

**CITY OF LAKE WORTH BEACH EMPLOYEES'  
RETIREMENT SYSTEM**

**SUMMARY PLAN DESCRIPTION**

November 2021

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## **INTRODUCTION TO YOUR PLAN**

Your Employer has established a defined benefit pension plan to provide eligible employees with retirement and related benefits.

This Summary Plan Description is a brief description of your Plan and your rights, obligations, and benefits under that Plan. This Summary Plan Description is not meant to interpret, extend, or change the provisions of your Plan in any way. The provisions of your Plan may only be determined accurately by reading the actual Plan document.

A copy of your Plan is on file at your Employer's office and may be read by you, your beneficiaries, or your legal representatives at any reasonable time. 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 shall govern.

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## **GENERAL INFORMATION ABOUT YOUR PLAN**

There is certain general information you may need to know about your Plan. This general information is summarized below.

### **Name of Plan**

City of Lake Worth Beach Employees Retirement System

### **Employer**

City of Lake Worth Beach, Florida

### **Plan Administrator**

Board of Trustees  
City of Lake Worth Beach Employees Retirement System  
c/o The Resource Centers, LLC  
4360 Northlake Blvd., Suite 206  
Palm Beach Gardens, FL 33410  
Telephone: (561) 624-3277

### **Trustee (if other than Plan Administrator)**

Plan Administrator

### **Designated Agent for Service of Legal Process**

Chairman, Board of Trustees

### **Type of Administration**

The Plan Administrator is responsible for the overall administration of the Plan. It has discretionary authority to construe the terms of the Plan and make determinations on questions which may affect your eligibility for benefits. The Plan Administrator may also retain the services of attorneys, accountants, actuaries, investment advisors and other professionals.

### **Plan Year**

Each 12-month period beginning on October 1st and ending on September 30th. The Plan's fiscal records are maintained on this basis.

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### **Relevant Provisions of Local and State Laws**

The Plan is set forth in Chapter 16 of the Code of Ordinances.

The most recent amendment to the Plan which is reflected in this Summary Plan Description is Ordinance No. 2018-05.

Your Plan is also governed by certain provisions of Part VII, Chapter 112, Florida Statutes (F.S.), and various federal laws.

### **Relevant Provisions of Collective Bargaining Agreements**

Certain employees covered by the Plan are members of the following Unions:

1. Public Employees Union (PEU)
2. Professional Managers & Supervisors Association (PMSA)
3. International Brotherhood of Electrical Workers (IBEW)

The current collective bargaining agreements between the IBEW, PEU and PMSA and the Employer cover the period ending September 30, 2021.

### **Custodian**

The custodian of the Plan is responsible for the safe-keeping of securities owned by the Pension Fund. 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:

Salem Trust Company

### **Investment Manager**

The investment managers are responsible for selecting the securities to be bought and sold by the Pension Fund, in accordance with guidelines established by the Plan Administrator. The investment managers are:

- Alger New York, NY
  - American Realty Advisors, Glendale, CA
  - Brandywine Global, Philadelphia, PA
  - Cambiar Investors, Denver, CO
  - Heartland Value Equity, Milwaukee, WI
  - Manning & Napier Advisors, Dublin, OH
  - MD Sass Associates Inc., New York, NY
  - Richmond Capital Investment, Richmond, VA
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### **Investment Performance Monitor**

The investment performance monitor is responsible for monitoring the performance of the investment manager in accordance with guidelines established by the Plan Administrator. The performance monitor is:

AndCo Consulting

### **Member**

Each employee of the Employer who is eligible to participate in the Plan and who fulfills the prescribed eligibility requirements.

### **Beneficiary**

Each person designated to the Plan Administrator by you to receive any payments that may become payable by the Plan upon your death. You should designate a Beneficiary when you become a member of the Plan. You may change your designation at any time upon written notification to the Plan Administrator.

**YOU SHOULD REVIEW AND UPDATE YOUR BENEFICIARY DESIGNATION AT LEAST ANNUALLY. CHANGES REGARDING NEWBORN CHILDREN, MARRIAGE, DIVORCE, SPOUSAL DEATH, ETC. MUST BE KEPT CURRENT AND LISTED CORRECTLY TO AVOID COSTLY LITIGATION AND/OR DISPUTES.**

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## **CONTRIBUTIONS TO THE PLAN**

Benefits of the Plan are financed by contributions that are paid into the pension fund and by investment earnings generated by investment of the pension fund. Contributions to the fund are made by:

### **You**

Your contribution rate is 7.8% of your covered salary (see later page for definition of covered salary). Your contribution will cease upon your retirement, death, or employment termination.

### **Your Employer**

Your Employer must contribute an amount determined by the Plan's Actuary to be sufficient, along with member contributions, to fund systematically the benefits under the Plan. The Employer's contribution will vary depending on the experience of the Plan.

## **ELIGIBILITY AND CREDITED SERVICE**

### **Eligibility**

You are eligible to be a Member of the Plan if you are a general employee of the Employer. Your employment must be full-time, as determined by the Employer.

The following may not become Members of the Plan:

- a) Firefighters
- b) Police Officers
- c) City Attorney and assistants, City Manager and assistants unless participation in the Plan is provided in their contracts
- d) Part-time contractual employees (independent contractors) or Temporary Employees
- e) The Mayor, City Commissioners and Elected Officials
- f) Persons whose consecutive three-year salary average is less than \$400 per year
- g) Non-interim and non-acting department directors and assistant directors: and
- h) The city clerk and the deputy city clerk: and
- i) The internal auditor.

### **Member Classes**

- Class one – hired prior to 10/01/10 (not JBEW member)
- Class two – hired after 10/01/10 and prior to 9/30/18 (electing DB plan)

- Class three – hired after 10/01/10 and prior to 9/30/18 (electing Cash balance plan)
- Class four – hired after 10/01/10 (Cash Balance Plan only)
- Class five – IBEW members.

### **Credited Service**

Credited Service is used to compute the amount of pension benefit when you retire, to determine whether you are eligible for certain benefits and to determine whether you are vested. Your Credited Service is equal to your total length of service with the Employer from your last date of hire until your date of termination of employment. Vacations and other paid leaves of absence occurred prior to 7/1/2011 are included. Unpaid leaves of absence are not included except under certain conditions as provided by the Plan. Also, not included in Credited Service is any period during which you could have but did not contribute to the Plan.

### **Break in Service**

If you return to work within five years of terminating your employment, you may receive credit for your past years of Credited Service by repaying to the Plan the accumulated contributions you received at your termination. The contributions must be repaid with interest within 30 days of notice of the repayment amount.

### **Military Service**

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 one year of your discharge. You will not be required to pay contributions into the Plan for the duration of the military leave of absence.

Your active duty in the military prior to date of hire by the Employer may be included in Credited Service, provided you pay to the fund the full actuarial cost of such service, as determined by the Board.

### **Transfers Between Systems**

Should you change your employment status from a general employee to a police officer or firefighter, your total benefit will be a sum of the benefits payable separately by each plan.

## **RETIREMENT DATES**

### **Normal Retirement Date**

Your Normal Retirement Date is the earliest date when unreduced retirement benefits may be paid. If you retire prior to October 1, 2015, your Normal Retirement Date is the earlier of the date on which you complete 20 years of Credited Service regardless of age, or the date when the total of your age (in full months) plus Credited Service (in full months) equals 900 months, or 75 years. In any event, a minimum of ten years of Credited Service is necessary for retirement. If you retire on or after October 1, 2015, your Normal Retirement Date is the earlier of age 55 and 30 years of Credited Service or age 65 and ten years of Credited Service.

Accrued benefits are 100% non-forfeitable upon attainment of your Normal Retirement Age. This means that if you reach Normal Retirement Age prior to October 1, 2015 and your employment continues after October 1, 2015, you will retain the right to receive your benefits accrued through September 30, 2015 immediately upon retirement. However, any benefits earned after September 30, 2015 will be deferred to the revised Normal Retirement Date (age 55 if you have 30 years of service or age 65 if you have less than 30 years of service).

Class one and two – hired after 10/01/10 Rule of 80 replaced rule of 75  
Class three and four – Cash Balance Plan effective 10/01/10

### **Late Retirement Date**

You may continue to work past your Normal Retirement Date. The date you actually stop working will be your Late Retirement Date.

## **RETIREMENT BENEFITS**

### **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:

1. Your Covered Salary - This is the amount of your compensation excluding overtime, compensatory time and any accumulated unused leave. If you were hired before October 1, 1979, overtime, compensatory time and accumulated leave are included.
2. Your Average Monthly Salary - For benefits earned as of September 30, 2010, this is the average of your Covered Salary during the two-year period within the last ten years up to September 30, 2010 which produces the

largest average. For benefits earned after September 30, 2010, your Average Monthly Salary is based on the five-year period within your last ten years of employment which produces the larger average.

3. Your years of Credited Service at your Normal Retirement Date.

The calculation of your Normal Retirement Benefit is as follows:

3.0% of your Average Monthly Salary at September 30, 2010 multiplied by your years of Credited Service for benefits earned prior to October 1, 2010 and 2.0% of your Average Monthly Salary for benefits earned on or after October 1, 2010.

- Class One – multiplier after 10/01/10 – 2.5% with 10-year vesting
- Class Two – vesting 50% with 10 years and 100% with 20 years
- Class Three – 5% contribution in cash balance plan and 100% vesting immediately
- Class Four – cash balance plan immediate vesting with 5% employee and employer contribution, 5% interest annually
- Class Five - no change

Retirement Benefit payable each month.

In addition, on October 1 of each year, your monthly retirement benefit will be increased by \$2.50 if you retired prior to October 1, 2010. After you have been retired for three years, an additional cost of living adjustment may be paid if the Plan experiences an actuarial gain for the previous fiscal year. This adjustment is determined by the Plan's Actuary on an annual basis.

The retirement benefit is paid to you for the rest of your life in accordance with the Normal Form of Benefit Payment as described later (however, see the sections on Death Benefits After Retirement and Election of Optional Forms of Benefit Payments). Your benefits from this Plan are paid in addition to any benefits you may receive from Social Security.

### **Accrued Benefit**

The portion of your Normal Retirement Benefit that you have earned at any point in time is called your Accrued Benefit. Your Accrued Benefit is computed in the same way as the Normal Retirement Benefit, except you use your present Average Monthly Salary and Credited Service in the calculation. The Accrued Benefit is a monthly amount which starts on your Normal Retirement Date.

### **Late Retirement Benefit**

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.

### **Deferred Retirement Option Plan (DROP)**

You may elect to participate in the DROP once you have attained Normal Retirement. Your election to participate in the DROP shall be irrevocable. You must submit an irrevocable written DROP election on a form provided by the city prior to entering the DROP. You must also submit a letter of resignation stating your anticipated employment termination date, not to exceed 5 years from your DROP entry date. You may participate in the DROP for a maximum of 5 years. You may terminate DROP participation earlier than this, with 30 days advance written notice to the city.

During your participation in the DROP, your monthly retirement benefit will be paid into the DROP account every month. You will not be required to make contributions, nor will you further accrue any additional vesting credits, service, or additional benefits under the plan after entering the DROP.

Upon retirement, the balance of your DROP account will become payable in addition to your monthly pension based on Credited Service and Average Monthly Salary at your election date.

Should you pass away during your participation in the DROP, your Beneficiary would be entitled to receive your DROP account. DROP payments to your Beneficiary will be in addition to any retirement benefits payable by the Plan.

## **DISABILITY RETIREMENT**

If you become totally and permanently disabled as provided by the Plan, you may be eligible for a disability benefit. In the case of a disability incurred in the line of duty, you will be eligible for a benefit regardless of your length of service. In the case of a disability that is not incurred in the line of duty, you will only be eligible for a benefit if you have at least ten years of Credited Service.

The amount of your benefit due to line of duty disability is equal to the greater of your accrued pension benefit or the benefit calculated as though you had 20 years of Credited Service on the date of disability. This benefit may be offset by earnings from other sources such as from salaries and self-employment, or amounts received from Workers' Compensation benefits. This benefit is payable until your death or recovery or you may select an actuarially equivalent optional form of annuity as described later.

The amount of your benefit due to non-line of duty disability is equal to your

accrued pension as of the date of disability and is payable for the same period as described above.

## **SURVIVOR BENEFITS**

### **Before Retirement**

#### *Duty Death Benefit*

If you pass away in the line of duty, your accumulated contributions would be paid to your Beneficiary. A monthly benefit would also be payable as follows:

- a. 50% of your final compensation would be paid to your spouse until death.
- b. 25% of your final compensation would be distributed among any unmarried children until age 18 (or age 23 under certain conditions). If your spouse dies or there is no spouse, 25% would be paid to each child with an overall maximum of 50% for all children.
- c. If there is no spouse or eligible children, 1/6 of final compensation would be payable to each dependent parent, if any.

#### *Non-Duty Death Benefit*

- a. If you pass away with less than ten years of Credited Service and not in the line of duty, your accumulated contributions would be paid to your Beneficiary.
- b. If you pass away with ten or more years of Credited Service, a benefit is payable to your spouse as though retirement had occurred on date of death and the joint and last survivor option were chosen.
- c. If you pass away while performing USERRA-qualified active military service, your death shall be treated as a non-duty death benefit (as though you were actively employed), and service credit will be given for your period of absence from covered employment during Qualified Military Service towards the ten-year requirement in item b above.

### **After Retirement**

If you were receiving a form of retirement payment which provided for a survivor's benefit to be paid after your death, your Beneficiary will receive payments following your death. A later page describes the various forms of retirement payments.

## VESTED RETIREMENT BENEFIT

If you terminate employment, other than by reason of retirement, disability or death, you may be entitled to a deferred Vested Retirement Benefit. This benefit is equal to your Accrued Benefit on your termination date multiplied by your vested interest. The following chart shows your vested interest in your Accrued Benefit.

Vesting Schedule	
Years of Service	Vested Portion
Under 10	0%
10	50
11	55
12	60
13	65
14	70
15	75
16	80
17	85
18	90
19	95
20 or more	100

The vested benefit is payable at age 65.

If you terminate before you have earned a vested benefit, you will receive a refund of your contributions.

## FORMS OF BENEFIT PAYMENTS

### **Normal Form of Benefit Payment**

Unless you elect otherwise before retirement, your pension is payable as a Life Annuity. This is a series of monthly payments for your life after which payments cease. However, if you had not received benefit payments equal to the amount of your accumulated contributions, then your Beneficiary will receive a payment equal to the difference.

### **Election of Optional Forms of Benefit Payments**

You have the right at any time before your actual retirement date or DROP election date to elect not to have your retirement benefit paid in the Normal Form. Your benefit would then be paid in the form which you choose.

You may choose among the options described below and revoke any such elections and make a new election at any time before actual retirement. You must make such an election by written request to the Plan Administrator and such an election shall be subject to the approval of the Plan Administrator. This election also applies to terminated Participants who are eligible for payment of deferred Vested Retirement Benefits. The options available are as follows:

**1. Option 1 - Joint and Last Survivor Annuity**

You may elect to receive a decreased monthly retirement benefit during your lifetime and have such decreased retirement benefit (or a designated fraction thereof) continued after your death to and during the lifetime of your Beneficiary.

**2. Option 2 -Ten Year Certain and Life Thereafter Annuity**

You may elect to receive a decreased retirement benefit with 120 monthly payments guaranteed. If you die before receiving 120 payments, the payments will continue until a total of 120 payments have been made. If you live longer than ten years, payments are continued for the rest of your life, ceasing upon your death.

In no event may the total of benefit payments to you and your Beneficiary be less than your own accumulated contributions. You may change your joint annuitant following retirement.

### **AMENDMENT OR TERMINATION OF THE PLAN**

The Plan may be amended or terminated at any time by the Employer. If the Plan were terminated, you would immediately become fully vested in the benefit you had earned so far. All of the assets of the Plan would be allocated to the Members according to certain classes of priority. Only after all accrued benefits have been paid and any other liabilities have been satisfied could any remaining money be returned to the Employer.

### **IMPORTANT NOTICE**

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:

1. If you terminate employment before reaching the Normal 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.
2. If you die not in the line of duty before attaining a vested interest, no benefits will be payable except for a return of your own contributions.

3. No credit is allowed either for benefit accrual or vesting purposes for any period in which you are not considered a full-time employee.
4. Your retirement benefit will not be payable until actual retirement date, even if you continue to work beyond the Normal Retirement Date.
5. In the event that this Plan terminates and the available Plan assets are less than the value of all Accrued Benefits, then your Accrued Benefit may be reduced.
6. Your Accrued Benefit may be forfeited if you are convicted of certain felonies as provided by State law (Chapter 112.3173 F.S.).
7. Payment of your benefits may be made to an alternate payee by order of a Domestic Relations Order relating to child support or alimony made pursuant to a state domestic relations law.

### **YOUR RESPONSIBILITIES**

1. Retain this Summary Plan Description with your other important papers for later reference or for replacement by updated versions and supplemental notices, if any.
2. Upon completing eligibility requirements, sign a Membership Form, including a Beneficiary designation.
3. Keep your Beneficiary designation form updated to express your wishes.
4. If you terminate employment, check to see if you are entitled to a Vested Retirement Benefit and the date payable.
5. If you should terminate employment with rights to a deferred Vested Retirement Benefit, then, shortly before the date on which it is to begin, you should contact and notify the Employer to begin such payments.
6. Upon your retirement under Normal Retirement, complete the form necessary to indicate which Optional Form of Benefit you desire.

### **CLAIMS AND PROCEDURES**

#### **Claim Procedures**

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, 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.

Your request for Plan benefits shall be considered a claim for Plan benefits, and it will be subject to a full and fair review. If your claim is wholly or partially denied, the Plan

Administrator shall 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:

1. The specific reason or reasons for the denial;
2. Specific reference to those Plan provisions on which the denial is based;
3. 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
4. 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 shall 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.

### **Claims Review Procedure**

1. 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.
2. 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.
3. 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.
4. 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 shall be made as soon as possible, but not later than 120 days after receipt by the Plan Administrator of your claim for review.
5. The Plan Administrator's decision on your claim for review shall be communicated to you in writing and shall include specific references to the pertinent Plan provisions on which the decision was based.

6. If the Plan Administrator's decision on review is not furnished to you within the time limitations described above, your claim shall be deemed denied on review.

