

**DEERFIELD BEACH POLICE OFFICER'S
RETIREMENT TRUST FUND**

SUMMARY PLAN DESCRIPTION

DATED: NOVEMBER 2019

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CITY OF DEERFIELD BEACH POLICE OFFICER'S RETIREMENT TRUST FUND

INTRODUCTION

This document is intended to be a plain language summary of the administration and benefits provided by the City of Deerfield Beach Police Officer's Retirement Trust Fund (the "Plan").

While efforts have been made by the Board of Trustees (the "Board") to provide an accurate summary, this document is not the official Plan document and your actual benefits are governed by the appropriate provisions of the actual statutes and ordinances which create this Plan, the Code of the City of Deerfield Beach, and Chapters 112, Part VII and Chapter 185, Florida Statutes. If there is any conflict between those legislative provisions and this summary, the legislative provisions control. Nothing in this document is intended to nor does it create a contract for benefits greater than that provided by law.

Any questions you have regarding your rights or benefits under this Plan should be directed to the Chairman of the Board of Trustees whose name and address are:

Richard Giuffreda
C/O Amanda Kish, Plan Administrator
Pension Resource Center
4360 Northlake Blvd., #206
Palm Beach Gardens, FL. 33410

WHAT IS THE OFFICIAL NAME OF THE PLAN?

The official name of the Plan is the Deerfield Beach Municipal Police Officer's Retirement Trust Fund.

WHAT TYPE OF PLAN IS THIS?

This is a defined benefit plan. This means the amount of benefits that you receive is a percentage of your salary multiplied by years of service in the Police Department/Sheriff's Office. Money is contributed to the Plan by you, the City and the State of Florida pursuant to an insurance premium rebate program established by the State of Florida pursuant to Chapter 185, Florida Statutes. Under Florida law, the City is ultimately responsible for making certain that the Plan is actuarially sound.

HOW IS THE PLAN ADMINISTERED?

The Plan is administered by a five member Board. Two of the Trustees are active police officers or deputy sheriffs who are elected by active members of the Plan; two of the Trustees are appointed by the City Commission and must be legal residents of the City, and a fifth member is appointed by the other four by majority vote. The fifth member need not be a resident of the City.

The Board is responsible for directing the investment of the assets of the Plan to ensure that there will be adequate monies for future benefits. The Plan's money is invested by professional money managers whose performance is monitored by investment professionals on a quarterly basis to ensure that the Board is receiving a proper return on the investment of pension assets.

The Plan employs a professional actuary who helps determine the cost of future benefits; accountants who determine the proper allocation of monies; and an attorney with expertise in the area of public pension law to advise the Board. With the assistance of these professionals, the Board Plan ordinance and for determining eligibility on all benefit claims.

The Trustees serve a two year term and are eligible for re-election or re-appointment. The Trustees receive no compensation for their service, and they only receive reimbursement for travel for educational activities on behalf of the Plan. In order to keep up on the latest trends in pension management, Trustees regularly attend schools and seminars pertaining to the management of pension funds for public employees.

The current Board of Trustees are:

Richard Giuffreda
Andrew Gianino
Rob Schnakenberg

Robert Amante
Ronald Stark

In accordance with Florida law, the Chairman is the registered agent for service of process, his business address may be located on under the Introduction section of this summary.

WHO ADMINISTERS THE PLAN?

The Plan is administered by the Pension Resource Center, whose address is:

Pension Resource Center
4360 Northlake Blvd., #206
Palm Beach Gardens, FL. 33410

The day-to-day record-keeping functions of the Plan are the responsibility of the Plan Administrator. All records and books of the Plan, except medical records, are available for public inspection at the office of the Board.

WHAT ARE THE LEGAL DOCUMENTS CREATING THE PLAN?

The Plan arises out of the Code of the City of Deerfield Beach, Chapter 112, Florida Statutes and Chapter 185, Florida Statutes, which provides a system for the taxation of insurance policies covering property located within the City of Deerfield Beach.

WHAT IS REQUIRED TO PARTICIPATE IN THE PLAN?

The Plan was open solely to all police officers formerly employed by the City of Deerfield Beach, who, upon their employment by the Broward Sheriff's Office, made an irrevocable election to continue participating in this Plan. A police officer or deputy sheriff is any person who is certified as a police officer as a condition of employment in accordance with the provisions of Florida Statutes and whose duty it is to protect life and property and exercise lawful arrest powers of the State of Florida. This definition includes all supervisory and command personnel whose duties include, in whole or in part, the supervision, training, guidance, and management responsibilities of full time police officers. This Plan is closed to new members upon the merger of the Deerfield Beach Police Department with the Broward Sheriff's Office in 1990.

WHAT BENEFITS DO I RECEIVE FROM THE FUND?

The following benefits are available from the Plan:

- a. Normal Retirement Date. Members are eligible for normal service retirement on the first day of the month on or next following the date upon which the member has reached age 47 and has completed 10 years of credited service, or has completed 20 years of credited service regardless of age.
- b. Normal Retirement benefit. Upon reaching their normal retirement date, members who have attained a vested interest in the Plan are entitled to a retirement benefit of 3% of average final compensation, multiplied by the number of whole and partial years of service, up to a maximum of 30 years of total service.
- c. Average Final Compensation. Average final compensation is the average monthly compensation during the highest 3 years of credited service.

- d. Credited service. Credited service is computed in whole and fractional parts of years.
- e. Duty Disability Benefit. If a member becomes permanently and totally disabled from useful and efficient service as a police officer as the result of an accident, illness, or injury arising in the line of duty, the member is entitled to a disability pension which is the greater of either the number of years of credited service as of the date of disability multiplied by 3% of average final compensation, or 42% of final average compensation.
- f. Non-duty disability benefit. If a member is injured outside the line of duty and has at least 10 years of credited service, the member is eligible for a non-service connected disability retirement which is equal to the accrued normal retirement benefit, but shall not be less than 25% of average monthly compensation as of the first day of the month following the date of disability.

Disability benefits afforded under the Plan will be offset by Worker's Compensation benefits and any amounts received as disability payments from Social Security to the extent that the total benefit does not exceed 100% of the member's average monthly wage, but reductions to a pension shall not fall below the minimum specified by law.

- g. Disability procedure. A member seeking a disability retirement should request a disability application from the Plan Administrator and is required to submit proof of the disability. After reviewing a disability application, the Board shall require the applicant to submit to an independent medical examination conducted by a physician or physicians selected by the Board. A member applying for a disability benefit has the right to request a formal evidentiary hearing at which time medical reports will be considered, and the member will have an opportunity to present his or her own evidence and cross examine all witnesses.

A member who receives a disability pension can be reexamined by the Board at any time prior to the member's normal retirement date, and if found to have recovered, must resume active service with the Broward Sheriff's Office. If a member recovers, yet refuses reemployment with the Sheriff's Office, the disability pension will be terminated. Disability benefits may not be awarded to a member whose employment terminated prior to the member's becoming disabled, nor may a member receive a disability benefit as the result of a self-inflicted injury or any disability resulting from the habitual use of narcotics or alcoholic beverages.

- h. Payment of Normal Retirement Benefit. Pension benefits may be paid in a number of ways.

The normal form of retirement for a member is a 10 year certain and life annuity. This means that a member is guaranteed 120 payments regardless of whether the member dies prior to the 120th payment. If the member dies prior to receiving at least 120 monthly payments, monthly payments will be made to the member's beneficiary until a total of 120 payments have been made. If a member dies after his or her normal retirement date but before receiving benefits, the member's beneficiary shall be entitled to 120 monthly payments in an amount equal to that which the member would have received had the member retired on the date of death. If a member is still alive after the payment of the 120th pension check, the pension continues for the life of the member, but there is no survivorship benefit paid to a spouse or any other beneficiary upon the member's death.

- i. Optional forms. The normal form of benefit payable to a married member is either a 50%, 66 2/3%, 75%, or 100% joint and survivor annuity. A member selecting a joint and survivor annuity will receive a reduced monthly benefit based on the age of their designated joint annuitant, which will be less than the single life annuity described above. The reduced monthly benefit is paid to the member for his or her life, with that same benefit continuing to the member's spouse for their life. This means that a member may choose to receive a benefit during the member's lifetime and to have the benefit continue after death to the member's spouse or other relative for the remainder of the spouse's or other relative's life.

The consent of a police officer's joint annuitant is not required for the selection of any option. A member may replace a designated joint annuitant, provided that the previously designated joint annuitant is alive at the time of removal. The amount of the benefit payable to the member upon the designation of a new joint annuitant is actuarially redetermined taking into account the ages and sex of the former joint annuitant, the new joint annuitant, and the member. The consent of the Board is required regarding these changes.

If a designated beneficiary or joint pensioner dies before the police officer has retired, the selected option is canceled and the retirement income automatically converts to a straight life pension payment, unless the police officer designates a new beneficiary prior to retirement.

Another option a member may choose is a single life annuity. This means that a member's benefit will continue for his or her life, but upon death the benefit ceases. There is no minimum payment guaranteed and no survivor benefit under this option.

- j. Vesting. A member is considered “vested” upon the completion of 10 years of credited service. If a police officer leaves the service of the City with less than 10 years of credited service, all accumulated contributions without interest are returned to the member plus an amount equal to “A” minus “B” where “A” is a police officer’s total compensation from the Broward Sheriff’s Office divided by a factor of 0.91, and “B” is a police officer’s total compensation from the Sheriff’s Office. If the member earns 10 years of credited service and then leaves the City’s Police Department, the member may receive either a return of contributions or an accrued benefit with payment beginning at the member’s normal retirement date.

- k. Share Plan. The Plan has established a Share Plan to distribute excess Chapter 185 monies received from the State of Florida each year. The purpose of the Share Plan Section is to implement the provisions of Chapter 185, Florida Statutes, and to provide a mechanism to pay required “Chapter 185 monies” to police officers and retirees based on the growth of premium tax revenue pursuant to Chapter 185. The Share Plan is derived exclusively from monies received from the state and not from any additional taxes levied by the City and is in addition to the police officer defined benefit pension paid by the City of Deerfield Beach Police Officer’s Retirement Trust Fund. In each year, after receipt of the annual distribution of Chapter money from the state, the Board, with the advice of their actuary, determines the amount of non-dedicated Chapter money received by the City during the current fiscal year pursuant to F.S. § 185.11. Allocation of shares is made within 30 days after approval by the Board, or as soon as is practicable thereafter. An individual share account has been established for each active member and retiree of the Plan. Available funds are allocated to each qualified participant in equal shares. The amount distributed to the share accounts will differ from year to year. Available funds are allocated to each active member by credit to the active member’s individual account. Available funds are allocated and paid directly to each inactive member if he or she has retired under the terms of the Plan. Each active member has made an irrevocable decision as to the manner in which his or her account will earn interest. The active member has either chosen to receive a fixed interest rate or to invest their share account with the assets of the Plan. Available funds of active members are invested by the Board and are commingled for investment purposes with the other assets of the Plan. The account balance for each active participant is payable to the active members within 30 days after retiring under the provisions of the Plan. The Board continues to have the authority to choose to spend excess monies to provide benefits other than distributing monies to the Share accounts if they so choose.

WHAT IF I DIE BEFORE I RETIRE?

If a member dies prior to retirement, benefits are payable to surviving beneficiaries. In the case of death after the member is eligible for normal retirement but has not yet retired, the benefit otherwise payable to the member is paid to his/her beneficiary pursuant to the option selected prior to death. If no option had been selected, the option may be selected by the beneficiary upon approval by the Board; provided, that any benefit shall be on an actuarially equivalent basis.

If a member dies prior to being eligible for normal retirement, but has 10 years of credited service, his/her beneficiary will receive a benefit determined as for normal retirement but based upon service and earnings as of the date of death. Their benefit is actuarially reduced to take into account the number of years by which the deceased member's age at date of death preceded his/her normal retirement date.

If a member dies prior to reaching 10 years of credited service, the Board will refund the Employee Contributions to the named beneficiary of the member as soon as practicable after the death.

If a retiree dies, death benefits, if applicable, will be paid in accordance with any optional form of benefit chosen at the time of retirement.

In addition to benefits payable from the Plan, death benefits are also available from a variety of other sources as well. The State of Florida, for example, provides a \$75,000.00 death benefit if a police officer is accidentally killed while engaged in the performance of law enforcement duties. If the officer is accidentally killed while in hot pursuit or in responding to what is reasonably believed to be an emergency, an additional \$75,000.00 is available, for a total of \$150,000.00. If the officer is intentionally killed while engaged in the performance of law enforcement duties, the death benefit is increased to \$225,000.00.

Moreover, the children of a police officer intentionally killed in the line of duty are entitled to a college education at a Florida public university, community college or vocational-technical school at the expense of the state. The spouse and children are also entitled to receive free health insurance. Workers' Compensation provides benefits of up to \$100,000.00 and funeral expenses of up to \$5,000.00.

The United States Department of Justice has created a Public Safety Officer Death Benefit Program. Police officers killed in the line of duty receive a \$100,000.00 payment from the United States government. In addition, police officers killed while assisting federal agents also receive an additional \$50,000.00. These programs are administered by the United States Department of Justice, Law Enforcement Administration. Finally, Social Security death benefits provide additional income based on statutory criteria.

ARE BENEFITS IN THIS PLAN FORFEITABLE?

As discussed above, if you separate from service before you vest, you will not receive any benefits from the Plan, although you are entitled to a refund of your contributions. In addition, benefits are forfeitable pursuant to the provisions of Section 112.3173, Florida Statutes, which provides for the forfeiture of retirement benefits of persons convicted of specific offenses.

ARE MY PENSION BENEFITS SUBJECT TO CLAIMS FOR ALIMONY, CHILD SUPPORT OR ANY OTHER CREDITOR?

The Plan is a governmental plan, and therefore, is not subject to Qualified Domestic Relations Orders ("QDROs") under federal law, or court orders to effectuate an equitable distribution of marital assets.

The Plan is subject to 61.1301, Florida Statutes, entitled Income Deduction Orders ("IDOs"). Section 61.1301 is limited to the collection of alimony and child support. Therefore, if the Plan receives an IDO for alimony or child support, the Plan will comply with the Order. Additionally, pension benefits may be distributed by using an "Order Distributing Marital Interest in a Public Retirement Plan." A copy of this order may be obtained from the Plan Administrator.

Effective January 1, 2019, changes in the federal tax laws have eliminated tax deductions for alimony if a marriage was dissolved or a property settlement agreement was made on or after January 1, 2019. Modifications to existing orders or agreements on or after January 1, 2019, may be tax deductible if both parties agree.

ARE MY PENSION BENEFITS TAXABLE?

Service retirement payments and non-duty disability pensions are taxable as ordinary income. The retiree will receive a tax form from the Plan at the end of each January reporting the income received in the prior year. Service-connected disability retirement pensions, coordinated with Worker's Compensation, are generally considered to be tax exempt. For specific tax advice you should consult a qualified tax expert.

HOW DO I APPLY FOR BENEFITS?

Application for service retirement benefits is made by filing a form application with the Plan Administrator. Application for disability retirement requires the completion of a form application and submission to such medical exams as may be determined by the Board. All applications may be obtained from the Plan Administrator.

After an application for service retirement benefits is filed, you will receive a form from the Plan's actuary computing what your benefits will be under the different payment options available.

If a member is dissatisfied with any benefit application brought before the Board, the member has the opportunity to appeal that decision within 30 days of the date of any written decision by the Board by filing a petition for common law certiorari in the Circuit Court of Broward County, Florida.

ON WHAT BASIS ARE PLAN RECORDS KEPT?

The Board keeps accurate and detailed accounts of all investments, receipts, disbursements, and other transactions pertaining to Plan property. The Board's secretary keeps a record of all its proceedings and they are available for public inspection. The Board's meetings are open to the public, under the Government In Sunshine Law.

ARE THERE COLLECTIVE BARGAINING AGREEMENTS THAT GOVERN THE PLAN?

The benefits in this Plan may not be reduced by any collective bargaining agreement. All rights were guaranteed by the 1990 Merger Agreement between the City of Deerfield Beach and the Broward Sheriff's Office.

WHAT IF I HAVE FURTHER QUESTIONS REGARDING MY BENEFITS?

All questions should be directed in writing to the Plan Administrator.

SUMMARY

The foregoing Summary Plan Description has been designed to help answer some of your questions about how your Plan is organized and managed. The final authority on any interpretation of the Plan, however, is the actual legislation which created the Plan. In the event of any conflict between this booklet and those laws, the provisions in law control. The ordinances governing your Plan can be found within the Code of the City of Deerfield Beach.