

City of Lake Worth Beach Police Retirement System

Summary Plan Description

**Adopted:
November 5, 2024**

Introduction

As a participant in the City of Lake Worth Beach Police Retirement System, you are included in a program of benefits to help you meet your financial needs in retirement, or in the event of disability or death. The purpose of this booklet is to give you a brief description of benefits available to you under your Retirement System.

Funding for retirement begins now. This booklet can be a valuable tool in preparing for your retirement and financial future. If you need any further information on any of the topics presented in this booklet, please contact the Board of Trustees. They will answer any questions to help you better understand your benefits.

Effective July 1, 2013, the assets of division 2 of the Lake Worth Beach Police Retirement System were combined with division 1 of the Lake Worth Beach Police Retirement System. Effective that date, the division 2 assets became an integral part of the division 1 assets for both administrative and investment purposes. This merger was a combining of assets with no intent to modify any of the benefits provided, or obligations imposed, in division 2 the Lake Worth Beach Police Relief and Pension Fund. The information presented is a summary of the Retirement System as provided in the City of Lake Worth Beach Code of Ordinances which governs your Retirement System. The legal citation for your Retirement System is Chapter 16, Article IV, City of Lake Worth Beach Code. Any discrepancies between information in this booklet and the Retirement System will be governed by the Retirement System. A copy of the Retirement System's Code can be obtained from the Retirement System's Administrator, City of Lake Worth Beach Police Retirement System Board of Trustees.

Their address is:

Board of Trustees
City of Lake Worth Beach Police Retirement System
C/O The Resource Centers, LLC
4360 Northlake Blvd., Suite 206
Palm Beach Gardens, FL 33410
Phone (561) 624-3277

I. GENERAL INFORMATION ABOUT THE RETIREMENT SYSTEM

1. Administration

The Retirement System is administered by a Board of Trustees which is responsible for the management and proper operation of the Retirement System. The Board consists of five members, as follows:

1. Two (2) participants of the Retirement System who are elected by participants of the Retirement System;
2. The mayor of the city;
3. A member of senior management staff appointed by city commission; and
4. One trustee shall be appointed by the city commission.
5. The trustee appointed by the city commission must, at all times while serving as a trustee, be a resident of the City of Lake Worth Beach.
6. The appointed trustee and elected trustees shall serve for a term of three (3) years

The Board has the power to interpret the provisions of the Retirement System and to promulgate rules regarding the operation of the Retirement System.

2. Fund Year

The Retirement System's records are maintained on a fiscal year basis beginning October 1st and ending on September 30th. An update of each participant's account in the Retirement System is made as of September 30th of each year.

3. Investment Management

The Board hires professional investment advisors to invest the assets for the Retirement System. In addition, the Board uses the trust department of a bank as the custodian of the Retirement System's securities.

4. Participation in the Retirement System

Effective October 1, 2008, each police officer of the City of Lake Worth Beach Police Department who chose to remain as a part of this Retirement System since becoming a Deputy with Palm Beach County Sheriff's Office is a participant of the Retirement System. As of October 1, 2008, this Retirement System is a closed Retirement System. At that time, police officers for the City of Lake Worth Beach who

became deputies were offered an opportunity to remain in this Retirement System or to move to the Florida Retirement System. Participants who are part of the Deferred Retirement Option Fund with the City of Lake Worth Beach Police Retirement System, may opt out of participation of this Retirement System for purposes of the allocation of the 185 money. Participants may elect this option by completing a form provided by the Trustees for this purpose.

Effective October 1, 2008, an individual account shall also be maintained for those former City police officers who became Palm Beach County Sheriff's Officer ("PBSO") employees pursuant to the 2008 interlocal agreement between the City and PBSO and elected to continue participating in this Retirement System. This allows the Members who have reached normal retirement age to take distributions without terminating employment with the Sheriff's Office.

II. ANNUAL ALLOCATION PROCEDURES

As of September 30th of each year, your account in the Retirement System will be credited with its share of:

1. The excise tax refund received from the State (usually distributed by the State in August).
2. Investment earnings (or losses) of the Retirement System for the year, and
3. Forfeitures of accounts by participants who leave the Palm Beach County Sheriff's Office without being eligible to receive any benefits.

1. Excise Tax Refund, Administrative Expenses and Forfeitures

Your share of the excise tax refund, administrative expenses, and forfeitures is determined by multiplying each of these items by the following:

$$\frac{\text{Your number of months of duty during the fiscal year}}{\text{Number of months of duty of all participants during the fiscal year}}$$

You receive credit for a month of duty if you complete 20 days of work during that month. For any month in which you work fewer than 20 days, you will be credited with a fraction of that month. This fractional portion is calculated by dividing the number of days you actually worked by 20.

2. Investment Earnings (Losses)

Your share of the investment earnings (losses) of the Retirement System is determined by multiplying the amount of investment earnings (losses) by the following fraction:

Value of participant's account prior to allocation of state check
Value of the accounts of all participants prior to allocation of state check

III. FORMS OF PAYMENT OF A PENSION

1. Service Retirement

You are eligible to receive the full balance of your account in this Retirement System as of your date of retirement and separation from employment with Palm Beach County Sheriff's Office. Your date of retirement is the date when you retire pursuant to the service retirement provisions of the Retirement System.

Effective October 1, 2008, those Participants who reach normal retirement age and are eligible to receive benefits from the Retirement System.

2. Disability Retirement

If you are deemed by the Board to be totally and permanently disabled for the performance of your duties as a result of an accident occurring while on duty you may be eligible for a disability benefit. The amount of the benefit is equal to the full balance of your account as of your date of separation from service due to the disability.

If you are deemed by the Board to be totally and permanently disabled for the performance of your duties as a result of illness, accident or sickness not occurring in the line of duty, you may be eligible for a disability benefit. The amount of the benefit is equal to the following percentage of the balance in your account as of your date of separation from service due to the disability:

<u>Years of Service</u>	<u>Distribution Percentage</u>
Under 3	25%
3 through 5	50%
6 through 8	75%
9 or more	100%

The remaining balance in your account after applying the above percentage is forfeited and reallocated to those who continue to participate in the Retirement System.

3. Survivor Benefits

If you die for any reason while a member of Palm Beach County Sheriff's Office, the full balance of your account as of your date of death will be paid to your designated beneficiary. In the event that your designated beneficiary dies before you, any monies in excess of those necessary to pay final illness and burial expenses shall be paid to your estate.

IT IS IMPORTANT TO KEEP YOUR BENEFICIARY DESIGNATION UP TO DATE

4. Termination of Employment

If you separate from the Palm Beach County Sheriff's Office with less than 10 years of credited service as a Deputy, you will forfeit your entire account. All forfeited amounts are allocated annually to those who continue to participate in the Retirement System.

If you separate from the Palm Beach County Sheriff's Office with more than 10 years of service as a Deputy, you are vested in your full account balance at the time of termination. Your balance will be credited with a share of the investment earnings (losses); however, as of your date of separation, your account is no longer eligible for shares of the excise tax refund or the forfeitures.

5. Distribution of Benefits

If you become eligible to receive retirement or disability benefits, you have the option to be paid a single lump sum or annual payments over a period not to exceed five years. Once you terminate employment, you will not continue to share in the annual allocation of State excise tax refunds and forfeitures.

IV. PROCEDURE FOR BENEFIT PAYMENT

1. General Procedure

- Applications made by participants before the quarterly meeting will be considered at the quarterly meeting
- Benefit applications which are approved will be paid within 60 days of the quarterly meeting at which benefits were approved.

2. Five Year Installments

1 st Installment	any amount chosen by the participant.
2 nd - 4 th Installments	25% of the declining balance paid on each October 1 of the following calendar years.

Any interest earned for the first through the fourth years will be credited to the account after May of each year. The interest credited will be reduced by administrative charges.

5 th Installment	the remaining balance (paid in the following calendar year)
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In the year following the 5th installment, the participant will be paid any interest earned in the final year reduced by administrative charges.

3. **Lump Sum Distribution**

Lump Sum

balance of account.

In the year following the initial distribution, the participant will be paid the pro-rata share of the Chapter 185 monies, as well as interest earned in the final year reduced by administrative charges.

All distributions will be subject to a mandatory 20% withholding if the amount is paid directly to you. No money will be withheld if you direct the Board to rollover the assets to another qualifying Retirement System or individual retirement account.

V. FILING FOR RETIREMENT

In order to ensure that you receive your pension on time, you should file your application with the Retirement System Administrator at least 30 days before retirement. All forms can be obtained from the Board of Trustees at the address on the Introduction page. Penalties will be imposed for making a false or misleading statement to obtain a pension benefit. It can take up to 60 days after your date of retirement to receive your pension check.

VI. FORFEITURE OF PENSION

Any Member who is convicted of any of the below offenses committed prior to retirement shall forfeit all rights and benefits under this Retirement System, except for a refund of accumulated contributions. The specified offenses are:

1. Committing, aiding or abetting of an embezzlement of public funds;
2. Committing, aiding or abetting of any theft by a public officer or employee from employer;
3. Bribery in connection with the employment of a public officer or employee;
4. Any felony specified in Chapter 838, Florida Statutes;
5. The committing of impeachable offense
6. The committing of any felony by a public officer or employee who, willfully and with intent to defraud the public or the public agency for which the public

officer or employee acts or in which he or she is employed of the right to receive the faithful performance of his or her duty as a public officer or employee, realizes or obtains, or attempts to realize or obtain, a profit, gain, or advantage for himself or herself or for some other person through the use or attempted use of the power, rights, privileges, duties, or position of his or her public office or employment position.

7. The committing on or after October 1, 2008, of any felony defined in §800.04, Florida Statutes, against a victim younger than 16 years of age, or any felony defined in Chapter 794, Florida Statutes against a victim younger than 18 years of age, by a public officer or employee through the use or attempted use of power, rights, privileges, duties, or position of his or her public office or employment position.

Any Member who has received benefits from the Retirement System in excess of his accumulated contributions shall be required to repay the Retirement System. The Board may implement legal action necessary to recover such funds.

Additionally, a Member who makes a false or misleading statement to obtain retirement benefits shall commit a misdemeanor of the first degree and if convicted, the Member shall forfeit his/her benefit.

VII. POLICY ON CLAIMS, NOTICES AND INQUIRIES

1. Claims, Notices and Inquiries

All claims for benefits, designation of beneficiary, verifications of disability, notices of mailing address, notices of appeal, and all other inquiries and matters concerning the Retirement System shall be submitted to the Board of Trustees:

Board of Trustees
City of Lake Worth Beach Police Retirement System
C/O The Resource Centers, LLC
4360 Northlake Blvd. Suite 206
Palm Beach Gardens,, FL 33410
Phone (561) 624-3277

2. Response to Claims and Inquiries

All inquiries shall be answered promptly. The final decision for approval of benefits shall be made by the Board of Trustees.

3. Denial of Benefits

If any claim for benefits is denied, in whole or in part, then the claimant shall be provided with a notice of denial no more than 30 days after the final decision has been made. The Notice will be provided in writing, by certified mail, and shall include:

- (a) Specific reasons for the denial of benefits; and
- (b) Specific references to the pertinent provisions of the Pension Ordinance upon which the action is based and a copy of the Pension Ordinance provisions shall be furnished with the Notice; and
- (c) A description of any additional material or information necessary for the claimant to perfect the claim along with an explanation of why such material or information is necessary; and
- (d) An explanation of the Claims Review Procedure.

4. **Claims Review Procedure**

(a) Requests for Review

If a claim for benefits is denied, in whole or in part, the claimant may appeal to the Board of Trustees for full and fair review. In order to file an appeal, a written Notice of Appeal must be submitted within 60 days after the notice of denial is received by the claimant (or longer as the Board deems reasonable). The Notice of Appeal shall briefly describe the grounds upon which the appeal is based and shall be signed by the claimant. The claimant shall be allowed to review all pertinent documents during normal business hours, and shall be permitted to submit comments and a statement of issues for consideration by the Board of Trustees.

(b) Representation

A claimant may designate an attorney, or any other duly authorized person, to act as a representative at any stage of the Claims Review Procedure. Any rights provided to the claimant during the Claims Review Procedure shall automatically extend to the representative designated by the claimant. A representative may be designated in writing signed by the claimant and the representative, and submitted to the Board of Trustees.

(c) Claims Review Board

The Board of Trustees has the authority to rule on all appeals brought under this section. A decision to grant or deny an appeal shall be based on the record before the Board of Trustees alone, unless it is determined in the discretion of the Board, that a hearing is necessary for the resolution of the appeal. An appeal shall be granted or denied by majority vote of the Board

of Trustees. The final decision shall be made by the Board, in writing no later than 60 days after receipt of the Notice of Appeal, unless special circumstances (such as the need for a hearing) require an extension of time. In no event, however, should the decision of the Board of Trustees be made later than 120 days after receipt of the notice of appeal. If an appeal is denied in whole or in part then the decision shall set forth the specific reason for the action, with specific references to those Retirement System provisions upon which the decision is based. The claimant shall be promptly provided with a copy of the decision of the Board. Decisions of the Board of Trustees are final and binding.

5. Exhaustion of Claims Review Procedure

No action in law or in equity may be brought to contest a denial of benefits until the claimant has complied with the procedures provided in the Claims Review Procedure, unless the Board of Trustees fails to render a decision within 120 days after receipt of the Notice of Appeal. In no case, however, shall any action be brought unless instituted within one year from the time the claimant received the notice of denial provided in the Denial of Benefits provision.

VIII. AGENT FOR SERVICE OF LEGAL PROCESS

Chairman, Board of Trustees
City of Lake Worth Beach Police Retirement System
C/O The Resource Centers, LLC
4360 Northlake Blvd. Suite 206
Palm Beach Gardens, FL 33410
Phone (561) 624-3277

IX. FUND YEAR

The Fund year is the twelve-month period beginning each October 1. Records are kept on a fiscal year basis.

EXHIBIT "A"

BOARD OF TRUSTEES

Christopher Johnson, Chair
Palm Beach Sherriff's Office
Elected 07/31/2021 - Term Exp. 07/31/2027

Vaughn Mitchell
Palm Beach Sherriff's Office
Elected 04/16/2024 - Term Exp. 07/31/2025

Lonney Moral
Palm Beach Sherriff's Office
Appointed 10/06/2020 - Term Exp. 07/31/2025

Mayor Betty Resch, Mayor
City of Lake Worth Beach
7 N Dixie Hwy
Lake Worth, FL 33460
(Appointment by Ordinance)

Yannick Ngendahayo, Finance Director
7 N Dixie Hwy
Lake Worth, FL 33460
Constitutional Appointment (Ordinance)

Plan Administrator:

Albert Lovingood
Resource Centers
4360 Northlake Blvd, Suite 206
Palm Beach Gardens, FL 33410
Phone: (561) 624-3277
Email: AC@ResourceCenters.com

EXHIBIT “B”

ACTUARIAL INFORMATION

PERTINENT ACTUARIAL INFORMATION AS OF OCTOBER 1

	2023	2022
Number of Members of the Plan		
Actives Employees	6	7
Those Receiving or Due to Receive Benefits	90	90
Annual Payroll of Active Members	\$804,353	\$891,787
Annual Rate of Benefits in Pay Status	3,735,640	3,707,055
Actuarial Accrued Liability	47,712,544	47,999,264
Net Assets Available for Benefits (Actuarial Value)	36,012,530	34,495,521
Unfunded Actuarial Accrued Liability	11,700,014	13,503,743
Required Contribution to be Made to the Plan Over and Above Contributions by Members of the Plan	4,081,528	3,946,693
Required Contributions as % of Payroll of Active Members	507.43 %	442.56 %
Required Contribution to be Paid During Year Ending	9/30/2025	9/30/2024

RECONCILIATION OF PLAN ASSETS

Item	September 30	
	2023	2022
A. Market Value of Assets at Beginning of Year	\$ 35,632,405	\$ 41,545,013
B. Revenues and Expenditures		
1. Contributions		
a. Employee Contributions	\$ 63,550	\$ 70,345
b. Employee Contributions (Buy-backs)	-	-
c. City Contributions (including Sheriff's office)	3,668,163	3,626,864
d. State Contributions (allocated to Share Plan)	367,817	296,075
e. State Contributions (allocated to Pension)	283,405	283,405
f. Miscellaneous Income	-	-
g. Total	\$ 4,382,935	\$ 4,276,689
2. Investment Income		
a. Interest, Dividends, and Other Income	\$ 1,147,651	\$ 2,040,859
b. Realized Gains/(Losses)	250,881	392,615
c. Unrealized Gains/(Losses)	1,747,772	(8,045,405)
d. Investment Expenses	(166,863)	(170,351)
e. Miscellaneous Income	12,832	714
f. Net Investment Income	\$ 2,992,273	\$ (5,781,568)
3. Benefits and Refunds		
a. DROP Distributions	\$ -	\$ -
b. Share Plan Distributions	-	(647,863)
c. Regular Monthly Benefits	(3,536,523)	(3,653,103)
d. Refunds of Contributions	-	-
e. Total	\$ (3,536,523)	\$ (4,300,966)
4. Administrative and Miscellaneous Expenses	\$ (106,233)	\$ (106,763)
C. Market Value of Assets at End of Year	\$ 39,364,857	\$ 35,632,405
D. Reserves		
1. State Contribution Reserve	\$ -	\$ -
2. DROP Accounts	(323,845)	(160,445)
3. Share Plan Benefits (Division 2)	(6,104,880)	(5,282,785)
4. Total Reserves	\$ (6,428,725)	\$ (5,443,230)
E. Market Value Net of Reserves	\$ 32,936,132	\$ 30,189,175