

Town of Jupiter

Police Officers'

Retirement Fund

Summary Plan Description

May 15, 2023

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Introduction

This document is intended to be a plain language summary of the administration of benefits provided by the Town of Jupiter Police Officers' Retirement Fund ("Plan"). It is issued by the Board of Trustees of the Town of Jupiter Police Officers' Retirement Fund.

This Summary Plan Description is a brief description of your benefits, rights, and obligations under the Plan. This Summary Plan Description is not meant to interpret, extend or change the provisions of your Plan in any way. Further, this Summary Plan Description does not constitute a contract for retirement benefits. The provisions of your Plan may only be determined by reading the actual Plan documents, which consists of the Code of Ordinances of the Town of Jupiter, applicable provisions of Chapter 112 and Chapter 185, Florida Statutes, and various federal laws including the Internal Revenue Code and amendments thereto.

A copy of your Plan is on file at the Town Clerk's office and may be read by you, your beneficiaries or your legal representatives at any time during normal business hours. If you have any questions regarding either your Plan or this Summary Plan Description, you should ask your Plan's Administrator. In the event of any discrepancy between this Summary Plan Description and the actual provisions of the Plan, the Plan will govern.

1. **What is the official name of the Plan?**

The official name of the Plan is the Town of Jupiter Police Officers' Retirement Fund.

2. **What type of Plan is this?**

This is a defined benefit Plan which means that subject to the terms of the Plan, you may receive upon retirement a percentage of your final average salary.

3. **How is this Plan administered?**

The Plan is administered by a five-member Board of Trustees. Two of the Trustees must be Police Officers, who are elected by a majority of Police Officers who are members of the Plan. Two are legal residents of the Town, who are appointed by the Town Council. The fifth member is elected by a majority of the other four members. That person's name is submitted to the Town Council for approval and the Town Council must approve that member's name. The current members of the Board of Trustees are:

Chairman: Jason Alexandre
Secretary: Michael Salvemini
Trustees: Mark Ahern
Frank LaPlaca
Nick Scopelitis

The Board of Trustees may be reached at Pension Resource Center, 4360 Northlake Boulevard, Suite 206, Palm Beach Gardens, Florida 33410.

In accordance with Florida law, the Chairperson is the Registered Agent for service of process and his business address is Jupiter Police Department, Town of Jupiter, 210 Military Trail, Jupiter, Florida 33458. In the absence of the Chairperson, any member of the Board of Trustees is subject to service of process.

4. **Who administers the Plan?**

The Plan is administered by the Board of Trustees. The Plan engages the services of accountants, attorneys, actuaries, investment managers and performance monitors to advise it. The Plan has employed Pension Resource Center, 4360 Northlake Boulevard, Suite 206, Palm Beach Gardens, Florida 33410, to carry out the day-to-day record-keeping and management functions of the Plan.

5. **What are the legal documents creating the Plan?**

The actual Plan is set forth in Chapter 15, Article V of the Code of Ordinances of the Town of Jupiter. The Plan must comply with applicable provisions of Chapter 185, Florida Statutes, which provides a system for the taxation of casualty insurance companies insuring property located within the corporate limits of the Town of Jupiter. Eighty-five hundredths of one percent of the premiums of insurance on that property is rebated by the State of Florida to the Town of Jupiter to be used to purchase benefits for Police Officers and their dependents. Additionally, the Plan is governed by Chapter 112, Part VII, Florida Statutes.

6. **Are there relevant provisions of collective bargaining agreements?**

Certain employees covered by the Plan are members of the following collective bargaining unit: Palm Beach County Police Benevolent Association. The current collective bargaining agreement covers the period of October 1, 2022 to September 30, 2025.

7. **Who is the Custodian and what does it do?**

The Custodian of the Plan is responsible for the safekeeping of securities owned by the Plan. At the direction of the Plan Administrator, the Custodian also pays benefits to eligible persons and pays expenses incurred by the Plan. The Custodian is: Fifth Third Bank, Orlando, Florida.

8. **Who is the Investment Manager and what does it do?**

The Investment Manager is responsible for selecting the securities to be bought and sold by the Plan, in accordance with guidelines established by the Board of Trustees and Investment Consultant. The Investment Managers are: C.S. McKee, American Realty Advisors, Polen, Eagle Capital Management, Cohen & Steers plus various mutual and index funds.

9. **How is the Plan funded?**

You make contributions at a rate of 10.0% of your Covered Salary. Your contribution is tax deferred. Your contribution will cease upon your retirement, death, or termination of employment. The State also contributes pursuant to Chapter 185, Florida Statutes.

Pursuant to Florida Statutes, Chapter 112, the Town of Jupiter is ultimately responsible for making sure that the Plan remains actuarially sound. Therefore, each year, the Town of Jupiter must contribute an amount determined by the Board of Trustees to be sufficient, along with your contribution and the State contribution, to fund the benefits under the Plan. The employer's contribution is made quarterly and will vary from year to year.

10. **Who is eligible to be a Member of the Plan?**

You are eligible to be a Member of the Plan if you are a duly appointed Police Officer of the Town of Jupiter. Your employment must be full-time, as determined by the Employer. If you were hired on or after April 1, 1995, participation in the Plan is mandatory. However, effective retroactively to October 1, 2005, the Chief of Police may "opt-out" of membership in the Plan.

11. **Who is eligible for Tier One and Tier Two Benefits?**

Members hired on and after March 6, 2012 are part of "Tier Two." Members hired prior to March 6, 2012 are part of "Tier One."

12. **What is Credited Service?**

Credited Service is used to determine whether you are vested, whether you are eligible for certain benefits, and to compute the amount of pension benefits you will receive at retirement. Your Credited Service is equal to your total length of service with the Town omitting periods when you were not employed by the Town. Vacations and other paid leaves of absences are included. Unpaid leaves of absence are not included. Also not included in Credited Service is any period during which you could have but did not contribute to the Plan.

13. **What happens if I work for the Town of Jupiter as a Police Officer then I cease being employed as a Police Officer but I do not retire?**

You do not receive credit for years of service for which you have withdrawn your contributions unless you repay into the Fund the amount you have withdrawn, plus interest, as determined by the Board. If you leave the Town of Jupiter Police Department, you may voluntarily leave your contributions in the Fund for a period of five years, pending the possibility of you being rehired by the Town of Jupiter Police Department. If you leave

your contributions in the Plan, you will not lose credit for the time you have participated actively as a Police Officer, if you are rehired by the Town as a Police Officer within five years. If you are not rehired as a Police Officer by the Town within five years, your contributions will be returned with interest not to exceed four percent per year.

14. What happens if I leave the Town of Jupiter to enter the military?

Should you take a leave of absence from the Employer in order to enter the military, your period of leave will be included in your Credited Service if you return to work for the Employer within 12 months after your discharge.

15. What payments are included in my Covered Salary?

Effective October 1, 2005, Covered Salary is defined as total cash compensation including overtime paid for services rendered to the Town but not including any payments for extra duty or a special detail work performed on behalf of another employer. Prior to October 1, 2005, Covered Salary was defined as base gross monetary salary.

Accumulated sick leave includable in pension benefits is capped as of October 1, 2012 as provided for in the CBA. Accumulated vacation leave includable in pension benefits accumulates until September 30, 2012. Overtime is limited to 300 hours after October 1, 2012 for both benefits and contributions.

16. What is my Normal Retirement Date?

Your Normal Retirement Date is the earliest date when unreduced retirement benefits may be paid. The Tier One Normal Retirement Date is the earlier of age 55 with at least ten years of Credited Service, or, when the total of age (computed in terms of full months) plus Credited Service (computed in terms of full months) equals 780 months. Eligibility based on 780 months is not applicable if you are entitled to a Deferred Vested Retirement as described in Question 27. The Tier Two Normal Retirement Date is the earlier of age 55 with at least ten years of Credited Service, or, when the total of age (computed in terms of full months) plus Credited Service (computed in terms of full months) equals 840 months and at least 25 years of Credited Service has been earned. Eligibility based on 840 months is not applicable if you are entitled to a Deferred Vested Retirement as described in

Question 27. Normal Retirement is not earlier than 10 years from the original date of hire for members who purchase Credited Service.

17. **May I retire earlier than my Normal Retirement Date?**

Yes, you may retire at your Early Retirement Date which is the date you reach age 50 and complete at least ten years of Credited Service from your original date of hire. You may retire at any time following this date with reduced benefits as described later.

18. **May I continue working past my Normal Retirement Date?**

Yes you may.

19. **What will be my Normal Retirement Benefit?**

The monthly benefit that you will receive if you continue in employment until your Normal Retirement Date is called your Normal Retirement Benefit.

The amount of your Normal Retirement Benefit is based on the following factors:

- a. Your Covered Salary – This is the amount of your salary as defined under Plan provisions. The pay items that are included appear in Question 15 in answer to the question “What payments are included in my Covered Salary?”
- b. Your Average Monthly Salary – For Tier One Members, the average of Salary for the three highest years out of the last 10 years of service. For Tier Two Members, the average of Salary for the highest five consecutive years out of the last 10 years of service.
- c. Your Credited Service at your Normal Retirement Date (limited to 25 years for Tier Two Members).
- d. A 3% multiplier for Tier One Members, and a 2.75% multiplier for Tier Two Members.

Tier One Example: Suppose you retire with 27 years of Credited Service and Average Monthly Salary of \$4,000. Your Normal Retirement Benefit is calculated as:

$$(3\% \times \$4,000 \times 27 \text{ years}) = \$3,240 \text{ per month}$$

In addition to your Normal Retirement Benefit, the Supplemental Retirement Benefit (as described in Question 24) is payable.

Tier Two Example: Suppose you retire with 27 years of Credited Service and Average Monthly Salary of \$4,000. Your Normal Retirement Benefit is calculated as:

$$(2.75\% \times \$4,000 \times \text{max } 25 \text{ years}) = \$2,750 \text{ per month}$$

In addition to your Normal Retirement Benefit, the Supplemental Retirement Benefit (as described in Question 24) is payable.

Unless you choose an optional form of payment (as described in Question 29), your Normal Retirement Benefit is paid in the form of a 10-year certain and continuous annuity. This is a monthly benefit for your lifetime, with the guarantee that if you should die within 10 years, your designated beneficiary or beneficiaries will receive a monthly payment equal to the monthly payment you were receiving for the remainder of the 10 year period. If no beneficiary is designated by you, the same monthly benefit will be paid to your estate. You do have a choice of selecting an optional form of benefit payment. These will be discussed later in Question 29.

At any time during your employment, the benefits you have accrued can be calculated based on your Average Monthly Salary and Credited Service at that point in time. This is called your “Accrued Benefit”. You are not eligible to receive any benefits until you have terminated employment with the Town and have reached certain eligibility requirements.

Your benefits from the Plan are paid in addition to any benefits you may receive from the Social Security Administration.

20. What will be my benefit if I retire earlier than my Normal Retirement Date?

Your benefit is reduced under Early Retirement to take into account the younger age and earlier commencement of benefit payments.

For Tier One Members, effective October 1, 2005, the Early Retirement Benefit is equal to your Accrued Benefit reduced for the number of months by which the starting date of your benefit precedes age 55. (Prior to October 1, 2005, the Early Retirement Benefit was

reduced for commencement prior to age 60.) The following table shows the percentage of benefit that will be payable if payments begin before age 55:

Age	% of Benefit
50	85.0%
51	88.0%
52	91.0%
53	94.0%
54	97.0%
55	100.0%

In addition to your Early Retirement Benefit, the Supplemental Retirement Benefit as described in Question 24 is payable without reduction.

For Tier Two Members, the Early Retirement Benefit is equal to your Accrued Benefit reduced for the number of months by which the starting date of your benefit precedes the date at which your age (computed in terms of full months) plus Credited Service (computed in terms of full months) equals 840 months. The following table shows the percent of benefit that will be payable if payments begin before age plus Credited Service equals 840 months:

Age plus Service	% of Benefit
744	88.0%
768	91.0%
792	94.0%
816	97.0%
840	100.0%

In addition to your Early Retirement Benefit, the Supplemental Retirement Benefit as described in Question 24 is payable without reduction.

21. What will be my benefit if I retire later than my Normal Retirement Date?

The amount of your monthly Late Retirement Benefit is calculated and paid in the same way as the Normal Retirement Benefit. However, your Average Monthly Salary and Credited Service as of your actual retirement date are used in the calculation.

22. What is the Deferred Retirement Option Plan (DROP)?

Tier One Members are eligible to enter the DROP at the Tier One Normal Retirement Date. Tier 2 members are eligible to enter the DROP following the completion of 22 years of service regardless of age with no reduction in the Tier Two Accrued Benefit. Tier 2 Normal

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retirement is the rule of 70 (840 months) combination of age and years of service with 25 years of credited service. Election to participate in the DROP is voluntary, but the election is irrevocable once DROP payments begin. You must give a minimum of 30 days written notice to the Board of Trustees of your intention to enter the DROP. If you elect to enter the DROP, your benefit accruals stop, and you are no longer eligible for disability or preretirement death benefits.

Your DROP Benefit is calculated using your Credited Service and Average Monthly Salary as of the date you choose to participate in the DROP. This monthly benefit is deposited to your DROP account and is credited interest as follows:

Prior to March 6, 2012, the Accrued Benefit is accumulated in the DROP with interest as adopted by the board. Effective March 6, 2012, the Accrued Benefit accumulates in the DROP with interest credited at the lesser of Plan returns or 1% less than the assumed rate of return on Plan assets with a floor of 2%. Members may leave their balances in the DROP after retirement until distribution becomes required by the IRS. After separation of service, interest is credited at the lesser of Plan returns or 1% less than the assumed rate of return on Plan assets with a floor of 2% provided that if Plan returns are negative the credit will be 0% and will remain 0% until Plan returns below 2% have been offset by positive earnings.

You may not withdraw any monies in your DROP account while you are still employed by the Town as a police officer. You will receive an annual statement of your DROP account.

For Tier One Members, if you enter the DROP on or after March 6, 2012, you may participate in the DROP Plan for no more than eight years. Your contributions will continue at the employee contribution rate in effect at the time you entered the DROP for the first four years of your DROP participation with 1/3 of these contributions credited to your DROP account.

For Tier Two Members, the maximum DROP participation is as shown in the following table, provided however that each Tier Two Member is permitted a minimum of 5 years of DROP participation from the date of attainment of the Tier Two Normal Retirement Date. Tier Two Member contributions will continue at the 10% employee contribution rate for

all years of DROP participation with 1/4 of these contributions credited to the DROP account.

Credited Service at DROP	Tier Two Maximum DROP Participation	Credited Service at DROP	Tier Two Maximum DROP Participation
22	8	26	4
23	7	27	3
24	6	28	2
25	5	29	1
		30	0

Distribution from the DROP account shall be by either a lump sum distribution as a rollover to a qualified plan or direct distribution to the police officer or monthly or quarterly periodic withdrawals. After separation of service and at any time thereafter, the police officer may elect a full and final distribution of their DROP account. Each new retiree may elect a partial lump sum payment within 60 days of separation of service. Partial lump sum distributions will be permitted afterwards only twice annually and during the open enrollment months of April and October and with 30 days written notice. Quarterly and monthly systematic withdrawals are permitted and can be implemented or revised only twice annually and during the open enrollment months of April and October with 30 days written notice. During the open enrollment period only, a police officer may request a partial lump sum distribution and still continue to receive the monthly or quarterly distributions. All withdrawals are subject to limitation by §415 of the Internal Revenue Code.

Between the open enrollment periods, there will be no changes in the method or amount of payment unless a Police officer has a hardship. Hardship withdrawals are permitted if conditions of necessary and immediate and heavy need are met as defined herein. A need is deemed to be immediate and heavy even though it was foreseeable or voluntarily incurred and if it is for: 1) medical expenses previously incurred by the Police officer, the Police officer's spouse, dependent or family member, or mounts necessary for these persons to obtain medical care; 2) costs related to the Police officer's purchase of a principal residence (not including mortgage payments); 3) payment of tuition and related educational fees and room and board expenses for the next 12 months of post-secondary education for the Police officer, the Police officer's spouse, children or dependents; or 4) payments necessary to

prevent the eviction of the employee from the principal residence or to avoid foreclosure on the mortgage on that residence. The distribution is necessary to satisfy the Police officer's financial need and a distribution generally may be treated as necessary to satisfy a financial need if the need cannot be relieved: 1) through reimbursement or compensation by insurance or otherwise; 2) by reasonable liquidation of the participant's assets (to the extent that such liquidation would not itself cause an immediate and heavy financial need); 3) by other distributions or nontaxable (at the time of the loan) loans from the plans of the employer or by borrowing from commercial sources at reasonable terms; or 4) by cessation of elective contributions to other plans.

Upon request for a full distribution or the remaining balance of a DROP account, the police officer will be issued a distribution equivalent to the prior year's ending balance plus all DROP deposits afterwards and as soon as administratively possible. The investment earnings for the current fiscal year will be determined approximately 45 days after the end of the fiscal year and the final remaining balance representing these earnings will be issued as soon as administratively possible afterwards. This is not applicable to those police officers in the DROP prior to the amendment of the DROP provisions effective March 6, 2012 who elect to receive a full distribution of their DROP account immediately after separation of service.

If the monies are not rolled over to a qualified plan, or taken on an IRS approved life basis, the Board of Trustees will cause 20% to be withheld from any payment, and will send this money in your name to the IRS. This withholding will always be made except in those instances where a member can demonstrate reasons satisfactory to the Board of Trustees why it is not required to withhold the 20%.

If you pass away during your participation in the DROP, your designated beneficiary will receive the balance in your DROP account and a survivor benefit in accordance with the form of benefit which you choose.

23. What is the Share Plan?

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. 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.

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.

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.

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. Share accounts shall earn interest effective the first day of the month coincident with or following the date each allocation is made. Interest shall be credited based on the

actual (net) investment returns as determined by the Retirement Fund's investment consultant. 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. Interest for each fiscal year shall be determined approximately 60 days after the end of the fiscal year.

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. Distribution of the share plan balance shall be by direct lump sum distribution to the member subject to a 20% tax withholding, or as a direct rollover to a qualified plan (IRA, etc.), or as a partial direct lump sum subject to a 20% tax withholding and a partial direct rollover.

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

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.

The Board may amend the rules and procedures regarding the Share plan at any time and for any reason. Such amendments may increase or decrease future benefits or earnings and may expand or restrict distribution options.

24. Will I receive Supplemental Retirement Benefits?

In addition to a Normal Retirement Benefit, an Early Retirement Benefit or a Disability Retirement Benefit, a Supplemental Retirement Benefit is payable when your retirement benefits start. The Supplemental Retirement Benefit is payable in the form of a 10-year

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certain and continuous annuity, as described for the Normal Retirement Benefit, unless an optional form of benefit is elected. DROP participants receive the Supplemental Retirement Benefit after separation from service.

The Supplemental Retirement Benefit is \$100 per month. There is an additional benefit of \$5.00 per month for each year of credited service, with a minimum monthly additional Supplemental Retirement Benefit of \$30.00 per month and a maximum additional Supplemental Retirement Benefit of \$150.00.

25. What benefit is payable if I become disabled?

If you become totally and permanently disabled as provided by the Plan, while employed as a Police Officer with the Town of Jupiter, you may be eligible for a Disability Benefit. However, if you become totally and permanently disabled while you are a member of the DROP, you will not be eligible for a Disability Benefit. Effective March 6, 2012, Members with disability incurred not in the line of duty are eligible for Disability Benefits after completion of 10 years of service.

The amount of your monthly benefit due to a total and permanent disability will be (a) the greater of (i) 60% of your Covered Salary at the time of your disability and (ii) the monthly income payable for 10 years certain and life that can be provided by the single sum value of your Accrued Benefit, plus (b) the Supplemental Retirement Benefit. This benefit is payable until your death or recovery. You may also choose an optional form of payment as discussed later in Question 29.

If the Board finds that you are no longer disabled prior to your Normal Retirement Date, your Disability Benefit will be discontinued.

26. Will my survivors receive anything if I die?

If you die in the line of duty before entering the DROP, a Death Benefit equal to (a) the larger of (i) 60% of your average monthly salary and (ii) your Accrued Benefit, plus (b) the Supplemental Retirement Benefit will be paid. This benefit will be paid to your surviving spouse for your spouse's lifetime, or until all your minor children reach age 18, whichever comes later. If there is no spouse and no minor children at the time of death, the Death Benefit will be paid to your estate for 120 monthly payments. If you die not in the line of

duty before you are vested, your contributions with interest, not to exceed 4%, will be paid to your spouse. If there is no spouse, they will be paid to your estate. If you are vested and die not in the line of duty, the Death Benefit will be equal to the Accrued Benefit plus the Supplemental Retirement Benefit and will be paid to your spouse, if your spouse is alive. If your spouse is not alive, the benefits will be paid to your estate for 120 monthly payments.

27. If I leave employment other than by reason of retirement, disability or death, will I be entitled to a benefit?

You may be entitled to a Deferred Vested Retirement Benefit. This benefit is equal to your Accrued Benefit plus the Supplemental Retirement Benefit as of your termination date multiplied by your vested interest. You are 100% vested upon earning 10 years of Credited Service. You are 0% vested if you have less than 10 Years Credited Service. Effective October 1, 2005, the Deferred Vested Retirement Benefit is payable when you reach age 55. However, if you had ten or more years of Credited Service before your termination, you may receive your Vested Benefit, reduced as for Early Retirement, any time after your 50th birthday.

If you terminate employment with less than ten years of Credited Service, you will receive a refund of your contributions with interest. The taxable portion of any refund you receive is subject to an automatic 20% withholding for federal income tax purposes. This tax can be avoided, however, if you roll the taxable portion over to an Individual Retirement Account (IRA) or another qualified retirement plan. This rollover will result in no tax being due until you begin withdrawing funds from the IRA or other qualified retirement plan. In order to avoid the 20% withholding, the rollover of the distribution **MUST** be made directly by the Plan to your chosen IRA or other qualified retirement plan.

28. How will I receive my benefit?

Unless you elect otherwise before your retirement, your pension is payable as a Life and Ten Years Certain annuity. This is a series of monthly payments for your life. If you should pass away before receiving 120 monthly payments, the remaining payments will be paid to your beneficiary or beneficiaries until 120 payments have been paid in all. If you

do not have a designated beneficiary or beneficiaries, or if your designated beneficiary or beneficiaries die before 120 monthly payments are paid, the remaining payments will be made to your estate.

29. **May I elect to receive my benefit in a different form?**

Yes, these are referred to as optional forms of retirement benefits. Upon written request to the Board of Trustees, you may elect to receive a retirement benefit of equivalent actuarial value payable in accordance with one of the following options:

Option 1. Life Only Option. A retirement income of a larger amount, payable to you for your lifetime only.

Option 2. Joint and Last Survivor Option. A retirement income of a reduced monthly amount payable to you as long as both you and your designated beneficiary's live, and following the death of either you or your beneficiary, 100%, 66 $\frac{2}{3}$ %, or 50% of such monthly amount payable to the survivor for the lifetime of the survivor.

Option 3. Joint and Survivor Option. A retirement income of a reduced monthly amount payable during your lifetime, and further continuing after your death at either 50%, 75% or 100% of such monthly amount to your designated beneficiary for their lifetime. There are no changes to the amount of your retirement income under this option if your designated beneficiary predeceases you.

Option 4. Pop up Option. This option is available only to those persons who have chosen option 3, the Joint and Survivor Option. This option provides the original Life Only Optional form of benefit amount to you if your beneficiary predeceases you.

If you choose an optional form of benefit, you may select a joint beneficiary to receive the benefit, if any, in the event of your death. You will have the power to change such designation up to two times, without approval of the Board. However, your benefit will be re-determined taking into account your age and the ages of the new joint pensioner and the prior joint pensioner. Additional changes will be deemed a new election and will be subject to approval by the Board.

30. **When is the latest I may begin to receive benefits?**

Your retirement benefit may not be delayed beyond the later of the April 1 following the calendar year in which you attained age 72 or April 1 of the year following the calendar year in which you retire.

31. **May the Plan be amended or terminated?**

Yes.

32. **Can I lose any of my benefits under this Plan?**

There are certain circumstances which may result in the disqualification, ineligibility, denial, loss, forfeiture, suspension or deferral of your benefits in this Plan. The following is a list of these circumstances:

- a. If you terminate employment before reaching the Normal or Early Retirement Date and you do not have enough Credited Service to have earned a vested interest, no benefits will be payable except for a return of your own contributions with interest.
- b. No credit is allowed either for benefit accrual or vesting purposes for any period in which you are not considered a full-time employee except time spent in the military, as described in question 13.
- c. Your retirement benefit will not be payable until your actual retirement date, even if you continue to work beyond the Normal Retirement Date.
- d. In the event that this Plan terminates your accrued pension shall become non-forfeitable and may not be reduced.
- e. Your Accrued Benefit may be forfeited if you are convicted of certain felonies as provided by State law (Section 112.3173 and 185.185, Florida Statutes).
- f. Payment of your benefits may be subject to an income deduction order made pursuant to a state domestic relations law.

- g. If you are receiving a Disability Benefit and the Board finds that you are no longer disabled prior to your Normal Retirement Date, your Disability Benefit will be discontinued as described in question 24.

33. Do I have responsibilities under the Plan?

- a. Retain this Summary Plan Description with your other important papers for later reference including any replacement due to updated versions and supplemental notices, if any.
- b. Upon completing eligibility requirements, sign a Membership Form, including a beneficiary designation.
- c. Keep your beneficiary designation form updated to express your wishes.
- d. If you terminate employment, check to see if you are entitled to a Vested Retirement Benefit and the date payable.
- e. If you should terminate employment with rights to a Deferred Vested Retirement Benefit, shortly before the date on which it is to begin, you should contact and notify the Board of Trustees to begin such payments.
- f. Upon your retirement under Early or Normal Retirement, complete the form necessary to indicate whether you chose an Optional Form of Benefit.
- g. You must notify the Board of Trustees a minimum 30 days before you enter the DROP.
- h. If you are in the DROP, you must notify the Board of Trustees of your DROP account distribution election within 60 days of terminating employment.

34. How do I make a claim for benefits?

Claims for benefits under the Plan must be filed in writing with the Plan Administrator. If you are eligible for any benefits from this Plan, and you request it, you will be provided with a notification form showing the amount of your benefit and options, if any, and the earliest date on which such benefit is payable.

May 15, 2023

Your request for Plan benefits will be subject to a full and fair review. If your claim is wholly or partially denied, the Plan Administrator will furnish you with a written notice of this denial. This written notice must be provided to you within a reasonable period of time after the receipt of your claim by the Plan Administrator. The written notice must contain the following information:

- a. The specific reason or reasons for the denial;
- b. Specific reference to those Plan provisions on which the denial is based;
- c. A description of any additional information or material necessary to correct your claim and an explanation of why such material or information is necessary; and
- d. Appropriate information as to the steps to be taken if you or your beneficiary wishes to submit your claim for review.

If notice of the denial of a claim is not furnished to you in accordance with the above within a reasonable period of time, your claim will be deemed denied. You will then be permitted to proceed to the review stage described in the following paragraphs.

If your claim has been denied, and you wish to submit your claim for review, you must follow the Claims Review Procedure.

35. What is the claims review procedure?

- a. Upon the denial of your claim for benefits, you may file your claim for review, in writing, with the Plan Administrator. The form for this claim for review is available from the Plan Administrator.
- b. You must file the claim for review no later than 60 days after you have received written notification of the denial of your claim for benefits.
- c. You may review all pertinent documents relating to the denial of your claim and submit any issues and comments, in writing, to the Plan Administrator.

- d. Your claim for review must be given a full and fair review. If your claim is denied, the Plan Administrator must provide you with written notice of this denial within 60 days after the Plan Administrator's receipt of your written claim for review. There may be times when this 60-day period may be extended. This extension may only be made, however, where there are special circumstances which are communicated to you in writing within the 60-day period. If there is an extension, a decision will be made as soon as possible, but not later than 120 days after receipt by the Plan Administrator of your claim for review.
- e. The Plan Administrator's decision on your claim for review will be communicated to you in writing and will include specific references to the pertinent Plan provisions on which the decision was based.
- f. If the Plan Administrator's decision on review is not furnished to you within the time limitations described above, your claim will be deemed denied on review.

36. What is the actuarial information and financial information based on the most recent valuation of the Plan?

AS OF OCTOBER 1, 2022

Actuarial Information

Present Value of Future Benefits for		
88	Active members	\$55,478,060
73	Retirement benefits	64,738,372
1	Terminated members	272,197
9	Beneficiaries	3,480,726
16	Disability retirement	7,200,218
	Share balances	<u>1,033,363</u>
187	Total	\$132,202,936
Value of assets as used for actuarial purposes (Market Value = \$87,435,836)		\$101,915,023
Actuarial Accrued Liability		\$109,451,763
Unfunded Actuarial Accrued Liability		\$7,536,740

Financial Information

Current Market Value of Investments of Fund		
	Money market funds	\$5,748,672
	Certificates of deposit	677,868
	U.S. government treasury securities	499,531
	U.S. government agency securities	10,188,168
	Corporate bonds	4,286,332
	Asset-backed bonds	1,485,482
	Foreign bonds	804,572
	Common stocks	9,952,834
	Equity mutual funds	32,387,851
	Real estate investment trust index fund	3,186,713
	Real estate fund	7,030,447
	International equity mutual fund	11,124,259
	Net receivables	<u>63,107</u>
	Fair Market Value of Assets	\$87,435,836
Contributions Made in Past Year		
	Town	\$2,597,168
	State	835,484
	Members	<u>1,057,854</u>
	Total Contributions	\$4,490,506
Investment Income Received by Fund During Past Year (includes unrealized appreciation/depreciation)		(\$20,244,276)

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