

BOARD OF TRUSTEES

SUNRISE GENERAL EMPLOYEES' RETIREMENT PLAN

ADMINISTRATIVE RULE GOVERNING ELECTION OF NORMAL RETIREMENT PAYMENT OPTION WHEN ENTERING INTO DROP

- 1) City of Sunrise Code Section 11-2 vests control, management, operation and administration of the Plan in the Board of Trustees. The City Code authorizes the Board of Trustees to adopt any rules necessary for the administration of the Retirement Plan.

“To make such rules and regulations as are necessary for the effective administration of the plan.”

Sections 11-53 and 11-59 of the City Code provides for DROP for Plan members. The City Code authorizes the Board of Trustees to adopt any rules necessary for the administration of the DROP Plan. Accordingly, this administrative rule shall address the procedure to be employed for selecting a retirement payment option when entering into the DROP.

- 2) Code Sections 11-53(h)(5) and 11-59(b)(3)(a) provide as follows:

“An eligible member who elects to participate in the DROP will be considered to have retired for purposes of the pension plan. The member’s monthly retirement benefit, determined in accordance with the plan based on years of creditable service and average final compensation at the time the member enters the DROP, will be paid into his or her DROP account every month during the DROP period....”

In order to comply with these Code provisions, it is imperative that the member select his or her retirement payment option at the earliest possible opportunity after the decision is made to enter into the DROP.

- 3) The Plan Administrator and/or Finance Department of the City of Sunrise shall send any and all forms required for retirement along with the DROP application forms to the member once a member makes an election to enter into the DROP. The employee must complete all required forms and/or applications. The date of DROP entry shall not precede the date the completed application is returned.
- 4) Once the application is completed, the Retirement Plan actuary shall compute the retirement payment option calculations on behalf of the member. The actuary’s calculations shall be forwarded to the Plan Administrator for review and approval. The Plan Administrator shall then forward the option payment calculations to the member by

certified mail/return receipt requested, letting the member know they have ninety (90) days from receipt to select the option and return the calculation form to the Plan Administrator.

- 5) The member shall have ninety (90) days from receipt of the calculation to select the benefit payment option and return the completed form to the Plan Administrator. After sixty (60) days, if the form has not been returned, the member shall be sent a letter by the Plan Administrator, via certified mail/return receipt requested, advising that if the form is not returned within the initial ninety (90) day period, the member shall have selected the normal form of retirement payment option under the provisions of the Code of the City of Sunrise.

If the member does not submit the form completed in its entirety selecting the payment option within ninety (90) days from receipt of the calculation, the member's retirement benefit payment option shall be the normal form of retirement payment option as set forth in the Code of the City of Sunrise.

- 6) The Board of Trustees reserves the right to amend this Administrative Rule from time to time as it deems appropriate. The Board shall retain the right to exercise its discretion in interpreting this Rule and in resolving any disputes that may arise hereunder.

This Rule was considered and adopted by the Board of Trustees at a public hearing, following proper notice, on February 25, 2009. The Administrative Rule was adopted by vote of the Trustees on February 25, 2009.