

# **CITY OF MIRAMAR RETIREMENT PLAN FOR GENERAL EMPLOYEES**



## **DROP APPLICATION PACKAGE**

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**CITY OF MIRAMAR RETIREMENT PLAN FOR GENERAL EMPLOYEES  
APPLICATION FOR DEFERRED RETIREMENT OPTION PROGRAM  
("DROP") PARTICIPATION AND TIME SERVICE RETIREMENT**

Date: \_\_\_\_\_ SS#: (Last 4 Digits) \_\_\_\_\_  
Last Name: \_\_\_\_\_ First Name: \_\_\_\_\_ Middle: \_\_\_\_\_

As a Member of the City of Miramar Retirement Plan for General Employees and having the service necessary to be eligible for time service retirement, you may elect to participate in DROP.

DROP provides access to a lump sum benefit at separation, in addition to your normal monthly retirement pension payment.

Your election to participate in DROP and your agreement to retire and separate from service are IRREVOCABLE regardless of what may happen between now and your retirement date. If you elect to participate in DROP, you must terminate your employment with the City of Miramar and separate from service no later than the end of the DROP participation period that you designate. For example, if you elect to participate in DROP and your family circumstances change such that you would rather continue working with the City, you must still retire and terminate employment at the end of the period of time you designated for your participation in DROP.

You should consider an election to participate in DROP very carefully. This election and information checklist is designed to help you think carefully about your decision to participate in DROP. A written election to participate in the DROP asks you to acknowledge specific information to provide assurances to the Board of Pension Trustees that you have in fact carefully considered your decision to participate in DROP and understand the consequences of that decision. Please take the information contained in this document seriously. If anything is unclear, please contact the Pension Plan Administrator's office. Their contact information is Benefits USA., 3810 Inverrary Blvd., Lauderhill, FL 33319 Attention: Althea Leigh- Lodge (954) 730-2068 Ext 202.

By providing an initial on each page and by signing this election form, I acknowledge the following:

**General Statements and Acknowledgments**

- I voluntarily elect to participate in the DROP, and I have not been subject to any pressure, coercion, intimidation or threats by the City, Pension Board, the Pension Plan Administrator's Office staff or any of the agents of the foregoing in connection with my election to participate in DROP.
- I have read and I understand the provisions of Ordinance 09-08 and any subsequent amendments which sets forth the terms and conditions for participation in DROP.
- I have read and I understand the booklet provided by the Pension Plan Administrator's Office which titled "Frequently Asked Questions" on the DROP.
- I understand that the Board of Trustees has the authority to adopt Rules and Regulations governing the administration of the DROP and that such document, if adopted, will be available to me upon my request. I understand that the Board of Pension Trustees reserves the right to change such Rules and Regulations from time to time.

- I have had the opportunity to meet with the General Employees' Pension Plan Administrative staff and ask them questions regarding the operation of DROP and its effect on my benefits under the Pension Plan, as well as any potential benefit that may be received by my beneficiaries under the Pension Plan.
- I have had the opportunity to seek advice from a professional tax advisor and/or attorney, and I understand that the administrative staff of the Pension Plan Administrator, although providing some general information, cannot and has not rendered any professional tax or legal advice to me on the tax consequences of my DROP election.
- My decision to elect to participate in DROP is based solely on my understanding of the program as provided in the Pension Plan and in the Rules and Regulations for the administration of DROP, as adopted by the Board of Trustees.
- I meet the eligibility requirements of DROP as set forth in the Pension Plan or will meet such requirements as of the intended effective date of my participation in DROP.
- I understand that upon the effective date of my participation in DROP, my obligation to make contributions to the Pension Fund will be reduced to 0% of salary.
- I will separate from service under the General Employees' Pension Plan and terminate my employment with the City no later than completion of my DROP participation period. I understand my election to participate in DROP means I will retire and terminate my employment with the City no later than the period of time I designate to participate in DROP; not to exceed 60 months.
- I will abide by the terms and conditions of DROP as specified in the City Ordinance Code and comply with the administrative rules established by the Board of Trustees.
- I understand that during the period of DROP participation, my DROP account will be self directed using mutual fund options provided by the Pension Plan. The results will be based on performance of the investment options I have chosen. The assets of my drop account may gain or lose value due to market condition and investments chosen.
- I understand that the Board of Trustees is authorized to make changes to the menu of mutual fund options as necessary.
- I have had sufficient time to consider my options regarding my employment with the City.
- I understand there is a maximum period of sixty (60) months for participation in DROP.
- I understand my election to participate in DROP has very important consequences for me. I have been advised by the Pension Plan Administrator staff to consult an advisor such as an accountant or an attorney of my choosing if I have any questions about my participation in DROP and the execution of any document related thereto.
- I understand that my participation in DROP and obligation to terminate employment with the City is irrevocable except in the case of my being designated as an appointed official or becoming an elected official of the City of Miramar.

- I understand that I may withdraw my DROP application at any time before the Board of Trustees approves the application. I further understand that my request to withdraw must be made in writing and received by the Trustees prior to its approval, and that once acted upon by the Trustees/Agents, the irrevocability of my DROP participation is in effect.
- I understand that my retirement benefits as calculated under the terms of the Pension Plan will be determined as of the effective date of my participation in DROP. I also understand that as a consequence of my election to participate in DROP, the following will apply as of and after the effective date of my DROP participation:
  - I will forgo any additional improvements in my retirement pension attributable to increase in pay or years of service with the City;
  - I will not be entitled to purchase additional service credit;
  - I will be ineligible to receive a disability pension;
  - I will not be eligible for death benefits in the Pension Plan that might otherwise have been available had I not entered the DROP;
  - In the event of my death, my beneficiary or estate is entitled to receive the accumulated value of my DROP account; and
- I understand that steps have been taken to structure the DROP in a way that complies with the provisions of the Internal Revenue Code and that the Board of Trustees will not knowingly take any action which may jeopardize the qualified status of the Pension Plan. I further understand that the final authority in all matters is the Internal Revenue Service, and that the Board of Trustees cannot guarantee any particular tax treatment of my DROP account. I understand that my DROP account must be administered and distributed in such a manner as to comply with IRS regulations so as to preserve the tax qualified status of the Pension Fund. I further understand that this means that if IRS procedures change, that the Board of Trustees may have to make certain changes in the DROP plan to comply with those tax requirements and that I agree, as a condition of participating in the DROP program to any such changes which may be required by law.
- I understand that any form of payment that I select must comply with the minimum distribution requirements per Section 401(a)(9) of the Internal Revenue Code.
- I will provide a Notice of Resignation with the DROP application; such notice will be dated to be effective for a period not to exceed 60 months from the effective payroll date of DROP entry.
- I will return the completed DROP application package including the required Notice of Resignation to the Pension Plan Administrator.
- The Pension Plan Administrator will then forward a complete copy of these documents to the City of Miramar Human Resources office.

**Waiver of Rights Under Age Discrimination Act**

I release the City of Miramar and the Board of Trustees of the City of Miramar Retirement Plan for General Employees' from any and all claims based on my election to participate in DROP and my agreement to retire and terminate my employment with the City upon completion of my participation in DROP. I release the City of Miramar and the Board of Trustees of the General Employees' Pension Plan from any and all claims arising under the Age Discrimination in Employment Act (ADEA) and the Older Workers Benefits Protection Act (OWBPA). I release the City and the Board of Trustees and its employees, officers and agents from any and all such claims under the Florida and Federal Age Discrimination in Employment laws and Civil Rights laws as these laws relate to my participation in DROP and my agreement to terminate employment with the City upon the completion of my participation in DROP. I acknowledge that I have been given up to 45 days advance notice of program availability in which to consider participation in the DROP plan and was provided at least 7 days following the receipt by Pension Plan Administrator of all fully executed DROP documents, in which to revoke my application.

**Covenant Not to Sue**

I will not sue the City of Miramar or the Board of Trustees or their employees, officers and agents for any claim arising out of my election to participate in DROP, my participation in DROP, or my decision to retire and terminate City employment upon the completion of my participation in DROP.

**Acknowledgment**

I acknowledge receipt of this Election to Participate Form. By signing this form, I am acknowledging that I have carefully read this form and that I understand the Election Form. In addition, I am acknowledging that I do not challenge or disagree with any of the representations or statements made in this Election Form and that I have signed my name voluntarily. I further acknowledge that the initials located in the bottom left corner of the pages of this application are my initials.

\_\_\_\_\_ Date: \_\_\_\_\_  
Member (Signature)

**NOTE:** An Election Form will be deemed not received if it is incomplete or submitted without an Application for DROP Participation and Time Service Retirement.

STATE OF FLORIDA  
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
By \_\_\_\_\_, who is personally known to me or who has  
produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Name/Notary Public  
My Commission Expires: \_\_\_\_\_ Commission No: \_\_\_\_\_

# **AGE DISCRIMINATION IN EMPLOYMENT ACT**

## **NOTICE**

I acknowledge that I have been given up to 45 days advance notice of program availability in which to consider participation in the DROP plan and was provided at least 7 days following the receipt by Pension Plan Administrator of all fully executed DROP documents, in which to revoke my application.

Acknowledgment of Notice:

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Employee Signature

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Date

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Employee Name (Please Print)

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SS# (Last Four Digits)



**CITY OF MIRAMAR RETIREMENT PLAN FOR GENERAL EMPLOYEES  
APPLICATION FOR DEFERRED RETIREMENT OPTION PROGRAM  
("DROP") PARTICIPATION AND TIME SERVICE RETIREMENT**

**ELECTION FORM**

Date: \_\_\_\_\_ SS#: \_\_\_\_\_  
Name: \_\_\_\_\_ Birth Date: \_\_\_\_\_  
Home Address: \_\_\_\_\_ City/State/Zip: \_\_\_\_\_  
Employment Date: \_\_\_\_\_ Pension Membership Date: \_\_\_\_\_  
DROP Begin Date: \_\_\_\_\_ Drop Retirement Date: \_\_\_\_\_

I hereby elect to participate in the Deferred Retirement Option Plan ("DROP") in accordance with the provisions of Chapter 15, Article V, Section 15-327 of the City Code and concurrently separate from service on the date I terminate my participation in the DROP.

I may cancel the effectiveness of this application upon delivery of a written request for such cancellation within the seven (7) day submittal period.

In addition to the foregoing representations and acknowledgments, I hereby acknowledge that I have read and understand the statements and materials contained in the following documents and agree to the provisions contained herein:

- 1. Booklet on Frequently Asked Questions on the DROP.
- 2. Receipt of Copy of Chapter 15 Article 5 Section 15-327
- 3. Ordinance No. 09-08 and Subsequent Ordinances
- 4. Summary Plan Description
- 5. Retirement Application Packet

**Please note: The seven (7) day period (re page 4 paragraph one- Waiver of Rights Under Age Discrimination Act) starts when all fully executed documents are received by the City of Miramar Retirement Plan for General Employees. Their address is Benefits, USA. Inc. 3810 Inverrary Blvd. Suite 303 Lauderhill, FL 33319. Attention: Althea Leigh-Lodge.**

\_\_\_\_\_  
Signature of Applicant Date

STATE OF FLORIDA  
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
By \_\_\_\_\_, who is personally known to me or who has produced  
\_\_\_\_\_ as identification.

\_\_\_\_\_  
Name/Notary Public  
My Commission Expires: \_\_\_\_\_ Commission No: \_\_\_\_\_







**CITY OF MIRAMAR RETIREMENT PLAN FOR GENERAL EMPLOYEES  
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**ELECTION FORM**

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**SECTION TO BE FILLED OUT BY HUMAN RESOURCES**

This is to acknowledge that the above-named employee is seeking approval for DROP participation and that the information shown above, including the Employment Date, as amended, is true and correct to the best of our knowledge and belief.

\_\_\_\_\_ Date: \_\_\_\_\_  
Human Resources

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**SECTION TO BE FILLED OUT BY THE BOARD OF PENSION TRUSTEES**

We, the Board of Trustees, at our meeting on: \_\_\_\_\_ have carefully considered the application for DROP participation and time service retirement and have verified and found the above information to be correct.

\_\_\_\_\_ Chairman (Signature) \_\_\_\_\_ Chairman (Please Print Name)

\_\_\_\_\_ Date

\_\_\_\_\_ Secretary (Signature) \_\_\_\_\_ Secretary (Please Print Name)

\_\_\_\_\_ Date



**CITY OF MIRAMAR RETIREMENT PLAN FOR GENERAL EMPLOYEES  
APPLICATION FOR DEFERRED RETIREMENT OPTION PROGRAM  
("DROP") PARTICIPATION AND TIME SERVICE RETIREMENT**

**NOTICE OF RESIGNATION**

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To whom it may concern:

This notice will serve as my, \_\_\_\_\_ (print your name),  
official irrevocable Notice of Resignation. I have completed the applicable election form and have elected to  
participate in the DROP effective \_\_\_\_\_ (Effective Date of DROP Participation). I  
understand my retirement benefit, as it relates to my pension plan, will be based on this date. I will terminate  
my employment with the City of Miramar effective \_\_\_\_\_ (Effective Date of  
Termination); no later than sixty (60) months of DROP begin date. ***I understand my resignation cannot be  
rescinded under any circumstances.***

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

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**(FOR ADMINISTRATOR USE ONLY)**

Date Copied to HR: \_\_\_\_\_

**(HR USE ONLY)**

Date Received: \_\_\_\_\_ DROP Begins: \_\_\_\_\_

By: \_\_\_\_\_ DROP Ends: \_\_\_\_\_



**CITY OF MIRAMAR RETIREMENT PLAN FOR GENERAL EMPLOYEES  
APPLICATION FOR DEFERRED RETIREMENT OPTION PROGRAM  
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**DROP BENEFICIARY FORM**

**I. PARTICIPANT:**

Name of Participant \_\_\_\_\_  
(Last) (First) (Middle)

Social Security#: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Date of Birth: \_\_\_\_\_

**II. BENEFICIARY**

I hereby designate the following person (or persons) as my beneficiary (ies) entitled to receive any benefit due in the event of my death. **Please note as long as there is a primary beneficiary (ies) the funds will not go to any of the contingent beneficiary (ies).**

Name of Beneficiary: \_\_\_\_\_ Percentage: \_\_\_\_\_

Beneficiary's Social Security #: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Relationship: \_\_\_\_\_

Date of Birth Beneficiary: \_\_\_\_/\_\_\_\_/\_\_\_\_ Sex of Beneficiary: Male: \_\_\_\_ Female: \_\_\_\_

Address: \_\_\_\_\_  
(Address) (Street)  
\_\_\_\_\_  
(City) (State) (Zip Code)

Telephone Number of Beneficiary: ( ) \_\_\_\_\_

Name of Beneficiary: \_\_\_\_\_ Percentage: \_\_\_\_\_

Beneficiary's Social Security #: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Relationship: \_\_\_\_\_

Date of Birth Beneficiary: \_\_\_\_/\_\_\_\_/\_\_\_\_ Sex of Beneficiary: Male: \_\_\_\_ Female: \_\_\_\_

Address: \_\_\_\_\_  
(Address) (Street)  
\_\_\_\_\_  
(City) (State) (Zip Code)

Telephone Number of Beneficiary: ( ) \_\_\_\_\_

**(Note that the total percentages for both beneficiaries may not exceed one hundred percent. You are permitted to list a child as a beneficiary, but the Pension Board may require the appointment of a guardian prior to payment of monies to a minor child. If a married member fails to designate his or her spouse, the benefit will be paid to the beneficiary. Failure to designate a spouse may result in a lower benefit for the non spouse beneficiary. It is important that you update this form from time to time, as your family circumstances change. )**

**III. Contingent Beneficiary (To receive benefit if above named beneficiaries predecease member):**

If the above named beneficiary(ies) dies before me, or is not available to receive any benefit due, I designate the following person(s) as the contingent beneficiary(ies) entitled to receive any benefits due:

Name of Contingent Beneficiary: \_\_\_\_\_ Percentage: \_\_\_\_\_

Beneficiary's Social Security #: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Relationship: \_\_\_\_\_

Date of Birth Beneficiary: \_\_\_\_/\_\_\_\_/\_\_\_\_ Sex of Beneficiary: Male: \_\_\_\_\_ Female: \_\_\_\_\_

Address: \_\_\_\_\_  
(Address) (Street)  
\_\_\_\_\_  
(City) (State) (Zip Code)

Telephone Number of Contingent Beneficiary: ( ) \_\_\_\_\_

Name of Contingent Beneficiary: \_\_\_\_\_ Percentage: \_\_\_\_\_

Beneficiary's Social Security #: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Relationship: \_\_\_\_\_

Date of Birth Beneficiary: \_\_\_\_/\_\_\_\_/\_\_\_\_ Sex of Beneficiary: Male: \_\_\_\_\_ Female: \_\_\_\_\_

Address: \_\_\_\_\_  
(Address) (Street)  
\_\_\_\_\_  
(City) (State) (Zip Code)

Telephone Number of Contingent Beneficiary: ( ) \_\_\_\_\_

**(Note that total percentages for both contingent beneficiaries may not exceed one hundred percent.)**

This form takes the place of any other beneficiary form previously filed.

\_\_\_\_\_  
(Member Signature)

**SOCIAL SECURITY NUMBERS ARE REQUESTED AND MAINTAINED ON BEHALF OF ALL PLAN PARTICIPANTS, BENEFICIARIES AND RETIREES FOR DATA COLLECTION, RECONCILIATION, TRACKING BENEFIT PROCESSING, TAX REPORTING AND IDENTITY VERIFICATION PURPOSES. SOCIAL SECURITY NUMBERS ARE ALSO USED AS A UNIQUE NUMERIC IDENTIFIER AND MAY BE USED FOR DEATH RECORD SEARCHES FOR RETIREES.**

STATE OF FLORIDA  
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this \_\_\_\_\_, day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, who is personally known to me or produced \_\_\_\_\_ as identification and who did not take an oath.

\_\_\_\_\_  
Name/Notary Public My Commission Expires: \_\_\_\_\_  
Commission No: \_\_\_\_\_



# 401 PLAN EMPLOYEE ENROLLMENT FORM

- Use this form to open an account with the ICMA Retirement Corporation.
- Read instructions on the back carefully before completing this form. Please print legibly in blue or black ink.
- To make legal changes (i.e., change of name, marital status, or beneficiary changes) use the *Employee Information Change Form*.
- **Return this form to your employer promptly. Your employer must provide this form to ICMA Retirement Corporation before the payroll date of your first deferral. To make address changes, investment allocation changes or fund transfers, please visit VantageLink (www.icmarc.org) or use VantageLine (1-800-669-7400).**

<b>1</b> <b>Participant Information</b> <i>Required-Information in this box must be completed to avoid processing and investment delays.</i>	Employer Plan Number _____		Employer Plan Name _____		State _____
	Social Security Number _____				
	Full Name of Participant _____				
	Last _____		First _____		M.I. _____
	Mailing Address/Street _____				
	City _____		State _____	Zip Code _____	
	Date of Birth _____		Date Employed/Rehired _____		Rehired? <input type="checkbox"/> Check if yes
	Month / Day / Year	Month / Day / Year	Email Address _____		
	Job Title: _____				
	Daytime Phone Number _____		Evening Phone Number _____		Gender <input type="checkbox"/> M <input type="checkbox"/> F

<b>2</b> <b>Beneficiary Designation</b> <i>If married, special rules apply. See instructions on reverse side.</i>	Name _____		Date of Birth _____	Relationship to you _____	Social Security Number _____	% of benefit _____
	Primary Beneficiaries:		/ /	<input type="checkbox"/> Spouse <input type="checkbox"/> Other: _____	_____	_____
	_____		/ /	<input type="checkbox"/> Spouse <input type="checkbox"/> Other: _____	_____	_____
	_____		/ /	<input type="checkbox"/> Spouse <input type="checkbox"/> Other: _____	_____	_____
	Contingent Beneficiaries, if any:		/ /	<input type="checkbox"/> Spouse <input type="checkbox"/> Other: _____	_____	_____
	_____		/ /	<input type="checkbox"/> Spouse <input type="checkbox"/> Other: _____	_____	_____

**3**  
**Amount of Contributions**

**My Instructions for my Employer - I authorize my Employer to deduct a(n):**

**Mandatory pre-tax** deferral of \_\_\_\_\_ % or \$ \_\_\_\_\_ from my pay each pay period.

**Mandatory after-tax** deferral of \_\_\_\_\_ % or \$ \_\_\_\_\_ from my pay each pay period.

**Elective pre-tax** deferral of \_\_\_\_\_ % or \$ \_\_\_\_\_ from my pay each pay period (for 401(k) plans only).

**Voluntary after-tax** deferral of \_\_\_\_\_ % or \$ \_\_\_\_\_ from my pay each pay period.

As an individual who has reached or will reach age 50 by December 31 of this year, I also authorize my employer to deduct an additional pre-tax deferral of \$ \_\_\_\_\_ from my pay each pay period.\*

\* Note to Employers: This separate item is provided to allow you to separately track these "age 50 catch-up contributions" for purposes of limit testing.

For employer use: The employer will contribute \_\_\_\_\_ % or \$ \_\_\_\_\_. The employee will contribute \_\_\_\_\_ % or \$ \_\_\_\_\_.

**4**  
**Allocation of Contributions**

Fill in the boxes at right with codes of the fund(s) you want to invest in. A list of funds and codes can be found on the *Investment Options* sheet.

State law, local law, or your employer may place restrictions on investment in these funds.

EMPLOYER ACCOUNT				EMPLOYEE ACCOUNT			
Code	Percent	Code	Percent	Code	Percent	Code	Percent
<b>TOTAL = 100%</b>				<b>TOTAL = 100%</b>			

**5**  
**Employee Signature**

I acknowledge that I have read and agreed to the disclosure (see 5 & 6) on the back of this form.

Participant Signature \_\_\_\_\_ Date \_\_\_\_\_

**6**  
**Employer's Authorization**

Authorized Employer Official's Signature \_\_\_\_\_ Date \_\_\_\_\_

Employer Plan Number \_\_\_\_\_

# **FREQUENTLY ASKED QUESTIONS ON THE DEFERRED RETIREMENT OPTION PROGRAM**

**(DROP)**



## **CITY OF MIRAMAR RETIREMENT PLAN FOR GENERAL EMPLOYEES**

**PLEASE BE ADVISED THAT THIS DOCUMENT WAS PREPARED  
BASED ON THE SPECIFICATIONS OF THE CITY OF MIRAMAR  
RETIREMENT PLAN FOR GENERAL EMPLOYEES DROP  
PROGRAM AND IS INTENDED FOR THE SOLE AND EXCLUSIVE  
USE OF PARTICIPANTS IN THE CITY OF MIRAMAR  
RETIREMENT PLAN FOR GENERAL EMPLOYEES. NO  
GUARANTEE OR CONTRACT IS CREATED BY THIS DOCUMENT.  
IN THE EVENT THAT ANY INFORMATION CONTAINED HEREIN  
CONFLICTS WITH THE DROP ORDINANCE OR OTHER  
APPLICABLE LAW, THE CONFLICTING INFORMATION IN THIS  
DOCUMENT SHALL BE NULL AND VOID, AND THE ORDINANCE  
SHALL CONTROL.**

## **A. QUESTIONS ON DROP PROGRAMS IN GENERAL**

### **1. WHAT DOES THE PHRASE “DROP” STAND FOR?**

DROP is an acronym for deferred retirement option program or a delayed retirement option plan.

### **2. WHAT IS A DEFERRED RETIREMENT OPTION PROGRAM (DROP)?**

A DROP is a form of retirement benefit that allows an employee to continue working while accumulating a savings account consisting of the benefits that would have been received had the employee actually retired. In other words, it is a chance to earn two incomes at the same time, with one of them being saved and invested without current tax liability. From a technical standpoint, a DROP program represents a method of providing for the deferred receipt of retirement benefits from a defined benefit plan.

### **3. WHERE AND WHEN DID DROP PLANS ORIGINATE?**

DROP arrangements first started with several public safety plans in Louisiana during the mid-1980's to:

- a) Encourage police and fire personnel who could retire early (after 20 years of service) to continue working.
- b) Allow a partial lump sum distribution option in the pension plan.
- c) Provide the employer with a predictable turnover picture.

DROP plans now exist in Louisiana, Arkansas, Oklahoma, and Florida on the state and local level as well as locally in Texas, Colorado, and California. Originally popular with police and fire plans, they now exist for teachers and general public employees as well.

### **4. DOES A DROP PROGRAM REPRESENT A SEPARATE RETIREMENT PLAN?**

A DROP program simply represents a distribution option within a traditional defined benefit pension plan. It is not a separate qualified retirement plan.



**5. ARE ALL DROPS ALIKE?**

No. There is no rigid structure that must be followed for DROP programs. The design of DROP programs vary greatly and can be crafted to meet the needs of the employees, the pension plan, and the plan sponsor.

**6. IS A DROP PROGRAM AVAILABLE AS A BENEFIT FEATURE WITHIN THE MIRAMAR GENERAL EMPLOYEES' PENSION PLAN?**

Yes, a DROP first became available as a retirement option to Miramar General Employees with the adoption of Ordinance No. 09-08 on April 15, 2009.

**7. HOW WILL MIRAMAR'S DROP PROGRAM WORK?**

DROP is designed to allow you to accumulate a lump sum cash amount for retirement without affecting your normal monthly retirement benefit as of the date you became a DROP participant. Under DROP, you technically "retire," yet continue to work as an active city employee. For all non-pension benefits, you will continue to be treated as an active city employee. **If you become disabled after participating in the DROP, you will not be entitled to receive a disability pension, since you are already retired.**

Once you reach the service requirements for a normal retirement (20 years of service or upon reaching the age of 65 with 7 years of service) you are eligible to enroll in DROP. From a service and benefit standpoint, it is as if you retire on this date. You continue to work as an active city employee, and the Pension Fund will credit your normal monthly retirement benefit (based on your service as of the date you entered DROP) into your DROP account. You will also continue to earn your normal pay as an active city employee.

When you enroll in DROP, you agree to "lock-in" your service and benefit levels as of the effective date of your participation, meaning that your creditable service, compensation, and accrued pension benefit will freeze. The amount of your pension benefit will be determined based on the average of your three (3) highest years of service preceding participation in DROP.

You can participate in DROP for a maximum of five (5) years. When you leave City employment, you choose how you want to receive your DROP account balance from available distribution methods.

## **B. ELIGIBILITY AND PARTICIPATION QUESTIONS**

### **1. WHO IS ELIGIBLE TO PARTICIPATE IN DROP?**

All members of the City of Miramar Retirement Plan for General Employees (i.e., active members) are eligible to participate in the DROP providing such members are eligible for normal service retirement (which is attained upon the completion of twenty years of credited service to the City or reaching age 65 and having 7 years of credited service).

### **2. WHAT ARE THE TIME LIMITS UNDER WHICH A MEMBER MAY ELECT TO PARTICIPATE IN DROP?**

Election to participate may be made on a date following the date on which a member first reaches the minimum normal retirement benefit after the completion of twenty years of credited service, or attainment of age 65 with 7 years of service.

### **3. WHEN WILL PARTICIPATION IN THE DROP BEGIN?**

The DROP Ordinance, Ordinance No. 09-08 and subsequent amendments, was enacted by the City Commission on April 15, 2009, and became effective upon adoption. The beginning date of the DROP period for participation shall be the first day of the following month.

### **4. HOW LONG CAN I PARTICIPATE IN THE DROP?**

A member who is eligible for normal retirement (20 years of service or upon attaining the age of 65 and 7 years of service) may participate in the DROP for a maximum period of sixty (60) months.

### **5. IN THE EVENT THAT AN ELIGIBLE MEMBER DECIDES TO PARTICIPATE IN THE DROP, WHAT MUST HE OR SHE DO?**

An eligible member may elect to participate in the DROP by complying with the election process and the administrative rules established by the Board of Trustees. Such requirements shall include, but shall not be limited to the following:

- a. Selection of DROP participation and retirement dates. Such retirement date shall be a binding application for retirement, establishing a deferred retirement date.
- b. A written election to participate in the DROP. Please send documents to the Pension Plan Administrator.

c. A properly completed DROP application for service retirement. The Pension Administrator has created forms that are required to enroll in DROP.

d. Notice of Resignation

**6. CAN A PARTICIPANT RETIRE BEFORE THE END OF THE DROP PERIOD?**

Yes. A DROP participant can retire at any time before the end of the specified DROP period. DROP payments would continue as monthly pension payments and the participant would be entitled to the entire balance in his/her DROP account.

**7. DO I HAVE ACCESS TO MY DROP ACCOUNT BEFORE THE END OF THE DROP PERIOD?**

No. In order to receive any payment from the DROP account, you must actually separate from service. No loans are allowed from the DROP. It is a violation of both local and federal law to receive a DROP distribution while still an active employee.

**8. DO I HAVE TO DECIDE AT THE TIME OF ENROLLMENT HOW LONG I WILL PARTICIPATE AND CONTINUE WORKING FOR THE CITY?**

Yes. However, for purposes of preserving maximum flexibility, many individuals may find it advantageous to elect to participate for the maximum period of time even if they feel that their actual period of DROP participation may end at an earlier date. You can always terminate employment and retire prior to the end of your announced DROP participation period

**You are not permitted to work beyond your selected DROP ending date even if that date falls short of the maximum period allowed for DROP participants.**

**C. DROP DECISION CONSIDERATIONS**

**1. WHEN SHOULD I ENTER THE DROP?**

This is a very personal decision, and no one knows better than you when to begin taking retirement benefits. Once you enter the DROP, you cannot accumulate any

more service credit in the Plan. A person who enters the DROP with 20 years of service will earn a pension worth 55% of average final salary; a person who enters the DROP with 25 years of service will earn a pension worth 75% of average final salary (3% accrual per year times 25 years of service); a person who waits until their 29<sup>th</sup> year of service will get a pension worth 87% of salary (3% accrual per year times 29 years of service). A person who enters the DROP with 29 years of service will likely have a higher average salary than one who enters the DROP with 20 years of service. In other words, before entering the DROP, some careful financial planning is in order.

If the Plan benefits change after you begin participation in the DROP, those benefits may not be available to you. If you get a raise or a promotion after you enter the DROP, that salary increase will not count toward your pension. Once you enter into the DROP, your benefits are fixed as required by the Plan.

## **2. WHAT ARE SOME ADVANTAGES OF DROPS?**

A DROP Plan can be very advantageous to an employee who is interested in assembling a “nest egg” for themselves and their family and providing a “jump-start” into retirement. This “nest egg” can offer the employee the ability to start a business, purchase a home, travel, etc., upon retirement.

The DROP participant will see the required pension contribution reduced from a rate of 7.36% of pay to 0% of pay. By reducing such contributions, the employee’s take-home pay will be increased.

The DROP Plan allows the employee to select an option that would effectively accelerate a portion of the retirement benefits that would otherwise have been received over an extended period of time. If the employee has reason to believe that his life expectancy will be less than average, the DROP could be viewed as a practical response to this outlook.

## **3. WHAT ARE SOME DISADVANTAGES OF DROPS?**

One disadvantage of participating in a DROP plan is that the amount of monthly pension that an employee receives will be substantially lower than the amount that the employee would receive had the employee retired under a normal retirement calculation performed at the time of actual retirement.

Another disadvantage is that the decision to enter the DROP is irrevocable. Sometimes employees change their minds about continuing to work, but once they have entered the DROP, they are not allowed to reverse their decision to retire. A

retiree experiencing the birth of a child, a new marriage, divorce, or other significant life event, will still have no choice but to retire at the end of the DROP period.

Lump sum payments may not be used judiciously, thereby placing financial pressures upon retirees at a point in their lives that they can ill afford to effectively respond to such pressures.

Lump sum payouts are subject to the mandatory 20% withholding requirements which would materially impact the funds available under the DROP. DROP participants may address this issue by electing a direct rollover to an eligible retirement plan or an IRA.

If a DROP participant becomes injured after entering the DROP, he or she will not be eligible to receive a disability pension, since DROP participants are already “retired”.

#### **4. SHOULD I PARTICIPATE IN DROP?**

One of the most important decisions you will have to make is whether you should join DROP or remain as an active contributor to the Pension Fund. To assist in this decision, the Plan Administrator will provide upon request an estimate of the benefits you will receive if you elect to join DROP. Upon receipt of these estimates, you should meet with your tax advisor, financial planner, or other professional to review your total financial situation, including pension and/or DROP benefits, personal investments, and Social Security benefits, in order to determine which choice will be the best decision for your future.

#### **5. HOW CAN I GET MORE INFORMATION?**

Entering the DROP is a big decision. Once made, it is FINAL. Before entering the DROP you are encouraged to contact the Pension Administrator with your questions. The DROP is a valuable benefit, but like anything, it does not meet everyone’s needs in the same way. Before you elect into the DROP, be sure of your rights and make careful plans for your future. It would be wise to consult your own financial adviser and tax adviser concerning the choices that are most advantageous for your specific circumstances. For more information, you may contact the Pension Plan Administrator. Their contact information is Benefits USA, Inc. 3810 Inverrary Blvd. Lauderhill, FL 33319. Phone # (954) 730-2068, Extension 202.

D. **EMPLOYMENT STATUS QUESTIONS AND CONTRIBUTION REQUIREMENTS**

1. **ARE YOU COVERED BY SOCIAL SECURITY WHILE YOU PARTICIPATE IN DROP?**

Yes.

2. **IS THERE ANY SPECIAL MEMBERSHIP DESIGNATION ONCE AN ACTIVE MEMBER BEGINS PARTICIPATION IN THE DROP?**

Yes. Upon participation in the DROP, the member shall be deemed a retiree of the Pension Fund.

3. **IS A DROP PARTICIPANT CONSIDERED TO BE AN ACTIVE EMPLOYEE OR A RETIREE?**

A DROP participant shall be a retiree under the Pension Plan for the purpose of accumulating pension benefits unless otherwise prescribed. However, a DROP participant shall be treated as any other active employee with respect to their ability to enjoy the availability of salary increases, promotions, employee benefits and programs related thereto for purposes of employment with the City.

4. **ARE YOUR CITY OF MIRAMAR ACTIVE EMPLOYEE BENEFITS AFFECTED WHILE YOU ARE IN DROP?**

Generally speaking, no. You continue to accrue sick leave if you are eligible to do so now, and you continue to accrue vacation time. Any other time or day accrual for which you are presently eligible also continues. Your insurance coverage also continues uninterrupted and unchanged, at current active rates. In addition, you remain eligible to vote in any Pension Fund elections, and you are also eligible to serve on the Board of Trustees. Please contact the Human Resources Retirement Center with any further questions.

5. **CAN YOU ENTER THE DROP AND LATER CHANGE YOUR MIND?**

No. Once made, the election to participate in the DROP carries with it a simultaneous election to retire that is irrevocable. In essence, the DROP participant has contractually agreed to retire as a condition of entering the DROP program. Once acted upon by the Board of Trustees, the election to retire becomes irrevocable. You may cancel the effectiveness of this application upon

delivery of a written request for such cancellation, prior to the application approval by the Board of Trustees and its agents. You acknowledge that you have been given up to 45 days advance notice of program availability in which to consider participation in the DROP plan and were provided at least 7 days following the receipt by the Pension Plan Administrator of all fully executed DROP documents, in which to revoke your application.

**6. WHAT WILL MY PENSION CONTRIBUTION REQUIREMENTS BE DURING MY PERIOD OF DROP PARTICIPATION?**

As an active employee participating in the General Employees' Pension Plan you are currently required to make pension contributions in the amount of 7.36% of salary as defined by the Plan. Upon DROP participation, your pension contribution requirements will be reduced to \$0.

**E. ACCUMULATION OF BENEFITS UNDER THE DROP PROGRAM**

**1. HOW ARE MY RETIREMENT BENEFITS ACCUMULATED IN MY DROP ACCOUNT?**

Once you decide to enroll into DROP your monthly retirement benefit is calculated based upon your service and benefit levels as of the date you entered the DROP. Instead of having this monthly retirement benefit paid directly to you or deposited in your bank account, it will be credited into your DROP account, where it will be invested, tax deferred, for as long as you participate in the DROP. Your retirement benefits will be paid into your DROP account effective on the first day of the month following submittal of the fully executed documents to the Plan Administrator until your drop end date.

**2. HOW IS THE VALUE, EARNINGS OR LOSS CALCULATED AND CREDITED TO MY DROP ACCOUNT?**

*A DROP participant's account shall be a self-directed retirement account. Under a self-directed DROP a member is given some control over the investment of the DROP account. The money is invested at the member's direction. However, those assets are still part the Plan's assets and under the control of the trustees. The trustees have selected the investment options available to participants in the DROP. The DROP account balance will fluctuate with the performance of the financial markets and the mutual funds selected by the participant. Although a*

*participant's DROP account may earn a significant return, it is also possible that the DROP account will lose value based on the investment performance of the funds. Upon separation from service, the DROP account balance can be paid either in a lump sum, periodic payments, rollover into another qualified plan, or a combination of these methods.*

**3. CAN I PURCHASE ADDITIONAL SERVICE CREDIT WHILE PARTICIPATING IN DROP?**

No. Once participation in DROP begins, your retirement is final and you cannot add service credit.

**F. PAYMENT OF BENEFITS UNDER THE DROP PROGRAM**

**1. HOW IS THE DROP ACCOUNT MONEY PAID OUT AND DISTRIBUTED?**

When you terminate employment, your DROP account will be paid as you choose in one of the following ways, subject to applicable Internal Revenue Code provisions;

1. Lump sum payment
2. Periodic payments
3. Rollover to another qualified plan
4. Any other combination of the above.

**Your selection of a distribution option cannot be changed once it starts.**

**2. IF I SHOULD DIE AFTER I BEGIN RECEIVING PERIODIC DISTRIBUTIONS OF MY DROP ACCOUNT BALANCE BUT BEFORE THE FULL AMOUNT OF MY DROP ACCOUNT IS LIQUIDATED, CAN MY BENEFICIARY CHANGE THE DISTRIBUTION THEN IN EFFECT?**

No. The selection of a distribution option cannot be changed by either the DROP participant or the surviving beneficiary once the distribution period has commenced. However, the DROP participant or the surviving beneficiary may convert the existing distribution option to a Lump Sum form of payment after the distribution period has commenced.

**3. WHAT HAPPENS TO YOUR DROP ACCOUNT AND ACCUMULATED LEAVE TIME IN THE EVENT OF YOUR DEATH WHILE IN DROP?**

In the event of your death during the DROP period, your DROP balance shall be



payable to your designated beneficiary. If you have not designated your beneficiaries, the DROP and balances will be paid to your estate.

**4. WHAT IS THE STATUS OF MY DROP ACCOUNT IN THE EVENT OF DIVORCE?**

DROP assets, like other forms of pension benefits, are considered marital property subject to division in a divorce proceeding. While DROP assets are not subject to distribution until a member terminates employment with the City, a court can determine that upon distribution, that a certain percentage of the DROP assets be awarded to a former spouse in the same manner as other retirement payments.

**5. WHAT TYPE OF ORDER IS USED BY THE COURT SYSTEM TO PLACE A LIEN AGAINST THE PROCEEDS OF THE DROP ACCOUNT IN THE EVENT OF A DIVORCE?**

Qualified Domestic Relations Orders (“QDRO”) and Income Deduction Orders (“IDO”) are two forms of court orders issued pursuant to divorce proceedings. A QDRO is a judgment, decree, or order by a court usually in the case of a divorce that relates to the provision of child support, alimony payments, or marital property rights to a spouse, child, or other dependent of a participant. Governmental plans are not subject to QDRO’s. Unlike governmental plans, QDRO’s are specifically applicable to private pension plans under Code Section 414(p)(2). Accordingly, the General Employees’ Pension Plan does not recognize QDRO’s for the assignment of any pension rights by a participant for distribution of a divorced spouse’s interest. In lieu thereof. The State has provided that IDO’s for alimony and child support are mandatory court orders that the Pension Plan must follow. IDO’s are taken from benefit checks or lump sum distributions to the spouse. Ad divorce laws can be quite complex, you may wish to speak to legal counsel to discuss your personal circumstances.

**G. TAX CIRCUMSTANCES UNDER DROP**

**1. THE DROP ORDINANCE STATES THAT AN EMPLOYEE MAY DEFER PAYMENT UNTIL A TIME NOT LATER THAN THE LATEST DATE AUTHORIZED BY SECTION 401(a)(9) OF THE INTERNAL REVENUE CODE, WHAT DOES THIS MEAN?**

Section 401(a)(9) states that you must begin taking money out of a tax deferred retirement account (like an IRA or a DROP account) by April 1 of the year following the calendar year in which you turn 70-1/2 unless you are still working. If you are a participant in a qualified plan (like the General Employees’ Pension Plan), and you are still working, you may postpone withdrawals until such time as

you terminate employment. In addition to the beginning date requirement (age 70-1/2), Section 401(a)(9) requires that the distribution, if not taken as a lump sum, must be made over a specified period based upon life expectancy tables. Since the DROP participant must begin to liquidate the DROP account upon termination of employment, the beginning date requirements should not be an issue under the DROP program. However, all parties must be mindful to select a periodic distribution period that conforms to the requirement of 401(a)(9).

**2. ARE AMOUNTS CREDITED TO DROP ACCOUNTS TAX DEFERRED?**

Yes. Under Section 402(a) of the Internal Revenue Code amounts are taxable only if distributed. Thus, even though amounts are credited to the DROP account because they could have been paid as retirement benefits, the participant will not be subject to tax until DROP account balances are distributed to the DROP participant. No withholding taxes will be imposed during the period of DROP participation pursuant to Code Section 3401(a)(12)(A).

**3. IF I DECIDE TO ROLLOVER MY DROP BENEFITS WHAT CAN I ROLL THEM INTO?**

The tax law states that rollovers must be paid directly to the custodian of an eligible retirement plan as defined in Section 402(c)(8)(B) of the Internal Revenue Code ("IRC"). Eligible retirement plans include an individual retirement account ("IRA") as described in Section 408(a), IRC; an individual retirement annuity [Section 408(b), IRC, except an endowment contract]; a qualified trust; and an annuity plan as described in Section 403(a), IRC. If you die, your beneficiary will only be eligible to rollover your DROP benefits into an individual retirement account or an individual retirement annuity as described in Section 402(c)(9), IRC.

**4. HOW IS YOUR DROP DISTRIBUTION TAXED?**

If you authorize the Pension Plan to transfer the lump sum value of your DROP account directly to an IRA or other qualified retirement plan, there will be no immediate recognition of income for purposes of federal income taxation. You would pay taxes on these funds only as funds are received from your IRA or qualified retirement plan.

In the event that you do not choose a direct rollover of any portion of your DROP account that is an "eligible rollover distribution," the payment is taxed in the year you receive it. If you forego the rollover option and elect to receive the DROP account proceeds, the following rules would generally apply:

1. The distribution will be treated as a source of ordinary income to you (and taxed accordingly) in the year you receive it;
2. You will be subject to the 10% “early distribution” tax penalty rules if you are less than 55 years old; and
3. You may be subject to a 15% “excess distribution” tax penalty if your total retirement proceeds (from the DROP account, any IRA’s or qualified retirement plans) exceed the IRS maximum distribution amount for the year in which you receive the distribution.

This is our understanding of the current tax issues that you may wish to consider. We may not be correct. We are not allowed to give tax advice in any way. Keep in mind the **tax laws can change**, and they are complex. We **recommend and encourage** you to seek the advice of a tax professional to determine what is best for you and how you will be impacted.

**PLEASE BE ADVISED THAT THIS DOCUMENT WAS PREPARED BASED ON THE SPECIFICATIONS OF THE CITY OF MIRAMAR RETIRMENT PLAN FOR GENERAL EMPLOYEES’ DROP ORDINANCE AND IS INTENDED FOR THE SOLE AND EXCLUSIVE USE OF PARTICIPANTS IN THE MIRAMAR GENERAL EMPLOYEES’ PENSION PLAN.**

**NO GUARANTEE OR CONTRACT IS CREATED BY THIS DOCUMENT. IN THE EVENT THAT ANY INFORMATION CONTAINED HEREIN CONFLICTS WITH THE DROP ORDINANCE OR OTHER APPLICABLE LAW, THE CONFLICTING INFORMATION IN THIS DOCUMENT SHALL BE NULL AND VOID. THE TERMS OF THE CITY ORDINANCE SHALL BE THE ULTIMATE GUIDE IF THERE SHOULD BE ANY CONFLICT.**

**Sec. 15-327. Deferred retirement option plan.**

- (a) A deferred retirement option plan ("DROP") is hereby created.
- (b) A member shall be eligible to enter the DROP at the earliest date of eligibility for normal retirement.
- (c) In no event shall total participation in the DROP exceed five (5) years. Dual service members who are also participating in another city plan shall be permitted to remain in this DROP during any period of participation in another city DROP program.
- (d) As a condition of participation in the DROP, members agree to tender an irrevocable resignation. The resignation shall take effect not more than sixty (60) months after commencement of DROP participation. Participation in the DROP is not a guarantee of continued employment.
- (e) A member may participate in the DROP only once and after commencement, the employee shall not have the right to be a contributing member of the pension plan.
- (f) Upon the effective date of participation in the DROP, employee contributions shall cease and members shall no longer accrue credited service, final average compensation shall be determined and any survivorship options shall be selected.
- (g) For the purposes of this section, a member's final average compensation and credited service shall be determined as of the effective date of commencement of participation in the DROP.
- (h) DROP participants shall not be eligible for disability benefits from the pension plan.
- (i) Upon the effective date of participation in the DROP, the monthly retirement benefits that would have been payable had the member elected to cease employment and receive a service retirement allowance shall be paid into a deferred retirement option account administered by the board of trustees.
- (j) DROP account balances shall be self-directed by members participating in the DROP, using the self-directed mutual fund options available under the DROP program. By electing to participate in the DROP, members agree that they are voluntarily assuming the risk of potential investment losses, for which members hold the board and the city immune from liability.
- (k) At the end of the specified period of DROP participation, or other termination of the DROP, the member shall receive a sum equal to accumulated DROP payments, adjusted for any applicable investment earnings or losses, and adjusted for any applicable fees.

(l) Payment shall be made, at the election of the member, by (1) lump sum payment, (2) periodic payments, (3) rollover to another qualified plan, or (4) any other combination of the above.

(m) If a member dies during the period of participation in the DROP plan, a lump sum equal to accrued DROP payments, adjusted for any applicable investment earnings or losses and any applicable fees, shall be paid to the named beneficiary or, if no beneficiary is named, to the estate of the member, in addition to any applicable survivorship benefit.

(n) Upon termination of service with the city, a member may receive payment within an administratively reasonable time after requesting distribution on the forms required by the pension board, or may defer payment until a time not later than the latest date authorized by Section 401(a)(9) of the Internal Revenue Code. In the case of retirees electing to defer payment after separation from service, DROP account balances shall continue to be invested and shall remain subject to applicable investment gains or losses, and any applicable fees.

(o) No distribution of DROP monies shall be made while a member is still employed by the city.

(p) A member's DROP account is subject to forfeiture under F.S. § 112.3173.

(q) For any members transferring into this plan from another city position, the coordination of benefits provisions of section 15-324 shall be applied to the DROP eligibility requirements provided in section 15-327.

(r) The board of trustees is authorized to adopt administrative rules necessary for the administration of the DROP.

(Ord. No. 09-08, § 2, 4-15-09; Ord. No. 10-09, § 2, 5-5-10)

Temp. Ord. No. 1508  
3/3/10  
4/29/10

CITY OF MIRAMAR  
MIRAMAR, FLORIDA

ORDINANCE NO. 10-09

**AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF MIRAMAR, FLORIDA, AMENDING THE DEFERRED RETIREMENT OPTION PLAN IN THE CITY'S AMENDED RETIREMENT PLAN; AMENDING SECTION 15-327 OF THE CITY CODE BY ESTABLISHING A SELF-DIRECTED DROP PROGRAM FOR GENERAL EMPLOYEES; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Pension Board has recommended amendments to the City's Amended Retirement Plan that permit DROP account balances to be self-directed by DROP members; and

**WHEREAS**, the City Commission believes that these pension enhancements are in the best interest of the employees, citizens and residents of the City of Miramar.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF MIRAMAR, FLORIDA, AS FOLLOWS:**

**Section 1:** That the above "**WHEREAS**" clauses are ratified and confirmed as being true and correct.

**Section 2:** That Section 15-327 of the City Code is hereby amended to read as follows:

**Sec. 15-327. Deferred retirement option plan.**

(a) A deferred retirement option plan ("DROP") is hereby created.

Ord. No. 10-09

\* Coding: underlined words are additions to existing text; ~~struck-through~~ words are deletions from existing text; and shaded text reflects changes from first reading.

Temp. Ord. No. 1508  
3/3/10  
4/29/10

(b) A member shall be eligible to enter the DROP at the earliest date of eligibility for normal retirement.

(c) In no event shall total participation in the DROP exceed five (5) years. Dual service members who are also participating in another City plan shall be permitted to remain in this DROP during any period of participation in another City DROP program.

(d) As a condition of participation in the DROP, members agree to tender an irrevocable resignation. The resignation shall take effect not more than sixty (60) months after commencement of DROP participation. Participation in the DROP is not a guarantee of continued employment.

(e) A member may participate in the DROP only once and after commencement, the employee shall not have the right to be a contributing member of the pension plan.

(f) Upon the effective date of participation in the DROP, employee contributions shall cease and members shall no longer accrue credited service, final average compensation shall be determined and any survivorship options shall be selected.

Temp. Ord. No. 1508  
3/3/10  
4/29/10

(g) For the purposes of this section, a member's final average compensation and credited service shall be determined as of the effective date of commencement of participation in the DROP.

(h) DROP participants shall not be eligible for disability benefits from the pension plan.

(i) Upon the effective date of participation in the DROP, the monthly retirement benefits that would have been payable had the member elected to cease employment and receive a service retirement allowance shall be paid into a deferred retirement option account administered by the board of trustees.

(j) ~~DROP monies shall be invested the same as any other asset of the pension plan and shall gain or lose interest at the same rate as the pension plan.~~ DROP account balances shall be self-directed by members participating in the DROP, using the self-directed mutual fund options available under the DROP program. By electing to participate in the DROP, members agree that they are voluntarily assuming the risk of potential investment losses, for which members hold the Board and the City immune from liability.

(k) At the end of the specified period of DROP participation, or other termination of the DROP, the member shall receive a sum equal to accumulated DROP payments, adjusted for any applicable investment earnings or losses, and adjusted for any applicable fees.



Temp. Ord. No. 1508  
3/3/10  
4/29/10

(l) Payment shall be made, at the election of the member, by (1) lump sum payment, (2) periodic payments, (3) rollover to another qualified plan, or (4) any other combination of the above.

(m) If a member dies during the period of participation in the DROP plan, a lump sum equal to accrued DROP payments, adjusted for any applicable investment earnings or losses and any applicable fees, shall be paid to the named beneficiary or, if no beneficiary is named, to the estate of the member, in addition to any applicable survivorship benefit.

(n) Upon termination of service with the city, a member may receive payment within an administratively reasonable time after requesting distribution on the forms required by the pension board, or may defer payment until a time not later than the latest date authorized by Section 401(a)(9) of the Internal Revenue Code. In the case of retirees electing to defer payment after separation from service, DROP account balances shall continue to be invested and shall remain subject to applicable investment gains or losses, and any applicable fees.

(o) No distribution of DROP monies shall be made while a member is still employed by the city.

(p) A member's DROP account is subject to forfeiture under Section 112.3173, Florida Statutes.

Temp. Ord. No. 1508  
3/3/10  
4/29/10

(q) ~~The board of trustees is authorized to adopt administrative rules necessary for the administration of the DROP.~~ For any members transferring into this plan from another City position, the coordination of benefits provisions of Section 15-324 shall be applied to the DROP eligibility requirements provided in Section 15-327.

(r) The board of trustees is authorized to adopt administrative rules necessary for the administration of the DROP.

**Section 3:** That all sections or parts of sections of the City Code, all ordinances or parts of ordinances, and all resolutions or parts of resolutions in conflict herewith, be and the same, are hereby repealed to the extent of such conflict.

**Section 4:** Should any section or provision of this Ordinance or any paragraph, sentence or word, be declared by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remainder hereof, as a whole or part hereof, other than the part declared to be invalid.

**Section 5:** It is the intention of the City Commission of the City of Miramar that the provisions of this Ordinance shall become and be made a part of the Code of the City of Miramar and that the sections of this Ordinance may be renumbered or re-lettered and the word "Ordinance" may be changed to "Chapter," "Section," "Article," or such other appropriate word or phrase, the use of which shall accomplish the intentions herein expressed.

Temp. Ord. No. 1508  
3/3/10  
4/29/10

**Section 6:** The provisions of this Ordinance shall not apply to deferred vested members who have separated from service prior to the effective date of this Ordinance. This Ordinance shall neither enhance nor diminish benefits for deferred vested members.

**Section 7:** This Ordinance shall take effect immediately upon adoption.

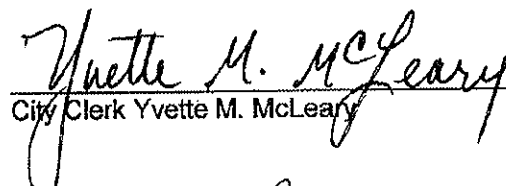
**PASSED FIRST READING:** April 7, 2010

**PASSED AND ADOPTED ON SECOND READING:** May 5, 2010

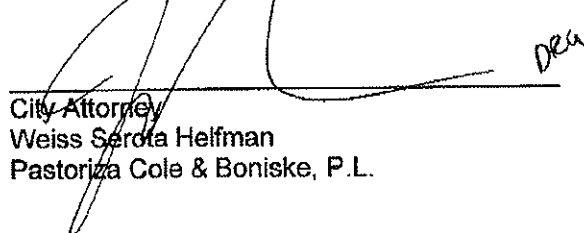
  
\_\_\_\_\_  
Mayor, Lori C. Moseley

  
\_\_\_\_\_  
Vice Mayor, Barbara Sharief

ATTEST:

  
\_\_\_\_\_  
City Clerk Yvette M. McLeary

I HEREBY CERTIFY that I have approved this ORDINANCE as to form

  
\_\_\_\_\_  
City Attorney  
Weiss Serota Helfman  
Pastoriza Cole & Boniske, P.L.

<u>Requested by Administration</u>	<u>Voted</u>
Commissioner Winston F. Barnes	<u>Yes</u>
Commissioner Yvonne Garth	<u>Yes</u>
Commissioner Troy R. Samuels	<u>Yes</u>
Vice Mayor Barbara Sharief	<u>Yes</u>
Mayor Lori C. Moseley	<u>Yes</u>

**CITY OF MIRAMAR RETIREMENT PLAN  
FOR GENERAL EMPLOYEES**

**SUMMARY PLAN DESCRIPTION**

**Prepared March, 2006**

## **INTRODUCTION TO YOUR PLAN**

The City of Miramar has established a defined benefit pension plan to provide eligible employees with retirement and related benefits.

This Summary Plan Description is a brief description of that Plan and your rights, obligations and benefits under it. This Summary Plan Description is not meant to interpret, extend or change the provisions of the Plan in any way. The provisions of the Plan may only be determined accurately by reading the actual Plan as set forth in Chapter 15 of the Code of Ordinances of the City of Miramar.

A copy of the Plan is on file at the City of Miramar City Clerk's office and may be read by you, your beneficiaries or your legal representatives at any reasonable time. Any questions you have regarding either the Plan or this Summary Plan Description should be directed to Pete Prior at Benefits USA., Inc. In the event of any discrepancy between this Summary Plan Description and the actual provisions of the Plan, the Plan shall govern.

## GENERAL INFORMATION ABOUT YOUR PLAN

There is certain general information you may need to know about the Plan. This general information is summarized below.

### **Name of Plan**

City of Miramar Retirement Plan for General Employees

### **Employer**

City of Miramar

### **Plan Administrator**

Board of Trustees of the  
City of Miramar Retirement Plan  
for General Employees  
2300 Civic Center Place  
Miramar, Florida 33025

Third Party Administrator

Benefits USA, Inc.  
3810 Inverrary Blvd., S-208  
Lauderhill, FL 33319

### **Trustee**

Plan Administrator

### **Designated Agent for Service of Legal Process**

In accordance with Florida law, the Board of Trustees' Chairperson is the registered agent for service of process; name and business address is:

Mayor, serving as Chairperson  
City of Miramar Retirement Plan for  
General Employees  
2300 Civic Center Place  
Miramar, Florida 33023

In the absence of the designated Chairperson, any member of the Board of Trustees is subject to

service of process.

### **Type of Administration**

The Plan Administrator is responsible for the overall administration of the Plan. It has discretionary authority to construe the terms of the Plan and make determinations on questions which may affect your eligibility for benefits. The Plan's Administrator may also retain the services of attorneys, accountants, actuaries, investment advisors and other professionals. The Board has hired Benefits USA as the Plan's Third Party Administrator.

### **Plan Year**

Each 12 month period beginning on October 1st and ending on September 30th. The Plan's fiscal records are maintained on this basis.

### **Relevant Provisions of Local and State Laws**

The Plan is set forth in Chapter 15 of the Code of Ordinances of the City of Miramar.

The most recent amendment to the Plan that is reflected in this Summary Plan Description is Ordinance No. 05-15. No. 05-15 reduces the requirements for normal and early retirement eligibility to provide for seven year vesting, in place of the prior requirement of ten year vesting. Ordinance No. 05-15 does not apply to deferred vested members who separate from service prior to the effective date of the Ordinance, which is effective at the start of the first pay period for the month of October, 2006. Prior to Ordinance, 05-15, Ordinance No. 02-03 enhanced the normal retirement benefits under the Plan, effective November 21, 2001. Ordinance No. 01-21 was adopted on February 21, 2001 and provides for coordination of benefits between the City's various pension plans. Following the enactment of Ordinance 01-21, a member who has earned a total of ten or more years of service under any of the City's pension plans shall be deemed

vested under all such plans based on the amount of service earned under each pension plan.

Your Plan is also governed by certain provisions of Part VII, Chapter 112, Florida Statutes (F.S.) and federal law.

### **Relevant Provisions of Collective Bargaining Agreements**

Certain employees covered by the Plan are members of the General Association of Miramar Employees (G.A.M.E.)

The current collective bargaining agreement between the unit and the Employer covers the period from October 1, 2004 through September 30, 2007. Article 25 of the agreement refers to pension matters.

### **Custodian**

The custodian of the Plan is responsible for the safe-keeping 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:

Fiduciary Trust International of the South  
Miami, Florida

### **Investment Manager(s)**

The investment manager is responsible for selecting the securities to be bought and sold by the Pension Fund, in accordance with guidelines established by the Plan Administrator. The investment managers are:

Eagle Asset Management  
St. Petersburg, Florida

Westwood Trust  
Dallas, Texas

The investment manager is monitored to insure that it complies with investment policies as determined by the Plan Administrator. The investment monitor is:



GRS Asset Consulting, Inc.  
Fort Lauderdale, Florida

**Member**

You are a Member of the Plan if you fulfill the prescribed eligibility requirements (see Eligibility and Credited Service section).

**Beneficiary**

Your Beneficiary is each person designated by you 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 Member of the Plan. Prior to retirement you may change your Beneficiary designation at any time upon written notification to the Plan Administrator.

## CONTRIBUTIONS TO THE PLAN

Benefits of the Plan are financed by contributions that are paid into the pension fund and by investment earnings generated by investments of the pension fund. Contributions to the fund are made by:

### **You**

Your contribution rate is 7.36% of your Earnings (the amount of your basic rate of pay excluding overtime, bonuses, commissions and any other extraordinary compensation). Prior to October 1, 1999, your contribution rate was 3.00% of your Earnings. Your contributions will cease upon your retirement, death or employment termination. Interest is credited to your contributions at the rate determined by the Plan Administrator.

### **Your Employer**

The City of Miramar must contribute an amount determined by the Plan's actuary to be sufficient, along with your contribution, to fund systematically the benefits under the Plan. The City of Miramar's contribution will vary depending on the experience of the Plan.

## **ELIGIBILITY AND CREDITED SERVICE**

### **Eligibility**

If you are a full-time general employee, you must participate in the Plan starting on your date of full-time employment. Membership is mandatory as a condition of employment.

Police officers and firefighters may not become Members of the Plan. The Plan also does not include employees who are permitted to and have elected to participate in the money purchase retirement plan sponsored by the Employer or the City's Managerial pension plan. Employees who are permitted to make this election are shown in Sections 2.1.0 and 2.4.1 of the Employer's Personnel Policies and Regulations. They include:

1. Heads of departments appointed after March 13, 1991.
2. Employees who are not members of a collective bargaining unit and are in the Employer's service on or after June 1, 1991.

Members of this Plan as of March 13, 1991 who were in the position of Department Head, Appointed Confidential/Managerial or Civil Service Appointed Confidential/Managerial, in accordance with the Personnel Policies and Regulations, had a 30-day election period ending October 19, 1991 to withdraw from this Plan and participate in the money purchase retirement plan. Any employee who ceases to be a member of a collective bargaining unit has the option of withdrawing from this Plan and entering the money purchase retirement plan within 30 days following separation from the unit.

### **Credited Service**

Credited Service is used to compute the amount of pension benefit when you retire, to determine whether you are eligible for certain benefits, and to determine whether you are vested. Your Credited Service is equal to your length of service with the City of Miramar from your last date of hire until your date of termination of employment. Vacations and other paid leaves of

absence are included. Unpaid leaves of absence are not included.

### **Break in Service**

If you terminate employment and later return to work for the City of Miramar, you will again become a member of the Plan, but you will not be given credit for previous service.

### **Military Service**

Should you take a leave of absence from the City of Miramar in order to enter the military; your period of leave will be included in your Credited Service if you return to work for the City within 40 days after your discharge.

Your active duty in the military prior to date of hire by the City of Miramar is included in Credited Service under the following conditions:

1. You are vested in the Plan (see a later page for the vesting provisions).
2. You pay 3% of your annual starting salary for each year of military service (a maximum of four years may be purchased). Payment may be made in a lump sum or by payroll deductions over a period of time not to exceed the number of years being purchased. Interest at the annual rate of 7% will apply if installment payments are made.
3. You have not received credit for such military service under any other pension plan.

If you receive a pension benefit from the military for military service, you cannot receive credit in this Plan for any of that service.

## RETIREMENT DATES

### Normal Retirement Date

The Normal Retirement Date is the earliest date when unreduced retirement benefits may be paid to you. Your Normal Retirement Date is always the first day of the month coincident with or next following the date you reach the requirements for Normal Retirement as outlined below.

Your Normal Retirement Date depends upon your date of hire.

**For employees hired prior to November 20, 2001**, your Normal Retirement Date is the earlier of the date when you 1) reach age 65 and complete ten years of Credited Service (effective in October of 2006 the service requirements for vesting are reduced from ten years to seven years), or 2) complete 20 years of Credited Service, regardless of your age at that time. If you were hired before November 20, 2001, have at least ten years of Credited Service, and separate from service with the Employer **on or after** November 20, 2001, you may elect to begin receiving normal retirement benefits on the date when you would have had 20 years of Credited Service if you had not separated from service with the Employer. If you were hired before November 20, 2001, have at least ten years of Credited Service, but separated from service with the Employer **before** November 20, 2001, then you must wait until the date that you would have had 25 years of Credited Service to begin receiving your normal retirement benefit.

**For employees hired after November 20, 2001**, your Normal Retirement Date is the earlier of the date when you 1) reach age 65 and complete ten years of Credited Service (effective in October of 2006 the service requirements for vesting are reduced from ten years to seven years) , or 2) complete 20 years of Credited Service, regardless of your age at that time. If you are hired after November 20, 2001, have at least ten years of Credited Service, and separate from service with the Employer, you may elect to begin receiving normal retirement benefits on the date when you would have completed 20 years of Credited Service, provided that you have also reached age

55.

**Early Retirement Date**

You are eligible for early retirement when you reach age 55 and complete ten years of Credited Service. Effective in October of 2006, the service requirements are reduced from ten years to seven years for Early Retirement eligibility. Your Early Retirement may be the first of any month following this with reduced benefits as described later.

**Late Retirement Date**

You may continue to work past your Normal Retirement Date. The date you actually stop working will be your Late Retirement Date.

## RETIREMENT BENEFITS

### **Normal Retirement Benefit**

The monthly benefit that you will receive if you retire on your Normal Retirement Date is your Normal Retirement Benefit.

The amount of your Normal Retirement Benefit is based on the following factors:

1. Your Earnings - This is the amount of your basic rate of pay excluding overtime, bonuses, commissions and any other extraordinary compensation.
2. Your Average Monthly Earnings - This is the average of your Earnings during the highest three years preceding retirement or termination for those who separate from service after November 20, 2001.
3. Your years of Credited Service at your Normal Retirement Date.

The calculation of your Normal Retirement Benefit is as follows:

**For Employees who retire on or before 9/30/99:** 2.0% of your Average Monthly Earnings multiplied by your years of Credited Service.

**For Employees who retire after 9/30/99 but prior to 11/20/01:** 2.5% of your Average Monthly Earnings multiplied by your years of Credited Service.

As an example, if your Average Monthly Earnings at a Normal Retirement Date after 9/30/99 (but prior to 11/20/01) is \$2,500 and your Credited Service is 22 years, then the calculation is as follows:

$2.5\% \times \$2,500 \times 22 \text{ years} = \$1,375$  which would be your Normal Retirement Benefit payable each month.

**For Employees who retire on or after 11/20/01:** 2.75% of your Average Monthly Earnings multiplied by your years of Credited Service.

However, if you retire with at least 21 years of Credited Service, the normal retirement benefit is calculated as follows:

- (a) upon completion of 21 years of Credited Service (but less than 22): 2.80% of your Average Monthly Earnings multiplied by all years of Credited Service.
- (b) upon completion of 22 years of Credited Service (but less than 23): 2.85% of your Average Monthly Earnings multiplied by all years of Credited Service.
- (c) upon completion of 23 years of Credited Service (but less than 24): 2.90% of your Average Monthly Earnings multiplied by all years of Credited Service.
- (d) upon completion of 24 years of Credited Service (but less than 25): 2.95% of your Average Monthly Earnings multiplied by all years of Credited Service.
- (e) 25 or more years of Credited Service: 3.00% of your Average Monthly Earnings multiplied by all years of Credited Service.

As an example, if your Average Monthly Earnings at a Normal Retirement Date after 11/20/01 is \$2,500 and your Credited Service is 22 years, then the calculation is as follows:

$2.85\% \times \$2,500 \times 22 \text{ years} = \$1,567.50$  which would be your Normal Retirement Benefit payable each month.



The retirement benefit is paid to you for the rest of your life in accordance with the Normal Form of Benefit Payment as described later (however, see the sections on Death Benefits After Retirement and Election of Optional Forms of Benefit Payments). Your benefits from this Plan are paid in addition to any benefits you may receive from Social Security.

### **Accrued Benefit**

The portion of your Normal Retirement Benefit that you have earned at any point in time is your Accrued Benefit. Your Accrued Benefit is computed in the same way as the Normal Retirement Benefit, except you use your present Average Monthly Earnings and Credited Service in the preceding calculation. The Accrued Benefit is a monthly amount which starts on your Normal Retirement Date.

### **Early Retirement Benefit**

If you decide to retire early, you may receive your Early Retirement Benefit on a deferred basis or immediately.

1. A deferred Early Retirement Benefit means a benefit begins on the date which would have been your Normal Retirement Date had you remained in employment and is paid for the rest of your life. The benefit is equal to your Accrued Benefit.
2. An immediate Early Retirement Benefit means a benefit begins on your Early Retirement Date and is paid for the rest of your life. The benefit is equal to your Accrued Benefit but reduced for the number of months by which the starting date of the benefit precedes the date which would have been your Normal Retirement Date had you remained in employment. The benefit is reduced to take into account the

younger age and earlier commencement of benefit payments. The following table shows how much your benefit will be reduced if payments begin before your Normal Retirement Date:

Number of Years Early	Percentage Reduction
1	6%
2	12
3	18
4	24
5	30
6	36
7	42
8	48
9	54
10	60

### **Late Retirement Benefit**

The amount of your monthly Late Retirement Benefit is calculated and paid in the same way as the Normal Retirement Benefit. However, your Average Monthly Earnings and Credited Service as of your actual retirement date are used in the calculation.

## **SURVIVOR BENEFITS**

### **Before Retirement**

If you pass away before you are vested in the Plan, your designated Beneficiary will receive your accumulated contributions with interest.

If you are eligible for an Early, Normal or Delayed Retirement Benefit but you die before commencement of said benefit, a monthly benefit is payable to your Beneficiary for ten years; the benefit is calculated as though you had retired on your date of death and had chosen the ten Year Certain and Life Annuity Option. If you die with ten or more years of Credited Service but before you are eligible for early retirement, a monthly benefit computed as if you survived until your early retirement date is payable to your Beneficiary for ten years. The named Beneficiary of a non-vested Member may elect to utilize accumulated, unused leave toward credited service at the time of death in order to meet the minimum vesting requirements of the Plan.

### **After Retirement**

If you were receiving a form of retirement payment that provided for a survivor's benefit to be paid after your death, your Beneficiary will receive payments following your death. A later page describes the various forms of retirement payments.

### VESTED RETIREMENT BENEFIT

If you terminate employment, other than by reason of retirement or death, you may be entitled to a deferred Vested Retirement Benefit. This benefit is equal to your Accrued Benefit on your termination date multiplied by your vested interest. The following chart shows your vested interest in your Accrued Benefit.

<b>Vesting Schedule (effective in October of 2006)</b>	
<b>Completed Years of Credited Service</b>	<b>Vested Interest</b>
Less than 7	0%
7 or more	100

The vested benefit is payable on the date which would have been your Normal Retirement Date had you continued in full-time employment. If you wish, you may receive your vested benefit, reduced as for Early Retirement, any time after your 55th birthday.

If you terminate employment with less than ten years of Credited Service, you will receive a refund of your own contributions with interest.

The taxable portion of any refund you receive is subject to an automatic 20% withholding for federal income tax purposes. This tax can be avoided, however, if you roll the taxable portion over to an Individual Retirement Account (IRA) or another qualified employer plan. This rollover will result in no tax being due until you begin withdrawing funds from the IRA or other qualified employer plan. The rollover of the distribution, however, MUST be made directly by the Plan to your chosen IRA or other qualified employer plan.

## FORMS OF BENEFIT PAYMENTS

### **Normal Form of Benefit Payment**

Unless you elect otherwise before retirement, your pension is payable as a Life Annuity. This is a series of monthly payments for your life; upon your death no further payments are made.

### **Election of Optional Forms of Benefit Payments**

You have the right at any time before your actual retirement date to elect not to have your retirement benefit paid in the Normal Form. Your benefit would then be paid in the form which you choose.

You may choose among the options described below and revoke any such elections and make a new election at any time before your actual retirement date. You must make such an election by written request to the Plan Administrator. Such an election shall be subject to the approval of the Plan Administrator. This election also applies to terminated Participants who are eligible for payment of deferred Vested Retirement Benefits. The options available are as follows:

1. **Option 1 - Joint and Last Survivor Annuity**

You may elect to receive a decreased monthly retirement benefit during your lifetime and have such decreased retirement benefit (or a designated fraction thereof) continued after your death to and during the lifetime of your Beneficiary. The amount of the decrease is dependent on your age and the age of your Beneficiary on your retirement date, thus, the amount of the decrease will vary from Member to Member. If your Beneficiary predeceases you, the benefit amount you were receiving will not change. You also may not add or change Beneficiaries after you start receiving your benefits.

2. **Option 2 - Ten Year Certain and Life Thereafter Annuity**

You may elect to receive a decreased retirement benefit with 120 monthly

payments guaranteed. If you die before receiving 120 payments, the payments will continue until a total of 120 payments have been made. If you live longer than ten years, payments are continued for the rest of your life, ceasing upon your death. The amount of the decrease is dependent on your age at retirement; thus, the amount of the decrease will vary from Member to Member. Since the amount of this option is a fixed amount and is guaranteed to be paid for 120 months, you may change and add Beneficiaries at any time (note that you are not permitted to change your Beneficiary if you select a joint and last survivor annuity under Option 1 above).

**3. Option 3 - Other**

You may elect another optional form which is subject to the approval of the Plan Administrator and which is actuarially equivalent to the Normal Form of Benefit.

In no event may the total of benefit payments to you and your Beneficiary be less than your own accumulated contributions.

### **AMENDMENT OR TERMINATION OF THE PLAN**

The Plan may be amended or terminated at any time by the City of Miramar. If the Plan were terminated, you would immediately become fully vested in the benefit you had earned so far. All of the assets of the Plan would be allocated to the Members according to certain classes of priority. Only after all accrued benefits have been paid and any other liabilities have been satisfied could any remaining money be returned to the City.

### **IMPORTANT NOTICE**

There are certain circumstances which may result in the disqualification, ineligibility, denial, loss, forfeiture, suspension or deferral of your benefits in this Plan. The following is a list of these circumstances:

1. If you terminate employment before reaching the Normal or Early Retirement Date and you do not have enough Credited Service to have earned a vested interest, no benefits will be payable except for a return of your own contributions with interest.
2. If you die before attaining a vested interest, no benefits will be payable except for a return of your own contributions with interest.
3. No credit is allowed either for benefit accrual or vesting purposes for any period in which you are not considered a full-time employee.
4. Your retirement benefit will not be payable until your actual retirement date, even if you continue to work beyond the Normal Retirement Date.
5. In the event that this Plan terminates and the available Plan assets are less than the value of all Accrued Benefits, then your Accrued Benefit may be reduced.
6. Your Accrued Benefit may be forfeited if you are convicted of certain felonies as provided by State law (Chapter 112.3173 F.S.).
7. Payment of your benefits may be subject to an income deduction order made pursuant to a state domestic relations law.



## YOUR RESPONSIBILITIES

1. Retain this Summary Plan Description with your other important papers for later reference or for replacement by updated versions and supplemental notices, if any.
2. Upon completing eligibility requirements, sign a Membership Form, including a Beneficiary designation.
3. Keep your Beneficiary designation form updated to express your wishes.
4. If you terminate employment, check to see if you are entitled to a Vested Retirement Benefit and the date payable.
5. If you should terminate employment with rights to a deferred Vested Retirement Benefit, then, shortly before the date on which it is to begin, you should contact and notify the Employer to begin such payments.
6. Upon your retirement under Early or Normal Retirement, complete the form necessary to indicate which Optional Form of Benefit you desire.
7. If your benefits become subject to a dissolution of marriage order, please notify the Plan Administrator.

## CLAIMS AND PROCEDURES

### Claim Procedures

Claims for benefits under the Plan must be filed in writing with the Plan Administrator. If you are eligible for any benefits from this Plan, you will be provided with a notification form showing the amount of your benefit and options, if any, and the earliest date on which such benefit is payable.

Your request for Plan benefits shall be considered a claim for Plan benefits, and it will be subject to a full and fair review. If your claim is wholly or partially denied, the Plan Administrator shall furnish you with a written notice of this denial. This written notice must be provided to you within a reasonable period of time after the receipt of your claim by the Plan Administrator. The written notice must contain the following information:

1. The specific reason or reasons for the denial;
2. Specific reference to those Plan provisions on which the denial is based;
3. A description of any additional information or material necessary to correct your claim and an explanation of why such material or information is necessary; and
4. Appropriate information as to the steps to be taken if you or your Beneficiary wishes to submit your claim for review.

If notice of the denial of a claim is not furnished to you in accordance with the above within a reasonable period of time, your claim shall be deemed denied. You will then be permitted to proceed to the review stage described in the following paragraphs.

If your claim has been denied, and you wish to submit your claim for review, you must follow the Claims Review Procedure.

**Claims Review Procedure**

1. Upon the denial of your claim for benefits, you may file your claim for review, in writing, with the Plan Administrator. The form for this claim for review is available from the Plan Administrator.
2. You must file the claim for review no later than 60 days after you have received written notification of the denial of your claim for benefits.
3. You may review all pertinent documents relating to the denial of your claim and submit any issues and comments, in writing, to the Plan Administrator.
4. Your claim for review must be given a full and fair review. If your claim is denied, the Plan Administrator must provide you with written notice of this denial within 60 days after the Plan Administrator's receipt of your written claim for review. There may be times when this 60 day period may be extended. This extension may only be made, however, where there are special circumstances which are communicated to you in writing within the 60 day period. If there is an extension, a decision shall be made as soon as possible, but not later than 120 days after receipt by the Plan Administrator of your claim for review.
5. The Plan Administrator's decision on your claim for review shall be communicated to you in writing and shall include specific references to the pertinent Plan provisions on which the decision was based.
6. If the Plan Administrator's decision on review is not furnished to you within the time limitations described above, your claim shall be deemed denied on review.

**ARE BENEFITS IN THIS PLAN FORFEITABLE?**

As discussed in this Summary Plan Description, if you separate from service before you are vested (e.g. you have at least ten years of Credited Service), you will not receive any benefits from the Plan, although you are entitled to a refund of your contributions. In addition, benefits are forfeitable pursuant to the provisions of Section 112.3173, Florida Statutes, which provides for the forfeiture of retirement benefits of person convicted of specific criminal offenses.

<b>PERTINENT ACTUARIAL INFORMATION</b>		
	<b>As of October 1st</b>	
	<b>2004</b>	<b>2003</b>
Number of Members of the Plan		
Active Employees	326	331
Those Receiving or Due to Receive Benefits	89	85
Annual Payroll of Active Members	\$12,048,134	\$11,709,816
Annual Rate of Benefits in Pay Status	1,007,201	901,914
Actuarial Accrued Liability	33,325,623	30,441,808
Net Assets Available for Benefits (Actuarial Value)	19,802,166	18,174,348
Unfunded Actuarial Accrued Liability	13,523,457	12,267,460
Required Contribution to be Made to the Plan Over and Above Contributions by Members of the Plan	2,255,591	2,025,037
Required Contribution as % of Payroll of Active Members	17.83%	16.4%
Required Contribution to be Paid During Year Ending	9/30/06	9/30/05

<b>PENSION FUND INCOME AND DISBURSEMENTS</b>		
	<b>Year Ending 9/30/05</b>	<b>Year Ending 9/30/04</b>
<b>Market Value at Beginning of Period</b>	\$ 20,716,758	\$ 17,690,181
<b>Income</b>		
Member Contributions	914,110	856,580
Employer Contributions	2,025,037	1,636,832
Other Contributions	0	0
Net Investment Earnings	1,627,019	1,671,338
Other Income	0	0
Total Income	4,566,166	4,164,750
<b>Disbursements</b>		
Monthly Benefit Payments	1,033,984	934,426
Lump Sum Distributions	0	0
Refunds of Contributions	157,775	143,947
Other Administrative Expenses	83,865	59,800
Other Expenses	0	0
Total Disbursements	1,275,624	1,138,173
<b>Net Increase During Period</b>	3,290,542	3,026,577
<b>Market Value at End of Period</b>	24,007,300	20,716,758

**CITY OF MIRAMAR RETIREMENT PLAN FOR GENERAL EMPLOYEES**

**BENEFICIARY DESIGNATION CERTIFICATE**

TO: BOARD OF TRUSTEES

I hereby make the following BENEFICIARY designation for any survivor benefits due under the above Retirement Plan in the event of my death prior to retirement:

<b><u>NAME OF BENEFICIARY</u></b>	<b><u>RELATIONSHIP</u></b>
Principal: _____	_____
Contingent: _____	_____

If any designated beneficiary shall predecease me, the rights and interest of such beneficiary shall thereupon automatically terminate. If at my death there are no designated principal or contingent beneficiaries, then such benefit shall be payable as specified under the plan to my estate.

I reserve the right to change the designated beneficiaries at any time upon filing a new written request with the Board of Trustees. Updated requests, when received by the Board of Trustees, shall revoke any prior selection or designation of beneficiary. The consent of a beneficiary shall not be required to effectuate any change.

\_\_\_\_\_  
Member Signature

\_\_\_\_\_  
Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip Code

Original received and effective from this \_\_\_\_\_ day of \_\_\_\_\_, 200

(one copy for Board of Trustees; one copy for member)

NOTE: Most recent signed BENEFICIARY designation form controls.

# CITY OF MIRAMAR PENSION TRUST FOR GENERAL EMPLOYEES APPLICATION FOR PENSION BENEFITS

PLEASE PRINT OF TYPE:

1. a. Name of Employee: \_\_\_\_\_  
(Last) (First) (Middle)
- b. Social Security Number: \_\_\_\_\_
- c. Date of Birth: \_\_\_\_\_  
(Attach birth certificate or other proof)
- d. Department you worked for: \_\_\_\_\_
- e. Home Telephone Number: (\_\_\_\_) \_\_\_\_\_
- f. Home Address: \_\_\_\_\_  
(Address) (Street)
- \_\_\_\_\_
- (City) (State) (Zip Code)
- g. Permanent address to which check and correspondence should  
be sent:
- \_\_\_\_\_
- (Address) (Street)
- \_\_\_\_\_
- (City) (State) (Zip Code)
2. a. Are you currently married?      Yes \_\_\_\_\_      No \_\_\_\_\_
- If yes, please complete the following:
- b. Name of Spouse: \_\_\_\_\_  
(Last) (First) (Middle)
- c. Spouse's Social Security Number: \_\_\_\_\_
- d. Spouse's Date of Birth: \_\_\_\_\_  
(Attach proof of date of birth)
- e. Date of Marriage: \_\_\_\_\_  
(Month-Day-Year)



3. Contingent Beneficiary:

- a. Name & relationship: \_\_\_\_\_
- b. Social Security Number: \_\_\_\_\_
- c. Address: \_\_\_\_\_  
\_\_\_\_\_

4. Date you were hired by the City: \_\_\_\_\_  
(Month-Day-Year)

5. Type of retirement for which you are applying (check one):

- \_\_\_\_\_ Normal Retirement
- \_\_\_\_\_ Early Retirement
- \_\_\_\_\_ Service Incurred Disability
- \_\_\_\_\_ Non-Service Incurred Disability
- \_\_\_\_\_ Deferred Vested Retirement

6. I plan to retire on: \_\_\_\_\_  
(Month-Day-Year)

If you are applying for a Disability Benefit:

- a. Date disability commenced: \_\_\_\_\_  
(Month-Day-Year)
- b. Nature and cause of disability: \_\_\_\_\_  
\_\_\_\_\_

c. Did your disability result from any of the following:

YES NO

- \_\_\_ \_\_\_ (1) Use of drugs, intoxicants or narcotics?
- \_\_\_ \_\_\_ (2) Due to a fight, riot or civil insurrection?
- \_\_\_ \_\_\_ (3) While you were committing a crime?
- \_\_\_ \_\_\_ (4) From an injury or disease sustained while you were serving in any armed forces?
- \_\_\_ \_\_\_ (5) After your employment with the City terminated?
- \_\_\_ \_\_\_ (6) While working for one other than the City and arising out of such employment?

**NOTE:** Records must be filed, including copies of a doctor's opinion, medical records and other documentation to show that the disability is total and permanent, and if application is made for a service incurred disability, copies of workers' compensation records and other documentation must also be filed to show the disability occurred while performing service related duties. Also, the Board of Trustees may require you to be examined by a doctor selected by the Board.

I hereby certify that the above statements are true and correct to the best of my knowledge. I understand that a false statement may disqualify me for benefits.

I have reviewed the Designation of Beneficiary Form filed with the Board of Trustees and I hereby certify its accuracy. If I desire to change my designated beneficiary(ies), I will file a new Designation of Beneficiary Form with this Application.

This application revokes any prior applications.

---

EMPLOYEE'S SIGNATURE

---

DATE

---

WITNESS' SIGNATURE

**AFFIDAVIT ACKNOWLEDGING THAT NO QDRO'S EXIST  
DISTRIBUTING ANY PORTION OF MEMBER'S  
BENEFITS DUE FROM THE FUND**

STATE OF FLORIDA)  
COUNTY OF \_\_\_\_\_ )

I, \_\_\_\_\_, being duly sworn, hereby depose and state as follows:

1. I am a member in the **City of Miramar Pension Trust for General Employees** applying for benefits from the Fund.
2. At the time of submission of this application, there is no QDRO that exists distributing any interest in my **City of Miramar Pension Trust for General Employees** account to any former spouse(s).

FURTHER AFFIANT SAYETH NAUGHT.

\_\_\_\_\_  
MEMBER

The foregoing instrument was subscribed, sworn to, and acknowledged before me this \_\_\_ day of \_\_\_\_\_, 200\_\_, by \_\_\_\_\_, who is personally known to me or has produced \_\_\_\_\_ as identification and did/did not take an oath.

\_\_\_\_\_  
Notary Public  
My commission expires:  
\_\_\_\_\_

\_\_\_\_\_  
Printed, Typed or Stamped Name