



***TO THE PARTICIPANTS OF THE  
CITY OF OAKLAND PARK  
GENERAL EMPLOYEES' PENSION PLAN***

As an employer, one of the City's most important goals is to help its employees gain a measure of post-retirement security. Therefore, we are pleased to present you with this booklet, which provides an easy to understand description of the benefits of the Pension Plan.

The Pension Plan was originally effective as of May 1, 1963. This booklet describes the most updated version of the Plan, including all amendments through March 20, 2013.

We urge you to read this booklet carefully. It summarizes the most important features of the Plan provisions. Please understand that no general explanation can adequately give you all of the details of the actual Plan, and it does not change or expand or otherwise interpret the terms of the Plan. In the event of a conflict between the contents of this booklet and the terms of the Plan, the Plan provisions will control, pursuant to the Code of Ordinances of the City of Oakland Park and applicable law.

If you have any questions about the Pension Plan, you should contact the Plan Administrator. **UPON YOUR DEATH, IT IS IMPORTANT THAT YOUR SPOUSE OR OTHER FAMILY MEMBERS CONTACT THE PLAN ADMINISTRATOR TO SEE WHAT BENEFITS, IF ANY, ARE PAYABLE.** Benefits may not be payable for each circumstance you ask about, but we prefer that you inquire rather than assume no benefits are payable. At all times, keep the Plan Administrator advised of your current mailing address and your current beneficiary designation(s).

Sincerely,

***THE BOARD OF TRUSTEES***

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## **SECTION I. PARTICIPATION AND SERVICE**

### **WHO CAN PARTICIPATE IN THE PLAN?**

The Plan was created in such that any regular full-time Civil Service employee of the City (i.e., scheduled to work 40 hours or more per week) was eligible to participate. Eligible employees also included former classified employees (under the Civil Service Rules and Regulations of the City) assigned as employees with Broward Sheriff's Office (according to the terms of the contract between the City and Broward Sheriff's Office), provided such employee elected to remain a member of this Plan. Those considered NOT eligible were:

- Police officers and public safety officials;
- Firefighters;
- Part-time employees; and
- Elected Officials.

On October 1, 2007, the City joined the Florida Retirement System (FRS) on behalf of its general employees. Participants of the plan employed prior to the effective date of the city's participation in the FRS were given the right at that time to make a one time election to become a member of the FRS, or continue participation in the city plan. The plan was then closed to new participants: each employee of the city hired on or after the effective date of the city's participation in the FRS shall participate in the FRS.

### **HOW IS SERVICE CREDITED UNDER THE PLAN?**

"Service" means service with the City for which credit is given for participation in the Plan. If you are absent from active service with the City and that absence is NOT due to an authorized leave of absence, you will, for purposes of this Plan, be considered to have terminated your service. Prior to October 1, 2011, you received credited Service, for purposes of this Plan, for all of your periods of continuous employment with the City. Two or more periods of employment separated by a termination of employment would be added together if each period of employment is at least 7 years. Periods of employment lasting less than 7 years will not be counted as Service, as further described in the Section "Can You Lose Your Service."

Prior to October 1, 2011, your Service was determined from your first date of employment until your retirement date, or, if earlier, your termination of employment, and was computed in completed calendar months for the purpose of determining your vested status in the Plan and for the determination of benefits payable under the Plan. If you became reemployed, your Service would be credited from your reemployment date to your retirement date, or termination date if earlier. If you are entitled to combine 2 periods of Service, the total Service for each period of employment will be added together.

If you are absent from active service with the City on the date your participation would otherwise begin because you are on an authorized leave of absence from the City or because you are in compulsory military service, your participation will become effective as of the date you return to active employment with the City and your Credited Service will commence at that point.

Authorized leave of absence is an absence from work due to sickness, military service in the armed forces of the United States, or other emergency reasons, approved by the City, for a period not to exceed 6 months.

Beginning October 1, 2011, no additional Service is credited for participation in the Plan. Continued service with the City will not produce a larger Plan pension benefit.

### **CAN YOU LOSE YOUR SERVICE?**

Prior to October 1, 2011, if you do not have a "vested" right to an accrued benefit based on contributions from the City, you would forfeit the non-vested portion of your accrued benefit when you terminated employment. In that case, if you returned to work, you must begin earning Service for vesting in the same manner as a new employee.

For example, you terminated employment with the City after earning five years of Service. Because you did not earn at least seven years of Service, you will not have any vested right to a benefit from this Plan. On the other hand, let's say you terminated employment after working for the City a total of 13 years. From the following vesting schedule, you see that the applicable vested percentage in your accrued benefit based on 13 years of Service is 65%. Therefore, your pension will be equal to 65% of the total amount of your accrued benefit.

Beginning October 1, 2011, all actively employed participants in the Plan have a vested right to a benefit from the Plan, regardless of length of service. That vesting right is still subject to the accrued benefit vesting percentage, as shown below.

### **WHEN DO YOU BECOME VESTED?**

"Vesting" is the accumulation of sufficient Service to earn a nonforfeitable right to a pension. In other words, once you earn the required years of Service, you cannot lose your right to a pension from this Plan. The required years of Service condition was waived for all actively employed participants in the Plan as of October 1, 2011.

You become 100% vested in your benefit when:

- (a) you reach your Normal Retirement Date (age 62), provided you are still working for the City at the time; or
- (b) you have completed at least 20 years of Service.

If you terminate your service with the City and you have at least seven years of Service, you will have earned a vested percentage in an accrued benefit from the City, as follows:

<u>Full Years of Service Upon Termination</u>	<u>Vested Percentage of Accrued Benefit</u>
Less Than 7 Years	0%

7 years but less than 8	35%
8 years but less than 9	40%
9 years but less than 10	45%
10 years but less than 11	50%
11 years but less than 12	55%
12 years but less than 13	60%
13 years but less than 14	65%
14 years but less than 15	70%
15 years but less than 16	75%
16 years but less than 17	80%
17 years but less than 18	85%
18 years but less than 19	90%
19 years but less than 20	95%
20 years or more	100%

Actively employed participants that had less than 7 years of service in the Plan as of October 1, 2011, have an earned vested percentage in an accrued benefit from the City, as follows:

<u>Full Years of Service Upon Termination</u>	<u>Vested Percentage of Accrued Benefit</u>
1 year but less than 2	5%
2 years but less than 3	10%
3 years but less than 4	15%
4 years but less than 5	20%
5 years but less than 6	25%
6 years but less than 7	30%

## **SECTION II. TYPES OF BENEFITS UNDER THE PLAN**

### **NORMAL RETIREMENT INCOME**

There are several types of Retirement Income payable under the Plan. "Normal Retirement Income" is the pension amount you receive without any reduction for Early Retirement. You are eligible to receive a Normal Retirement Income if you work up to age 62 and retire on or after your Normal Retirement Date (the first day of the month after the date you reach age 62).

You are also eligible to retire on a Normal Retirement Income if you accrue 30 or more years of Service, without regard to your age at retirement.

#### **Amount of Normal Retirement Income**

Your benefit will be 70% of your Final Average Monthly Earnings at 20 years. If you have less than 20 years of Service at retirement, you will receive a proportionately reduced monthly income. If you have more than 20 years of service, your monthly retirement income will be increased by 0.5% for each year of service over 20 years, up to a maximum of 75% of your Final Average Monthly Earnings, and a maximum of 30 years of Service.

Prior to October 1, 2011, "Final average monthly earnings" meant your average monthly rate of pay from the City for the highest three calendar years out of the five calendar years preceding your retirement or termination of employment, whichever comes first.

For actively employed participants, as of October 1, 2011, "Final average monthly earnings" means your average monthly rate of pay from the City for the highest three fiscal years out of the five calendar years preceding October 1, 2011.

For purposes of determining your benefit, earnings are based on gross compensation prior to deductions including flexible benefits, deferred compensation and longevity but excluding overtime pay, bonuses or other extra compensation.

If you are paid on a weekly salaried basis, your monthly earnings will be calculated by multiplying your basic weekly salary by 4-1/3. If you are paid on the basis of an hourly wage rate, your monthly earnings will be calculated by multiplying your basic hourly rate by 173-1/3.

#### **Example:**

You have worked in uninterrupted service with the City for the past 27 years. You were hired on June 1, 1978. You reached your 62nd birthday in June, 2005 and you plan to retire on August 1<sup>st</sup>. For the past three years preceding your retirement, your earnings were:

2004	\$42,650
2003	41,150
<u>2002</u>	<u>39,600</u>
	\$123,400

$\$123,400$  divided by 36 months =  $\$3,427.78$   
 $\$3,427.78 \times .70 = \$2,399.44$   
 $\$3,427.78 \times (.5\% \times 7 \text{ years in excess of } 20 \text{ years}) = \$119.97$   
 $\$2,399.44 + \$119.97 = \$2,519.41$  - Monthly Normal Retirement Income

### **OPTIONAL RETIREMENT INCOME**

Upon the later of the date you

- (a) attain age 52, or
- (b) accrue at least seven (7) years of Service prior to October 1, 2011, or
- (c) are an actively employed participant in the Plan after October 1, 2011

you will become 100% vested in your accrued benefit provided you are still at work with the City at the time, and you will become eligible to receive an "Optional Retirement Income". Under the Optional Retirement form, you will begin to receive benefits on the first day of the month after the date you become eligible for optional retirement.

### **Amount of Optional Retirement Income**

Because your Optional Retirement Date is earlier than your Normal Retirement Date, the amount of your Retirement Income is reduced because your benefits will start earlier and may be paid to you for a longer period. Therefore, the amount of your Optional Retirement Income is equal to:

Your Normal Retirement Income, reduced by 3.1% multiplied by the number of years your Optional Retirement Date precedes your Normal Retirement Date.

However, if you earned at least 30 years of Service, there will be no reduction in your Normal Retirement Income.

As of October 1, 2011, while no further benefit accruals occur within the Plan, the Plan still recognizes the Service of an employee that reaches 30 years of total employment after October 1, 2011.

### **Example:**

As of October 1, 2011, you had worked in uninterrupted service with the City for the past 25 years. You may retire anytime after October 1, 2016 and have no reduction in your Normal Retirement Income due to your 30 years of service.

### **Example:**

You have worked in uninterrupted service with the City for the past 17 years. You reached your 54<sup>th</sup> birthday in March, 2005 and you plan to retire on April 1<sup>st</sup>. For the past three years preceding your retirement, your earnings were:

2004	\$39,350
2003	38,000
2002	<u>36,250</u>
	\$ 113,600

**\$113,600 divided by 36 months = \$3,155.56**

**\$3,155.56 x .70 = \$2,208.89**

**\$2,208.89 x 17/20 (years less than 20 years) = \$1,877.56 Monthly Normal Retirement Income**

**\$1,877.56 x (3.1% x 8 – years younger than Normal Retirement) = \$465.63**

**\$1,877.56 - \$465.63 = \$1,411.93 – Monthly Optional Retirement Income**

### **WHAT IS LATE RETIREMENT?**

If you wish, you can work beyond your Normal Retirement and postpone receipt of your retirement benefit. If you do defer your retirement, upon your actual retirement, your benefit will be determined in the same manner as a Normal Retirement including all service and salary to your date of Late Retirement, or October 1, 2011, whichever came first.

### **DOES THE PLAN PROVIDE A DISABILITY BENEFIT?**

#### **ELIGIBILITY FOR DISABILITY BENEFIT**

You will be considered totally and permanently disabled ONLY if the Social Security Administration has ruled that you are eligible to receive federal Social Security Disability Benefits due to a disability that occurs on or after the date you become employed by the City. You must provide proof of such determination to the Board of Trustees. The Board of Trustees has the right to request proof of your continued disability as frequently as it deems necessary as long as you are receiving disability benefits from the Plan.

#### **AMOUNT OF DISABILITY BENEFIT**

The monthly amount payable before you reach your Normal Retirement Date will be 66-2/3% of your monthly base pay at the time of your disability. This amount will then be reduced by your Social Security Disability Benefits and any Workers' Compensation Law, Unemployment Compensation Law of the State of Florida or any county in the State of Florida to which you are entitled.

Payment of your Disability Benefit will begin as of the first day of the sixth month following the date you became disabled, and will continue for as long as you are disabled according to the Social Security Act.

If you recover from the disability, your benefits will cease. When you reach your Normal Retirement Date, your benefit will be determined on the basis of your years of Service and your final average monthly earnings as of the date of your disability.

## WHAT HAPPENS IF YOU TERMINATE EMPLOYMENT PRIOR TO RETIREMENT?

While the primary goal of any retirement plan is to help provide you with a post-retirement source of income, there are some events which make you eligible to receive a portion of your benefit even if you do not continue in the service of the City up to your Normal Retirement Date. If you terminate your employment with the City (or cease in any way to be an active participant in this Plan), your eligibility for a benefit from this Plan will depend upon the number of years of uninterrupted Service you earn prior to your termination of employment.

If you complete at least 20 years of Service, you will be eligible for a deferred retirement benefit payable at any time after you reach age 52. The benefit will be based on your Service and your final average monthly earnings determined as of the date you terminated service with the City.

If you terminate your employment with at least seven but less than 20 years of uninterrupted Service, you will be entitled to receive a portion of the benefit payable to you based on the vesting schedule, shown on page 2.

The pension benefit shall be determined by calculating the monthly benefit as of the normal retirement date as described on page 3, multiplied by the fraction, the numerator is years of Service you have earned and the denominator is 20 years. This amount will be reduced to the vesting percentage, based on full years of Service earned, described on page 2. This is the amount that is payable at Normal Retirement. If you elect to retire at the Optional Retirement Date, the benefit will be reduced by 3.1% for each year that your benefit starting date precedes your Normal Retirement Date.

### Example

You were hired by the City on July 1, 1994 at age 32. It is now July 1, 2004 and your employment with the City is terminated. You have earned more than the required minimum of seven years in order to receive some portion of your benefit. Your highest compensation for the three years out of the last five years immediately preceding your termination of employment is as follows:

2003	33,500
2001	32,100
2000	29,900
	<u>\$95,500</u>

**\$95,500 divided by 36 months = \$3,183.33-Final Average Monthly Earnings**

**\$3,183.33 x .70 x 10 years/20 = \$1,114.17** (Monthly amount payable if you were entitled to 100% of your benefit)

**\$1,114.17 x 50%** (vested percentage for 10 years) = **\$557.08**. Thus, **\$557.08** is the monthly amount payable for your lifetime only, which you will begin receiving at your Normal Retirement Date.

If you elect to receive benefits two years before your Normal Retirement Date, the benefit is further reduced as follows:

$$\mathbf{\$557.08 \times 6.2\% (3.1\% \times 2) = \$34.54}$$

$\mathbf{\$557.08 - \$34.54 = \$522.54}$ . This is the monthly amount payable for your lifetime only that you will begin receiving at your Optional Retirement Date

## **IS THERE ANY MAXIMUM ON BENEFITS FROM THE PLAN?**

Yes. The Internal Revenue Code limits the amount you may be paid from a pension plan. If these limitations are exceeded, your pension plan may be required by the Internal Revenue Service to reduce the pension benefits you receive. For more information, please contact the Plan Administrator.

## **ARE ANY BENEFITS PAYABLE UPON YOUR DEATH?**

If you die before receiving benefits under the Plan, and you are vested in all or a portion of your accrued benefit, your beneficiary (or beneficiaries) will receive a lump sum benefit equal to the **lesser of**:

- (a) \$30,000, or
- (b)
  - (1) if you had accrued less than 15 years of Service, your annual rate of pay at the time of your death; or
  - (2) if you had accrued 15 or more years of Service, 150% of your annual rate of pay at the time of your death.

If you die after starting to receive benefits under the Plan, the death benefit payable to your beneficiary (or beneficiaries) will be determined according to the terms of the benefit payment option you elected at your retirement.

## **WHEN DO BENEFIT PAYMENTS BEGIN?**

All benefits are payable on the first day of each month.

### **NORMAL, LATE AND EARLY RETIREMENT**

If you retire on a Normal, Optional or Late Retirement, your first payment will be made on the first day of the month on or next following your retirement date, and the last payment will be the payment due next preceding your death, unless benefits are continued after your death under one of the optional forms of payment.

### **DISABILITY BENEFIT**

Your first payment will be made on the first day of the sixth month following the date you became disabled and will continue if you remain disabled, according to the Social Security Act. If you recover from your disability, benefit payments will cease as of the month the City receives information that you are no longer disabled. Benefits will cease upon your death, unless benefits are continued after your death.

### **TERMINATION OF EMPLOYMENT OR ACTIVE PARTICIPATION**

If you earn enough Service to have a vested right to a benefit from this Plan and you terminate your employment or cease to be an active participant, then your benefit will be payable when you reach what would have been your Normal Retirement Date under the Plan.

If, upon your termination of employment you earned at least 20 years of Service but had not reached age 52 (which would have made you eligible for an Early Retirement benefit), you may, at any time after reaching age 52, apply to the Board of Trustees to receive your benefit. Your request must be in writing and will be subject to the consent of the Board of Trustees.

## **WHAT ARE THE FORMS OF PAYMENT UNDER THE PLAN?**

### **NORMAL FORM OF PAYMENT**

If you retire on a Normal, Late or Early Retirement or if you terminate your employment with a vested right to your benefit, the "normal form" of payment under the Plan is generally a monthly benefit payable for your life only, except that if you die before receiving 60 monthly payments, your payments will be continued to a beneficiary, if living, until a total of 60 monthly payments have been made. The Plan offers alternatives to this form of payment, as follows:

### **JOINT AND SURVIVOR WITH FIVE YEARS CERTAIN**

You will receive a modified monthly benefit payable to you during the joint lifetime of you and of a joint pensioner designated by you to receive the benefit upon your death. In this case, upon your death, a monthly benefit equal to a percentage of the monthly amount which you were receiving will be paid to your joint pensioner for his/her lifetime. If both you and your joint pensioner die before the end of the five-year period beginning on the date benefit payments begin, a beneficiary designated by you before your retirement will receive monthly benefits (in the amount you were previously receiving) until the fifth anniversary of the date benefit payments began. Because it is expected that payments will be made over a longer period of time under this option, your monthly payments under this option will be less than the monthly Retirement Income determined under previous sections of this booklet. The amount of this reduction is dependent on your age and age of your joint pensioner when payments begin.

If you wish to elect the Joint and Survivor with Five Years Certain payment form, you must notify the Trustees of your election in writing before your retirement, on a form provided by the Plan Administrator. On this form, you must designate a joint pensioner, and the percentage of your monthly benefit payments you wish the joint pensioner to receive upon your death (but not more than 100%). You must also submit evidence satisfactory to the Board of the age of the joint pensioner. If you or your joint pensioner die before benefit payments begin, the election of this benefit will not be effective.

If joint pensioner(s) or designated beneficiaries survive you, the Board of Trustees, in its discretion, may make payment of the remainder of your benefit in a lump sum, and may direct payment to one or more of the following and in the proportion it deems necessary:

- . your spouse, or registered surviving domestic partner, as defined by and recorded with Broward County,
- . your descendants,
- . your parents,

- . your siblings, or
- . your estate.

### **OPTIONAL TEMPORARY ANNUITY**

If you begin receiving Retirement Income before age 62, you can elect to adjust the monthly annuity payable to you under this Plan so that the monthly payment from this Plan is increased before you reach age 62 (the date you become eligible to receive Social Security benefits) and decreased after your 62nd birthday. The purpose of this adjustment is to provide that payments from the Plan and Social Security, when combined, are relatively level throughout the entire period of your retirement. Monthly payments under this form are actuarially equivalent to the payments you would otherwise receive.

Election of this form must be made before you retire, and may be elected only with the consent of the Board.

### **LUMP SUM PAYMENT**

If the monthly benefit payable to you or your beneficiary(ies) under this Plan is less than \$5 as of the date of your retirement or termination of employment, the Board of Trustees may, in its discretion, direct payment to you in a lump sum. If the monthly payment under the form of payment you elect is less than \$20, the Board may pay your benefit at such intervals as will make each payment at least \$20.

### **BENEFICIARY DESIGNATION**

Any death benefit payable to a beneficiary upon your death will be paid to the beneficiary last designated by you before your death, provided such beneficiary survives you. If more than one person is so designated, they shall share equally, unless their respective interests have been specified. If there is no surviving designated beneficiary at the date of death, any death benefit payable will be paid in equal shares to all members of the first of the following classes of relatives who survive the deceased: spouse, or registered domestic partner, as defined by and recorded with Broward County; children; parents; brothers and sisters; or the estate of the deceased.

You may designate a beneficiary or change a previous designation by a written notice on a form prescribed for such purpose by the Board of Trustees. No such designation or change shall be effective until received, but once it has been so received, it shall take effect as of the date of the notice was signed, subject to any payment made or other action taken before such receipt.

### ***SECTION III. LOSS OR FORFEITURE OF BENEFITS***

#### **FORFEITURE OF NONVESTED BENEFITS**

If you terminate employment before the earlier of (a) the date you reach age 62, or (b) the date you accrue 20 years of Service, you will forfeit a portion of your Retirement Income (unless you retire under the alternate Normal Retirement Income provision with 30 years of Service; see page 3). Prior to October 1, 2011, if you terminated employment before you accrue seven years of Service, you will forfeit all of your Retirement Income at the time you terminate employment. The amount you contributed to the plan will be refunded.

Prior to October 1, 2011, notwithstanding this general rule, if you terminated employment after having accrued at least seven years of Service, returned to the employ of the City, and accrued at least seven years of Service after your reemployment, you will receive credit for your prior period of Service for purposes of determining your vesting percentage and calculating your Retirement Income. You will not be credited with any Service earned after you re-enter the Plan, if you do not accrue seven years of Service after your reemployment.

As of October 1, 2011, participants in the Plan that have separated service with the City, but then return to the employ of the City, will not accrue any additional service in the Plan and will not increase their retirement benefit from the Plan.

#### **LOSS OF BENEFITS UPON DEATH**

If your death occurs before you accrue seven years of Service, no Death Benefit will be payable to your Beneficiary, and your Retirement Income will be forfeited. (If you die after earning at least seven years of Service, but before your retirement date, your Beneficiary will receive the death benefit described on page 7). No other benefits will be paid from the Plan, even if this death benefit is less than the value of the Retirement Income you would have received had you retired on the date of your death.

#### **SUSPENSION OF DISABILITY BENEFITS**

Disability Benefits are not payable for any period before receipt of your application for benefits. Disability Benefits will stop if the Social Security Administration determines that you have ceased to be eligible for Social Security Disability Benefits.

#### **ACTUARIAL REDUCTION OF MONTHLY PAYMENTS**

If you are covered under the Joint and Survivor Five Year Certain payment form, your monthly benefit will be reduced. The reduction pays the cost of benefits that may continue after your death. If your spouse (or other designated beneficiary) dies when you are receiving benefits, your benefit will nonetheless remain the same.

If you are covered under the Optional Temporary Annuity, your monthly benefit will be reduced after age 62 to pay the cost of the increased benefit you receive under this form prior to age 62.

## **SECTION IV. APPLICATION FOR BENEFITS AND APPEAL PROCEDURE**

### **HOW DO YOU APPLY FOR A BENEFIT?**

You must notify the Board of Trustees of your intent to retire and of your anticipated retirement date by written notice to the Plan Administrator. The Board of Trustees may then require any information from you, such as proof of your age (and that of your joint pensioner if you elect an optional form of payment which designates a joint pensioner).

If you terminated your employment with the City **and you are not an active participant in the Plan when you retire (you are applying for a deferred pension)**, your benefits must begin by April 1st of the calendar year following the year you reach age 70-½. That date is referred to as your "**Required Beginning Date**". Your entire benefit must be paid to you over a period no longer than either (1) your life, (2) your life and the life of your beneficiary, (3) your life expectancy, or (4) your life expectancy and the life expectancy of your beneficiary. **Failure to begin your benefits under these rules may subject you to a substantial federal tax penalty.**

### **NON-DUPLICATION OF PENSION**

The Plan states that you are entitled to receive only one type of pension at a single time. Also, once your benefit payments begin, you cannot change the type of payment form you elect, except if you return to work after receiving Disability Retirement benefits from this Plan and later retire.

### **PAYMENTS TO MINORS**

The Board of Trustees may, in its discretion, direct that payments be made to a person or persons representing a minor or to anyone it deems incapable of giving valid release. Please contact the Plan Administrator if you may have a situation arise where payment would be made under this provision.

### **ROLLOVER OF YOUR PENSION**

Pursuant to the Unemployment Compensation Amendments Act of 1992, which became effective January 1, 1993, certain pension distributions from this Plan are eligible for "rollover" treatment. This means that you can "roll over" all or a part of these types of pension distributions to an individual retirement account ("IRA") or to another qualified retirement plan that accepts rollovers and you may do so by having your pension paid either to a **DIRECT ROLLOVER OR TO YOU**. **Your choice either to roll over the below referenced pension distributions or not roll over your pension will significantly affect the amount of taxes you owe.**

Generally, you can roll over the following types of pensions from this Plan which are considered "eligible rollover pensions":

Any lump sum payment made:

- (a) to you upon retirement;
- (b) to you upon termination of employment; or
- (c) upon the death of a participant if paid to a spouse.

Generally, you cannot roll over a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for your lifetime (or life expectancy), your lifetime and your beneficiary's lifetime (or life expectancies), or a period of 10 years or more. Generally, the following types of pensions from this Plan cannot be rolled over:

1. A pension payable for your life only with five years certain, or a Joint and Survivor Five Year Certain Annuity. These payment types cannot be rolled over because they are made to you for your life or the life expectancy of you and your beneficiary.
2. Mandatory Distributions: The portion of your pension that is paid to you because you attained age 70-1/2 (your Required Beginning Date) cannot be rolled over.

**IF YOU CHOOSE A DIRECT ROLLOVER THEN:**

1. Your pension payment will not be taxed in the year it is distributed and no federal income tax will be withheld.
2. Your pension payment will be transferred directly to your IRA or, if you choose, to another qualified retirement plan that accepts your rollover.
3. Your pension will be taxed at a later date when you take it out of the IRA or the qualified retirement plan.
4. You may directly roll over all or a portion of your pension; however, your direct rollover amount must be at least \$200 or more.

**IF YOU CHOOSE TO HAVE YOUR PENSION PAID DIRECTLY TO YOU THEN:**

1. You will receive only 80% of your pension payment, because the Plan Administrator is required to withhold 20% of the payment and send it to the IRS as income tax withholding to be credited against your federal income taxes.
2. Your pension payment will be taxed in the current year unless you roll it over. You may be able to use the special averaging tax rules that could reduce the tax you owe. However, if you receive the payment before age 59½, you may also have to pay an additional 10% early distribution tax.
3. You can roll over all or a portion of your pension by paying it to your IRA or to another qualified retirement plan that accepts your rollover within 60 days of receiving your pension from this Plan. The amount rolled over will not be taxed until you take it out of the IRA or qualified retirement plan.
4. If you want to roll over 100% of your pension to an IRA or a qualified retirement plan, you must find other money to replace the 20% that was withheld. If you roll over only

the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

If you have any questions concerning how to roll over your "eligible rollover pension", or if you are unsure whether your pension distribution is an "eligible rollover pension", please contact the Plan Administrator.

## **NOTIFICATION OF APPROVAL OR DENIAL OF BENEFITS**

All claims for benefits under the Plan should be directed to the Plan Administrator. If the Board of Trustees determines that you or your beneficiary(ies) are not entitled to receive all or a portion of the benefits to which you feel you are entitled, the Board of Trustees will, within 90 days after the Board receives your request, inform you or your beneficiary(ies) by certified mail of its determination and the reasons for the denial, with specific Plan provisions; it will also provide a description of the review procedures through which you may appeal the decision. Certain special circumstances may require an extension of the 90-day reply procedure by the Board of Trustees.

## **WHAT IS THE APPEAL PROCEDURE?**

You may, upon the decision of the Board of Trustees, petition for a review of the denial. The petition must be in writing and must state clearly the reasons why your benefit should not be denied. It must be received by the Board of Trustees within 60 days after the date shown on the notice denying your benefit. You may include with your petition any evidence you feel supports your request.

The Board of Trustees will, upon presentation of the evidence, render a final decision with the specific reasons for the denial. You will be notified of the Board of Trustees' decision by certified mail. The Board of Trustees' decision will be final and binding upon all concerned. Further action on an appeal must be made by filing in the Circuit Court.

## **WHAT IF YOU RETURN TO WORK AFTER RETIREMENT?**

If you are re-employed with the City after you start to receive pension benefits, and you are performing substantially full-time work, your pension benefits will cease during this period of employment. Your monthly benefits will begin again after your employment again terminates.

## **WHAT IF THE PLAN IS TERMINATED?**

While it intends to maintain the plan of benefits permanently, the City reserves the right at any time to terminate it. If this should happen, the benefit rights you have accumulated up to the date of termination, to the extent assets are available to pay them, will become immediately vested.

## ***SECTION V. OTHER INFORMATION ABOUT THE PLAN***

### **WHAT TYPE OF PENSION PLAN IS IT?**

This is a defined benefit pension plan. Simply put, that means a plan in which the benefits payable are stated or defined in terms of a formula based on your years of service with the Employer.

### **WHO ADMINISTERS THE PLAN?**

The Board of Trustees administers the Plan, but has authorized a Third Party Administrator to act as Plan Administrator to handle routine requests from participants regarding eligibility rules, benefits, claim procedures and other administrative functions.

**WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?** If you have questions about your eligibility for benefits, the amount (or estimated amount) of your accrued benefits or the application process, you should contact the Plan Administrator at:

The Florida Municipal Pension Trust Fund  
P. O. Box 1757  
Tallahassee, Florida 32302-1757

Telephone: (800) 342-8112  
Facsimile (850) 222-3806

If you have questions about your salary history (which is used to calculate your accrued benefit), you should contact the Human Resource Department during normal business hours.

### **WHAT SHOULD I DO IF I AM CONSIDERING RETIREMENT?**

It is important that you plan ahead for your retirement. So, when you start thinking about it, you should contact the Plan Administrator to get a pension application.

### **CAN I LOSE MY BENEFITS?**

You may lose the Service that you have earned and have your participation in the Plan cancelled, if you terminate employment before you have earned a vested percentage in your benefit; this is described in Section I, page 2. See also forfeiture of benefits on page 17.

### **WHAT HAPPENS IF ALL OR PART OF MY CLAIM IS DENIED?**

The Plan Administrator will give a notice in writing telling you exactly why your claim has been denied. You may appeal the decision. If you choose to appeal, you will be given a reasonable opportunity for a full and fair review of the decision to deny your claim. The appeal procedure is explained in more detail in Section IV, page 11.

### **IF MY CLAIM FOR ANY BENEFIT CANNOT BE AGREED UPON AND I WANT TO TAKE LEGAL ACTION, WHO IS THE AGENT FOR SERVICE OF LEGAL PAPERS?**

Service of all legal process may be made on the Board of Trustees as follows:

Board of Trustees of the Oakland Park General Employees' Pension Plan  
c/o Julie F. Klahr  
Goren, Cherof, Doody & Ezrol, P.A.  
3099 East Commercial Boulevard, Suite 200  
Fort Lauderdale, FL 33308

### **HOW IS THE PLAN FUNDED?**

The City is required to make annual contributions to the plan which are at least equal to the minimum as required under Florida Statutes, Chapter 112.

Employee contributions are refunded under the following circumstances:

#### **1. Vested member**

a. A member who terminates employment prior to the normal or optional retirement date may leave his/her contributions in the plan and receive a deferred benefit commencing at the normal retirement date. A member may otherwise elect to receive a refund of the employee contributions, without interest. Any member who accepts such refund shall be barred from ever receiving benefits under the plan.

b. In the event a vested member who has not selected a joint and survivor annuity separates from City employment and dies prior to the start of benefits at the normal retirement date, the member's designated beneficiary will receive the member's contributions to the plan, without interest.

#### **2. Non-vested member**

a. A member who separates from city employment other than by disability before becoming vested will receive a refund of the employee contributions, without interest.

The Plan retains investment managers who supervise and direct the investment of the assets. The Plan has a custodial agreement, which provides for the handling of all of the security transactions. The Plan retains an investment monitor to evaluate and report on a quarterly basis the compliance by the investment managers with the investment policy of the Board and the investment performance of the Fund.

### **DURING WHAT TIME PERIOD ARE THE PLAN RECORDS MAINTAINED?**

The Plan records are based on a Plan Year that begins October 1 and ends September 30.

### **WHO IS THE NAMED FIDUCIARY OF THE PLAN?**

The Board of Trustees is named as the fiduciary of the Plan. The names and address for the Board of Trustees is as follows:

William Underwood, Chairman  
3650 NE 12<sup>th</sup> Ave.  
Oakland Park, FL 33334

Lynn McCaffrey  
3650 NE 12<sup>th</sup> Ave.  
Oakland Park, FL 33334

John Stunson, or designee

**Can I assign my benefits?**

No, benefits payable from this Plan may not be assigned to any person or any entity. However, the Plan will recognize (1) the terms of an income deduction order approved by a court with jurisdiction over the participant or (2) a Qualified Domestic Relations Order, provided the order shall first be submitted to legal counsel for the Plan. Upon the review of legal counsel, a legal opinion shall be provided to the Board of Trustees pertaining to the status of the order. If the order is approved by the Board, payment shall be made from the Plan in accordance with the terms of the order.

**NONDISCRIMINATION POLICY**

This Plan shall not in any way discriminate in its benefit formula based on color, national origin, sex, or marital status. Nothing herein shall preclude the Plan from actuarially adjusting benefits or offering options based on age, early retirement or disability.

**FORFEITURE OF BENEFITS**

Any employee who is convicted of a specified offense committed prior to retirement, or whose employment is terminated by reason of his or her admitted commission, aid, or abetment of a specified offense (as set forth in Section 112.3173, Fla. Stat.), shall forfeit all rights and benefits under this Plan of which he or she is a member or participant, except for the return of his or her accumulated contributions (if any) as of the date of termination.

**SECTION VI. ACTUARIAL STATUS OF THE PLAN**

As of October 1, 2011 the Pension Plan was meeting all requirements for funding by the State of Florida. The required contribution for the fiscal year beginning October 1, 2011 is 58.34% of payroll to the Pension Plan. The required contribution for the fiscal year beginning October 1, 2012 is \$2,799,345 to the Pension Plan. Current market value of assets total \$24,884,570 as of October 1, 2011.

(In accordance with Chapter 112, Section 66 of the Florida Statutes)

<b>PENSION FUND INCOME AND EXPENSE</b>		
	<b>Year Ending September 30, 2010</b>	<b>Year Ending September 30, 2011</b>
<b>Income</b>	\$2,556,393	\$238,540
City Contributions	\$2,062,063	\$2,794,933
Employee Contributions		\$4,744,632
Net Investment Earnings (based on market value)		\$220,681
Total Income		\$145,800
		\$5,111,113
<b>Disbursements</b>		
Annual Benefit Payments	\$2,258,890	\$2,562,380
Administrative Expenses	\$89,038	\$89,698
Total Disbursements	\$2,347,928	\$2,652,078
<b>Participants</b>	12948145	
Number of retired participants and beneficiaries		139
Number of vested former participants		53124
Number of active participants		
<b>Assets and Liabilities</b>		
Actuarial Value of Assets	\$20,985,897	\$22,600,016
		\$44,597,783

Actuarial Accrued Liability	\$47,067,031	
Funded Ratio as calculated under GASB	44.59%	

The foregoing explanation of the Plan, described in Chapter 9 of the City Ordinances, is no more than a brief and very general statement of the most important provisions of the Ordinances. No general statement such as this can adequately reflect all of the details contained in the Ordinances. Nothing in this statement is meant to interpret, extend or change in any way the provisions of the City Ordinances. In the event of a conflict between this booklet and the City Ordinances, the Ordinances will control.

Therefore, your rights can only be determined by consulting the actual text of the Ordinances. You may inspect a copy of the City Ordinances in the Human Resources Office during normal business days of the City at the City of Oakland Park Library, or you may obtain a copy of the City Ordinances upon request. The Board of Trustees, through its designee, may make a reasonable charge for copies of documents that you request.