

**OKEECHOBEE UTILITY AUTHORITY  
EMPLOYEES' RETIREMENT SYSTEM  
SUMMARY PLAN DESCRIPTION**

**February 7, 2022**

**OKEECHOBEE UTILITY AUTHORITY EMPLOYEES'  
RETIREMENT SYSTEM**

**SUMMARY PLAN DESCRIPTION**

**INTRODUCTION**

The Board of Trustees of the Okeechobee Utility Authority Employees' Retirement System is pleased to present this booklet which briefly explains the provisions of your Retirement Plan. As a participant, you are included in a program of benefits to help you meet your financial needs at retirement, or in the event of disability or death.

This booklet can assist you in preparing for your retirement and financial future. If you need further information on any of the topics presented in this booklet, please contact any member of the Board of Trustees. They will either answer questions you might have to help you understand your benefits or otherwise get you an answer to your questions. We urge you to read and understand this booklet in order to become familiar with the benefits of the plan and how they contribute to your financial security and how they will enrich your retirement years.

The information presented is only a summary of the Okeechobee Utility Authority Retirement Plan Document ("Plan") as provided in Okeechobee Utility Authority Resolution 2016-03, Resolution 2018-04, Resolution 2019-01, and any subsequent amendments to that Resolution. If there are any conflicts between the information in this booklet and the Retirement Plan document adopted by Resolution 2016-03, the Retirement Plan document shall govern. The provisions of this Summary Plan Description shall not constitute a contract between the Member and the Board of Trustees. The Plan shall be administered in accordance with state and federal law, notwithstanding any provisions in this booklet or resolutions to the contrary. A copy of the Okeechobee Utility Authority Retirement Plan Document can be obtained from the OUA office, which is located at 100 SW 5<sup>th</sup> Avenue, Okeechobee, Florida 34974.



Chairman, Board of Trustees, Okeechobee Utility  
Authority Employees' Retirement System

2-7-2022

Date

1. **BOARD OF TRUSTEES AND PLAN ADMINISTRATION**

A. **Administration.**

- (1) The Okeechobee Utility Authority Employees' Retirement System is a defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the Plan. The Board of Trustees consists of five Trustees, two of whom shall be legal residents within the Okeechobee Utility Authority (OUA) jurisdictional boundaries who shall be appointed by the OUA Board, two of whom shall be full-time Employees of OUA who shall be elected by the employees of OUA, and the OUA Executive Director or his designee.
- (2) DROP participants can be elected as and vote for elected Trustees.

B. The names and addresses of the current Trustees are attached to this Summary Plan Description as Exhibit "A". The Chairman of the Board of Trustees is designated as agent for the service of legal process.

2. **ELIGIBILITY FOR PLAN MEMBERSHIP**

Each person employed by the Okeechobee Utility Authority as a full-time Employee becomes a member of the Plan as a condition of his employment, except that the Executive Director may opt out of the Plan within 60 days of employment or taking office. All Employees are eligible for plan benefits as provided for in the plan document and by applicable law.

3. **PLAN BENEFITS**

All claims for benefits under the Plan shall be made in writing to the Board of Trustees.

A. **Normal Retirement Eligibility.** You are eligible for retirement upon the earlier of the attainment of age 65 and the completion of 5 years of credited service or upon the completion of 30 years of credited service, regardless of age.

B. **Amount of Normal Retirement Benefits.** The amount of the normal retirement benefit is based on your credited service and average final compensation:

"Credited Service" is generally your period of employment as an Employee with the Okeechobee Utility Authority, measured in years and parts of years. Credited Service will include a break in employment for military service, pursuant to conditions that are required or permitted under state or federal law, as amended from time to time, provided that you are reemployed within 1 year of discharge, under honorable conditions. Additional credited service time may also be available (See subsection J. below).

"Average Final Compensation" is 1/12 of the average salary of the 5 best years of the last 10 years of credited service prior to your termination, retirement or death. A year is defined as 12 consecutive months.

"Salary" is the basic compensation for services rendered to the Okeechobee Utility Authority, plus all tax deferred, tax sheltered and tax exempt items of income, if otherwise includible as basic compensation, derived from elective employee payroll deductions or salary reductions, but excluding overtime, bonuses and any other non-regular payment.

Normal and early retirement payments will commence on the first day of the month coincident with or next following your last day of employment. The normal retirement benefit is calculated by multiplying 2.1% times years of credited service times your average final compensation:  $(2.1\% \times CS \times AFC = \text{normal retirement benefit})$ . Early retirees may defer the commencement of benefits.

The benefit is paid to you for your life, but you or your beneficiary shall receive at least 120 monthly benefit payments in any event.

C. Early Retirement. You are eligible for early retirement upon the attainment of age 55 and the completion of 10 years of credited service.

D. Amount of Early Retirement Benefits. The amount of the early retirement benefit is calculated in the same manner as for normal retirement and is available as follows:

- (1) A deferred monthly retirement benefit which shall commence at age 65 and shall be continued on the first day of each month thereafter. The amount of each such deferred monthly retirement benefit shall be determined in the same manner as for retirement on your normal retirement date except that credited service and average final compensation shall be determined as of your early retirement date.
- (2) An immediate monthly retirement benefit which shall commence on your early retirement date and shall be continued on the first day of each month thereafter. The benefit payable shall be as determined in paragraph (1) above, which is reduced by 2% for each year by which the commencement of benefits precedes age 65.

E. Other Retirement Options. At retirement, certain additional options are available as follows:

- (1) Optional Forms of Retirement. In lieu of the amount and form of retirement income payable under normal and early retirement, you may elect to receive a retirement benefit in a different form so long as the form you elect is of equal actuarial value as the normal benefit. The optional forms of benefits which are available are:
  - (a) A retirement income of a reduced monthly amount, payable to you during your lifetime and following your death, 100%, 75%, 66-2/3% or 50% of such monthly amount payable to a joint and survivor-pensioner for his or her lifetime.

- (b) *Pop-up option:* A retirement income of a reduced monthly amount, payable to you during your lifetime and following your death, and then 100%, 75%, 66-2/3% or 50% of such monthly amount payable to your spouse for his or her lifetime, as a joint and survivor benefit. If your spouse predeceases you after you retire, your joint and survivor benefit will be deemed canceled and your pension benefit will be recalculated as a life annuity as of the first day of the month following the death of your spouse.
  - (c) A retirement income of a modified monthly amount for your lifetime.
  - (d) If you retire prior to the time at which social security benefits are payable, you may elect to receive an increased retirement benefit until such time as social security benefits shall be assumed to commence and a reduced benefit thereafter in order to provide, to as great an extent as possible, a more level retirement allowance during the entire period of retirement.
  - (e) If you do not participate in the DROP, you may also elect to receive an initial lump sum payment equal to 20% of your accrued benefit with the remaining 80% payable in a form selected by you and provided for in (a) or (b) above or in the normal form (10 years certain and life).
- (2) Deferred Retirement Option Plan (DROP).
- (a) If you become eligible for normal retirement and are still employed by the Okeechobee Utility Authority as an Employee, you have the option of "retiring" from the pension plan but continuing your employment with OUA for an additional 5 years. An election to participate in the DROP constitutes an irrevocable election to resign from the service of the Okeechobee Utility Authority not later than 5 years from the date you begin DROP participation. You must request, in writing, to enter the DROP.
  - (b) Upon entering the DROP, your retirement benefit is immediately calculated, and each monthly benefit payment is deposited into your DROP account. You may elect to either have your account credited with interest at the rate of 6.5% per annum or credited or debited with an investment return or loss equal to the net investment return realized by the System for that quarter. One change in election is permitted.
  - (c) At the time of termination of employment at the end of the DROP period, you will receive your account balance in a lump sum and you will also begin receiving your monthly retirement benefit.

- (d) Once you enter the DROP, you are no longer eligible for disability or pre-retirement death benefits, nor do you accrue any additional credited service. Your retirement benefit is fixed as of your DROP entry date. You pay no member contributions to the plan once you enter the DROP.
- (e) Participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants.
- (f) Additional information about the DROP can be obtained from the Board of Trustees.

F. Disability Retirement. You are considered disabled when you become totally and permanently unable to perform the duties that you were assigned at the time of your impairment and unable to perform the duties of another position for which you are qualified that the Okeechobee Utility Authority makes available to you in a similar job classification at no reduction in pay. A written application is made to the Board of Trustees for a disability pension and the Board of Trustees receives evidence of the disability and decides whether or not the pension is to be granted. If the pension is granted, the benefit amount shall be determined in the same manner as for early retirement if the benefit begins at or after age 55, and if the benefit begins prior to age 55, the benefit shall be actuarially reduced for the period prior to age 55.

Terminated persons, either vested or non-vested, are not eligible for disability benefits. Except, however, if you were terminated for medical reasons, and if you apply within 30 days after your termination date, your application will be processed and considered by the Board of Trustees. If you voluntarily terminate your employment after filing the application, you will not be eligible to be considered for any disability benefit.

Your disability benefit terminates upon the earlier of death, with 120 payments guaranteed, or recovery. You may, however, select a "life only" or "joint and survivor" optional form of benefit as described above under "Optional Forms of Retirement".

Your benefit will be reduced if you receive workers' compensation benefits and your combined benefit exceeds 100% of your average monthly wage. The pension benefit will be reduced so that the total does not exceed 100%.

To receive disability benefits, you must establish to the satisfaction of the Board of Trustees, that such disability was not occasioned primarily by:

- (1) Excessive or habitual use of any drugs, intoxicants or alcohol.
- (2) Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections.
- (3) Injury or disease sustained while committing a crime.

- (4) Injury or disease sustained while serving in any branch of the Armed Forces.
- (5) Injury or disease sustained after your employment with the Okeechobee Utility Authority has terminated.
- (6) Willful, wanton or intentional misconduct or gross negligence.
- (7) Injury or disease sustained by you while working for anyone other than the Okeechobee Utility Authority and arising out of such employment.
- (8) A condition pre-existing your membership in the plan.

As a disabled pensioner you are subject to periodic medical examinations as directed by the Board of Trustees to determine whether a disability continues. You may also be required to submit statements from your doctor, at your expense, confirming that your disability continues.

G. Death Before Retirement. If you die prior to retirement your beneficiary shall receive the following benefit:

- (1) Prior to Vesting or Eligibility for Retirement. If you were not yet receiving monthly benefits or were not yet vested or eligible for retirement, your beneficiary shall receive a refund of 100% of your accumulated contributions, which includes interest.
- (2) Deceased Members Vested or Eligible for Retirement. If you die and, at the date of your death were vested or eligible for early or normal retirement, your beneficiary shall be entitled to a benefit as follows:
  - (a) If you have a right to a vested accrued benefit, whether or not you are still actively employed, you shall be eligible for a death benefit if you die before collecting any other benefits from this Plan. The amount of the death benefit shall be equal to 50% of the actuarially equivalent single sum value of your vested accrued benefit, or your accumulated contributions, with interest, whichever is greater.
  - (b) If this single sum value is less than \$5,000, it shall be paid in a lump sum. If the value exceeds \$5,000, the beneficiary may elect payment under any of the optional forms available for retirement benefits or a lump sum payment.
  - (c) If you are eligible for early or normal retirement, but remain employed and die while so employed, the death benefit shall be determined as follows: It shall be assumed that you had retired immediately preceding your date of death and elected the Ten Year Certain and Life Thereafter option. However, the death benefit shall be equal to 50% of the actuarially equivalent single sum

value of your vested accrued benefit, if larger than the Ten Year Certain and Life Thereafter option.

H. Termination of Employment and Vesting. If your employment is terminated, either voluntarily or involuntarily, the following benefits are payable:

- (1) If you have less than 5 years of credited service upon termination, you shall be entitled to a refund of the money you have contributed, or you may leave it deposited with the Fund.
- (2) If you have 5 or more years of credited service upon termination, you shall be entitled to a monthly retirement benefit. The benefit shall be determined in the same manner as for normal or early retirement and based upon your credited service, average final compensation and the benefit accrual rate as of the date of termination. The benefit shall be payable to you commencing at age 65, or age 55 reduced as for early retirement from age 65, provided you do not elect to withdraw your contributions and provided you survive to your otherwise normal or early retirement date. If you do not withdraw your accumulated contributions and do not survive to your otherwise normal or early retirement date, your designated beneficiary shall be entitled to a benefit as provided herein for a deceased member, vested or eligible for retirement under Death Before Retirement.

The Internal Revenue Code provides that certain eligible lump sum distributions from the pension system may be directly rolled over into qualified individual retirement accounts, annuities or certain other pension plans. A 20% withholding shall be required on taxable portions of such lump sum distributions not directly transferred to a new custodian.

- I. Reemployment After Retirement. If you retire under normal retirement and are reemployed by the Okeechobee Utility Authority, you may continue to receive your pension benefit upon reemployment if you are age 62 or you have completed at least thirty (30) years of Credited Service. You will not be eligible to participate in or accrue additional benefits under the System during your period of reemployment. Retirees who participated in the DROP shall have these options following termination of employment after DROP participation.

If you retire with an early retirement benefit, and are reemployed after retirement, you may continue to receive your pension benefit upon reemployment if you are age 62. During your period of reemployment, you will not be eligible for membership in the System, and you will not earn any additional benefits or make any additional contributions.

J. Additional Credited Service. In addition to credited service actually earned in the employment of the Okeechobee Utility Authority, you may also receive credited service as follows:



- (1) "Buy-Back" for Prior Government Service. The years or fractional parts of years that you were a member but terminated employment and are not otherwise entitled to credited service for such period of employment or the years or fractional parts of years that you previously served as an employee for any governmental agency in the United States, including, but not limited to federal, state or local government service, and for which you do not otherwise qualify for and receive credit under this Plan, shall be added to your years of credited service provided that:
  - (a) You contribute to the Fund a sum equal to:
    - (i) the amount that you would have contributed to the Plan, based on your salary and the member contribution rate in effect at the time that the credited service is requested, had you been a member of the Plan for the years or fractional parts of years for which you are requesting credit, plus
    - (ii) an additional amount to be determined by the Board of Trustees' actuary so that there is no cost to the Plan in giving you the additional years of credited service, plus
    - (iii) the amount charged by the actuary for determining the amount you must contribute.
  - (b) Multiple requests to purchase credited service may be made at any time prior to retirement.
  - (c) Payment of the required amount shall be made within 6 months of your request for credit, but not later than your retirement date, and shall be made in one lump sum payment upon receipt of which credited service shall be given.
  - (d) There shall be no maximum purchase of credited service pursuant to this subsection and credited service purchased shall count for all purposes, including vesting.
  - (e) In no event, however, may credited service be purchased pursuant to this subsection for prior service with any other governmental agency, if such prior service forms or will form the basis of a retirement benefit or pension from a different employer's retirement system or plan.
- (2) "Buy-Back for Prior Military Service". The years or fractional parts of years that you serve or have served on active duty in the active military service of the Armed Forces of the United States, the United States Merchant Marine or the United States Coast Guard, voluntarily or involuntarily, honorably or under honorable conditions, prior to first and

initial employment with the Okeechobee Utility Authority shall be added to your years of credited service provided that:

- (a) You contribute to the Fund a sum of money equal to:
    - (i) the amount that you would have contributed to the Plan, based on your salary and the member contribution rate in effect at the time that the credited service is requested, had you been a member of the Plan for the years or fractional parts of years for which you are requesting credit, plus
    - (ii) an additional amount to be determined by the Board of Trustees' actuary so that there is no cost to the Plan in giving you the additional years of credited service, plus
    - (iii) the amount charged by the actuary for determining the amount you must contribute.
  - (b) Multiple requests to purchase credited service pursuant to this subsection may be made at any time prior to retirement.
  - (c) Payment by you of the required amount shall be made within 6 months of your request for credit, but not later than your retirement date, and shall be made in one lump sum payment upon receipt of which credited service shall be given.
  - (d) The maximum credit under this section shall be four (4) years.
  - (e) Credited service purchased pursuant to this section shall not count toward vesting.
- (3) Rollovers or Transfers of Funds to Purchase Service. In the event you are eligible to purchase additional credited service as provided above, you may be eligible to rollover or transfer funds from another retirement program in which you participate (traditional IRA, deferred compensation plan maintained by a government employer (457 plan), 401k plan, profit sharing plan, defined benefit plan, money purchase plan, annuity plan or tax sheltered annuity) in order to pay all or part of the cost of purchasing such additional credited service.

K. Contributions and Funding. The Utility Authority is paying the portion of the cost of the pension plan over and above your contributions. You contribute 6% of your salary to the Fund. Your contribution will be excluded from your gross income for withholding purposes so you will realize income tax benefits.

L. Maximum Benefits. In no event will the annual benefits paid from this Plan exceed the maximum adjusted benefit defined in Section 415(b) of the Internal Revenue Code

subject to certain cost of living adjustments and actuarial reductions for retirement prior to age 62.

You cannot receive a benefit in excess of 100% of your average final compensation.

M. Forfeiture of Pension. If you are convicted of the certain crimes listed in the plan document committed prior to retirement, or if your employment is terminated by reason of your admitted commission, aid or abetment of these crimes, you shall forfeit all rights and benefits under the Plan, except for the return of your contributions as of the date of your termination.

N. Claims Procedure Before the Board of Trustees. You may request, in writing, that the Board of Trustees review any claim for benefits under the Plan. The Board of Trustees will review the case and enter a decision as it deems proper within not more than 180 days from the date of the receipt of such written request, or in the case of a disability claim, from receipt of a medical release and completed interrogatories. The time period may be extended if you agree to the extension.

The Board of Trustees' decision on your claim will be contained in an order which will be in writing and will include:

- (1) The specific reasons for the Board of Trustees' action;
- (2) A description of any additional information that the Board of Trustees feels is necessary for you to perfect your claim;
- (3) An explanation of the review procedure next open to you which includes a formal evidentiary hearing.

#### 4. NON-FORFEITURE OF PENSION BENEFITS

A. Liquidation of Pension Fund Assets. In the event of repeal, or if contributions to the Fund are discontinued by the Okeechobee Utility Authority, there will be a full vesting of benefits accrued to date of repeal.

B. Interest of Members in Pension Fund. At no time prior to the satisfaction of all liabilities under the Plan shall any assets of the Plan be used for any purpose other than for the members' exclusive benefit. In any event, your contributions to the Plan are non-forfeitable.

#### 5. VESTING OF BENEFITS

Your retirement benefits are vested after 5 years of credited service.

#### 6. APPLICABLE LAW

The Plan is governed by certain federal, state and local laws including, but not limited to the following:

- A. Internal Revenue Code and amendments thereto.

- B. Part VII, Chapter 112, Florida Statutes, "Actuarial Soundness of Retirement Systems".
- C. Resolutions of the Okeechobee Utility Authority.
- D. Administrative rules and regulations adopted by the Board of Trustees.

7. **PLAN YEAR AND PLAN RECORDS**

The plan year begins on October 1 of each year and ends on September 30 of the following year. All records of the Plan are maintained on the basis of the plan year.

8. **FINANCIAL AND ACTUARIAL INFORMATION**

A report of pertinent financial and actuarial information on the solvency and actuarial soundness of the Plan has been prepared by the Pension Plan's actuary and is attached as an Exhibit "B".

9. **DIVORCE OR DISSOLUTION OF MARRIAGE**

Federal and state law provides certain restrictions regarding the payment of your pension benefits in the event of your divorce or dissolution of marriage. Immediately upon your involvement in such a legal proceeding, you should provide a member of the Board of Trustees with the name and address of your attorney or your name and address if you have no attorney. The Board of Trustees' attorney will then provide you or your attorney with information concerning the legal restrictions regarding your pension benefits. In addition, a copy of any proposed order must be submitted to the Board prior to entry by the court. Failure to do so may require you to pay any expenses incurred by the Board of Trustees in correcting an improper court order.

10. **EX-SPOUSES AS BENEFICIARY OR JOINT PENSIONER**

The Florida Legislature has adopted Section 732.703, Florida Statutes. This law nullifies the designation of your ex-spouse as a Beneficiary or Joint Annuitant / Joint Pensioner on your pension plan retirement benefits. This law went into effect on July 1, 2012.

If you want your ex-spouse to be a beneficiary or joint annuitant/joint pensioner for your plan benefit, you will have to make that designation AFTER the dissolution of marriage. If you currently have an ex-spouse as a beneficiary or joint annuitant/joint pensioner, and want to keep this designation, you will have to designate the ex-spouse again after July 1, 2012.

To reconfirm your current beneficiary, or to designate a new beneficiary, complete a new Designation of Beneficiary Form.

To reconfirm your current joint annuitant/joint pensioner, or to designate a new joint annuitant/joint pensioner (if authorized by the current plan provisions), indicate such change on a Change or Confirmation of Designated Joint Annuitant or Joint Pensioner Form. If necessary,

the plan administrator will submit the new form to the actuary of the plan for recalculation of your benefit. There may be a charge to you to make this change.

To obtain either of the above forms, or if you have any questions, please contact your plan administrator.

**EXHIBIT "A"**

**BOARD OF TRUSTEES**

The names of the members of the Board of Trustees are:

Chairman: Jamie Mullis

Secretary: Janet McKinley

Member: Raul Marrero

Member: John Hayford

Member: Jeff Sumner

Mailing address for Board of Trustees:  
100 SW 5<sup>th</sup> Avenue  
Okeechobee, FL 34974

Designated agent for service of process:  
Jamie Mullis  
100 SW 5<sup>th</sup> Avenue  
Okeechobee, FL 34974

Plan Administrator:  
Kyle Tintle  
Pension Resource Centers  
4360 Northlake Blvd  
Palm Beach Gardens, FL 33410  
Telephone: (561) 624-3277 toll free: (800) 206-0116  
Fax: (561) 624-3278