ORDINANCE NO. C-15-40

AN ORDINANCE OF THE CITY OF FORT LAUDERDALE, FLORIDA, RESPECTING THE CITY'S GENERAL EMPLOYEES' RETIREMENT SYSTEM BY AMENDING AND RESTATING THE CITY OF FORT LAUDERDALE GENERAL EMPLOYEES' RETIREMENT PLAN BY AMENDING CITY OF FORT LAUDERDALE CODE SECTION 20-106 RESPECTING THE ESTABLISHMENT OF THE PLAN, ITS PURPOSE AND EFFECTIVE DATES; BY AMENDING CODE SECTION 20-107, DEFINITIONS; CREATING A NEW CODE SECTION 20-115, MAXIMUM PENSION, PROVIDING FOR BASIC LIMITATION; ADJUSTMENTS OF BASIC LIMITATION FOR FORM OF BENEFITS; BENEFITS NOT TAKEN INTO ACCOUNT; COLA EFFECT; OTHER ADJUSTMENTS IN LIMITATIONS, PROVISIONS RESPECTING LESS THAN TEN (10) YEARS OF SERVICE; PARTICIPATION IN OTHER DEFINED BENEFIT PLANS; PROVISIONS RESPECTING A TEN THOUSAND DOLLAR ($10,000.00) LIMITATION; REDUCTION OF BENEFITS; SERVICE CREDIT PURCHASE LIMITS AND ADDITIONAL LIMITATION OF PENSION BENEFITS; AMENDING CODE SECTION 20-116, ADDITIONAL SPECIFIC PROVISIONS REGARDING ROLLOVER DISTRIBUTIONS, ELIGIBLE ROLLOVER DISTRIBUTION, ELIGIBLE RETIREMENT PLAN, DISTRIBUTEE, DIRECT ROLLOVER, DISTRIBUTION OF BENEFITS; PROHIBITED TRANSACTION; AND QUALIFICATION OF PLAN; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCE PROVISIONS, FOR SEVERABILITY AND EFFECTIVE DATE.

WHEREAS, the City of Fort Lauderdale's General Employees' Retirement System ("Plan") has recently applied for an IRS Letter of Determination with respect to qualification of the government plan under Internal Revenue Codes and regulations; and

CODING: Words, symbols, and letters ~~stricken~~ are deletions; words, symbols, and letters underlined are additions.

WHEREAS, it is recommended that the City Commission adopt an Ordinance amending and restating the Plan as set forth herein in order to continue to meet compliance with Internal Revenue regulations concerning the qualifications of a government plan; and

WHEREAS, the City Commission determines that adoption of the Ordinance serves a valid municipal purpose and is in the best interests of the City;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF FORT LAUDERDALE, FLORIDA:

SECTION 1. That Chapter 20, Personnel, Article IV, Pensions, Division 2, General Employees Retirement System of the Code of Ordinances of the City of Fort Lauderdale, Florida, is hereby amended to read as follows:

Sec. 20-106. Plan established; purpose; effective date.

~~There is hereby established a "City of Fort Lauderdale General Employees' Retirement Plan," comprising a comprehensive amended Retirement Plan for City employees other than police and Firefighters certified in the manner required in the City of Fort Lauderdale Police and Firefighters Retirement System. The purpose of this Plan is to establish amended terms and conditions under which Retirement benefits will be provided to eligible employees of the City. The benefits under the Plan shall be in addition to amounts received as federal social security benefits, except where social security benefits are specifically applied as offsets in the case of disability benefits hereunder; the benefits under this Plan shall also be in addition to benefits received by any Member from any other private or public Retirement System. The effective date of the provisions of this division shall be January 3, 1973.~~

The "City of Fort Lauderdale General Employees' Retirement Plan" (the "Plan"), comprising a retirement plan for City Employees other than police officers and firefighters, originally effective January 3, 1973, is hereby amended and restated. The Plan consists of a defined benefit plan and a deferred retirement option plan, both of which are intended to qualify under Code Section 401(a). The Plan is a governmental plan under Code Section 414(d). The Plan is maintained for the exclusive benefit of eligible City Employees and their beneficiaries. The benefits under the Plan shall be in addition to amounts received as federal social security benefits, except where social security benefits are specifically applied as offsets in the case of disability benefits hereunder; the benefits under this Plan shall also be in addition to benefits

received by any Member from any other private or public Retirement System. Except as otherwise specifically provided, the amended and restated Plan shall be effective October 1, 2013. Notwithstanding the forgoing, the following effective dates shall apply:

(a) Section 20-116 k is amended effective January 1, 2009 to provide for direct rollovers by non-spouse beneficiaries.

(b) The definition of 415 compensation in Sec. 20-115 j is modified to include differential pay effective for "limitation years" beginning after December 31, 2008.

(c) Section 20-107 is amended effective for Employees who die after December 31, 2006 while engaged in qualified military service to provide that they shall be treated as having returned to employment immediately prior to death for certain Plan purposes.

Sec. 20-107. Definitions.

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

Accrued Pension or *Accrued Benefit* means the amount determined by applying the formula in section 20-110(a)(1) to a Member's Average Monthly Earnings and Service at date of termination of employment.

Accumulated Contribution means the total of a Member's own contributions under the prior Plan and this Plan, plus interest as provided in section 20-112(a).

Actuarially Equivalent means a benefit of equivalent value to the benefit which would otherwise have been provided, determined using GAM '83 (with a blended rate of 65% male, 35% female) and interest of eight (8) percent per annum before and after Retirement, and on the basis of other appropriate actuarial assumptions and methods used by the actuary.

Affiliated agency means the City of Fort Lauderdale General Employees' Retirement System, the City of Fort Lauderdale Police and Firefighters' Retirement System, and the City of Fort Lauderdale Community Redevelopment Agency, a body politic organized and existing under the Community Redevelopment Act, Part III, Chapter 163, Florida Statutes.

Average Monthly Earnings, for Group I Members means the result obtained by adding such Member's highest two (2) years' Earnings within his last five (5) years of Service, and dividing

the sum by twenty-four (24). For Group II Members, Average Monthly Earnings means one-twelfth (1/12) of the arithmetic average of annual Earnings for the highest three (3) years preceding actual Retirement or termination.

Beneficiary means a person or persons entitled to receive any benefits under the Plan upon the death of a Member, as designated in writing by the Member and filed with the Board.

Board of Trustees or *Board* means the administrative Board which shall supervise, administer and manage the Plan.

Child or *children* means the natural born or legally adopted child or children of a Member.

City means the employer, the City of Fort Lauderdale, Florida.

City Commission means the City Commission of the City of Fort Lauderdale, Florida.

City Sponsored Defined Contribution Plan means that Defined Contribution Money Purchase Plan created by City Ordinance No. C-95-41 under Internal Revenue Code Section 401(a).

Code means the Internal Revenue Code of 1986, as amended from time to time. Reference to a Code section shall include (a) such section and any comparable section or sections of any future legislation that amends, supplements, or supersedes such section and (b) all rulings, regulations, notices, announcements, and any other pronouncement issued by the U.S. Treasury Department, the Internal Revenue Service, and any court of competent jurisdiction that relate to such section(s).

DROP means a Deferred Retirement Option Program under section 20-110(a.1).

DROP Account means the Account established for each DROP Participant. The DROP Account shall be part of the Fund. Monies in the DROP Account may be commingled with other assets of the Fund and may be invested by the Board in the same manner as other Fund assets.

DROP Participant means a Member who meets the DROP eligibility requirements set forth in section 20-110(a.1)(1), meets the conditions set forth in section 20-110(a.1)(2) and actually commences participation in the DROP. Except for the death of a Member while a DROP Participant, a Member who is a DROP Participant is a retired Member in DROP Retirement and

the DROP Retirement shall convert to a normal Retirement at the conclusion of the DROP Period.

DROP Period means the period of time commencing when an eligible Member commences his DROP Retirement after attaining his DROP Retirement Date and concluding upon the earliest of (i) a DROP Participant's death during DROP Retirement, (ii) conversion of DROP Retirement into a normal Retirement, which such conversion shall occur no later than thirty-six (36) months after the eligible Member's DROP Retirement Date, or (iii) termination of employment prior to either (i) or (ii) above; provided, however, that the commencement of a DROP Period for certain Members may be deferred beyond the attainment of their Normal Retirement Date under section 20-110(a.1)(4)a. under the terms provided therein.

DROP Retirement means the status of a Member who meets the DROP eligibility requirements set forth in section 20-110(a.1)(1), elects normal Retirement and elects to have receipt of normal monthly Retirement benefits under section 20-110(a.1)(2) deferred and transferred into a DROP Account, but who does not terminate his employment with the City until the end of the DROP Period.

DROP Retirement Date means the date on which a Member first attains his Normal Retirement Date.

Early Retirement Date for a Group I Member means the date upon which a Group I Member attains fifty (50) years of age, after such Member has completed fifteen (15) or more years of Service. Early Retirement Date for a Group II Member means the date upon which a Group II Member attains fifty-five (55) years of age, after such Member has completed fifteen (15) or more years of Service.

Earnings means basic wages, assignment pay and regular longevity pay paid to an Employee including contributions "picked-up" by the City pursuant to section 20-112(a), but excluding overtime, any bonus and any other nonregular payments; provided, that if a Member is paid on the basis of an hourly wage rate, his Earnings shall be based on not more than forty (40) hours per week unless otherwise determined for a particular department by the City Manager. An Employee's Earnings, compensation or salary contributed as employee-elective salary reductions or deferrals to any salary reduction, deferred compensation, or tax-sheltered annuity program authorized under the Internal Revenue Code shall also be deemed to be the Earnings the employee would receive if he or she were not participating in such program and shall be treated as Earnings for retirement purposes. For any person who first becomes a member in any Plan year beginning on or after January 1, 1996, Earnings for any Plan year

shall not include any amounts in excess of the Internal Revenue Code Section 401(a)(17) limitation, which limitation shall be adjusted as required by federal law for qualified government plans and shall be further adjusted for changes in the cost of living in the manner provided by Internal Revenue Code Section 401(a)(17)(B).

Effective Date means January 3, 1973.

Employee of an Affiliated Agency means a permanent full-time employee of an Affiliated Agency who was hired on or after February 20, 2008 and became a Member of this Plan on or before February 19, 2008.

Employee means, except as provided below, any person employed by the City or any qualified Employee of an Affiliated Agency, other than a Police Officer or Firefighter in the manner required by the City of Fort Lauderdale Police and Firefighters Retirement System, who:

(1) Has been appointed to a permanent position in a classified Service (as defined by the personnel rules of the City);

(2) Is in the nonclassified Service (as defined by the City Charter) and has elected to become a Member of the Plan); or

(3) Was transferred to another government agency and at the time of such transfer was a Member of this Plan or the prior Plan, provided that the City Commission and/or City Manager approves the initial and continued qualification of such an Employee under this Plan.

The term Employee does not include any person

(i) who is hired by the City on or after October 1, 2007 for a position that is within the Collective Bargaining Unit for those employees defined in Certification Number 1519 granted by the State of Florida Public Employees Relations Commission on November 16, 2004, which, as of the effective date of this amendment are represented by Teamsters Local Union No. 769, affiliated with the International Brotherhood of Teamsters, AFL-CIO;

(ii) who is hired by the City on or after November 7, 2007 for a position that is within the Supervisory Bargaining Unit as defined in Certification Number 1521 granted by the State of Florida Public Relations Commission on November 30, 2004 and the Professional Bargaining Unit as defined in Certification Number 1523 granted by the State of Florida Public Employees Relations Commission on

November 30, 2004, which, as of the effective date of this amendment are represented by the Federation of Public Employees, a Division of the National Federation of Public and Private Employees, AFL-CIO, affiliated with District 1-MEBA (AFL-CIO);

(iii) who is hired by the City on or after February 20, 2008 for a position that is in either the classified Service or the nonclassified Service and which position is neither within the Bargaining Units identified in (i) nor (ii) above; and

(iv) who is hired by an Affiliated Agency on or after February 20, 2008.

For a person employed by an Affiliated Agency to be qualified hereunder as an Employee, such individual must be employed full-time by such Affiliated Agency. Such a qualified person shall be deemed to be an Employee hereunder. Membership in this Plan shall be optional for Employees of Affiliated Agencies for persons employed by an Affiliated Agency prior to February 19, 2008 who established Membership in the Plan prior to February 19, 2008.

Fund means the Fund established and maintained in accordance with the Plan, as from time to time amended.

Governmental Agency means and includes all City and county agencies and subdivisions therein.

Group I Member means (a) a Member hired prior to October 1, 1983; (b) a Member hired on or after October 24, 1991; (c) a Member hired on or after October 1, 1983 but prior to October 24, 1991; (d) a Member hired prior to October 1, 1983 but who elected under section 20-108(a)(3) to be treated as a Member hired on or after October 1, 1983; or (e) as to Members within (c) and (d) above, a Member who did not elect the optional benefit treatment for eligible Members in accordance with section 20-107.1. Group I Member shall also mean an Employee in the nonclassified Service of the City or a qualified Employee of an Affiliated Agency who fulfills the prescribed participation requirements set forth in section 20-108 and elects Membership in this Plan on a date on or after October 24, 1991. Only persons meeting the definition of Employee and the eligibility requirements therefor may be a Group I Member.

Group II Member means (a) a Member hired on or after October 1, 1983, but prior to October 24, 1991 and (b) a Member hired prior to October 1, 1983 but who elected under section 20-108(a)(3) to be treated as a Member hired on or after October 1, 1983, which such Member of (a) or (b) above elected to continue to be treated as a Group II Member under the optional benefit treatment for eligible Members in accordance with section 20-107.1. Only

persons meeting the definition of Employee and the eligibility requirements therefor may be a Group II Member.

Investment Advisor means the person or entity which at any time serves as investment agent, or advisor, or both, for the Fund.

Medical Board means two (2) or more medical doctors, one (1) or more of whom may be a Member's doctor, whose reports or opinions shall be considered by the Board when determining or reviewing the status of Service incurred or nonservice incurred disabilities.

Member means an Employee who fulfills the prescribed participation requirements set forth in section 20-108 or a former employee who is receiving a disability pension. Only persons meeting the definition of Employee and the eligibility requirements therefor may become Members.

Normal Retirement date for Group I Members means

(a) The first day of the month next following a Group I Member's attainment of fifty-five (55) years of age, and, for Employees hired on or after January 21, 2004, attainment of a minimum of five (5) years of Continuous Service, or

(b) Thirty (30) years of Continuous Service, whichever (a) or (b) shall first occur.

For a Group II Member, Normal Retirement Date means the first day of the month next following a Group II Member's attainment of sixty-five (65) years of age. Normal Retirement Date shall be adjusted for certain Members under subsection 20-110(c)(3)c.

Pension means a series of monthly amounts which are payable to a person who is entitled to receive benefits under the Plan.

Plan means the City of Fort Lauderdale General Employees' Retirement System as contained herein and all amendments thereto.

Plan Year means the twelve-month period commencing on October 1 and ending on September 30.

Previously Ineligible Employee means an Employee who was not eligible to participate in the Plan because such Employee had either:

(a) Attained age fifty-five (55) on or before his date of employment where the date of his employment was either (i) prior to October 1, 1983 or (ii) on or after October 1, 1991, but before the effective date of this amendment, July 15, 2003 or

(b) Attained age sixty (60) on or before his date of employment when the date of his employment was on or after October 1, 1983 but prior to October 1, 1991.

Primary Social Security Benefit means the monthly amount payable to a Member as a disability insurance benefit under the Social Security Act in effect at the time of his disability, without regard to any increases in the wage or benefit levels that take effect after the date of his termination of active employment due to disability.

Prior Plan means the City of Fort Lauderdale Employees' Pension Plan as it existed immediately preceding January 3, 1973.

Retirement means (i) termination of employment for a reason other than death after a Member has fulfilled all requirements for a normal, early, Service or disability Retirement pension, or, (ii) DROP Retirement.

Service, continuous Service, Credited Service or *service credit* means the period of an Employee's uninterrupted employment from the date he last entered employment as an Employee as defined herein up to (i) the beginning of his DROP Period, (ii) the date his employment is terminated, or (iii) the date he ceased to be an Employee as defined herein, whichever (i), (ii) or (iii) shall first occur.

For a Previously Ineligible Employee in the employ of the City as of July 15, 2003, the term Service, Continuous Service, Credited Service or Service Credit means the period of a Previously Ineligible Employee's uninterrupted employment with the City from the date he commenced Membership in the Plan, together with any prior Service Credit he purchases, up to (i) the beginning of his DROP Period, (ii) the date his employment is terminated or (iii) the date he ceases to be an Employee as defined herein, whichever (i), (ii), (iii) or (iv) shall first occur.

For a qualified Employee of an Affiliated Agency or an Employee in the nonclassified Service of the City who elects Membership in this Plan the term Service, Continuous Service, Credited Service or Service Credit means the period of such Employee's uninterrupted employment with the Affiliated Agency or City from the date he commenced Membership in the Plan, together with any prior Service Credit he purchases, up to (i) the beginning of his DROP Period, (ii) the date his employment is terminated, (iii) the date he ceased to be an Employee as

defined herein, or (iv) the date on which he voluntarily terminates his Membership in the Plan, whichever (i), (ii), (iii), or (iv) shall first occur.

Anything herein to the contrary notwithstanding, provided one maintains continuity of Membership in this Plan, when changing employment from the City and simultaneously securing employment as a qualified Employee of an Affiliated Agency or vice versa, there is no break in Continuous Service.

Furthermore, only the benefits due from this Plan, including those which have accrued and been credited to this Plan from the City of Fort Lauderdale Police and Firefighters' Retirement System shall be paid by the Fund.

Periods of employment as a City Police Officer or Firefighter shall be counted if accrued and credited as provided above for determining an employee's eligibility for benefits. For this purpose, benefits under this Plan shall take into Account such employee's Service in a capacity as a Police Officer or Firefighter, by giving credit for years of "continuous Service" (as that term is defined in section 20-127 of the City of Fort Lauderdale Police and Firefighters' Retirement System).

Service, continuous Service, Credited Service or Service credit means the period of an Employee's uninterrupted employment from the date he last entered employment as an Employee as defined herein up to (i) the beginning of his DROP Period, (ii) the date his employment is terminated, or (iii) the date he ceased to be an Employee as defined herein, whichever (i), (ii) or (iii) shall first occur.

An Employee shall receive Credited Service for all purposes, including vesting, for the years or fractional parts of years that he or she performs "Qualified Military Service" including voluntary or involuntary service in the armed forces of the United States as defined in the Uniformed Services Employment and Reemployment Rights Act (USERRA) (P.L. 103-353), after separation from employment with the City, to perform training or service, provided that:

(a) The Employee must return to his employment with the City within one (1) year following the date of military discharge or his release from active service.

(b) The Employee is entitled to reemployment under the provisions of USERRA,

(c) The Employee pays to the Plan the amount he would have contributed to the Plan as pick-up contributions if his employment would have continued during the period he was absent due to Qualified Military Service. Such payment must be made by the earlier of a period equal to three (3) times the period of absence or five (5) years.

(d) The maximum credit for military service pursuant to this paragraph shall be five (5) years.

(e) This section is intended to satisfy the minimum requirements of USERRA, as may be amended from time to time. To the extent that this section does not meet the minimum requirements of USERRA, the provisions of USERRA shall govern.

If an Employee dies on or after January 1, 2007 while performing Qualified Military Service as defined by USERRA, the Employee's beneficiaries shall be entitled to any benefits the Employee would have been entitled to had he or she resumed employment and then died while employed.

Beginning January 1, 2009, to the extent required by section 414(u)(12) of the federal internal revenue code, an individual receiving differential wage payments, as defined under section 3401(h)(2) of the federal internal revenue code, from an employer shall be treated as employed by the City, and the differential wage payment shall be treated as compensation for purposes of applying the limits on annual additions under section 415(c) of the federal internal revenue code. This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.

Service Retirement Date shall mean the date upon which any Group II Member has completed thirty (30) years of Service in accordance with section 20-110(d).

Spouse means the person who is recognized as the legal wife or husband of the Member under the laws of the State of Florida.

Trustee means the entity chosen to serve as trustee and custodian of the Fund.

Sec. 20-107.1. Optional benefit treatment for eligible Members.

(a) Effective September 13, 1992, Members hired on or after October 24, 1991 shall receive the same benefits and make contributions at the same rate as Group I Members.

(b) Effective September 13, 1992, eligible Members, as set forth below, who were hired on or after October 1, 1983, but prior to October 24, 1991 or were hired prior to October 1, 1983 but elected under section 20-108(a)(3) to be treated as Members hired on or after October 1, 1983, shall receive the same benefits and make contributions at the same rate as Group I Members, except that such eligible Members shall have the option of continuing to receive the same benefits and make contributions at the same rate as Group II Members.

(c) For those Members in subsection (a) and for those eligible Members in subsection (b) not electing to be treated Group II Members, additional contributions, as set forth below, shall be made beyond those otherwise required under section 20-112(a).

(1) The amount of the additional contributions required under this section shall be equal to one-half (½) of the total contributions made by the Member prior to September 13, 1992.

(2) The additional contributions required under this section shall be paid by the Member in equal bi-weekly installments over a period of time equal to the Member's period of Service under the Plan. Payment of the additional contributions shall be by equal monthly installments over the same period of time for those Members governed by this subsection (c) who are also on disability approved by the Board. Nothing herein shall prevent a Member from paying the additional contributions over a time period shorter than that proscribed above.

(3) To the extent that the additional contributions under this subsection (c) are not paid in full upon application by the Member for benefits under section 20-110 or 20-111, excluding an application for disability benefits under section 20-110(c), the remaining additional contributions payable hereunder shall be first deducted from any benefits otherwise payable. Members hereunder who owe additional contributions at the time an approved disability benefit becomes payable shall continue to make such additional contributions in the manner provided in subsection (c)(2) above.

(d) In order for a Member in subsection (b) to be eligible to elect to be treated either as a Group I Member or a Group II Member, such Member must be an Employee as of October 23, 1991.

(e) Eligible Members in subsection (b) may elect to continue to receive the same benefits and make the same contributions as Group II Members by delivery of written notice of such election to the Office of the General Employee's Retirement System on or before the close of business August 31, 1992. Such written notice shall be on forms promulgated by the Board and distributed to the eligible Members as defined above. The Member may change the election at any time on or before August 31, 1992, but such election shall become irrevocable after such date. In the event an eligible Member fails to timely deliver written

notice of the election to continue to be treated as a Group II Member, such Member shall thereafter be treated as a Group I Member.

(f) Effective May 1, 1998 any remaining Group II Members described in subsection (b) above who elected to remain a Group II Member under subsection (b) above shall have the option to receive the same benefits and make the same contributions at the same rate as Group I Members, by making the election in subsection (h) below.

(g) For those Members in subsection (f) electing to be treated as Group I Members, additional contributions, as set forth below, shall be made beyond those otherwise required under section 20-112(a).

(1) The amount of the additional contributions required under this section shall be equal to one-half (½) of the total contributions made by the Member prior to May 1, 1998.

(2) The additional contributions required under this subsection shall be paid by the Member in equal bi-weekly installments over a period of time equal to the Member's period of Service under the Plan. Payment of the additional contributions shall be by equal monthly installments over the same period of time for those Members governed by this subsection (g) who are also on disability approved by the Board for the period of disability prior to October 1, 1996. Nothing herein shall prevent a Member from paying the additional contributions over a time period shorter than that proscribed above.

(3) To the extent that the additional contributions under this subsection (g) are not paid in full upon application by the Member for benefits under section 20-110 or 20-111, excluding an application for disability benefits under section 20-110(c), the remaining additional contributions payable hereunder shall be first deducted from any benefits otherwise payable. Members hereunder who owe additional contributions at the time an approved disability benefit becomes payable shall continue to make such additional contributions in the manner provided in subsection (g)(2) above.

(h) Eligible Members in subsection (f) may elect to receive the same benefits and make the same contributions as Group I Members by delivery of written notice of such election to the Office of the General Employees' Retirement System on or before the close of business April 3, 1998. Such written notice shall be on forms promulgated by the Board and

distributed to the eligible Members as defined above. The Member may change the election at any time on or before April 3, 1998, but such election shall become irrevocable after such date. In the event an eligible Member fails to timely deliver written notice of the election to be treated as a Group I Member, such Member shall thereafter continue to be treated as a Group II Member.

Sec. 20-108. Eligibility.

(a) *Conditions of eligibility:*

(1) Employees who were Participants in the prior Plan at the time of the adoption of this Plan shall become Members of this Plan.

(2) Except as might be otherwise expressly provided herein, any future City Employee shall become a Member, provided that:

a. Such Employee is actively employed at the time of enrollment.

b. Such Employee is not receiving a pension under any other pension Plan or Retirement System of the City of Fort Lauderdale.

(3) Except as might be otherwise expressly provided herein, Membership in the Plan is mandatory for all eligible City Employees and is a condition of their continued employment, except that Membership (i) of those in the nonclassified Service, (ii) qualified Employees of Affiliated Agency, and (iii) Previously Ineligible Employees in the City's employ as of July 15, 2003 shall be optional.

However, each Employee hired before October 1, 1983 who had attained age fifty-five (55) prior to such date and who had attained age sixty (60) as of such date, and was therefore not eligible to become a Member of this Plan shall have the option of becoming a Member, under the terms of the Plan applicable to Employees hired on or after October 1, 1983, effective retroactively as of the date he first became an Employee, provided that:

a. Such Employee shall submit to the Board a written statement indicating that he wishes to become a Member.

b. Such Employee pays into the Fund the full amount of Member contributions, with interest thereon determined by applying the actuarially assumed rate of interest for the Plan's investment return, which contributions would have been made to the Plan (and which interest

would have accrued) had such employee otherwise satisfied the requirements of this section as of the date he first became a Member. Such amount must be paid in full not later than the date the Employee actually retires under a normal or disability Retirement. If full payment has not been made prior to Retirement (whether normal or disability), the Employee's contributions will be refunded pursuant to section 20-110(g) and the Employee shall not receive any benefits from the Plan.

(4) The methods and procedures to be followed with regard to the above shall be determined by the Board.

(5) Any person hired on or after October 1, 2007 who fails to meet the definition of Employee at the time he or she is hired shall not be eligible to become a Member of and participate in the Plan.

(b) *Application.* Each Member shall complete an application form within the time limit established by the Board, covering the following points, as well as such other points or items as may be prescribed by the Board:

(1) Such employee's acceptance of the terms and conditions of the Plan; and, if requested,

(2) Such employee's designation of a beneficiary or beneficiaries.

(c) *Change in designation of beneficiary.* A Member may from time to time change his beneficiary or beneficiaries by written notice on proper forms executed in the pension office. Upon such change, the rights of all previously designated beneficiaries to receive any benefits of the Plan shall cease.

Sec. 20-108.1. Optional Participation; City Sponsored Defined Contribution Plan.

(a) Eligible Employees may elect to participate in a City Sponsored Defined Contribution Plan in lieu of participation in this defined benefit Plan. Participation in either this Defined Benefit Plan or the City Sponsored Defined Contribution Plan is mandatory for all eligible Employees, except that participation in either this defined benefit Plan or the City Sponsored Defined Contribution Plan for Employees in the nonclassified Service and for Employees of Affiliated Agencies is optional. An eligible Employee may not participate in both this Plan and the City Sponsored Defined Contribution Plan for the same time period.

(b) The Director of Finance shall promulgate forms for a notice of election ("Notice of Election for New Employees") which form shall be made available to all newly hired Employees. Upon hiring, an Employee electing to participate in the City Sponsored Defined Contribution Plan in lieu of this Defined Benefit Plan shall file the Notice of Election for New Employees with the Director of Finance prior to the end of his first pay period after his first day of employment.

(c) The election to participate in the City Sponsored Defined Contribution Plan in lieu of this Defined Benefit Plan shall be made by one who became a Member prior to July 15, 2003 by filing with the Board and with the Director of Finance a notice of election to participate in the City Sponsored Defined Contribution Plan ("Notice of Election") which Notice of Election shall be promulgated by the Director of Finance after consultation with the Plan's Administrator.

(d) The Notice of Election forms shall provide for the following:

(1) The Notice of Election form shall provide for termination of Membership in this defined benefit Plan effective the date specified in the Notice of Election and election of participation in the City Sponsored Defined Contribution Plan.

(2) The effective date of termination of Membership in this defined benefit Plan shall coincide with the last day of a pay period ending no sooner than thirty (30) days after the filing of the Notice of Election.

(3) The effective date of commencement of participation in the City's Defined Contribution Plan shall coincide with the first day of the pay period next following the effective date of termination of Membership in this defined benefit Plan.

(4) The Notice of Election form shall contain a notice to the Member that upon termination of Membership in this Plan, the Member shall be entitled to refund of Member contributions, with interest, in accordance with Section 20-112 (a)(7) and shall further provide notice with regard to rollover distribution options pursuant to section 20-115(k) hereof.

(e) As to Employees for whom participation is this Plan or the City's Defined Contribution Plan is mandatory, election to participate in the City's Defined Contribution Plan shall be in accordance with the following:

(1) As to Employees hired on or after July 15, 2003 for whom participation in this Plan is mandatory, such Employees upon meeting all the eligibility requirements for Membership in this Plan shall initially become Members of and participate in this Plan unless they have elected in accordance with subsection (b) above to participate in the City Sponsored Defined Contribution Plan by filing a Notice of Election for New Employees to participate in the City Defined Contribution Plan.

(2) In the event an Employee for whom participation in this Plan is mandatory desires to participate in the City Sponsored Defined Contribution Plan in lieu of this defined benefit Plan, then such Employee who has not filed a Notice of Election for New Employees in accordance with subsection (b)above may, at any time prior to

(i) Commencement of a DROP Retirement, or

(ii) Termination of employment with the City, whichever (i) or (ii) should first occur, file a Notice of Election in the manner set forth above.

Sec. 20-109. Retirement dates.

(a) *Normal retirement date.* A Group I Member shall be eligible for a normal retirement pension if his employment is terminated on or after the first day of the month next following his attainment of age fifty-five (55) years or thirty (30) years of service, whichever shall first occur, provided that, in addition to the foregoing, a Group I Member who is hired on or after January 21, 2004 shall also be required to have a minimum of five (5) years of Continuous Service to be eligible for a normal retirement pension. A Group II Member shall be eligible for a normal retirement pension if his employment is terminated on or after the first day of the month next following his attainment of age sixty-five (65).

(b) *Early retirement date.* A Group I Member shall be eligible for an early retirement pension if his employment is terminated on or after his fiftieth birthday and after he has completed fifteen (15) or more years of Service. A Group II Member shall be eligible for an early retirement pension if his employment is terminated on or after his fifty-fifth birthday and after he has completed fifteen (15) or more years of Service. Such early retirements must be approved by the Board. Any retirement, other than a service retirement, prior to Normal Retirement Date shall be deemed to be an early retirement.

(c) Service retirement date. A Group II Member shall be eligible for a service retirement pension after he has completed thirty (30) or more years of Service in accordance with section 20-110(d).

(d) *Bonus Incentive for Retirement Program.* There is hereby created a Bonus Incentive for Retirement Program by which the Retirement System is amended to provide a Bonus Incentive for certain eligible Employees to terminate their employment with the City and begin a retirement within a proscribed window, in accordance with the terms and conditions hereinafter set forth. In order to qualify for the Bonus Incentive, the Member must establish eligibility as of the Eligibility Date in accordance with the terms of subsection (2), Normal Retirement Pension, subsection (3), Early Retirement Pension, or subsection (4), Service Retirement Pension of the Bonus Incentive for Retirement Program hereunder. Once eligibility is established under subsection (2), (3), or (4), hereof, then the terms of the succeeding retirement shall be governed by the subsection under which the Member attained eligibility for the Bonus Incentive for Retirement Program hereunder.

(1) *Defined terms.* The following defined terms shall be applicable under the Bonus Incentive for Retirement Program:

Bonus Incentive, for Employees who meet the eligibility requirements as of the Eligibility Date and deliver the Notice, Resignation and Waiver as required in Section (5)(b) hereof within the Window Period for Election, shall mean the supplementing of the months of Service Credit otherwise earned by the Employee under Section 20-110(a)(1), through his last day of employment by adding up to an additional thirty (30) months of Service Credit as a bonus under the Bonus Incentive for Retirement Program.

Eligibility Date shall mean December 1, 2011, the date upon which eligibility for participation in the Bonus Incentive for Retirement Program is determined. For the purpose of determining eligibility, an Employee's age and Service Credit as of the Eligibility Date shall be controlling. If an Employee has not attained the specified Service Credits or age by the Eligibility Date, the Employee is not eligible to participate in the Bonus Incentive Program for Retirement.

OWBPA means the Older Workers' Benefits Protection Act.

Window Period for Election shall mean the period within which an Employee must submit, on forms promulgated by the City, (i) Notice of Election, (ii) Irrevocable

Resignation of Employment with an elected retirement date and (iii) OWBPA Acknowledgment, Waiver and Release. The Window Period for Election shall be a period commencing December 7, 2011 and ending February 1, 2012.

Window Period for Retirement shall mean the period within which an Employee must retire (last day of employment) in order to qualify for the Bonus Incentive. The Window Period for Retirement shall be a period commencing December 14, 2011 and ending March 16, 2012. An Employee who elects a retirement date outside the Window Period for Retirement is not eligible to participate in the Bonus Incentive for Retirement Program. Retirements under the Bonus Incentive for Retirement Program shall be subject to the conditions and terms set forth in Section 5 hereof.

(2) *Normal Retirement Pension.* The provisions of Section 20-109(a) [Normal Retirement Date] and 20-110(b) [Normal Retirement Pension - Amount] to the contrary notwithstanding, during the Window Period for Election, Employees who, as of the Eligibility Date, are (i) Members of the Plan, and (ii) as to Group I Members hired on or after January 21, 2004, such Group I Member must have a minimum of five (5) years of Service Credit under the Plan as of the Eligibility Date and (iii) are fully vested as of the Eligibility Date and (iv) have attained fifty-five (55) years of age or more or twenty-seven and one-half (27.5) years of Service Credit or more as of the Eligibility Date, shall be eligible to receive the Bonus Incentive under the terms and conditions of the Bonus Incentive for Retirement Program.

(3) *Early Retirement Pension.* The provisions of Section 20-109(b) [Early Retirement Date] and 20-110(b) [Early Retirement Pension] to the contrary notwithstanding, during the Window Period for Election, Employees who, as of the Eligibility Date, are (i) Members of the Plan, and (ii) have attained the age of fifty (50) years or more as of the Eligibility Date for Group I Members, or, for Group II Members have attained that age of fifty-five (55) years or more as of the Eligibility Date and (iii) have completed twelve and one-half (12.5) years or more of Service Credit as of the Eligibility Date, shall be eligible to receive the Bonus Incentive under the terms and conditions of the Bonus Incentive for Retirement Program.

a. For those Group I Members who are eligible to participate in the Bonus Incentive for Retirement Program as set forth in Section 3 above, "Early Retirement Pension" and who elect an immediate monthly pension under

Section 20-110(b)(2), the reduction factor of five-twelfths (5/12) percent for each month by which the commencement date of such monthly pension precedes the Group I Member's Normal Retirement Date, shall still be applied after addition of the Bonus Incentive.

b. For those Group II Members who are eligible to participate in the Bonus Incentive for Retirement Program as set forth in Section 3 above, "Early Retirement Pension" and who elect an immediate monthly pension under Section 20-110(b)(2), the reduction factor of one-third (1/3) percent for each month by which the commencement date of such monthly pension precedes the Employee's Normal Retirement Date, up to a maximum of sixty (60) months and one-half (½) percent for each additional month by which the commencement date of such monthly pension precedes the Group II Members' Normal Retirement Date, shall be applied after addition of the Bonus Incentive.

c. For those Employees who are eligible to participate in the Bonus Incentive for Retirement Program as set forth in Section 3 above, "Early Retirement Pension" and who elect a deferred monthly Pension commencing at their Normal Retirement Date equal to their accrued Pension under Section 20-110(b)(1), there shall be no reduction factor after the addition of the Bonus Incentive.

(4) *Service Retirement Pension.* The provisions of Section 20-109(d) [Service Retirement Date] and 20-110(d) [Service Retirement Pension] to the contrary notwithstanding, during the Window Period for Election, Employees who, as of the Eligibility Date, are (i) Group II Members of the Plan, and (ii) have, as of the Eligibility Date, completed twenty-seven and one-half (27.5) or more years of Service Credit, shall be eligible to receive the Bonus Incentive under the terms and conditions of the Bonus Incentive for Retirement Program.

(5) *Procedures and Conditions of Bonus Incentive for Retirement Program.* The following procedures and conditions shall govern the Bonus Incentive for Retirement Program.

a. All retirements administered under the Bonus Incentive for Normal Retirement and the time frames set forth herein shall be subject to compliance with Title II of the OWBPA. Under the OWBPA, once an

Employee signs the OWBPA Acknowledgment, Waiver and Release that Employee has up to seven (7) days to rescind his signature. An Employee's last day of employment and first day of retirement may not fall within the seven (7) day period allowed for rescission.

b. In order to be eligible to receive the Bonus Incentive an Employee must deliver to the GERS Plan Administrator and the City's Director of Human Resources within the Window Period for Election, on forms promulgated by the City, (i) a Notice of Election of Participation in the Bonus Incentive for Retirement Program, (ii) an Irrevocable Resignation of Employment as of the elected last day of employment within the Window Period for Retirement, and (iii) an OWBPA Acknowledgment, Waiver and Release.

c. In no event shall a Group I Member exceed the maximum benefit accrual of ninety (90) percent of his Average Monthly Earnings as provided under Section 20-110(a)(1)a.i. nor shall a Group II Member exceed the maximum benefit accrual of forty-five (45) percent of his Average Monthly Earnings as provided under Section 20-110(a)(1)b.

d. The Employee shall continue to accrue Service Credit through the last day of Employment.

Sec. 20-110. Retirement benefits.

(a) Normal retirement pension. The normal retirement Pension benefits under this Plan shall be as follows:

(1) Amount.

a. Group I Members. The monthly normal retirement Pension for a Group I Member accruing Continuous Service shall be equal to three (3.0) percent of such Member's Average Monthly Earnings multiplied by his years of Service through twenty-five (25) years, for all such years of Service, including Service prior to November 1, 2001, plus two and one-half (2.5) percent of his Average Monthly Earnings multiplied by his years of Service in excess of twenty-five (25) years.

i. Under subsection (a)(1) a. above, the maximum benefit accrual permitted a Group I Member is ninety (90) percent of his Average Monthly Earnings, except as may otherwise be specifically provided

herein. A Group I Member who has reached his maximum benefit accrual shall not be required to make any further contributions under section 20-112(a).

a. The succeeding subsections 20-110(a)(1)ii. through iv. are only applicable to the conversion to the revised benefit accrual formula of 2.75%/2.25% under Ordinance No. 00-63 and are not applicable to the conversion to the revised benefit accrual formula of 3.0%/2.5% in Ordinance No. C-01-40.

ii. Except as provided below, in converting to the revised higher benefit accrual formula of 2.75%/2.25%, a Group I Member shall not be permitted to exceed the maximum benefit accrual set forth in subsection (a)(1)a. i. above.

a. Group I Members with thirty-five (35) years or more of Service as of November 1, 2000, who on the date of converting to the 2.75%/2.25% benefit accrual formula exceed the otherwise applicable maximum accrual rate of ninety (90) percent shall be permitted to exceed the maximum benefit accrual rate of ninety (90) percent for Service accrued on or before November 1, 2000, but not to exceed a maximum benefit accrual of one hundred (100) percent. Such Members who, on the date of converting to the 2.75%/2.25% benefit accrual formula exceed the otherwise applicable maximum accrual rate of ninety (90) percent shall not continue to accrue Service after November 1, 2000.

iii. A Group I Member shall have his normal retirement benefit calculated in accordance with the benefit formula (2.75%/2.25%) set forth in subsection (a)(1) a. above, unless he has delivered a written election to the Office of the Retirement System and the City's Finance Director prior to December 1, 2000 electing to continue to accrue benefits in accordance with the prior formula of 2.5% for the first twenty-five (25) years of service and 2.0% for years of service in excess of twenty-five (25). Forms for such written election shall be promulgated by the Board in consultation with the City's Finance

Director. Group I Members who timely file the written election as set forth above shall not be subject to the maximum benefit accrual set forth in subsection (a)(1)i. above.

iv. The total accrued pension of such Group I Member who timely elects to retain the 2.5%/2.0% accrual formula shall not be subject to the maximum accrual formula set forth in subsection (a)(1)a.i. above. However, the total accrued pension benefit of such Group I Member and the total accrued pension benefit of a Group I Member shall not exceed other limitations established by law.

b. Group II Members. For Group II Members the monthly normal retirement Pension shall be an amount equal to 1.5% of such Member's Average Monthly Earnings multiplied by his years of Continuous Service up to a maximum of thirty (30) years. However, should the disability benefit being received by a Group II Member at his Normal Retirement Date exceed the amount of his normal retirement benefit, such Member's monthly retirement benefit shall be an amount equal to his disability benefit. The total Accrued Pension shall not exceed the limitations established by law. The Pension of any Member who was a participant in the Prior Plan shall not be less than the Pension provided by the Prior Plan.

(2) Duration and survivor benefits. Except as is otherwise provided under section 20-110(a.1)(9), unless he elects an optional form of Retirement benefit under section 20-111, a Member retiring on or after his Normal Retirement Date shall receive a monthly Pension commencing on his Retirement date and continuing thereafter during his lifetime. Additionally, Group I Members shall receive duration and survivor benefits as follows:

a. If such a Member is married at the time of his Retirement, upon his death one hundred (100) percent of his normal Retirement Pension shall be continued to his Spouse for a period of one (1) year, and sixty (60) percent of such amount shall be continued thereafter until the earlier of the Spouse's death or remarriage. In addition, there shall be paid to each Child of such deceased retired Member, twenty (20) percent of such Member's normal Retirement Pension until the earliest of such Child's marriage, death or attainment of age eighteen (18). Provided, however, that the total

Pension paid to the Spouse and Children shall not exceed one hundred (100) percent of the deceased Member's monthly Pension. If the Spouse dies after commencement of her Pension under this section, Pensions payable to a Child or Children shall be adjusted to the amount set forth in (a)(2)b. below.

b. If there is no Spouse, upon the death of the retired Member each Child shall receive a monthly Pension equal to twenty-five (25) percent of the Member's Pension until the earliest of death, marriage or the attainment of age eighteen (18). Provided, however, that the Pension payable to all surviving children shall not exceed one hundred (100) percent of the Member's monthly Pension.

c. If there is no Spouse or eligible Child, upon the death of the retired Member the Beneficiary of a Member who was a Participant in the Prior Plan shall receive in a lump sum an amount equal to sixty (60) of the Member's monthly payments less the sum of any monthly payments received by the Member prior to his death. If such Member was not a Participant in the Prior Plan, the Member's Beneficiary shall receive in a lump sum the excess of such Member's accumulated contributions at his date of Retirement over the Pension payments made prior to his death. Upon the death of a Group II Member, all Retirement benefits shall cease, except that if such a Member has elected to receive a decreased Retirement benefit during his lifetime, such decreased Retirement benefit shall be continued to his Spouse until death or remarriage or, if there is no Spouse, to his Children, if any, until age eighteen (18). The decreased Retirement benefit elected shall be calculated by the Board to be the Actuarial Equivalent of the normal Retirement benefit which would otherwise have been paid to the Member during his lifetime.

(a.1) Deferred Retirement Option Program. A Deferred Retirement Option Program ("DROP") is hereby created for eligible Members. The purpose of this DROP is to encourage eligible Members to commence Retirement in accordance with the DROP at the earliest available date. Notwithstanding anything to the contrary herein, neither the Board nor the City shall take any action contrary to the Internal Revenue Code provisions applicable to this Plan or the tax qualification status of this Plan.

(1) Members who have reached their DROP Retirement Date and whose employment with the City has not already terminated shall be eligible to participate in the DROP during the DROP Period.

(2) In order to participate in the DROP, an eligible Member must meet the following conditions:

a. The eligible Member must have attained his DROP Retirement Date, elect normal Retirement and must elect to defer receipt of his normal monthly Retirement benefit into a DROP Account.

b. A written election of DROP participation form, on forms promulgated by the Board, must be filed by the eligible Member with both the Board and the City's Personnel Director at least three (3) months prior to the beginning of the DROP Period, except for those Members qualifying under section 20-110 (a.1)(4)a., who shall be governed by the filing dates indicated therein. An otherwise eligible Member may file an election of DROP participation form three (3) months prior to his DROP Retirement Date.

c. Upon filing of the election of DROP participation form as required above, the eligible Member shall obtain from the City's Personnel Director an irrevocable resignation and waiver form, on forms promulgated by the City. The resignation and waiver form shall provide for the Member's irrevocable resignation from employment, with the actual date of termination being postponed until the end of the DROP Period. The administration and timing of execution and delivery of the resignation and waiver form shall meet the requirements of the Age Discrimination in Employment Act and the Older Worker's Benefits Protection Act, as same may be amended from time to time. The eligible Member must execute and deliver the resignation and waiver form to both the Board and the City's Personnel Director at least forty-five (45) days prior to the beginning of the DROP Period. An otherwise eligible Member may file the irrevocable resignation and waiver form provided for herein prior to his Normal Retirement Date.

(3) An eligible Member electing to participate in the DROP shall have receipt of his normal monthly Retirement benefits deferred and transferred, on a monthly basis as such normal monthly Retirement benefits would otherwise be payable, into a

DROP Account for the DROP Period, commencing with the first day of the first month after which the conditions in section 20-110(a.1)(2) are met. The amount of the normal monthly Retirement benefits deferred and transferred into a DROP Account shall be in accordance with the amount otherwise payable under section 20-110(a)(1), including, to the extent applicable, cost of living adjustments otherwise payable under section 20-110(h).

(4) For each calendar month, or fraction thereof, beyond the Normal Retirement Date that an eligible Member delays election to participate in the DROP, the maximum period of participation in the DROP shall be proportionately reduced.

a. For Members who (i) first attain their Normal Retirement Date on or before February 1, 2002, (ii) elected to commence DROP Retirement by filing the election forms under section 20-110(a.1)(2)b. and c. no later than March 1, 2002, and (iii) commence DROP Retirement no later than May 1, 2002, there shall be no proportionate reduction of the maximum period of participation in the DROP for delays beyond their DROP Retirement Date in electing to participate in the DROP.

(5) Each DROP Account shall accrue DROP Earnings during the DROP Period. DROP Earnings shall be computed at simple interest at the actuarially assumed rate of return for the Fund. At the end of the DROP Period, the DROP Account shall no longer accrue DROP Earnings. Cost of living adjustments pursuant to section 20-110(h) shall be applicable to monthly Retirement benefits during the DROP Period to the same extent the adjustments would be applicable to normal Retirement monthly benefits.

(6) A DROP Participant is a retired Member under the Plan and shall accrue no further Continuous Service credits during the DROP Period. At the conclusion of the DROP Period a DROP Retirement is converted to a normal Retirement with monthly normal Retirement benefits being paid thereafter directly to the Member.

(7) A DROP Participant on DROP Retirement shall not be eligible for either disability benefits or preretirement death benefits under sections 20-110(c)(1) or (2), but eligibility for death or disability benefits provided to a DROP Participant upon DROP Retirement under federal law, state law, City ordinance (other than as stated within this Plan), or any rights or benefits under any applicable collective

bargaining agreement (other than as stated within this Plan) shall not be affected by a DROP Retirement.

(8) No later than one (1) year after termination of employment with the City, the DROP Account, together with accrued DROP Earnings, shall be distributed in the following manner:

a. Lump sum distribution to the Member (which may be used at the Member's discretion to purchase an annuity); or
b. Roll over of the balance to another qualified Retirement Plan; or
c. Any combination of a. and b. above.
d. To the extent a Member fails to elect b., or c. above, the balance of the DROP Account will be distributed in accordance with a. above at the end of the one (1) year period after termination of employment with the City.

(9) Upon the death of a DROP Participant during DROP Retirement, the DROP Retirement shall cease and the benefits payable thereafter shall be the normal monthly Retirement benefits as modified by the duration and survivor benefits formula provided in section 20-110(a)(2). If a DROP Participant dies before the DROP Account balances are distributed in full, the Beneficiary or Beneficiaries duly designated by the DROP Participant on forms promulgated by the Board shall receive the DROP Account balances in accordance with the DROP Beneficiary Form in effect and on file with the Board at the time of the DROP Participant's death. If no designation of DROP Beneficiary form is on file with the Board upon the death of the Member with a DROP Account balance remaining, the DROP Account shall be paid to the Member's estate.

(10) Notwithstanding the general severability provisions set forth below in this article, in the event there is a determination (i) by the Internal Revenue Service or a court of competent jurisdiction, that the DROP provision therein or similar DROP provisions contravene provisions of the Internal Revenue Code applicable to this qualified Plan or a qualified Plan; or (ii) by a court of competent jurisdiction or any federal or state agency with authority over such subject matter, that the DROP provisions respecting the irrevocable resignation and waiver process herein are contrary to law and not enforceable, then the Board shall be notified of such event(s) and the DROP provisions set forth above shall, upon the next regularly scheduled meeting of the Board, terminate in the manner set forth below and the

DROP Participants shall be so notified.

a. As of the date of termination of the DROP provisions, there shall be no new DROP Retirement established.

b. As of the date of termination of the DROP provisions, DROP Retirements shall cease and receipt of normal monthly Retirement benefits under section 20-110(a)(1) shall no longer be deferred and transferred into a DROP Account.

c. For those Members who were DROP Participants on the date of termination of the DROP provisions, normal monthly Retirement benefits shall be suspended until termination of employment with the City and such Members shall continue to accrue Credited Service during their continued employment.

d. For those Members who are DROP Participants and still in the employ of the City at the time of the termination of the DROP provision, the following provisions shall apply:

1. The normal monthly Retirement benefits and the Member's normal Retirement status shall be suspended until termination of employment with the City.

2. During the period that the normal Retirement benefits and normal Retirement status is suspended, the Member shall continue to make contributions to the Plan in accordance with the applicable provisions of section 20-112 and the Member shall continue to accrue Service during such period in accordance with the provisions otherwise applicable to the Member under section 20-110(a)(1).

3. The DROP Account shall be distributed upon termination of employment with the City.

4. As an alternative to subsection 3. above, a Member may elect to dissolve the DROP Account and, upon making payment to the Plan of contributions that the Member would have otherwise owed under section 20-112 had the Member not elected a DROP Retirement, the Member shall have Continuous Service credit restored for the period the Member was in DROP Retirement.

(11) Members who are included in the bargaining unit for general employees will no longer be eligible to enter DROP on or after January 14, 2004; provided, however, that Members who filed an application for participation in DROP prior to January 14, 2004 may elect the DROP Program for any remaining period of eligibility. For Members whose DROP Period commenced prior to January 14, 2004 and Members not included in the general employees bargaining unit, administration of DROP shall continue in accordance with subsections (a.1)(1) through (10) above.

(b) Early retirement pension. A Member retiring on an Early Retirement Date may elect either a deferred or an immediate Pension as follows:

(1) A deferred monthly Pension commencing at his Normal Retirement Date equal to his Accrued Pension.

(2) An immediate monthly Pension commencing on the first day of any month prior to his Normal Retirement Date equal to his Accrued Pension reduced by five-twelfths (5/12) percent for each month by which the commencement date of such Pension precedes the Normal Retirement Date of a Group I Member. The early retirement Pension of a Group II Member shall be reduced by one-third (1/3) percent for each month by which the commencement date of such Pension precedes such Member's Normal Retirement Date up to a maximum of sixty (60) months and one-half (½) percent for each additional month by which such commencement date precedes such Member's Normal Retirement Date. Provided, however, that upon favorable recommendation by the Board, which recommendation shall contain a detailed statement of the facts and circumstances applicable to the case, the City Commission may, in its discretion, waive the reduction factor if there is a finding by the Board of unusual and compelling circumstances which justify such a waiver.

Survivor benefits upon the death of a Member retired under this subsection (b) shall be computed in accordance with section 20-110(a)(2); provided, that for a Member electing a deferred early retirement Pension, such survivor benefits shall be computed as if the Member had retired with an immediate early retirement Pension on the first day of the month immediately following his death.

(c) Disability. Disability benefits may be granted under this Plan as follows:

(1) Service incurred.

a. A Member who receives an injury which is determined by a Medical Board to be a medically substantiated Service-connected injury, disease or disability, which injury, disease or disability totally incapacitates him, physically or mentally, from regular and continuous duty as an Employee shall, upon the approval of the Board, receive, commencing on the ninety-first day of disability, a Pension equal to the excess, if any, of sixty-five (65) percent of his monthly Earnings in effect at the date of his disability, over, to the extent permitted by law, any amounts paid or payable from workers' compensation.

b. If such disabled Member dies prior to his Normal Retirement Date as a result of such injury, disease or disability, as determined by a Medical Board, survivor benefits shall be determined in accordance with section 20-110(e)(1).

(2) Nonservice incurred.

a. A Member who receives an injury which is determined by a Medical Board to be a medically substantiated nonservice connected injury, disease or disability, which injury, disease or disability totally incapacitates him physically or mentally from regular and continuous duty as an Employee, or any other gainful employment, shall upon the approval of the Board, receive, commencing on the ninety-first day of disability, a disability Pension.

1. The amount of the disability Pension for Group I Members shall be equal to the excess, if any, of fifty (50) percent of such Member's monthly Earnings in effect at the date of his disability over, to the extent permitted by law, his Primary Social Security Benefit and any amounts paid or payable from worker's compensation.

2. The amount of the disability Pension for Group II Members shall be equal to the excess, if any, of five (5) percent of such Member's

Earnings in effect at the date of his disability multiplied by years of Service, up to a maximum of thirteen (13) years, over, to the extent permitted by law, his Primary Social Security Benefit and any amounts paid or payable from worker's compensation.

b. If such disabled Member dies prior to his Normal Retirement Date, survivor benefits shall be determined in accordance with section 20-110(e)(2).

(3) Payment.

a. Subject to the provisions of subsection c. below, disability Pensions under (c)(1) or (c)(2) above shall be paid until the earlier of a Member's death, recovery from disability or Normal Retirement Date (or age sixty-five (65) for Prior Plan Participants so electing). After a Member's Normal Retirement Date (or age sixty-five (65) for Prior Plan Participant's so electing) a disabled Member shall be paid a Pension computed in accordance with section 20-110(a)(1) based upon his Earnings at date of disability and Service at his Normal Retirement Date.

b. If a disabled Member dies after his Normal Retirement Date, survivor benefits shall be determined in accordance with section 20-110(a)(2).

c. In the event the disability benefit being received upon a Group I Member's Normal Retirement Date (prior to adjustment in accordance with this subsection c.) exceeds the amount of his normal Retirement benefit, or in the event a Group I Member suffers a disability after his Normal Retirement Date (prior to adjustment in accordance with this subsection c.) and the amount of the disability benefit exceeds the amount of the normal Retirement benefit, then for the purposes of sections 20-110(c)(3)(a) and 20-110(c)(3)(b) above, a Group I Member's disability benefit shall be extended as follows: (i) for an additional five (5) years beyond such Member's Normal Retirement Date (as that date existed prior to adjustment in accordance with this subsection c.); or (ii) until, because of the further accrual of Service during the period of disability, the amount of such Member's disability benefit equals the amount of such Member's normal Retirement benefit; whichever event (i) or (ii) above, should first occur. The Normal Retirement Date for Group I Members whose disability benefits are

extended under this subsection c. shall be deemed to be adjusted in accordance with the formula set forth herein.

d. As to any Member awarded either a Service incurred or non-service incurred disability benefit prior to or after November 1, 2000, which such Member is returning to work on a graduated or less than full-time basis, the Board of Trustees shall have the power and discretion to equitably apportion or reduce the monthly amount of such Member's disability benefit, provided such equitable apportionment or adjustment shall never result in such Member receiving disability benefits and Earnings which, when combined, exceeds one hundred (100) percent of such Member's monthly Earnings in effect as of the date of his disability, as adjusted for cost of living increases. The period of equitable apportionment or reduction shall not exceed six (6) months while such Member is returning to work on a graduated or less than full-time basis. A Member shall be given reasonable advance written notice and an opportunity to be heard prior to the Board of Trustees equitably apportioning or reducing a monthly disability benefit.

(4) Determination of disability.

a. The status of each Service incurred and nonservice incurred disability shall be determined initially and reviewed periodically pursuant to uniform procedures established by the Board. To assist with such determination the Board shall require at least two (2) concurring medical opinions of disability for consideration of payment of benefits. No Member shall be granted a disability Pension if his disability results from voluntary participation or involvement in the commission of a crime which results in a felony conviction.

b. Except as provided in subsection (c)(3)d. above, if a Member receiving a disability Pension is determined by the Board to have sufficiently recovered such that he no longer qualifies as disabled under (c)(1) or (c)(2) above, such Member's disability pension shall immediately cease. For determining any other benefits under this Plan, such Member shall receive Service credit for the period of disability, provided that he continued to make Member contributions during his period of disability based on his Earnings at date of disability, where such continued contributions are required under

section 20-112(a).

Successive periods of disability separated by less than six (6) months of actual work as an Employee shall be considered as one (1) period of disability except when the subsequent disability is due to entirely different causes and commences after the Employee's return to active employment.

c. Disability benefits shall not be awarded retroactively for a period in excess of six (6) months prior to the date an application for Service incurred or nonservice incurred disability benefits is filed with the Board. Any Member who delays filing an application for disability benefits for a period in excess of six (6) months from the date he or she first suffered or was aware of an injury, disease or disability forming the basis for an application for Service incurred or nonservice incurred disability benefits shall forfeit rights to disability benefits for that period in excess of six (6) months preceding the date of filing an application for disability benefits with the Board. The Member's application for disability benefits shall be considered based on the status of the Member's injury, disease or disability as of the date of the application for such disability benefits is filed with the Board.

(d) Service retirement pension. A Group II Member retiring on a Service Retirement Date shall receive a monthly Pension commencing on his Service Retirement Date equal to his accrued Pension reduced by a percentage for each month by which his Service is less than thirty-five (35) years, as follows:

Period Between	Percentage Reduction For Each Month
34 years of Service and 35 years of Service	1/6% (2% per year)
33 years of Service and 34 years of Service	¼% (3% per year)
32 years of Service and 33 years of Service	1/3% (4% per year)
30 years of Service and 32 years of Service	5/12% (5% per year)

Survivor benefits upon the death of a Group II Member retired under this subsection (d) shall be computed in accordance with section 20-110(a)(2).

(e) Preretirement death:

(1) Service incurred. If a Member dies while employed by the City from causes directly related to employment as an Employee, as determined by the Board, the following death benefits shall be paid:

a. To the Spouse, if any, until the earlier of death or remarriage, a Pension equal to fifty (50) percent of the Member's monthly Earnings as of the last date of active employment.

b. For each Child, if any, until the earliest of death, marriage or the attainment of age eighteen (18), a Pension equal to ten (10) percent of the Member's monthly Earnings as of the last date of active employment, provided that the maximum payment in any month to Spouse and Children combined shall be eighty (80) percent of the Member's monthly Earnings; or to Children only, if there is no Spouse, fifty (50) percent of the Member's monthly Earnings. The manner of handling and administering the Pension to any Child or Children shall be determined by the Board.

c. If, upon the satisfaction of the terms of (e)(1)a. and b. above (i.e., there is no longer any qualified Spouse or Children), the aggregate Pension paid on Account of the Member's death are less than the nonservice incurred death benefit provided in section 20-110(e)(2)b., the excess of the nonservice incurred death benefit over the Spouse and Children's Pension paid shall be paid to a designated contingent Beneficiary, or Beneficiaries, if so designated by the Member. Otherwise no further benefits shall be paid. Such designated contingent Beneficiary may elect, as approved by the Board, to receive such excess either in a lump sum or in equal monthly installments over a period not to exceed five (5) years.

d. At any time during his employment, a Member may file a written directive with the Board providing that, upon his death while an Employee, the nonservice incurred death benefit described in section 20-110(e)(2) shall be paid to his designated Beneficiary or Beneficiaries in lieu of the Pension payable in (e)(1)a. and b. above.

(2) Nonservice incurred. If a Member dies while employed by the City from causes not directly related to his employment as an Employee, the following death benefits shall be paid:

a. To the designated Beneficiary or Beneficiaries of a Group I Member, a monthly payment or payments, the sum of which shall not exceed fifty (50) percent of such Member's monthly Earnings as of the last date of active employment, such payment or payments to continue until the earlier of ninety-six (96) months or the death of the last surviving designated Beneficiary. At any time during his employment, a Group I Member who was a Participant in the Prior Plan may file a written directive with the Board providing that, upon his death while an Employee, a lump sum death benefit equal to four (4) times his annual Earnings at the date of death, shall be paid to his designated Beneficiary or Beneficiaries in lieu of the benefit payable in (e)(2)a. above.

b. To the Spouse of a Group II Member who, at the time of death, was eligible for early Retirement pursuant to section 20-110(b), a monthly payment equal to fifty (50) percent of the early Retirement benefit to which the deceased Member would have been entitled had he elected an early Retirement, such payments to continue until the earlier of ninety-six (96) months or the death of the surviving Spouse.

(f) Termination of employment: The termination of a Member covered by this Plan shall affect the benefits payable hereunder as follows:

(1) Vesting.

a. Except as set forth herein, a Group I Member shall be eligible for a pension, commencing at his Normal Retirement Date and continuing for his lifetime thereafter, if his employment is terminated before death or Retirement but after he has completed at least five (5) years of Service. Upon completion of at least five (5) years of Service and termination of employment on or after his Normal Retirement Date, such Member shall be one hundred (100) percent vested in his accrued pension. Alternatively, upon attainment of fifty (50) years of age or more, a Group I Member who terminates with fifteen (15) or more years of continuous Service may elect an immediate monthly pension subject to the reduction formula for an earlier Retirement pension under section 20-110(b).

1. The City Manager shall be eligible for a pension, commencing at his Normal Retirement Date and continuing for his lifetime thereafter, if his employment is terminated before death or Retirement, but after he has completed at least two (2) years of Service. Upon completion of at least two (2) years of Service and termination of employment on or after his Normal Retirement Date, such Member shall be one hundred (100) percent vested in his accrued pension.

2. For the purpose of vesting under this section and for no other purpose, for nonclassified Employees and Employees of Affiliated Agencies, Service shall include the period of the Employee's uninterrupted employment with the City or Affiliated Agency from the date he last entered employment as an Employee up to the date his employment is terminated or the date he ceases to be an Employee as defined herein.

b. A Group II Member shall be eligible for a Pension commencing at his Normal Retirement Date and continuing for his lifetime thereafter, if his employment is terminated before death or Retirement but after he has completed at least ten (10) years of Service. Upon completion of ten (10) years of Service, such Member shall be entitled to a one hundred (100) percent vested percentage of his Accrued Pension. Alternatively, upon attainment of fifty-five (55) years of age or more, a Group II Member who terminates with fifteen (15) or more years of Continuous Service may elect an immediate monthly pension subject to the reduction formula for an early Retirement Pension under section 20-110(b).

c. Provided, further, any Member not eligible for a normal, early or disability Retirement benefit but who has a vested interest at time of termination shall receive such benefit on a monthly, life annuity basis commencing at his regular Normal Retirement Date. Alternatively, election of an immediate monthly Pension subject to the reduction formula for an early Retirement Pension under section 20-110(b) shall be available to Members in accordance with subparagraphs a. and b. above.

d. Upon the death of a Member terminated under this subsection (a), the excess, if any, of his accumulated contributions, plus interest, at his date of

termination over the aggregate Pension payments, if any, which he received prior to his death, shall be paid to his designated Beneficiary.

(2) Severance. If a Member's employment terminates for any reason other than death or Retirement and before he has completed the minimum vesting period as set forth above such Member shall receive a refund of his accumulated Employee contributions, plus interest at three (3) percent per annum.

(g) Guaranteed refund of contributions. Notwithstanding any other provisions of this Plan, the aggregate benefits paid to any Member and his Beneficiaries shall not be less than such Member's accumulated contributions, plus interest at three (3) percent per annum.

(h) Cost of living adjustment. The Board may, with the advice of the Plan's actuary and the approval of the City Commission, adjust the Pensions of retired Members, including those receiving the Member's duration and survivor benefits under section 20-110(a)(2), annually to reflect the change in the cost of living as measured by the Consumer Price Index or such other index approved by the Board, provided that such adjustments may only be made from investment return of the Fund in excess of that required to satisfy the actuarial interest assumption used in the most recent actuarial valuation of the Plan. If similar adjustments in the three (3) previous Plan Years were less than the increase for those years in the index being used, such difference may be applied in addition to the current year's adjustment, subject to a total additional adjustment in any Plan Year of four (4) percent. The procedures and methods to be followed in the determination of any adjustments shall be established from time to time by the Board.

(i) No duplication of benefits. No Employee will be entitled to benefits provided by any other benefit program maintained by the City if such benefits are based upon a period of Service for which benefits are provided under this Plan.

(j) Payment of benefits. Unless a Member elects earlier payment, distribution of his benefits shall commence within sixty (60) days from close of the Plan Year after the later of a Member's:

(1) Termination of employment;

(2) Attainment of normal Retirement age; or

(3) Tenth anniversary of the date on which the Member commenced participation in the Plan.

Sec. 20-111. Optional forms of Retirement benefits.

Each Member who is entitled to a regular Normal Retirement Benefit shall have the right at any time prior to his actual Retirement to elect to have such benefit payable under any one of the options hereinafter set forth in lieu of the Retirement benefits otherwise provided herein, and to revoke any such elections and make a new election at any time prior to actual Retirement. The value of optional Retirement benefits shall be actuarially equivalent (as defined in section 20-107) to the value of benefits otherwise payable. The Member shall make an election by written request to the Board and such an election shall be subject to the approval of the Board.

(1) *Option 1. Joint and last survivor option.* A retiring Member may elect to receive a decreased Retirement benefit during his lifetime and have such decreased Retirement benefit (or a designated fraction thereof) continued after his death to and during the lifetime of the designated contingent annuitant. The election of Option 1 shall be null and void if the designated contingent annuitant dies before the Member's Retirement.

(2) *Option 2. Ten (10) years certain and life thereafter.* A retiring Member may elect to receive a decreased Retirement benefit with one hundred twenty (120) monthly payments guaranteed. If, after retiring, the Member should die before said one hundred twenty (120) monthly payments are made, payments are then continued to his designated beneficiary until one hundred twenty (120) payments in all have been made, at which time benefits cease. After expiration of the certain period, should the retired Member be then alive, payment shall be continued during his remaining lifetime.

(3) *Option 3. Other.* In lieu of the other optional forms enumerated in this section, Retirement benefits may be paid in any form approved by the Board so long as actuarial equivalence with the benefits otherwise payable is maintained.

Sec. 20-112. Contributions.

(a) *Member contributions.*

(1) Except as otherwise provided herein, commencing with the first pay period after an Employee has satisfied the requirements of section 20-108 and continuing thereafter during his period of Service, a Group I Member shall contribute by payroll deduction six (6) percent of his Earnings.

(2) A Group II Member shall contribute four (4) percent of his Earnings by payroll deduction during his period of Service.

(3) The Member contributions are to be "picked-up" by the City for all compensation earned after the effective date of this amendment. All contributions, although designated as Employee contributions and accumulating in individual Employee Accounts, are to be paid ("picked-up") directly by the City in lieu of contributions being paid directly by the Employee in determining tax treatment under the United States Internal Revenue Code. This Plan prohibits an Employee from directly receiving contribution amounts. A Member is one hundred (100) percent vested in his portion of City ("picked-up") contributions at all times.

(4) During periods of authorized leave of absence, suspension, or Service in the armed forces of the United States, a Member shall continue to contribute the applicable percentage of his Earnings to the Fund in a manner approved by the Board.

(5) During periods of approved disability, no Members shall be required to continue to make contributions in order for such period of approved disability to be counted as Service.

(6) Once a Group I Member has attained his or her maximum benefit accrual under Section 20-110 (a)(1)a.I. above, such Member shall no longer be required to make contributions as set forth above. Once any Member has benefit accruals amounting to 100%, such Member shall no longer be required to make contributions as set forth above. DROP Participants shall not be required to make contributions during the DROP Period.

(7) Member contributions shall be deposited in the Fund and shall be credited with three (3) percent interest per annum, compounded annually on December 31 of each Plan Year.

(b) *City contributions.* The City shall make contributions to the Fund in the amount necessary to maintain the Plan on a sound actuarial basis as set forth in the most recent actuarial valuation of the Plan. Such contribution for any year shall not be less than the amount necessary to amortize the past Service liability over a period of not more than forty (40) years from October 1, 1979.

Sec. 20-113. Administration.

(a) The general administration and responsibility for the proper operation of the Plan are hereby vested in the Board consisting of eight (8) persons, as follows:

(1) Three (3) persons other than employees to be appointed as hereinafter provided.

(2) Four (4) Members to be elected as hereinafter provided.

(3) The finance director of the City shall be a nonvoting, ex-officio Member of the Board.

(b) The terms of office for each appointed Board Member shall be three (3) years and shall be staggered in such a manner that no more than one Board Member's term of office shall expire in any one calendar year.

(c) The initial terms of office for each elected Board Member shall be as follows: the two (2) Members who receive the highest number of votes shall be appointed for a period of three (3) years, and the remaining two (2) Members shall be appointed for a period of two (2) years. Following the initial terms, the terms of office for each elected Board Member shall be three (3) years.

(d) The appointive Members shall be appointed by the mayor of the City with the approval of a majority of the City commission.

(e) The elective Board Members shall be elected by per capita vote of all employees, retirees and individuals who are on approved disability leave. Such election shall be conducted either by mailing ballots to all persons entitled to vote, or at polling places designated by the Board, at the sole discretion of the Board. If conducted by mail, an election shall be undertaken by first class mail to all persons entitled to vote. Such mailing shall include a letter of instruction written in a manner calculated to be understood by the average recipient; a Board approved ballot; a Board approved form which contains a description of each candidate's profile or description of qualifications (which profile or description must be submitted to the pension office no later than thirty (30) days prior to an election) and a postage paid return envelope. The Board shall direct its best efforts toward ensuring that mailing addresses are accurate and current with respect to persons entitled to vote; provided, however, that ballots may be obtained in person by a person entitled to vote and returned to the pension office if the voter so chooses. If conducted at polling places, an election shall be conducted at polling places designated by the Board. Such polling places may be located at a fixed site on City property or may allow for flexible locations (e.g., a "floating" ballot box) to permit all eligible individuals to cast a vote. Each polling place shall be open for such length of time as determined by the Board. Each ballot box shall be supervised by at least two (2) ballot box volunteers. Such ballot box volunteers' duties shall include, but are not limited to:

(1) Verifying that an individual is eligible to vote;

(2) Ensuring that proper voting procedures are followed at all times; and

(3) Assisting with the counting of votes, as may be necessary or desirable.

All qualified persons entitled to vote shall be notified in person or by mail ten (10) days in advance of an election. The candidates receiving the highest number of votes shall be declared elected and shall take office as soon thereafter as qualified. All ballots shall be received and counted under the supervision of the pension administrator or other designees of the Board. An election shall be held each year not more than thirty (30) and not less than ten (10) days prior to commencement of the terms for which Members are to be elected in that year. The Board shall meet, organize and elect one (1) of their Members as chairman and one (1) Member as vice-chairman, at the February monthly Board meeting.

(f) If an elective seat on the Board is vacated for any reason, an election to fill the vacated position shall be conducted. However, if an elected Board Member retires before the expiration of their term, such Board Member may continue to hold such elective seat for the balance of their elected term. If an appointive seat on the Board is vacated for any reason, the seat shall be filled by appointment. A replacement Member shall serve for the unexpired term of the person replaced.

(g) Members shall serve without compensation, but they may be reimbursed from the Fund for all necessary expenses which they may actually expend through Services on the Board.

(h) Each Board Member shall, within ten (10) days after his appointment or election, take an oath of office before the City clerk of the City, that so far as it develops upon him he will diligently and honestly administer the affairs of the said Board, and that he will not knowingly violate or willingly permit to be violated any of the provisions of the law applicable to the Plan. Such oath shall be subscribed to by the Members making it and certified by the said clerk and filed in his office.

(i) Each Member shall be entitled to one (1) vote on the Board. A majority vote of those present, where a quorum is in attendance, shall be necessary for a decision at any meeting of the Board. The chairman shall have the right to one (1) vote only. A quorum shall consist of four (4) Members, at least one (1) of whom shall be an appointive Member.

(j) Subject to the limitations of this division, the Board shall from time to time establish uniform rules and regulations for the administration of Funds created by this division and for transaction of its business, including provisions for compulsory attendance of its Members.

(k) The Board shall, by majority vote of its Members, appoint a secretary who may, but need not be, one of its Members. The Board, with the approval of a majority of the City commission, 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, but in no case shall the expenditures for such Services or operations exceed one (1) percent of the maximum Fund assets in any Plan Year.

All Funds shall be disbursed by the City finance department only on authorization of the Board.

(l) Any Member who neglects the duties of his office as determined by the Board, may be removed by a two-thirds (2/3) vote of the Board.

(m) 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 and certify amount of all Retirement pensions or other benefits hereunder.

(4) Have annual actuarial valuations of the Plan performed.

(5) To establish uniform rules and procedures to be followed for administrative purposes, benefit applications and all matters required to administer the Plan.

(6) To distribute at regular intervals to employees, information concerning the Plan.

(7) To receive, process and approve all applications for Membership and benefits; to notify the City finance department of approved benefit payments.

(8) To perform such duties as are specified in section 20-114

(9) To review reports of the trustee, custodian and investment advisor, if any.

(10) To submit copies of all annual reports to the City commission.

(11) To conduct meetings with the trustee and investment advisor not less than once every three (3) months.

The decision of the Board in all questions of interpretation of the Plan shall be final.

(n) The City attorney, his designated assistant or special counsel, shall be the attorney for the Board, shall give advice to said Board in all matters pertaining to its duties in the administration and operation of the Retirement System and shall represent and defend said Board as its attorney in all suits and legal actions to which the Board may be a party. If, in a particular instance, the City attorney determines that, pursuant to the code of professional responsibility, he is unable to represent both the City and the Board due to the presence of a conflict, the City commission shall engage independent legal counsel for the purpose of advising and representing the Board in connection with the particular matter from which said conflict arises.

Sec. 20-114. Finances and Fund management; establishment and operation of Fund.

(a) All of the contributions and assets whatsoever attributable to the Plan shall be deposited into the Fund originally established and continued hereunder.

(b) The actual supervision of the Fund (and the ability to acquire in trust and convey assets thereof) shall be vested in the Board. Payment of benefits and disbursements from the Fund shall be made by the City finance department on authorization from the Board.

(c) The trustee and custodian of the Fund shall be designated by the Board upon an affirmative vote of five (5) Members of the Board and with the approval of a majority of the City commission. A trust agreement shall be executed between the City and the trustee under the terms of which the trustee shall be authorized to receive and hold in such Fund all contributions and assets whatsoever payable and attributable to the Plan. It shall be impossible under the terms of this Plan or any trust agreement hereunder for any part of the principal or income of the Fund, except for such sums as may be expended in administration of the Plan, to be used for or diverted to purposes other than the exclusive benefit of Employees, their Beneficiaries and benefits provided hereunder. No disbursements shall be made by the trust except upon written authorization from the Board to the City finance

department and subsequent written notification to the trustee. No amendment shall be made to the trust agreement without approval of a majority of the City commission.

(d) Either the trustee or a separate investment advisor, if any, shall have full authority to supervise, pass upon and approve the nature, amount and timing of investments of the Fund and the purchase, sale and disposition of such investments. The Board may, accordingly and in its discretion, hire and appoint such persons, firms or entities as it determines to be required or advisable so as to accomplish and have performed investment advisory duties hereunder. The Board may thus enter into appropriate agreements for the purpose of securing separate investment advisory Service for the Fund.

(e) 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 current Accounts and entries as regards the following:

(1) Current amounts of accumulated contributions of Members on both an individual and aggregate Account basis;

(2) Receipts and disbursements;

(3) Payments to retirees;

(4) Current amounts clearly reflecting all monies, Funds and assets whatsoever attributable to contributions and deposits from the City;

(5) All interest, dividends and gains (or losses) whatsoever; and

(6) Such other entries as may be properly required so as to reflect a clear and complete financial report of the Fund.

(f) The City finance department is authorized to and charged with the responsibility of collecting Member contributions, maintaining records pertaining thereof, and promptly transmitting all Funds so collected, as well as all other Funds whatsoever designated for the Plan, to the trustee. The City finance department shall also:

(1) Make payments to retirees;

(2) Review copies of all annual reports on Fund transactions; and

(3) Make disbursements from the Fund as authorized by the Board.

Sec. 20-115. Maximum Pension.

(a) Basic Limitation. Notwithstanding any other provisions of this plan to the contrary, the Employee contributions paid to, and retirement benefits paid from, the plan shall be limited to such extent as may be necessary to conform to the requirements of Code Section 415 for a qualified retirement plan. Before January 1, 1995, a plan Employee may not receive an annual benefit that exceeds the limits specified in Code Section 415(b), subject to the applicable adjustments in that section. On and after January 1, 1995, an Employee may not receive an annual benefit that exceeds the dollar amount specified in Code Section 415(b)(1)(A) ($160,000), subject to the applicable adjustments in Code Section 415(b) and subject to any additional limits that may be specified in this plan. For purposes of this section, "limitation year" shall be the calendar year.

For purposes of Code Section 415(b), the term "annual benefit" means a benefit payable annually in the form of a straight life annuity without regard to the benefit attributable to after-tax employee contributions (except pursuant to Code section 415(n)) and to rollover contributions (as defined in Code section 415(b)(2)(A)), and with the benefit attributable determined in accordance with Treasury Regulations located in 26 C.F.R. 1.415(b)-1.

(b) Adjustments to Basic Limitation for Form of Benefit. If the form of benefit is other than the annual benefit defined in subsection (a), the benefit shall be adjusted so that it is the equivalent of the annual benefit using factors prescribed in Treasury Regulations. If the form of benefit without regard to any automatic benefit increase feature is not a straight life annuity or a qualified joint and survivor annuity then the preceding sentence is applied by either reducing the Code Section 415(b) limit applicable at the annuity starting date or by adjusting the form of benefit to an actuarially equivalent amount determined using the assumptions specified in 26 CFR 1.415(b)-1 that takes into account the additional benefits under the form of benefit as follows:

(1) Benefit Forms Not Subject to § 417(e)(3): The straight life annuity that is actuarially equivalent to the Employee's form of benefit shall be determined under this subsection if the form of an Employee's benefit is either a non-decreasing annuity (other than a straight life annuity) payable for a period of not less than the life of the Employee (or in the case of a qualified pre-retirement survivor annuity, the life of the surviving spouse), or an annuity that decreases during the life of the Employee merely because of (a) the death of the survivor annuitant (but only if the reduction is not below 50% of the benefit payable before the death of the survivor annuitant), or (b) the cessation or reduction of Social Security supplements or qualified disability payments (as defined in Code Section 401(a)(11). For a benefit paid in a form described in this subsection, the actuarially equivalent straight life annuity is equal to the greater of:

a. The annual amount of the straight life annuity (if any) payable to the Employee under the plan commencing at the same annuity starting date as the Employee's form of benefit, or

b. the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Employee's form of benefit, computed using a 5 percent interest rate assumption and the applicable mortality tables described in Code Section 417(e)(3)(B) (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing Code Section 417(e)(3)(B); or

(2) Benefit Forms Subject to § 417(e)(3): If a form of Employee's benefit is other than a benefit form described in subsection (b)(1), the actuarially equivalent straight life annuity benefit that is the greatest of:

a. The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using the interest rate and mortality table, or tabular factor, specified in the plan for actuarial experience;

b. The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable computed using a five percent interest assumption for the applicable statutory interest assumption and (i) for years prior to January 1, 2009 the applicable mortality tables for the distribution under 26

CFR 1.417(e)-1(d)(2) (Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Ruling 2001-62) and (ii) for years after December 31, 2008 the applicable mortality tables described in Code Section 417(e)(3)(B) (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing Code Section 417(e)(3)(B); or

c. The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable computed using the applicable interest rate for the distribution under 26 CFR 1.417(e)-1(d)(3) the 30-year Treasury rate prior to January 1, 2007 using the rate in effect for the month prior to retirement and on and after January 1, 2007 using the rate in effect for the first day of the plan year with a one-year stabilization period and (i) for years prior to January 1, 2009 the applicable mortality tables for the distribution under 26 CFR 1.417(e)-1(d)(2) (the mortality table specified in Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Ruling 2001-62) and (ii) for years after December 31, 2008 the applicable mortality tables described in Code Section 417(e)(3)(B) (Notice 200885 or any subsequent Internal Revenue Service guidance implementing Code Section 417(e)(3)(B)), divided by 1.05.

(3) The actuary may adjust the 415(b) limit at that annuity starting date in accordance with paragraphs (1) and (2) above.

(c) Benefits Not Taken into Account. For purposes of this Section, the following benefits shall not be taken into account in applying these limits:

(1) Any ancillary benefit which is not directly related to retirement income benefits;

(2) Survivor benefits payable to a surviving spouse under a qualified joint and survivor annuity to the extent such benefits would not be payable if the Employee's benefit were paid in another form.

(3) Any other benefit not required under §415(b)(2) of the Code and Regulations thereunder to be taken into account for purposes of the limitation of Code Section 415(b)(1);

(d) COLA Effect. Effective on and after January 1, 2003, for purposes of applying the limits under Code Section 415(b) (the "Limit"), the following will apply:

(1) An Employee's applicable limit will be applied to the Employee's annual benefit in the Employee's first limitation year of benefit payments without regard to any automatic cost of living adjustments;

(2) thereafter, in any subsequent limitation year, an Employee's annual benefit, including any automatic cost of living increases, shall be tested under the then applicable benefit limit including any adjustment to the Code Section 415(b)(1)(A) dollar limit under Code Section 415(d), and the regulations thereunder; but

(3) in no event shall an Employee's benefit payable under the plan in any limitation year be greater than the limit applicable at the annuity starting date, as increased in subsequent years pursuant to Code Section 415(d) and the regulations thereunder.

Unless otherwise specified in the plan, for purposes of applying the limits under Code Section 415(b), an Employee's applicable limit will be applied taking into consideration cost of living increases as required by Section 415(b) of the Code and applicable Treasury Regulations.

(e) Other Adjustments in Limitations.

(1) In the event the Employee's retirement benefits become payable before age sixty-two (62), the limit prescribed by this section shall be reduced in accordance with regulations issued by the Secretary of the Treasury pursuant to the provisions of Code Section 415(b) of the Code, so that such limit (as so reduced) equals an annual straight life benefit (when such retirement income benefit begins) which is equivalent to an annual benefit in the amount of the applicable dollar limitation of Section 415(b)(1)(A) of the Internal Revenue Code (as adjusted pursuant to Section 415(d) of the Internal Revenue Code) beginning at age sixty-two (62).

(2) In the event the Employee's benefit is based on at least fifteen (15) years of credited service as a full-time police officer or firefighter, the adjustments provided for in (D)(1) above shall not apply.

(3) The reductions provided for in (D)(1) above shall not be applicable to disability benefits or pre-retirement death benefits.

(4) In the event the Employee's retirement benefit becomes payable after age sixty-five (65), for purposes of determining whether this benefit meets the limit set forth in subsection (b) herein, such benefit shall be adjusted so that it is actuarially equivalent to the benefit beginning at age sixty-five (65). This adjustment shall be made in accordance with regulations promulgated by the Secretary of the Treasury or his delegate.

(f) Less than Ten (10) Years of Service. The maximum retirement benefits payable under this section to any Employee who has completed less than ten (10) years of credited service shall be the amount determined under subsection (a) multiplied by a fraction, the numerator of which is the number of the Employee's years of credited service and the denominator of which is ten (10). The reduction provided by this section cannot reduce the maximum benefit below 10% of the limit determined without regard to this subsection. The reduction provided for in this section shall not be applicable to pre-retirement disability benefits or pre-retirement death benefits.

(g) Participation in Other Defined Benefit Plans. The limit of this section with respect to any Employee who at any time has been an Employee in any other defined benefit plan as defined in Code Section 414(j) maintained by the City shall apply as if the total benefits payable under all City defined benefit plans in which the Employee has been an Employee were payable from one plan.

(h) Ten Thousand Dollar ($10,000) Limit. Notwithstanding anything in this section to the contrary, the retirement benefit payable with respect to an Employee shall be deemed not to exceed the limit set forth in this section if the benefits payable, with respect to such Employee under this plan and under all other qualified defined benefit pension plans to which the City contributes, do not exceed ten thousand dollars ($10,000) for the applicable limitation year and for any prior limitation year and the City has not at any time maintained a qualified defined contribution plan in which the Employee participated; provided, however, that if the Employee has completed less than ten years of credited service, the limit under this subsection shall be a reduced limit equal to ten thousand dollars ($10,000) multiplied by a fraction, the numerator of which is the number of the Employee's years of credited service and the denominator of which is ten.

(i) Reduction of Benefits. Reduction of benefits and/or contributions to all plans, where required, shall be accomplished by first reducing the Employee's benefit under any defined benefit plans in which Employee participated, such reduction to be made first with respect to the plan in which Employee most recently accrued benefits and thereafter in such

priority as shall be determined by the board and the plan administrator of such other plans, and next, by reducing or allocating excess forfeitures to defined contribution plans in which the Employee participated, such reduction to be made first with respect to the plan in which Employee most recently accrued benefits and thereafter in such priority as shall be established by the board and the plan administrator for such other plans provided, however, that necessary reductions may be made in a different manner and priority pursuant to the agreement of the board and the plan administrator of all other plans covering such Employee.

(j) Service Credit Purchase Limits.

(1) Effective for permissive service credit contributions made in limitation years beginning after December 31, 1997, if an Employee makes one or more contributions to purchase permissive service credit under the plan, then the requirements of this section will be treated as met only if:

a. the requirements of Code Section 415(b) are met, determined by treating the accrued benefit derived from all such contributions as an annual benefit for purposes of Code Section 415(b), or

b. the requirements of Code Section 415(c) are met, determined by treating all such contributions as annual additions for purposes of Code Section 415(c).

c. For purposes of applying subparagraph (1)b. the plan will not fail to meet the reduced limit under Code section 415(b)(2)(C) solely by reason of this subparagraph, and for purposes of applying subparagraph (1)b. the plan will not fail to meet the percentage limitation under Section 415(c)(1)(B) of the Code solely by reason of this subparagraph c.

(2) For purposes of this subsection the term "permissive service credit" means service credit—

a. recognized by the plan for purposes of calculating an Employee's benefit under the plan.

b. which such Employee has not received under the plan, and

c. which such Employee may receive only by making a voluntary additional contribution, in an amount determined under the plan, which does not exceed the amount necessary to fund the benefit attributable to such

service credit.

Effective for permissive service credit contributions made in limitation years beginning after December 31, 1997, such term may, if otherwise provided by the plan, include service credit for periods for which there is no performance of service, and, notwithstanding clause (B)(2), may include service credited in order to provide an increased benefit for service credit which an Employee is receiving under the plan.

(3) For purposes of applying the limits in this subsection (j) only and for no other purpose, the definition of compensation where applicable will be compensation actually paid or made available during a limitation year, except as noted below and as permitted by Treasury Regulations located in 26 CFR 1.415(c)-2, or successor regulations. Unless another definition of compensation that is permitted by Treasury Regulations Section 1.415(c)-2, or successor regulation, is specified by the plan, compensation will be defined as wages within the meaning of Code Section 3401(a) and all other payments of compensation to an employee by a City for which the City is required to furnish the employee a written statement under Code Sections 6041(d), 6051(a)(3) and 6052 and will be determined without regard to any rules under Code Section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2).

a. However, for limitation years beginning after December 31, 1997, compensation will also include amounts that would otherwise be included in compensation but for an election under Code Sections 125(a), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b). For limitation years beginning after December 31, 2000, compensation will also include any elective amounts that are not includible in the gross income of the employee by reason of Code Section 132(f)(4).

b. For limitation years beginning on and after January 1, 2007, compensation for the limitation year will also include compensation paid by the later of 2½ months after an employee's severance from employment or the end of the limitation year that includes the date of the employee's severance from employment if:

1. the payment is regular compensation for services during the

employee's regular working hours, or compensation for services outside the employee's regular working hours (such as overtime or shift differential), commissions, bonuses or other similar payments, and, absent a severance from employment, the payments would have been paid to the employee had the employee continued in employment with the City; or

2. the payment is for unused accrued bona fide sick, vacation or other leave that the employee would have been able to use if employment had continued.

c. Back pay, within the meaning of Treasury Regulations Section 1.415(c) - 2(g)(8), shall be treated as compensation for the limitation year to which the back pay relates to the extent the back pay represents wages and compensation that would otherwise be included under this definition.

(4) Notwithstanding any other provision of law to the contrary, the Board may modify a request by an Employee to make a contribution to the plan if the amount of the contribution would exceed the limits provided in Code Section 415 by using the following methods:

a. If the law requires a lump sum payment for the purchase of service credit, the Board may establish a periodic payment deduction plan for the Employee to avoid a contribution in excess of the limits under Code Sections 415(c) or 415(n).

b If payment pursuant to subparagraph (4)a. will not avoid a contribution in excess of the limits imposed by Code Section 415(c), the Board may either reduce the Employee's contribution to an amount within the limits of that section or refuse the Employee's contribution.

(5) If the annual additions for any Employee for a plan year exceed the limitation under Code Section 415(c), the excess annual addition will be corrected as permitted under the Employee Plans Compliance Resolution System (or similar IRS correction program).

(6) For limitation years beginning on or after January 1, 2009, an Employee's compensation for purposes of this subsection shall not exceed the annual limit

under Code Section 401(a)(17).

(k) Additional Limitation on Pension Benefits. Notwithstanding anything herein to the contrary:

(1) The normal retirement benefit or pension payable to a retiree who becomes an Employee of the Plan and who has not previously participated in such Plan, on or after January 1, 1980, shall not exceed one hundred percent (100%) of average final compensation. However, nothing contained in this section shall apply to supplemental retirement benefits or to pension increases attributable to cost-of-living increases or adjustments.

(2) No Employee shall be allowed to receive a retirement benefit or pension which is in part or in whole based upon any service with respect to which the Employee is already receiving, or will receive in the future, a retirement benefit or pension from a different City's retirement system or plan. This restriction does not apply to social security benefits or federal benefits under Chapter 67, Title 10, U.S. Code.

Sec. ~~20-115~~ 20-116. Additional specific provisions.

(a) *Small pensions.* If the pension payable to a Member or Beneficiary has a lump sum actuarial value of less than three thousand five hundred dollars ($3,500.00), the Board may, in its discretion, pay such benefit in a lump sum in lieu of any other payments under the Plan.

(b) *Nonassignability.* No Member or Beneficiary under the Plan shall have any right to assign, transfer, hypothecate, encumber, commute or anticipate any interest he may have in any payments, Funds or contracts under this Fund, and no such interest shall in any way be subject to any legal process or levy or execution upon, or attachment or garnishment proceedings against the same for the payment of any claim against any Member or any Beneficiary under the Plan, nor shall any such interest be subject to the jurisdiction of any bankruptcy court or insolvency proceedings. No assignment of any rights or benefits arising under the Plan will be permitted or recognized.

(c) *Incompetents.* If any Member or beneficiary is a minor or is, based on competent medical advise or court decision, 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.

(d) *Miscellaneous:*

(1) The Board will furnish the Plan's actuary with all data required for necessary actuarial computations under the Plan.

(2) No payment or any benefit, contribution or other sum which would constitute a violation of any applicable wage control law shall be made hereunder.

(3) Reference to the word "his" shall also mean "her," wherever applicable.

(e) *Increases.* Upon approval of the City Commission as regards any amendment to this Plan after the effective date of the Plan, any increases in Retirement benefits granted to active employees after the effective date of this Plan may also be made applicable to retired Members and their Beneficiaries, provided that (i) the actuarial cost of granting such additional benefits to retired Members and their Beneficiaries shall be Funded by an increase in the contribution rate of the active Members of the Plan, and (ii) the consent of the affected Bargaining Unit(s) as may be required by Part II, Chapter 447, Florida Statutes is obtained.

(f) *Transferred employees.* Any employee who was transferred to another governmental agency (as defined in section 20-107) and continued to be a Member of this Plan shall have the right to terminate his Membership in this Plan at any time subsequent to such transfer. Membership terminated by a transferred employee may not be reinstated.

(g) *Exclusions for disability and death.* No Member shall be granted a disability pension, nor shall any death benefits be payable on behalf of any Member, upon a showing to the satisfaction of the Board of the following:

(1) That disability or death resulted from an intentionally self-inflicted injury within the first two (2) years of employment. The exclusion set forth herein shall nevertheless apply if disability or death occurs beyond such two-year period as the result of an injury that was intentionally self-inflicted within the first two (2) years of employment;

(2) That alcoholic beverages, narcotics or drugs were the cause of disability or death, and disability or death occurred as a direct result of the habitual intentional ingestion of alcoholic beverages, narcotics or drugs without an intervening or contributing cause;

(3) That disability or death resulted from unlawful participation or unlawful involvement in riots, insurrection or assembly; or

(4) That disability or death resulted from participation or involvement in the commission of a felony as defined by the laws of the State of Florida, or the United States of America.

The provisions of this subsection shall apply to both Service and nonservice incurred death or disability.

(h) *Denial of claim.*

(1) A Member or Beneficiary whose claim for benefits under this Plan is denied by the Board shall be given, within thirty (30) days, a written notice setting forth the specific reasons for such denial. Such notice shall also advise the Member or Beneficiary that he has the right to a full and fair review of the Board's decision.

(2) Such Member or Beneficiary shall have the right to file an administrative appeal to the Board within thirty (30) days from the date a written notice setting forth the specific reasons for denial of a claim for benefits is filed with the Board. At the administrative appeal the Board shall hold a hearing at which time he may

present any evidence or make any statements he deems to be appropriate and relevant to the Board's review of its decision to deny the claim for benefits.

(3) Upon completion of the administrative appeal and review, in subsection (h)(2) above, written notice of the Board's decision shall be given to the Member or Beneficiary within thirty (30) days. In the event the Board's decision is a denial of the claim, the written notice shall set forth the specific reasons for the denial. In the event of a denial of the claim, the written notice setting forth the specific reasons for the denial shall be filed with the Board within thirty (30) days of the conclusion of the hearing. A Member or Beneficiary shall have thirty (30) days from the filing of said written notice with the Board within which to file a petition for a writ of certiorari with the circuit court.

(i) *Right to amend Plan.* The City reserves the right at any time to amend or modify this Plan in any respect or to terminate the Plan; provided that no amendment shall cause any part of the Fund assets to be used for or diverted to purposes other than the exclusive benefit of Members and their beneficiaries.

(j) *Termination and discontinuance.* Notwithstanding any other provisions of this Plan to the contrary, upon the date of either full or partial termination of the Plan, or in the case of a Plan to which Internal Revenue Code Section 412 does not apply, upon complete discontinuance of contributions under the Plan, an affected employee's or Member's right to their accrued benefit shall be one hundred (100) percent nonforfeitable.

(k) *Rollover distributions.* This subsection applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's (as defined below) election under this subsection, a distributee may elect, at the time and in the manner prescribed by the Plan administrator, to have any portion of an eligible rollover distribution (as defined below) that is equal to at least $500 paid directly to an eligible Retirement Plan specified by the distributee in a direct rollover (as defined below). If an eligible rollover distribution is less than $500, a distribute may not make the election described in the preceding sentence to rollover only a portion of the eligible rollover distribution.

(1) For the purposes of this subsection 20-115(k) the following words and phrases shall have the meanings indicated:

a. *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:

1. Any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten (10) years or more;

2. Any distribution to the extent such distribution is required under Section 401(a)(9) of the Internal Revenue Code; and

3. The portion of any distribution that is not includable in gross income~~.~~ (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and

4. Any other distribution(s) that is reasonably expected to total less than $200 during a year.

A portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to (1) a traditional individual retirement account or annuity described in § 408(a) or (b) of the Code (a traditional IRA) or a Roth individual retirement account or annuity described in § 408A (a Roth IRA); or (2) to a qualified defined contribution, defined benefit, or annuity plan described in § 401(a) or § 403(a) or to an annuity contract described in § 403(b), if such plan or contract provides for separate accounting for amounts so transferred (including interest thereon), including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

b. *Eligible Retirement Plan* is an eligible plan under § 457(b) of the Code 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, an individual Retirement Account described in Section 408(a) of the Internal Revenue Code, an individual Retirement annuity described in Section 408(b) of the Internal Revenue Code, an annuity Plan described in Section 403(a) of the Internal Revenue Code, or a qualified trust described in Section 401(a) of the Internal Revenue Code, 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.

c. *Distributee* includes an employee or former employee. In addition, the employee's or former employee's surviving spouse are distributees with regard to the interest of the spouse. For distributions occurring in plan years beginning after December 31, 2009 (or in any earlier plan year beginning after December 31, 2006), a distributee also includes the participant's non-spouse designated beneficiary. In the case of a non-spouse beneficiary, the direct rollover may be made only to a traditional IRA or Roth IRA that is established on behalf of the designated beneficiary and that will be treated as an inherited IRA pursuant to the provisions of § 402(c)(11). Also, in this case, the determination of any required minimum distribution under § 401(a)(9) that is ineligible for rollover shall be made in accordance with Notice 2007-7, Q&A 17 and 18, 2007-5 I.R.B. 395.

d. *Direct rollover* is a payment by the Plan to the eligible Retirement Plan specified by the distributee.

(l) *Overpayment of benefits.* In the event of overpayment of benefits, the monies owed to the Plan shall be payable in Fort Lauderdale, Broward County, Florida, within thirty (30) days of the date of overpayment. The monies owed to the Board shall accrue interest at the highest lawful rate allowed by law, but the Board, in its discretion, shall have the authority to compromise such accrued interest. In the event the Board finds it necessary to resort to

litigation to collect the overpayment, venue for an action for overpayment shall be in Broward County, Florida. In the event the Board is the prevailing party in an action to collect overpayments, the Board shall be entitled to an award of attorneys' fees, together with interest at the highest lawful rate allowed by law.

(m) *Distribution of Benefits*. As of the Effective Date, this Plan shall pay all benefits in accordance with a good faith interpretation of the requirements of Code Section 401(a)(9) and the regulations promulgated thereunder, as applicable to a governmental plan as defined in Code Section 414(d). 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 Participant's death,

a It shall either be distributed or commence to the Participant not later than April 1 of the calendar year following the later of the calendar year in which the Participant attains age seventy and one-half (70½), or the calendar year in which the Participant retires; and,

b the benefit shall be paid over the life of the Participant or over the lifetimes of the Participant and designated beneficiary and shall be paid over the period extending not beyond the life expectancy of the Participant and designated beneficiary.

Where benefit payments have commenced in accordance with the preceding paragraphs and the Participant 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 Participant's death.

(2) If the participant dies before distributions begin, the participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

a If the participant's surviving spouse is the participant's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the participant died, or by December 31 of the calendar year in which the participant would have attained age 70½, if later.

b If the participant's surviving spouse is not the participant's sole designated beneficiary, then, except as provided in the adoption agreement, distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the participant died.

c If there is no designated beneficiary as of September 30 of the year following the year of the participant's death, the participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the participant's death.

d If the participant's surviving spouse is the participant's sole designated beneficiary and the surviving spouse dies after the participant but before distributions to the surviving spouse are required to begin, this section (2), other than subsection (2)a, will apply as if the surviving spouse were the participant. For purposes of this section, unless subsection (2)d applies, distributions are considered to begin on the participant's required beginning date. If subsection B(4) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under section (2)d. If distributions under an annuity meeting the requirements of this article commence to the participant before the participant's required beginning date (or to the participant's surviving spouse before the date distributions are required to begin to the surviving spouse under section (2)a, the date distributions are considered to begin is the date distributions actually commence.

(n) *Prohibited Transaction.* The Board may not engage in any transaction prohibited under Section 503(b) of the Internal Revenue Code.

(o) *Qualification of Plan.* It is intended that this plan shall constitute a qualified public pension plan under the applicable provisions of the Code for a qualified plan under Code Section 401(a) and a governmental plan under Code Section 414(d), as now in effect and as may be amended from time to time. Any modification or amendment of this Plan may be made retroactively, if necessary or appropriate to maintain qualification.

SECTION 2. That if any clause, section or other part of this Ordinance shall be held invalid or unconstitutional by any court of competent jurisdiction, the remainder of this Ordinance shall not be affected thereby, but shall remain in full force and effect.

SECTION 3. That all ordinances or parts of ordinances in conflict herewith, be and the same are hereby repealed.

SECTION 4. That this Ordinance shall be in full force and effect ten days from the date of final passage.

PASSED FIRST READING this the 20th day of October, 2015.
PASSED SECOND READING this the 3rd day of November, 2015.

Mayor
JOHN P. "JACK" SEILER

ATTEST:

City Clerk
JEFFREY A. MODARELLI

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ORDINANCE NO. C-16-01

AN ORDINANCE OF THE CITY OF FORT LAUDERDALE, FLORIDA, PERTAINING TO THE SUBJECT OF RETIREMENT; AMENDING CHAPTER 20, PERSONNEL, ARTICLE IV, PENSIONS, DIVISION 2, GENERAL EMPLOYEES RETIREMENT SYSTEM, SECTION 20-116, ADDITIONAL SPECIFIC PROVISIONS, OF THE CODE OF ORDINANCES OF THE CITY OF FORT LAUDERDALE, TO ADD A NEW SUBSECTION 20-116(p) TO CLEARLY AUTHORIZE IN–SERVICE DISTRIBUTIONS; PROVIDING A STATEMENT OF PURPOSE AND INTENT; PROVIDING A CONFLICTS CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING AN EFFECTIVE DATE THEREFOR.

WHEREAS, the City of Fort Lauderdale General Employee's Pension Plan (the Plan") is required to be maintained in accordance with applicable federal and state law and regulations applicable thereto; and

WHEREAS, the City of Fort Lauderdale has learned that the Plan may have been out of compliance with certain applicable federal tax laws due to the reemployment by the City of certain Plan members who had commenced receipt of retirement benefits or whose employment with the City did not terminate; and

WHEREAS, the City of Fort Lauderdale desires to correct any such defects in the structure of the Plan by the adoption of this Ordinance retroactively and to submit for approval to the IRS under its Voluntary Correction Program to be approved by the IRS to maintain and preserve the tax qualified status of the Plan; and

WHEREAS, under certain circumstances the City of Fort Lauderdale is permitted to reemploy employees who retire and still permit in-service distributions; and

WHEREAS, the City of Fort Lauderdale has determined that it is in the best interest of the City of Fort Lauderdale that the rehiring and retention of certain qualified and

experienced employees be continued provided such rehiring and retention does not adversely affect the tax qualified status of the Plan;

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF FORT LAUDERDALE, THAT:

SECTION 1. Subsection 20-116(p) of the Code of Ordinances of the City of Fort Lauderdale is hereby created to read as follows:

(p) In-Service Distributions

(1) Notwithstanding any other provision of the "Plan" to the contrary:

a. A Member who had attained such Member's "Normal Retirement Date" as defined in the Plan, and who satisfied all of the conditions for eligibility for retirement contained therein, and who was re-employed by the City after such retirement shall continue to receive retirement benefits from the Plan as an in-service distribution while re-employed and may also elect to receive payments from the Member's DROP account as an in-service distribution.

b. The in-service distribution rights under this Subsection 20-116(p) shall be retroactive to February 8, 1992 and in-service distribution rights shall exist thereafter under the Plan.

SECTION 2. Should any section, paragraph, sentence, clause, phrase or other part of this Ordinance be declared by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of this Ordinance as a whole or any portion or part thereof, other than the part so declared to be invalid.

SECTION 3. In the event the provisions of this Ordinance conflict with the provisions of any other Ordinance or Resolution or Plan or Agreement, the provisions of this Ordinance shall control.

SECTION 4. Effective Date. This Ordinance shall be in full force and effect upon its final passage.

PASSED FIRST READING this the 5th day of January, 2016.
PASSED SECOND READING this the 20th day of January, 2016.

Mayor
JOHN P. "JACK" SEILER

ATTEST:

City Clerk
JEFFREY A. MODARELLI

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ORDINANCE NO. C-18-22

AN ORDINANCE OF THE CITY OF FORT LAUDERDALE, FLORIDA, AMENDING THE CITY OF FORT LAUDERDALE GENERAL EMPLOYEES' RETIREMENT PLAN, TO WIT, SECTIONS 20-110, RETIREMENT BENEFITS, AND 20-111, OPTIONAL FORMS OF RETIREMENT BENEFITS, OF THE CODE OF ORDINANCES OF THE CITY OF FORT LAUDERDALE, FLORIDA, BY AMENDING THE DROP ACCOUNT EARNINGS RATE, CLARIFYING THE ELIGIBILITY FOR OPTIONAL FORMS OF BENEFIT OF ALL RETIREES, AND PROVIDING FOR THE DESIGNATION AND REPLACEMENT OF JOINT ANNUITANTS, AND PROVIDING FOR SEVERABILITY, REPEAL OF CONFLICTING ORDINANCE PROVISIONS, AND AN EFFECTIVE DATE.

WHEREAS, on August 18, 2015, the City Commission of the City of Fort Lauderdale adopted Resolution No. 15-164, which approved and ratified a Collective Bargaining Agreement between the City of Fort Lauderdale and Federation of Public Employees, a Division of the National Federation of Public and Private Employees, AFL-CIO, for the period August 19, 2015, through September 30, 2016, by which the parties agreed to certain amendments to the City's General Employees' Retirement Plan; and

~~WHEREAS, effective January 1, 2016, pursuant to Section 112.63, Florida Statutes, the actuarial reports of public retirement plans in Florida must use the mortality tables used in either of the two most recently published actuarial valuation reports of the Florida Retirement System; and~~

WHEREAS, implementation of the collectively bargained amendments to the General Employees' Retirement Plan and compliance with requirements of Florida law governing public pension plans serve a valid municipal purpose and are in the best interests of the City of Fort Lauderdale;

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF FORT LAUDERDALE, FLORIDA:

~~SECTION 1. That the definition of *Actuarially Equivalent*, contained in Section 20-107 of the Code of Ordinances of the City of Fort Lauderdale, Florida, is amended as follows:~~

~~*Actuarially Equivalent* means a benefit of equivalent value to the benefit which would otherwise have been provided, determined using the most recent mortality table used by the Plan GAM '83 (with a blended rate of 65% male, 35% female) and interest of eight (8) percent per annum before and after Retirement, and on the basis of other appropriate actuarial assumptions and methods used by the actuary.~~

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SECTION ~~2~~1. That Subsection 20-110(a)(2) of the Code of Ordinances of the City of Fort Lauderdale, Florida, is amended to provide as follows:

> *Duration and survivor benefits.* Except as is otherwise provided under section 20-110(a.1)(9), unless he elects an optional form of Retirement benefit under section 20-111, a Member retiring on or after his Normal Retirement Date shall receive a monthly Pension commencing on his Retirement date and continuing thereafter during his lifetime. Additionally, all Group I Members shall receive duration and survivor benefits as follows:
>
> * * *

SECTION ~~3~~2. That Subsection 20-110(a.1)(5) of the Code of Ordinances of the City of Fort Lauderdale, Florida, is amended to provide as follows:

Each DROP Account shall accrue DROP Earnings during the DROP Period~~.~~ as follows:

a. For i) eligible Members who are not employed in a position that is within the Supervisory/Professional Bargaining Unit, and ii) eligible Members who are employed in a position that is within the Supervisory/Professional Bargaining Unit who commence participation in the DROP prior to August 21, 2018, DROP Earnings shall be computed at simple interest at the actuarially assumed rate of return for the Fund.

b. For Members of the Supervisory/Professional Bargaining Unit who commence participation in the DROP on or after August 21, 2018, DROP Earnings shall be computed annually as follows:

   1. At a rate of three percent (3%) if the net rate of investment return for the Plan year during which the Earnings are computed is less than three percent (3%).

   2. At a rate equal to the Plan's actual net rate of investment return if the rate of investment return for the Plan year during which the Earnings are computed is three percent (3%) or greater, but no greater than six percent (6%), for the Plan year during which the Earnings are computed.

   3. At a rate of six percent (6%) if the net rate of investment return for the Plan year during which the Earnings are computed is greater than six percent (6%).

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At the end of the DROP Period, the DROP Account shall no longer accrue DROP Earnings. Cost of living adjustments pursuant to section 20-110(h) shall be applicable to monthly Retirement benefits during the DROP Period to the same extent the adjustments would be applicable to normal Retirement monthly benefits.

SECTION 43. That Section 20-111 of the Code of Ordinances of the City of Fort Lauderdale, Florida, is amended to provide as follows:

Each Member who is entitled to a normal, early or deferred retirement benefit ~~regular Normal Retirement Benefit~~ shall have the right at any time prior to commencement of benefit payments ~~his actual Retirement~~ to elect to have such benefit payable under any one of the options hereinafter set forth in lieu of the Retirement benefits otherwise provided herein, and to revoke any such elections and make a new election at any time prior to actual Retirement. The value of optional Retirement benefits shall be actuarially equivalent (as defined in section 20-107) to the value of benefits otherwise payable. The Member shall make an election by written request to the Board and such an election shall be subject to the approval of the Board.

* * *

(4) The Member upon electing any option of this section must elect in writing a designated annuitant, and may change such designation at any time prior to commencement of benefits, but any such change shall be deemed a new election and is subject to approval by the Board of Trustees. Such designation must name a joint annuitant or one (1) or more primary Beneficiaries where applicable. A retired Member may change his designation of a joint annuitant up to two times with the approval of the Board so long as the Member provides proof that the most recent former designated annuitant is still living and in good health. In determining actuarial equivalence hereunder, if the Member is unable to provide evidence that the former designated annuitant is still living and in good health, the former designated joint annuitant shall be assumed to be deceased. The consent of a Member's joint annuitant or Beneficiary to any such change is not required. A requested change of designated annuitant is effective upon approval of the Board. If either the member or the joint annuitant dies before the effective date of the written request for change of joint annuitant, the requested change shall be void, and survivor benefits, if any, shall be paid as if no request had been made.

(5) Upon receipt of a completed written request for change of designated annuitant, the Member's monthly benefit shall be adjusted to ensure that the benefit paid is the actuarial equivalent of the present value of the member's current benefit. In addition, all actuarial costs associated with a request for change of a designated annuitant or beneficiary shall be paid by the Member, such that there is no actuarial impact on the Plan resulting from such change.

SECTION ~~5~~4. That if any clause, section or other part of this Ordinance shall be held invalid or unconstitutional by any court of competent jurisdiction, the remainder of this Ordinance shall not be affected thereby, but shall remain in full force and effect.

SECTION ~~6~~5. That all ordinances or parts of ordinances in conflict herewith, be and the same are hereby repealed.

SECTION ~~7~~6. That this Ordinance shall be in full force and effect upon final passage.

PASSED FIRST READING this the 10th day of July, 2018.
PASSED SECOND READING this the 21st day of August, 2018.

Mayor
DEAN J. TRANTALIS

ATTEST:

City Clerk
JEFFREY A. MODARELLI

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