

Summary of Plan Provisions

A. Ordinances

Plan established under the Code of Ordinances for the Village of North Palm Beach, Florida, Part II, Chapter 2, and was most recently amended under Ordinance No. 2010-7 passed May 27, 2010 and effective February 25, 2010. The Plan is also governed by certain provisions of Part VII, Chapter 112, Florida Statutes (F.S.) and the Internal Revenue Code.

B. Effective Date

September 1, 1967

C. Plan Year

October 1 through September 30

D. Type of Plan

Qualified, governmental defined benefit retirement plan; for GASB purposes it is a single employer plan.

E. Eligibility Requirements

All full-time, General Employees are eligible for membership.

F. Credited Service

Total number of years and fractional parts of years of actual service.

G. Compensation

Total compensation for services rendered to the Village as a General Employee includes gross salary including overtime but excluding bonuses or any other non regular payments such as unused sick leave and vacation pay.

H. Final Average Compensation (FAC)

The average of Compensation during the 5 years within the last 10 years of employment which produces the highest average.

I. Normal Retirement

Eligibility: A member may retire on the first day of the month coincident with or next following:

- Age 65 for employees hired prior to 1983
- Age 65 and 9 years of credited service or Age 60 and 9 years of credited service, depending on employee hire date and/or employee contribution rate.

Benefit: Either 2%, 2.25%, or 2.50% (depending on employee contribution rate) of AME multiplied by Credited Service up to 20 years plus 1% of AME multiplied by Credited Service over 20 years.



Normal Form
of Benefit: Life Annuity, with other options available.

COLA: For those retired before February 1, 1982, those hired after 9/30/00, or those hired before 10/1/00 who elect to contribute an extra 2%, a Cost of Living increase is paid annually from the Plan, up to a maximum of 3%.

J. Early Retirement

Eligibility: Age 55.

Benefit: Calculated in the same manner as Normal Retirement Benefit and payable at Normal Retirement Date; or payable immediately after reduction by 5% for each year by which the benefit commencement date precedes the Normal Retirement Date.

Normal Form
of Benefit: Life Annuity, with other options available.

COLA: For those retired before February 1, 1982, those hired after 9/30/00, or those hired before 10/1/00 who elect to contribute an extra 2%, a Cost of Living increase is paid annually from the Plan, up to a maximum of 3%.

K. Delayed Retirement

Eligibility: Any time after the Normal Retirement Date.

Benefit: Calculated in the same manner as Normal Retirement Benefit but using the AME and Credited Service as of the actual retirement date.

Normal Form
of Benefit: Life Annuity, with other options available.

COLA: For those retired before February 1, 1982, those hired after 9/30/00, or those hired before 10/1/00 who elect to contribute an extra 2%, a Cost of Living increase is paid annually from the Plan, up to a maximum of 3%.

L. Service Connected Disability

Eligibility: The Plan does not provide for benefits in the event of disability.

Benefit: N/A.

Normal Form: N/A.

COLA: N/A.



M. Non-Service Connected Disability

Eligibility: The Plan does not provide for benefits in the event of disability.

Benefit: N/A.

Normal Form: N/A.

COLA: N/A.

N. Death while employed by the Village

Eligibility: Members are eligible for survivor benefits after the completion of 5 years of Credited Service. The benefit will be paid to the member's beneficiary.

Benefit: The survivor benefit payable to the designated beneficiary is the member's vested accrued Normal Retirement Benefit as of the date of death.

Normal Form of Benefit: Ten Years Certain. Alternatively, employees who are vested and eligible to retire have the right to file a written election to be considered retired on the day before death if such employee should die prior to retirement. If an employee who is vested and eligible to retire dies prior to retirement without making the foregoing election, the election can be made by the employee's beneficiary previously designated in the Village records.

COLA: For those retired before February 1, 1982, those hired after 9/30/00, or those hired before 10/1/00 who elect to contribute an extra 2%, a Cost of Living increase is paid annually from the Plan, up to a maximum of 3%.

O. Other Pre-Retirement Death

Eligibility: Vested terminated members who have reached age 55 and completed 5 years of Credited Service.

Benefit: Benefit payable as if member retired on the date of death, selected a 50% Joint & Survivor annuity, and then passed away, with 50% of the benefit then continuing to the survivor.

Normal Form of Benefit: Life of the beneficiary.

COLA: For those retired before February 1, 1982, those hired after 9/30/00, or those hired before 10/1/00 who elect to contribute an extra 2%, a Cost of Living increase is paid annually from the Plan, up to a maximum of 3%.

P. Post Retirement Death

Benefit determined by the form of benefit elected upon retirement.



Q. Optional Forms

In lieu of electing the Normal Form of benefit, the optional forms of benefits available to all retirees are the 10 Year Certain and Life option or the 50%, 66.67%, 75% or 100% Joint and Survivor options. A Social Security option is also available for members retiring prior to the time they are eligible for Social Security retirement benefits. The Pension Board also reserves the right to pay out beneficiaries with this option when the monthly benefit amount is less than \$100.00.

R. Vested Termination

Eligibility: A member has earned a non-forfeitable right to Plan benefits after the completion of 5 years of Credited Service.

Benefit: The benefit is the Accrued Benefit on the termination date multiplied by the vested interest. The vested percentage is 50% for those terminating with credited service between 5 and 7 years, 75% for service between 7 and 9 years and 100% for those terminating with 9 or more years of credited service. In lieu of the deferred vested benefit, a member may receive a refund of member contributions.

Normal Form of Benefit: Life Annuity, with other options available.

COLA: For those retired before February 1, 1982, those hired after 9/30/00, or those hired before 10/1/00 who elect to contribute an extra 2%, a Cost of Living increase is paid annually from the Plan, up to a maximum of 3%.

S. Refunds

Return of Accumulated Contributions.

T. Member Contributions

6%, 4%, 2%, or 0% of Earnings as elected by the employee.

U. Employer Contributions

The amount determined by the actuary needed to fund the plan properly according to State laws.

V. Cost of Living Increases

For those retired before February 1, 1982, those hired after 9/30/00, or those hired before 10/1/00 who elect to contribute an extra 2%, a Cost of Living increase is paid annually from the Plan, up to a maximum of 3%.

W. Changes from Previous Valuation

None.



X. 13th Check

Not Applicable.

Y. Deferred Retirement Option Plan (DROP)

Eligibility: The Plan does not provide for DROP benefits.

Z. Other Ancillary Benefits

There are no ancillary retirement type benefits not required by statutes but which might be deemed a Village of North Palm Beach General Retirement Fund liability if continued beyond the availability of funding by the current funding source.