



CITY OF SUNRISE GENERAL EMPLOYEES' RETIREMENT PLAN

SUMMARY PLAN DESCRIPTION

APRIL, 2024

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Introduction

This document is intended to be a plain language summary of the administration and benefits provided by the City of Sunrise General Employees' Retirement Plan. The Plan is a financial program through which employees and the City save together to help fund retirement benefits. The Plan also provides disability and death benefits for Participants prior to retirement under certain circumstances.

This Summary Plan Description applies to all Participants of the General Employees' Retirement Plan, including non-management personnel, managers, and senior managers and is updated through Ordinance 124-X-18-B, dated August 14, 2018.

On the following pages you will find valuable information describing the main features of the Plan, including:

- When you qualify for retirement;
- How your pension is calculated and how it can be paid;
- How your spouse/joint pensioner or other beneficiary(ies) is/are protected in the event of your death; and
- Additional information that will help you plan ahead.

While efforts have been made by the Board of Trustees to provide an accurate summary, this document is not the official plan document and your actual benefits are governed by the appropriate provisions of the actual statutes and ordinances which govern this Plan, Chapter 11 of the City of Sunrise Code of Ordinances, and Chapter 112, Part VII, Florida Statutes. If there is any conflict between those legislative provisions and this summary, the legislative provisions control. Nothing in this document is intended to nor does it create a contract for benefits. **This Summary Plan Description is solely intended as a guide to your benefits and is not intended to create a contract or promise of any specific benefit.**

A copy of the Plan is on file with the Third Party Administrator and may be read by you, your beneficiaries, or your legal representative at any reasonable time. Any questions you have regarding your rights or benefits under this Plan should be directed in writing to the Third Party Administrator at:

*The Pension Resource Center, LLC
4360 Northlake Boulevard, Suite 206
Palm Beach Gardens, Florida 33410
Telephone: (800) 206-0116*

This summary plan description explains how the Retirement Plan works and what it can mean to you in your overall financial planning. Please read these materials carefully and share them with your family.

Name of Plan

The name of the Plan is *City of Sunrise General Employees' Retirement Plan*.

Type of Plan

This is a defined benefit plan. This means the amount of benefits that you receive is a percentage of your salary, based upon years of service with the City of Sunrise, multiplied by your Average Final Compensation, which is defined later in this document. Money is contributed to the Plan by you and the City of Sunrise. Under Florida law, the City of Sunrise is ultimately responsible for making certain that the Plan is actuarially sound.

Plan Administrator

The Board of Trustees is the Plan Administrator.

Third Party Administrator

The Board of Trustees has retained *The Pension Resource Center* as its Third Party Administrator to help administer the day-to-day business of the Plan.

Designated Agent for Service of Legal Process

The Chair of the Board of Trustees is the designated agent for service of legal process.

Emilie Smith
Sunrise General Employees' Retirement Plan
Chair of the Board
10770 West Oakland Park Blvd.
Sunrise, FL 33351

Board of Trustees

The Plan is administered by a seven-member Board of Trustees. Three of the Trustees are active employees and Participants of the Plan who are elected by active Participants of the Plan; three of the Trustees are appointed by the City Commission and must be Participants of the Plan; and a seventh member is appointed by the other six Trustees by majority vote and must be a Participant of the Plan. If the Board does not select the seventh trustee within sixty days of the board's last meeting in the month of March in even numbered years, the City Commission will select a Plan Participant as the seventh trustee. In addition to the seven voting members of the Board, one alternate trustee is elected by the active Participants of the Plan at the time when the other three members are elected. The alternate member shall assume any position that is vacated by an elected member.

The Board of Trustees is responsible for directing the investment of the assets of the Retirement Plan to ensure that there will be adequate monies for future benefits. The Plan's money is invested by professional money managers whose performance is monitored by investment professionals on a quarterly basis to ensure that the Board is receiving a proper return on the investment of pension assets.

The Plan employs a professional actuary who helps determine the cost of future benefits; accountants who audit the Plan's financial records and review operating procedures; and an attorney with expertise in the area of public pension law to advise the Board of Trustees. With the assistance of these professionals, the Board of Trustees is responsible for interpreting and applying the pension ordinance and for determining eligibility on all benefit claims.

The Trustees serve a two-year term and are eligible for re-election or re-appointment. The Trustees receive no compensation for their service, except for payment of expenses incurred in the course of carrying out Plan business, including reimbursement for travel and educational activities. Trustees are expected to regularly attend schools and seminars pertaining to the management of pension funds for public employees.

The current Board of Trustees is:

Emilie Smith, Chair
Les Santiso, Secretary
Ernesto Acosta
Ilse Briceno
Mark Pacitti
Elizabeth Rivera
Lina Zapata
Ed Morton, Alternate

Fiscal Year

The Plan's fiscal year commences on October 1 of each year and concludes on September 30 of each year. The Plan's financial records are maintained on this annual basis.

Relevant Provisions of Local and State Laws

The Plan is set forth in Chapter 11 of the *City of Sunrise Code of Ordinances*. Your Plan is also governed by certain provisions of Part VII, Chapter 112, Florida Statutes, and various federal laws including the *Internal Revenue Code* and amendments thereto.

Financial and Actuarial Information

A report of financial and actuarial information is included as *Exhibit A*.

Custodian

The Custodian is responsible for the safekeeping 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 *Regions Bank*.

Investment Managers and Consultant

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 Board of Trustees with the advice of the consultant. The investment managers as of the date of this document are:

Chartwell Investment Managers
Columbia Threadneedle Investments
Hardman Johnston Asset Management
Invesco
Lazard Asset Management
PIMCO
Principal Real Estate
RhumbLine R1000G
Seizert Capital
TA Realty
Vanguard LCG
Vanguard R2000G

The investment consultant advises the Board of Trustees on its investment guidelines, monitors the performance of its managers compared to applicable indices and recommends asset allocation of the Fund. The investment consultant is *Dahab Associates, Inc.*

Participant

Participant means a member of the Plan who is a full-time employee of the City, excluding firefighters and police officers. Participation in the Plan is mandatory.

Beneficiary

Your beneficiary is each person that you designate to the Plan Administrator to receive any payments that may become payable by the Plan upon your death. You should designate a beneficiary when you become a Participant of the Plan. You may change your designation at any time prior to retirement upon written notification to the Plan Administrator.

City Contributions

The City's contribution is determined each year by an actuarial valuation. The valuation is performed to make sure that the Plan is able to pay benefits to Participants as is required under the terms of the Plan.

Investment Income

The contributions of the Participants and the City are invested in stocks, bonds, and real property. Other types of investments may be added if authorized by the City of Sunrise and approved by the Board of Trustees. The income generated from these investments helps fund the benefits provided for in the Plan.

Average Final Compensation

Average Final Compensation is the average salary of the Participants best contributing years. A year is defined as any twelve consecutive months. In addition, for Tier 1 and Tier 2 employees, up to 300 hours of earned overtime will be included each year.

Plan Benefits

The General Employees' Retirement Plan has three (3) different Tiers of pension benefits, depending on when the employee was hired. The Tiers are as follows:

Tier 1 – Employees Hired Prior to October 1, 2009

Tier 2 – Employees Hired on or after October 1, 2009 through September 30, 2018

Tier 3 – Employees Hired On or After October 1, 2018

Pages 13-24 of this document describe the benefits for each of the respective Tiers.

Deferred Retirement Option Plan (DROP)

A DROP offers active Participants an opportunity to keep working for the City while simultaneously having their monthly pension benefit deposited into an account to accrue with interest for up to six years. During this time, the employee will no longer contribute to the pension plan and pension plan benefits will no longer increase. The accrued pension payments and interest will become available to the employee once they separate employment from the City.

Survivor Benefits – Death Before Retirement or Entry Into DROP

Death benefits paid on behalf of Participants who die prior to retirement or entry into DROP fall into two categories: benefits to non-vested Participants and to vested Participants. In the case of a non-vested Participant, the designated beneficiary will receive a return of the Participant's contributions, without interest. In the case of a vested Participant, the benefit may be either (a) a return of contributions without interest to be paid immediately, or (b) the payment of a survivor benefit in the form of a monthly annuity payment to commence on the date the Participant would have been eligible to retire if he or she had not died. The monthly annuity payment is available to the Participant's spouse only if the Participant has made a written selection of a benefit option, as described above in paragraph six of this section. Participants who are actively employed by the City on or after October 1, 2005 and not participating in the DROP may designate a joint pensioner, who may or may not be the Participant's spouse, for the purpose of receiving the monthly annuity death benefit described earlier in this paragraph.

If a vested Participant who is also eligible for retirement dies while still in service, the surviving spouse or joint pensioner will receive a monthly benefit that assumes the Participant chose the option that pays the largest possible survivor benefit.

In the case of a return of contributions, any person may be designated as beneficiary. Monthly payments may only be made to a surviving spouse or designated joint

pensioner. If a Participant fails to designate a beneficiary, payment will be made to the Participant's estate.

Disability Retirement

- Service Incurred - A Participant who becomes totally and permanently disabled as part of and in connection with the Participant's performance of services for the City is eligible for a disability retirement equal to 75% of salary in effect on the date of disability. The amount of the disability benefit may be offset for Workers' Compensation to the extent that the sum of the Workers' Compensation payment and the pension benefit exceed 100% of salary at the time of disability. In the case of a lump sum payment of Workers' Compensation benefits, the payment will be treated as if received over a period of months and the offset applied as appropriate. Disability benefits are also subject to offset for other sources of income such as salaries and self-employment income following disability retirement.
- Non-Service Incurred - An actively employed vested Participant who becomes totally and permanently disabled from rendering useful and efficient service to the City is eligible for a disability retirement benefit equal to the Participant's accrued normal retirement benefit. Such benefit shall not be less than 25% not more than 50% of the Participant's Average Final Compensation.
- Termination of Disability Payments - Payment of disability benefits for either service incurred or non-service incurred disability continues until the death of the Participant, recovery from the disability, or conversion to a normal or early retirement benefit under the terms of the Plan. Additionally, Participants receiving service-incurred disability retirement benefits may elect to continue making regular contributions to the Plan in order to accrue additional credited service.
- Disability Procedure - A Participant seeking a disability retirement should request a disability application from the Third Party Administrator and is required to submit proof of the disability. An application must be filed while still a full-time City employee to be considered timely. After reviewing a disability application, the Board may require the applicant to submit to an independent medical examination conducted by a physician or physicians selected by the Board. A Participant applying for a disability benefit has the right to request a formal evidentiary hearing at which time medical reports will be considered, and the Participant will have an opportunity to present his or her own evidence and cross examine all witnesses. A Participant who receives a disability pension can be reexamined by the Board at any time prior to the Participant's normal retirement date and, if found to have recovered, must resume active service with the City. If a Participant recovers, yet refuses reemployment with the City, the disability pension will be terminated. Disability benefits may not be awarded to a Participant whose

employment terminated prior to the Participant's becoming disabled or the Participant submitting an application for disability, nor may a Participant receive a disability benefit as the result of a self-inflicted injury or any disability resulting from the habitual use of narcotics or alcoholic beverages.

- Contributions During Service Incurred Disability Retirement - A Participant is eligible to continue contributing to the Plan during the period of disability for the purpose of accruing not more than 350 weeks of additional credited service.
- Benefit Options - The same benefit options are available to Participants retiring on a service-incurred or non-service incurred disability as for Participants retiring on normal and early retirements.

Buy-back Provisions

Any Participant who has terminated employment with the City and has received a return of contributions may, upon regaining employment with the City, buy-back prior service, including up to 5 years of intervening, non-pensionable government service, by restoring to the Plan the full amount of the employee contribution refunded; and, for each year of intervening, non-pensionable government service claimed, an amount equal to the applicable Participant contribution rate in effect for the Plan, including any cost-sharing amount, for each year of such intervening service, based on the Participant's City salary at the time of reemployment; together with interest at the board's assumed rate of investment return at the time the buy-back is completed. Credit for one year of intervening government service may be purchased for each year of prior creditable service a Participant elects to buy back up to a maximum of 5 years. Participant's desiring to buy-back prior service must file with the Board a notification of their intent to participate in the buy-back within sixty (60) days after reinstatement of employment, or the right to buy-back service is irrevocably waived. The buy-back must be completed within two years for Tier 1 Management and Sr. Management and within one year for all other Participants, following notification to the Board. Buy-back contributions may be made through cash payments, additional pickup contributions, or by transfer from another qualified plan.

Termination of Employment for Vested Participants

Once a Participant is considered vested in the Plan, the right to a deferred early or normal retirement is retained so long as accumulated Participant contributions are not refunded. The commencement date of the deferred pension will be on or after the Participant's early or normal retirement date. The benefit shall be the benefit in effect on the Participant's termination date and is calculated using Average Final Compensation and credited service at the time employment is terminated. Participants who elect to receive a refund of their Participant contributions are barred from receiving prior creditable service except for the buy-back provisions above. Vested Participants who elect to receive a refund of their Participant contributions are required to sign a release indicating they are aware they have waived future retirement benefits available under the Plan.

Termination of Employment for Non-Vested Participants

If a Non-vested Participant of the Plan terminates employment with the City, future rights to a pension are forfeited. Contributions may be left in the Plan for a period of up to five years from separation of employment. In the event of re-employment with the City, Participants who have left their contributions in the Plan retain prior service credit. Those who are re-employed after electing a refund of their contributions will be treated as new Participants and placed into the new Tier in effect at that time.

Refund of Contributions

If an employee separates from service with the City without being eligible for retirement, they may elect to receive a refund of their contributions to the General Employees' Retirement Plan. If the Participant elects to receive a lump sum check from the Plan, the Internal Revenue Service requires 20% withholding on untaxed contributions distributions. As an alternative, separating employees may roll over their contributions to an individual retirement account or to another eligible plan that will accept the contributions. Upon termination, employees will be provided a tax notice that sets forth their alternatives. Contributions left in the Retirement Plan will not be paid interest.

Alimony, Child Support, and Property Distribution

The City of Sunrise General Employees Retirement Plan is a governmental plan, and therefore, is not subject to Qualified Domestic Relations Orders ("QDROs") under federal law, or court orders to effectuate an equitable distribution of marital assets.

The Plan is subject to 61.1301, Florida Statutes, entitled Income Deduction Orders ("IDO"). Section 61.1302 is limited to the collection of alimony and child support. Therefore, if the Plan receives an IDO for alimony or child support, the Plan will comply with the Order. Additionally, pension benefits may be distributed by using an "Order Distributing Marital Interest in a Public Retirement Plan." A copy of this order may be obtained from the Office of the Plan Administrator.

Effective January 1, 2019, changes in the federal tax laws have eliminated tax deductions for alimony if a marriage was dissolved or a property settlement agreement was made on or after January 1, 2019. Modifications to existing orders or agreements on or after January 1, 2019, may be tax deductible if both parties agree.

Forfeiture of Pension

If you are convicted of certain crimes listed in Section 112.3173, Florida Statutes, committed prior to retirement, or if your employment is terminated by reason of your admitted commission, aid or abetment of these crimes, you may be subject to a forfeiture of all rights and benefits under the Plan, except for the return of your contributions as of the date of your termination.

Applying for Benefits

Application for service retirement benefits is made by submitting a retirement application to the Third Party Administrator. Application for disability retirement requires the completion of a disability application form and submission to such medical exams as may be determined by the Board. A disability retirement application, in order to be timely, must be filed while the Participant is still a City employee. All applications may be obtained from the Third Party Administrator.

If a Participant is dissatisfied with any decision made by the Board, the Participant has the opportunity to appeal that decision within 30 days of the date of any written decision by the Board by filing a petition for writ of common law certiorari in the Circuit Court of Broward County, Florida.

Taxation of Pension Benefits

Service retirement payments and non-service incurred disability pensions are taxable as ordinary income. The retiree will receive a tax form from the Pension Fund at the end of each January reporting the income received in the prior year. Service-incurred disability retirement pensions, coordinated with Workers' Compensation, may be considered to be tax exempt under some circumstances. For specific tax advice you should consult a qualified tax expert.

Appearances Before the Board

All meetings of the Board of Trustees are open to the public and are governed by the provisions of the Florida Government in the Sunshine Law. Any Participant wishing to present a request for action by the Board must do so by making a request in writing to the Third Party Administrator in advance of the meeting. All decisions of the Board are final. Participants who disagree with a decision of the Board of Trustees may seek judicial review by filing a petition for writ of common law certiorari in the Circuit Court of Broward County.

Plan Documents/Records

The Board keeps accurate and detailed accounts of all investments, receipts, disbursements, and other transactions pertaining to Plan property. The Board's Third Party Administrator keeps a record of all its proceedings and they are available for public inspection. The Board's meetings are open to the public, under the Government in the Sunshine Law.

Collective Bargaining Agreements

Changes to the Plan, including additional benefits, must be negotiated between the bargaining agent for the Union and the City. The Board of Trustees cannot unilaterally adopt or institute Plan changes. Any contract provision must be made effective by changing the ordinances that govern this Plan.

Retirement Plan Use of Social Security Numbers

The Retirement Plan uses Social Security numbers as a unique identifier for data collection, reconciliation, tracking and related purposes. Additionally, Social Security numbers are used in connection with annual 1099R tax reporting for retirees, and more generally for identity verification purposes.

Limitation on Benefits

In no event may a member's annual pension benefit exceed the maximum amount provided by the Internal Revenue Code (IRC), Sec 415 (b).

CITY OF SUNRISE GENERAL EMPLOYEES' RETIREMENT PLAN SUMMARY OF BENEFITS

Plan Component	Tier 1			Tier 2	Tier 3
	Non-Management Employees Hired Prior to 10/1/09	Management Employees Hired Prior to 10/1/09	Senior Management Employees Hired Prior to 10/1/09	All General Employees Hired on or After 10/1/09 through 9/30/18	All General Employees Hired on or After 10/1/18
Vesting	5 years	5 years	5 years	6 years	10 years
Member Contributions	9.51%	11.75%	11.75%	8%	8%
Average Final Compensation	3 best consecutive earning years	3 best consecutive earning years	Best earning year	3 best consecutive earning years	3 best consecutive earning years
Overtime	Up to 300 Hours	Up to 300 Hours	Up to 300 Hours	Up to 300 Hours	N/A
Normal Form of Benefit	Life Annuity	50% Joint & Survivor	100% Joint & Survivor	Life Annuity	Life Annuity
Normal Retirement Benefit	4% 1st 10 yrs., plus 1% after 10yrs; then 2% , plus 1% after 20 yrs	4% 1st 10 yrs., plus 1% after 5yrs and 1% after 10 yrs.; then 2%	5% 1st 10 yrs., then 2% (80% max)	2.5% all years (80% max)	2.5% all years (80% or \$80,000 max)
Normal Retirement Age	58 years; or age 53 with 30 yrs. Service	55 years	55 years	62 years	62 years
Early Retirement Age	53 years	50 years	50 years	57 years	57 years
Early Retirement Reduction	3% of retirement benefit for every year prior to normal retirement age	1% of retirement benefit for every year prior to normal retirement age	1% of retirement benefit for every year prior to normal retirement age	3% of retirement benefit for every year prior to normal retirement age	3% of retirement benefit for every year prior to normal retirement age
Service Incurred Disability Benefit	75% of salary on disability date				
Non-Service Incurred Disability Benefit	Normal Retirement Benefit (min. 25% of AFC, max. 50%)				
Death Benefit	Joint pensioner receives optional benefit on earliest date member could have retired				
DROP	Max. of 6 years	Max. of 6 years	Max. of 6 years	Max. of 6 years	Max. of 4 years
COLA	N/A	2% annually after one year	2.5% annually after one year	N/A	N/A
13th Check	Paid in December of each year following retirement; minimum 75% of pension check, maximum 100%	N/A	N/A	Paid in December of each year following retirement; minimum 75% of pension check, maximum 100%	Paid in years with investment gain, if the funded status of plan is 100% or greater

TIER 1 BENEFITS

Employees hired prior to October 1, 2009

Employee Contributions

Tier 1 Non-management Participants of the Plan shall contribute 9.51% of their pre-tax salary for the term of the 2023-2026 collective bargaining agreement between the City and the Sunrise General Employees Union, Inc. The money is placed directly in the Retirement Plan on behalf of the employee by the City.

Tier 1 Management and Senior Management Participants of the Plan shall contribute 11.75% of their pre-tax salary to the Plan for the term of the 2023-2026 collective bargaining agreement between the City and the Sunrise General Employees Union, Inc. The money is placed directly in the Retirement Plan on behalf of the employee by the City.

Vesting

All Tier 1 Participants of the Plan are vested upon completion of 5 years of full-time contributing employment with the City of Sunrise.

Eligibility for Normal Retirement

Tier 1 Non-management Participants who are age 58 or older and have 5 or more years of credited service or age 53 or older with 30 years of credited service are eligible for normal retirement.

Tier 1 Management and Senior Management Participants who are age 55 or older and have 5 or more years of credited service are eligible for normal retirement.

Amount of a Normal Retirement Pension

Tier 1 Non-Management Participants who are eligible for retirement are entitled to a retirement benefit of 4% of Average Final Compensation (AFC), multiplied by the number of whole and partial years of service for the first 10 years of service, and then 2% of Average Final Compensation for each additional whole and partial year of credited service. Additionally, after the first 10 years of service a 1% enhancement is added to the retirement multiplier, with an additional 1% enhancement after 20 years of service, up to a maximum benefit of 100% of Average Final Compensation. Up to 300 hours of earned overtime per year is considered as part of the AFC.

Tier 1 Management Participants who are eligible for retirement are entitled to a retirement benefit of 4% of Average Final Compensation for the first 10 years of credited service and an additional 2% for each additional whole and partial year of credited service. Additionally, after the first 5 years of service a 1% enhancement is added to the retirement multiplier, with an additional 1% enhancement after 10 years of service, up to a maximum benefit of 100% of Average Final Compensation.

Tier 1 Senior Management Participants who are eligible for retirement are entitled to a retirement benefit of 5% Average Final Compensation for the first 10 years of credited service and an additional 2% of Average Final Compensation for each whole and partial year of credited service, up to a maximum benefit of 80% of Average Final Compensation.

Eligibility for Early Retirement

Tier 1 Non-management Participants who are age 53 or older with 5 years of credited service may elect an early retirement benefit. The early retirement benefit will be payable on the first day of each month on or after the date that the Participant actually retires.

Tier 1 Management and Senior Management Participants who are age 50 or older with 5 years of credited service may elect an early retirement benefit. The early retirement benefit will be payable on the first day of each month on or after the date that the Participant actually retires.

Amount of Early Retirement Pension

Tier 1 Non-Management Participants will be subject to an actuarial reduction of 3% for each year by which the Participant's age at retirement precedes normal retirement.

Tier 1 Management and Senior Management Participants will be subject to an actuarial reduction of 1% for each year by which the Participant's age at retirement precedes normal retirement.

Standard Form of Retirement

Tier 1 Non-management Participants have a standard form of retirement of a life annuity, payable to the Participant for life. At the time of death, all monthly payments will cease unless the Participant has elected a survivor benefit option.

Tier 1 Management Participants have a standard form of retirement of 50% joint and survivor annuity, assuming the annuitant is within ten years of the age of the Participant. This means that a Participant's benefit will continue for his or her life, and upon death 50% of the benefit continues to be paid to the annuitant until their death. If the annuitant is more than ten years from the age of the Participants, the standard benefit shall be adjusted to be actuarially equivalent to the normal form of payment.

Tier 1 Senior Management Participants have a standard form of retirement of 100% joint and survivor annuity, assuming the annuitant is within ten years of the age of the Participants. This means that a Participant's benefit will continue for his or her life, and upon death 100% of the benefit continues to be paid to the annuitant until their death. If the annuitant is more than ten years from the age of the Participant, the standard benefit shall be adjusted to be actuarially equivalent to the normal form of payment.

Benefit Options

Tier 1 Non-management Participants are able to select a desired Benefit Option from the following list. Benefit options should be elected at the time of DROP entry or retirement. The joint pensioner can be changed one time within 5 years after the Participant retires or exits the DROP.

- (a) Joint and 100% Survivor - The Joint and 100% Survivor form of payment pays the retired Participant a reduced monthly pension for life. Upon the retired Participant's death, the spouse or joint pensioner will be paid 100% of the reduced monthly pension for life.
- (b) Joint and 50% Survivor - The Joint and 50% Survivor form of payment pays the retired Participant a reduced monthly pension for life. Upon the retired Participant's death, the spouse or joint pensioner will be paid 50% of the reduced monthly pension for life.
- (c) Pop-Up Option - If a Participant chooses a survivorship option and the spouse or joint pensioner dies before the Participant, the survivorship benefit will be deemed cancelled and the benefit will be recalculated as if the Participant had selected a life annuity beginning on the first day of the month following the death of the spouse or joint pensioner. The "pop-up" option is not automatic and must be elected. The cost associated with this benefit shall be paid by the Participant through reduced monthly pension.

Tier 1 Management and Senior Management Participants have the option of choosing from the Non-Management Benefit Options above or the two additional optional forms of benefit available. Benefit options should be elected at the time of DROP entry or retirement. The joint pensioner can be changed one time within 5 years after the Participant retires or exits the DROP.

- (a) Joint and 75% Survivor - The Joint and 75% Survivor form of payment pays the retired Participant a reduced monthly pension for life. The reduction is not as great as under the Joint and 100% Survivor option. Upon the retired Participant's death, the spouse or joint pensioner will be paid 75% of the reduced monthly pension for life.
- (b) Joint and 66 2/3% Survivor - The Joint and 66 2/3% Survivor form of payment pays the retired Participant a reduced monthly pension for life. The reduction is not as great as under the Joint and 75% Survivor option. Upon the retired Participant's death, the spouse or joint pensioner will be paid 66 2/3% of the reduced monthly pension for life.

A Participant is entitled to one retirement benefit estimate once they are within 2 years of early retirement eligibility. The estimate is prepared by the Plan actuary and there is no cost to the Participant for the estimate.

Deferred Retirement Option Plan (DROP)

A DROP offers active Participants an opportunity, prior to separation from City service, to keep working and simultaneously have their monthly pension benefits accrue with interest. From a technical standpoint, a DROP program represents a method of providing for the deferred receipt of retirement benefits from a defined benefit plan.

Tier 1 Non-Management Participants are eligible to enter the DROP at any time between early retirement age and the five year anniversary of the earliest normal retirement age.

Tier 1 Management and Senior Management Participants are eligible to enter the DROP at any time between early retirement age and the 5 year anniversary of the earliest normal retirement age.

Participants may participate in the DROP for a maximum of 72 months. A Participant who delays entry into the DROP until after the 5 year anniversary of the earliest normal retirement age may elect to enter the DROP for a declining maximum DROP period, whereby for every month the Participant delays entry in the DROP after the 5 year anniversary of the earliest normal retirement age, the maximum DROP period will be reduced by one month.

Upon entering the DROP, the Participant's service pension is calculated by the Plan's actuary as if the Participant had actually retired and separated from service on the date of entry into the DROP. Furthermore, all rights in the Retirement Plan are frozen as of the date the Participant enters the DROP. The Participant, however, keeps working for the City for up to a maximum of 72 months; however, they may separate from service with the City at any time during DROP participation, with a minimum of thirty (30) days' written notice to the City. Interest accrues from the date of entry into the DROP up until the date of the Participant's separation from employment.

Since a DROP participant is "retired" for pension purposes, the Participant ceases making regular employee contributions to the pension Plan during DROP participation. It is important to recognize, however, that a DROP participant is no longer eligible for any increase in pension benefits after entering into the DROP.

Entry into the DROP is irrevocable once made. At the end of participation in the DROP, and not more than 72 months after entry into the DROP, the Participant must actually separate from service with the City. Upon separation, the Participant is eligible to receive the proceeds of his or her DROP account along with the accrued interest earnings of 4% compounded annually. The Participant also begins to receive his or her monthly service pension on the first day of the month following his or her actual

separation from service. DROP account balances, at the option of the Participant, may be paid in a single lump sum, or may be rolled over to another qualified plan.

Thirteenth Check

Tier 1 Non-management Participants are entitled to a thirteenth check retirement benefit payable from actuarial gains in the Plan. Each year, an additional check in a sum to be determined based on the latest actuarial valuation shall be paid to all eligible retirees, beneficiaries and DROP participants. The amount of the thirteenth check varies from Participant to Participant based on the Participant's normal monthly retirement benefit. The exact amount of the benefit is determined in November of each year and paid on or before December 15 of each year. At least 75% of the Participant's normal monthly benefit amount shall be paid regardless of the net actuarial gains of the Plan as determined by the Plan actuary. The amount of the thirteenth check is prorated during a person's first year receiving retirement benefits. Management and Senior Management employees receive a COLA in lieu of a 13th check.

Cost of Living Adjustment (COLA)

Tier 1 Non-management Participants receive a 13th check in lieu of a COLA.

Tier 1 Management Participants are entitled to a 2% COLA increase annually.

Tier 1 Senior Management Participants are entitled to a 2.5% COLA increase annually.

TIER 2 BENEFITS

Employees hired on or after October 1, 2009 through September 30, 2018

Employee Contributions

All Tier 2 Participants contribute 8% of their pre-tax salary to the Plan. The money is placed directly in the Retirement Plan on behalf of the employee by the City.

Vesting

All Tier 2 Participants are vested upon completion of 6 years of full-time contributing employment with the City of Sunrise.

Eligibility for Normal Retirement

All Tier 2 Participants who are age 62 or older and have 6 years of credited service are eligible for normal retirement.

Amount of a Normal Retirement Pension

All Tier 2 Participants who are eligible for retirement are entitled to a retirement benefit of 2.5% of Average Final Compensation (AFC) multiplied by the number of whole and partial years of credited service with a maximum benefit of 80% of Average Final Compensation. Up to 300 hours of earned overtime per year is considered as part of the AFC.

Eligibility for Early Retirement

All Tier 2 Participants who are age 57 or older with 6 years of credited service are eligible for early retirement.

Amount of Early Retirement Pension

All Tier 2 Participants will be subject to an actuarial reduction of up to 3% for each year by which the Participant's age at retirement precedes normal retirement.

Standard Form of Retirement

All Tier 2 Participants have a standard form of retirement of a life annuity, payable for life. At the time of death, all monthly payments will cease unless the Participant has elected a survivor benefit option.

Benefit Options

All Tier 2 Participants are able to select a desired Benefit Option from the following list. Benefit options should be elected at the time of DROP entry or retirement. The joint pensioner can be changed one time within 5 years after the Participant retires or exits the DROP.

- (a) Joint and 100% Survivor - The Joint and 100% Survivor form of payment pays the retired Participant a reduced monthly pension for life. Upon the retired Participant's death, the spouse or joint pensioner will be paid 100% of the reduced monthly pension for life.

- (b) Joint and 50% Survivor - The Joint and 50% Survivor form of payment pays the retired Participant a reduced monthly pension for life. Upon the retired Participant's death, the spouse or joint pensioner will be paid 50% of the reduced monthly pension for life.
- (c) Pop-Up Option - If a Participant chooses a survivorship option and the spouse or joint pensioner dies before the Participant, the survivorship benefit will be deemed cancelled and the benefit will be recalculated as if the Participant had selected a life annuity beginning on the first day of the month following the death of the spouse or joint pensioner. The "pop-up" option is not automatic and must be elected. The cost associated with this benefit shall be paid by the Participant through a reduced monthly pension benefit.

A Participant is entitled to one retirement benefit estimate once they are within 2 years of early retirement eligibility. The estimate is prepared by the Plan actuary and there is no cost to the Participant for the estimate.

Deferred Retirement Option Plan (DROP)

A DROP offers active Participants an opportunity, prior to separation from City service, to keep working and simultaneously have their monthly pension benefits accrue with interest. From a technical standpoint, a DROP program represents a method of providing for the deferred receipt of retirement benefits from a defined benefit plan.

All Tier 2 Participants are eligible to enter the DROP anytime between early retirement and the 5 year anniversary of the earliest normal retirement age.

Participants may participate in the DROP for a maximum of 72 months. A Participant who delays entry into the DROP until after the 5 year anniversary of the earliest normal retirement age may elect to enter the DROP for a declining maximum DROP period, whereby for every month the Participant delays entry in the DROP after the five year anniversary of the earliest normal retirement age, the maximum DROP period will be reduced by one month.

Upon entering the DROP, the Participant's service pension is calculated by the Plan's actuary as if the Participant had actually retired and separated from service on the date of entry into the DROP. Furthermore, all rights in the Retirement Plan are frozen as of the date the Participant enters the DROP. The Participant, however, keeps working for the City. Participants may work up to a maximum of 72 months; however, the Participant may separate from service with the City at any time during DROP participation, with a minimum of thirty (30) days' written notice to the City. Interest accrues from the date of entry into the DROP up until the date of the Participant's separation from employment.

Since a DROP participant is “retired” for pension purposes, the Participant ceases making regular employee contributions to the pension Plan during DROP participation. It is important to recognize, however, that a DROP Participant is no longer eligible for any increase in pension benefits after entering into the DROP.

Entry into the DROP is irrevocable once made. At the end of participation in the DROP, and not more than 72 months after entry into the DROP, the Participant must actually separate from service with the City. Upon separation, the Participant is eligible to receive the proceeds of his or her DROP account along with the accrued interest earnings of 4% compounded annually. The Participant also begins to receive his or her monthly service pension on the first day of the month following his or her actual separation from service. DROP account balances, at the option of the Participant, may be paid in a single lump sum, or may be rolled over to another qualified plan.

Thirteenth Check

All Tier 2 Participants are entitled to a thirteenth check retirement benefit payable from actuarial gains in the Plan. Each year, an additional check in a sum to be determined based on the latest actuarial valuation shall be paid to all eligible retirees, beneficiaries and DROP participants. The amount of the thirteenth check varies from Participant to Participant based on the Participant’s normal monthly retirement benefit. The exact amount of the benefit is determined in November of each year and paid on or before December 15 of each year. At least 75% of the Participant’s normal monthly benefit amount shall be paid regardless of the net actuarial gains of the Plan as determined by the Plan actuary. The amount of the thirteenth check is prorated during a person’s first year receiving retirement benefits.

Cost of Living Adjustment (COLA)

Tier 2 Participants receive a 13th check in lieu of a COLA.

TIER 3 BENEFITS

Employees hired on or after October 1, 2018

Employee Contributions

All Tier 3 Participants of the Plan contribute 8% of their pre-tax salary to the Plan. The money is placed directly in the Retirement Plan on behalf of the employee by the City.

Vesting

All Tier 3 Participants of the Plan are vested upon completion of 10 years of full-time contributing employment with the City of Sunrise.

Eligibility for Normal Retirement

All Tier 3 Participants of the Plan who are age 62 or older and have 10 or more years of credited service are eligible for normal retirement.

Amount of a Normal Retirement Pension

All Tier 3 Participants who are eligible for retirement are entitled to a retirement benefit of 2.5% of Average Final Compensation multiplied by the number of whole and partial years of credited service with a maximum benefit of 80% of Average Final Compensation or \$80,000. Overtime is not considered as part of the AFC.

Eligibility for Early Retirement

All Tier 3 Participants who are age 57 or older with 10 years of credited service are eligible for early retirement.

Amount of Early Retirement Pension

All Tier 3 Participants will be subject to an actuarial reduction of up to 3% for each year by which the Participant's age at retirement precedes normal retirement.

Standard Form of Retirement

All Tier 3 Participants have a standard form of retirement of a life annuity, payable for life. At the time of death, all monthly payments will cease unless the Participant has elected a survivor benefit option.

Benefit Options

All Tier 3 Participants are able to select a desired Benefit Option from the following list. Benefit options should be elected at the time of DROP entry or retirement. The joint pensioner can be changed one time within 5 years after the Participant retires or exits the DROP.

- (a) Joint and 100% Survivor - The Joint and 100% Survivor form of payment pays the retired Participant a reduced monthly pension for life. Upon the retired Participant's death, the spouse or joint pensioner will be paid 100% of the reduced monthly pension for life.

- (b) Joint and 50% Survivor - The Joint and 50% Survivor form of payment pays the retired Participant a reduced monthly pension for life. Upon the retired Participant's death, the spouse or joint pensioner will be paid 50% of the reduced monthly pension for life.
- (c) Pop-Up Option - If a Participant chooses a survivorship option and the spouse or joint pensioner dies before the Participant, the survivorship benefit will be deemed cancelled and the benefit will be recalculated as if the Participant had selected a life annuity beginning on the first day of the month following the death of the spouse or joint pensioner. The "pop-up" option is not automatic and must be elected. The cost associated with this benefit shall be paid by the Participant through a reduced monthly pension benefit.

A Participant is entitled to one retirement benefit estimate once they are within 2 years of early retirement eligibility. The estimate is prepared by the Plan actuary and there is no cost to the Participant for the estimate.

Deferred Retirement Option Plan (DROP)

A DROP offers active Participants an opportunity, prior to separation from City service, to keep working and simultaneously have their monthly pension benefits accrue with interest. From a technical standpoint, a DROP program represents a method of providing for the deferred receipt of retirement benefits from a defined benefit plan.

All Tier 3 Participants are eligible to enter the DROP at any time between early retirement and the 5 year anniversary of the earliest normal retirement age.

Participants may participate in the DROP for a maximum of 48 months. A Participant who delays entry into the DROP until after the 5 year anniversary of the earliest normal retirement age may elect to enter the DROP for a declining maximum DROP period, whereby for every month the Participant delays entry in the DROP after the five year anniversary of the earliest normal retirement age, the maximum DROP period will be reduced by one month.

Upon entering the DROP, the Participant's service pension is calculated by the Plan's actuary as if the Participant had actually retired and separated from service on the date of entry into the DROP. Furthermore, all rights in the Retirement Plan are frozen as of the date the Participant enters the DROP. The Participant, however, keeps working for the City. Participants may work up to a maximum of 48 months; however, the Participant may separate from service with the City at any time during DROP participation, with a minimum of thirty (30) days' written notice to the City. Interest accrues from the date of entry into the DROP up until the date of the Participant's separation from employment.

Since a DROP Participant is “retired” for pension purposes, the Participant ceases making regular employee contributions to the pension Plan during DROP participation. It is important to recognize, however, that a DROP Participant is no longer eligible for any increase in pension benefits after entering into the DROP.

Entry into the DROP is irrevocable once made. At the end of participation in the DROP, and not more than 48 months after entry into the DROP, the Participant must actually separate from service with the City. Upon separation, the Participant is eligible to receive the proceeds of his or her DROP account along with the accrued interest earnings of 4% compounded annually. The Participant also begins to receive his or her monthly service pension on the first day of the month following his or her actual separation from service. DROP account balances, at the option of the Participant, may be paid in a single lump sum, or may be rolled over to another qualified plan.

Thirteenth Check

All Tier 3 Participants are entitled to a thirteenth check retirement benefit for years of excess investment earnings, only if the funded status of the Plan is 100% or greater. The amount of the thirteen check is determined based on the retiree’s month retirement benefit, however, in no case will the amount exceed 100% of the eligible retiree’s monthly benefit.

Cost of Living Adjustment (COLA)

Tier 3 Participants do not receive a COLA.

Summary

The foregoing Summary Plan Description has been designed to help answer some of your questions about how your Pension Plan is organized and managed. The final authority on any interpretation of the Pension Plan, however, is the actual legislation that created the Plan. **In the event of any conflict between this booklet and those laws, the provisions in law control. The ordinances governing your Plan can be found within the Code of the City of Sunrise.** The City Code may be reviewed in the office of the City Clerk or online at www.Municode.com or at <http://www.resourcecenters.com>.

EXHIBIT

PERTINENT ACTUARIAL INFORMATION AS OF OCTOBER 1		
	2023	2022
Number of Members of the Plan		
Actives (Current Employees)	568	569
Inactives (Service and Disability Retirees, Beneficiaries, DROP and Vested Terminated Employees)	732	719
Annual Payroll of Active Members	\$ 43,709,931	\$ 42,797,234
Annual Rate of Benefits in Pay Status, including DROP	22,007,359	20,913,546
Actuarial Accrued Liability	378,103,445	365,253,394
Actuarial Value of Assets	273,720,908	267,451,716
Unfunded Actuarial Accrued Liability	104,382,537	97,801,679
Required Contribution to be Made to the Plan Over and Above Contributions by Members of the Plan:		
	16,642,130	15,583,954
Required Contribution as % of Payroll of Active Members	37.23 %	35.61 %
Required Contribution to be Paid During Year Ending	9/30/2025	9/30/2024

STATEMENT OF NET CHANGES IN PLAN ASSETS

DURING THE YEAR ENDED SEPTEMBER 30

Item	2023	2022
A. Market Value of Assets at Beginning of Year	\$ 243,990,158	\$ 296,665,027
B. Revenues and Expenditures		
1. Contributions		
a. Employee Contributions	3,663,784	3,620,156
b. Employer Contributions	14,301,377	14,740,421
c. State Contributions	-	-
d. Purchased Service Credit	-	-
e. Total	17,965,161	18,360,577
2. Investment Income		
a. Interest, Dividends, and Other Income	4,535,919	3,505,803
b. Net Realized Gains/(Losses)	4,490,159	24,098,773
c. Net Unrealized Gains/(Losses)	14,739,331	(78,117,602)
d. Investment Expenses	(929,783)	(858,185)
e. Net Investment Income	22,835,626	(51,371,211)
3. Benefits and Refunds		
a. Refunds	(254,053)	(316,471)
b. Regular Monthly Benefits	(16,827,656)	(17,172,057)
c. DROP Distributions	(2,943,149)	(1,973,088)
d. Lump-Sum Benefits Paid	-	-
e. Total	(20,024,858)	(19,461,616)
4. Administrative and Miscellaneous Expenses	(209,383)	(202,619)
C. Market Value of Assets at End of Year		
1. Market Value at End of Year	\$ 264,556,704	\$ 243,990,158
2. Less DROP Account Balances	13,381,097	11,193,106
3. Net Market Value at End of Year	\$ 251,175,607	\$ 232,797,052