TOWN OF JUPITER POLICE OFFICERS' RETIREMENT FUND
ADMINISTRATIVE RULES AND PROCEDURES FOR SHARE ACCOUNTS

Pursuant to Section 15-217(1) of the Code of the Town of Jupiter, the Board of Trustees ("Board") of the Town of Jupiter Police Officers' Retirement Fund ("Retirement Fund") adopts these rules and procedure for the administration of the share accounts.

Purpose: These rules and procedures are intended to establish share accounts for members of the Retirement Fund and to set forth guidelines for the administration of share accounts by the Board.

Share Plan Accounts

1. **Crediting.** Following the Board's adoption of each annual actuarial valuation for the Retirement Fund, state insurance premium tax revenues received in excess of $611,245 shall be allocated to member share accounts.

2. **Eligibility.** All active members of the Retirement Fund, including active members in DROP, are eligible to participate in the Share Plan. Eligibility begins on the same day the member becomes eligible to participate in the Retirement Fund.

3. **Allocation.** As of the date the Board approves the annual actuarial valuation, each eligible member shall receive an equal allocation of the excess state insurance premium tax revenues described above. A member who was employed for only part of the preceding fiscal year, including the last partial fiscal year in which retirement occurs, shall be entitled to a pro-rata allocation based on the regular service formula. Any excess amount not allocated shall be carried forward, without interest, for allocation the following year. The allocation is credited to share accounts retroactively to September 30 of the year for which the allocation is being made. No allocation is made on or after the September 30 of the year in which a member dies, terminates vested, or terminates non-vested.

4. **Vesting.** Members shall vest in their respective share accounts, including earnings, on the same date they vest under the terms of the Retirement Fund. Vested share accounts are non-forfeitable. Should a non-vested member die before vesting, the account of said non-vested member shall be forfeited. If a non-vested terminated member who leaves their employee contributions in the plan is not re-employed as a police officer with the Town's Police Department within five years, the share balance shall be forfeited. Forfeited share accounts shall be re-allocated pro-rata to the share accounts of all remaining eligible members before the allocation for that September 30. The amount of the forfeited share accounts that are re-allocated equal the balance accumulated with interest to the re-allocation date. The forfeited share balance of a non-vested termination

who leaves their employee contributions in the Plan is re-allocated the September 30 five years after termination. If earlier, the forfeited share balance of a non-vested termination who received a refund or a non-vested death is re-allocated the September 30 following the fiscal year the refund is paid.

5. **Co-mingling of assets.** For investment purposes all share accounts shall be co-mingled with other assets of the Retirement Fund. However, there shall be separate accountings for each individual share account.

6**.** **Interest.** Share accounts shall earn interest effective the first day of the month coincident with or following the date each allocation is made.

   a. Interest shall be credited based on the actual (net) investment returns as determined by the Retirement Fund's investment consultant.

   b. Each share account shall be credited with actual (net) investment returns with a minimum of 2% annually or a maximum of 1% below the net assumed rate of investment return used to compute the actuarially determined contribution payable for that fiscal year end.

   c. Interest for each fiscal year shall be determined approximately 60 days after the end of the fiscal year.

7. **Reporting.** The Retirement Fund's actuary shall provide an annual calculation of share account balances.

   a. The annual calculation shall indicate individual share account balances based for the fiscal year ending September 30.

   b. The annual calculation shall indicate actual (net) investment returns calculated by the Retirement Fund's investment consultant.

   c. The annual calculation shall be issued approximately 60 days after the end of each fiscal year.

8. **Distribution.** Upon retirement and separation of employment, and upon commencement of retirement benefits under the Retirement Fund, each Retirement Fund member shall be issued a distribution of the individual share account balance equivalent to the prior year's ending account balance. Additionally, a vested member who elects to take a refund of contributions in lieu of a retirement benefit shall be issued a distribution of the individual share account balance equivalent to the prior year's ending account balance. There may be a second distribution of any subsequent allocations credited during the following year.

a. Share account balances shall be calculated as a lump sum.

b. Distribution of the share plan balance shall be by:

   (i) Direct lump sum distribution to the member subject to a 20% tax withholding, or

   (ii) As a direct rollover to a qualified plan (IRA, etc.), or

   (iii) As a partial direct lump sum subject to a 20% tax withholding and a partial direct rollover.

9. **Section 415 Limits.** All distributions are subject to the limitation of section 415 of the Internal Revenue Code. Such limitation shall be calculated in combination with the same limitation that may apply to other benefits payable under the Retirement Fund.

10. **Limitation.** Members shall have no right or access to the individual share account balances until employment has been terminated.

11. **Death.** In the event a vested member dies prior to termination of employment, the member's share account shall be paid to his or her designated beneficiary, or in the absence of a living designated beneficiary, to his or her estate.

12. **Amendment.** The Board may amend these rules and procedure at any time and for any reason. Such amendments may increase or decrease future benefits or earnings and may expand or restrict distribution options.

REVISED and ADOPTED by the Board of Trustees on February 11, 2019 (From Previous Version dated May 14, 2018).