plan. The Board will review the case and enter a decision as it deems proper within not more than 270 days from the date of the receipt of such written request, or in the case of a disability claim, from receipt of a medical release and completed interrogatories. The time period may be extended if you agree to the extension.

The Board's decision on your claim will be contained in an order which will be in writing and will include:

- (1) The specific reasons for the Board's action;
- (2) A description of any additional information that the Board feels is necessary for you to perfect your claim;
- (3) An explanation of the review procedure next open to you which includes a formal evidentiary hearing.

#### 4. NON-FORFEITURE OF PENSION BENEFITS

A. Liquidation of Pension Fund Assets. In the event of repeal, or if contributions to the Fund are discontinued by the City, there will be a full vesting of benefits accrued to date of repeal.

B. Interest of Members in Pension Fund. At no time prior to the satisfaction of all liabilities under the Plan shall any assets of the Plan be used for any purpose other than for the General Employees' exclusive benefit. In any event, your contributions to the Plan are non-forfeitable.

#### 5. VESTING OF BENEFITS

Your retirement benefits are vested after 10 years of credited service.

#### 6. APPLICABLE LAW

The Plan is governed by certain federal, state and local laws, including, but not limited to the following:

- A. Internal Revenue Code and amendments thereto.
- B. Part VII, Chapter 112, Florida Statutes, "Actuarial Soundness of Retirement Systems".
- C. Ordinances of the City of Lake Alfred.
- D. Administrative rules and regulations adopted by the Board of Trustees.

#### 7. PLAN YEAR AND PLAN RECORDS

The Plan year begins on October 1 of each year and ends on September 30 of the following year. All records of the Plan are maintained on the basis of the Plan year.

8. **APPLICABLE PROVISIONS OF COLLECTIVE BARGAINING AGREEMENTS**

There is no collective bargaining agreement between the General Employees and the City.

9. **FINANCIAL AND ACTUARIAL INFORMATION**

A report of pertinent financial and actuarial information on the solvency and actuarial soundness of the Plan is attached as Exhibit "B".

10. **DIVORCE OR DISSOLUTION OF MARRIAGE**

Federal and state law provides certain restrictions regarding the payment of your pension benefits in the event of your divorce or dissolution of marriage. Immediately upon your involvement in such a legal proceeding, you should provide a member of the Board of Trustees with the name and address of your attorney or your name and address if you have no attorney. The Board's attorney will then provide you or your attorney with information concerning the legal restrictions regarding your pension benefits. In addition, a copy of any proposed order must be submitted to the Board prior to entry by the court. Failure to do so may require you to pay any expenses incurred by the Board in correcting an improper court order.

11. **EX-SPOUSES AS BENEFICIARY OR JOINT PENSIONER**

The Florida Legislature has adopted Section 732.703, Florida Statutes. This law nullifies the designation of your ex-spouse as a Beneficiary or Joint Annuitant / Joint Pensioner on your pension plan retirement benefits. This law went into effect on July 1, 2012. This law contains several exceptions, including not changing the designation of your beneficiary or joint pensioner by Court Order.

After July 1, 2012, if you want your ex-spouse to be a beneficiary or joint annuitant/joint pensioner for your plan benefit, you will have to make that designation AFTER the dissolution of marriage. If you currently have an ex-spouse as a beneficiary or joint annuitant/joint pensioner, and want to keep this designation, you will have to designate the ex-spouse again after July 1, 2012.

To reconfirm your current beneficiary, or to designate a new beneficiary, complete a new Designation of Beneficiary Form (PF-3).

To reconfirm your current joint annuitant/joint pensioner, or to designate a new joint annuitant/joint pensioner (if authorized by the current plan provisions), indicate such change on a Change or Confirmation of Designated Joint Annuitant or Joint Pensioner Form (PF-25). If necessary, the plan administrator will submit the new form to the actuary of the plan for recalculation of your benefit. There may be a charge to you to make this change.

To obtain either of the above forms, or if you have any questions, please contact your plan administrator.

**EXHIBIT "A"**

**BOARD OF TRUSTEES**

The names and addresses of the members of the Board of Trustees are:

Chairman: John Deaton  
120 East Pomelo Street  
Lake Alfred, Florida 33850

Vice-Chairman: Terry Macomber  
120 East Pomelo Street  
Lake Alfred, Florida 33850

Secretary: Kendon Daniels  
120 East Pomelo Street  
Lake Alfred, Florida 33850

Member: Fred Recher  
120 East Pomelo Street  
Lake Alfred, Florida 33850

Member: Vacant  
120 East Pomelo Street  
Lake Alfred, Florida 33850

Member: Eddie Adams  
120 East Pomelo Street  
Lake Alfred, Florida 33850

Member: Steve DeBord  
120 East Pomelo Street  
Lake Alfred, Florida 33850

# EXHIBIT B

**City/District Name:** Lake Alfred

**Employee group(s) covered:** General

**Current actuarial valuation date:** 10/1/2019

**Plan Status:** Active

**Date prepared:** 1/14/2021

<b>Number of plan participants:</b>	69	<b>GASB 67 Reporting</b>	
<b>Actuarial Value of Plan Assets (AVA):</b>	\$5,340,549	<b>Discount Rate</b>	7.50%
<b>Actuarial Accrued Liability (AAL):</b>	\$5,914,740	<b>Total Pension Liability</b>	5,708,313
<b>Unfunded Accrued Liability (UAL):</b>	\$574,191	<b>Market Value of Plan Assets</b>	5,314,253
<b>Market Value of Plan Assets (MVA):</b>	\$5,314,252	<b>Net Pension Liability</b>	394,060
<b>MVA Funded Ratio (5-year history):</b>		<b>GASB 67 Funded Ratio</b>	93.10%
		<b>Averages for all plans with 2019 current actuarial valuation date</b>	
Current valuation	89.85%	86.62%	*
1 year prior	92.79%	88.75%	*
2 years prior	93.39%	85.83%	*
3 years prior	86.20%	82.35%	*
4 years prior	88.47%	82.16%	*
<b>Rate of Actuarial Value, Actual (2019 Plan Year)</b>	8.37%	7.12%	
<b>Return: Market Value, Actual</b>	5.29%	3.94%	
Assumed	7.50%	7.19%	
<b>Funding requirement as percentage of payroll:</b>	19.61%	59.70%	**
<b>Percentage of payroll contributed by employee:</b>	5.00%	6.47%	**
<b>Funding requirement as dollar amount:</b>	317,842	N/A	

**Benefit Formula Description:** 2.72% X AFC X SC (MAX 40 YR)

**AFC Averaging Period (years):** 5

**Employees covered by Social Security?** No

Additional actuarial disclosures required by section 112.664, Florida Statutes:

Florida Statute Chapter	Discount Rate	Pension Liability	Market Value of Plan Assets	Net Pension Liability	Years assets sustain benefit payments	Total Dollar Contribution	Total % of Pay Contribution
112.664(1)(a)	7.50%	5,708,313	5,314,253	394,060	999.99	336,912	19.70
112.664(1)(b)	5.50%	7,445,913	5,314,253	2,131,660	29.63	558,321	32.50
Valuation Basis	7.50%	N/A	N/A	N/A	999.99	336,912	19.70

Link to annual financial statements:

<https://frs.fl.gov/forms/LOC5340376PDF10012019N1.pdf>

\*Adjusted by excluding plans from average whose Funded Ratios were not within two standard deviations from the mean

\*\*Excludes plans with zero payroll

(For explanation of terms, see glossary on page 2)

## Actuarial Summary Fact Sheet – Glossary of Terms

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<b>Plan Status:</b>	Active, Closed (closed to new entrants) and Frozen (closed to new entrants and no further benefit accruals)
<b>Actuarial Value of Plan Assets (AVA):</b>	Assets calculated under an asset valuation method smoothing the effects of volatility in market value of assets. Used to determine employer contribution.
<b>Actuarial Accrued Liability (AAL):</b>	Portion of Present Value of Fully Projected Benefits attributable to service credit earned as of the current actuarial valuation date.
<b>Unfunded Accrued Liability (UAL):</b>	The difference between the actuarial accrued liability and the actuarial value of assets accumulated to finance the obligation.
<b>Market Value of Plan Assets (MVA):</b>	The fair market value of assets, including DROP accounts.
<b>MVA Funded Ratio:</b>	Market Value of Plan Assets divided by Actuarial Accrued Liability (GASB)
<b>Rate of Return (Assumed):</b>	Assumed long-term rate of return on the pension fund assets.
<b>Funding requirement as percentage of payroll:</b>	Total Required Contribution (employer and employee) divided by total payroll of active participants. No interest adjustment is included.
<b>Funding requirement as dollar amount:</b>	Total Required Contribution (employer and employee). No interest adjustment is included.
<b>AFC:</b>	Average Final Compensation or some variant of compensation (e.g., AME [Average Monthly Earnings], FAC [Final Average Compensation], FMC [Final Monthly Compensation] etc.)
<b>SC:</b>	Service Credit

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## Section 112.664 – Glossary of Terms

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<b>Florida Statute Chapter:</b>	112.664(1)(a) – uses mortality tables used in either of the two most recently published FRS valuation reports, with projection scale for mortality improvement  112.664(1)(b) – uses same mortality assumption as 112.664(1)(a) but using an assumed discount rate equal to 200 basis points (2.00%) less than plan's assumed rate of return.  Valuation Basis – uses all the assumptions in the plan's valuation as of the current actuarial valuation date.
<b>Discount Rate:</b>	Rate used to discount the liabilities. Typically the same as assumed rate of return on assets.
<b>Total Pension Liability:</b>	Actuarial Accrued Liability measured using the appropriate assumptions as specified above and the Traditional Individual Entry Age Normal Cost
<b>Net Pension Liability:</b>	Total Pension Liability minus Market Value of Plan Assets.
<b>Years assets sustain benefit payments:</b>	Assuming no future contributions from any source, the number of years the market value of assets will sustain payment of expected retirement benefits. The number of years will vary based on the Florida Statute Chapter assumption.
<b>Total Dollar Contribution:</b>	Required contribution from all sources (i.e., employee and sponsor). Contribution will vary based on the Florida Statute Chapter assumption.
<b>Total % of Pay Contribution:</b>	Total Dollar Contribution divided by total payroll of active participants
<b>Annual financial statements:</b>	A report issued which covers a local government retirement system or plan to satisfy the financial reporting requirements of section 112.664(1), F.S.