

City of Gainesville

CONSOLIDATED POLICE OFFICERS' & FIREFIGHTERS' RETIREMENT PLAN



Firefighter's Summary Plan Description
October 1, 2024

Name of the Plan

City of Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan

Introduction

This document is the "Summary Plan Description" (SPD). The SPD introduces the Plan to you and answers the most frequently asked questions about it. It is revised and distributed to members of the Gainesville Police and Fire Pension Plan every two plan years. The plan year runs from October 1st through September 30th. The SPD outlines the plan in summary format. The most recent version will be posted on the Risk Management Intranet site and on the City of Gainesville's website.

This booklet is only a summary. It does not describe all of the detailed provisions of the Plan nor does it address all of the possible situations and complexities that may occur. In addition, since the SPD is only published once every two years, various plan provisions may be changed between printings which could cause discrepancies between the current plan provisions and this booklet. In the event of any conflict in language between the SPD and the authoritative provisions of the Plan as reflected in Governing Laws or regulations enacted thereto, or in the case of an omission or a lack of clarification in the SPD of any Plan provisions, the authoritative provisions of the Plan will supersede the wording in the SPD.

The City of Gainesville (the "City") has established and maintains the City of Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan (the "Plan"). The Plan is a tax-qualified defined benefit plan. Because the Plan is tax-qualified, you will not pay any income tax currently on the contributions you make to the Plan. Instead, you will be taxed when you receive benefits under the Plan, at which time you may be in a lower tax bracket than during your peak earning years. Because the Plan is a defined benefit plan, your ultimate benefit depends upon factors such as your compensation level and service, and the form in which your benefits are paid.

The Plan provides security for retirement in addition to that provided by Social Security and your own personal savings. You are encouraged to establish and maintain your own retirement savings program and not to rely solely on Social Security and employer provided retirement benefits.

You, your beneficiaries and your personal representatives may examine the Plan by visiting the City of Gainesville's website at www.cityofgainesville.org. The ordinance is located under the Clerk of the Commission, Municipal Codes, City of Gainesville Code of Ordinances, Chapter 2 - Administration.

Governing Laws

The City of Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan is a defined benefit pension plan providing retirement, termination, disability and death benefits. The Plan is established under City of Gainesville Code of Ordinances, Article 7, Chapter 2, Division 8. It is intended to comply with the provisions of Chapter 112, Part VII, Florida Statutes; Chapter 22D-1 of the Florida Administrative Code; Chapters 175 and 185, Florida Statutes; and Article X, Section 14 of the Florida Constitution, governing the establishment, operation and administration of plans.

Administration

The five-member Consolidated Board of Trustees is responsible for the overall administration of the Plan and the investment of Plan assets. The Consolidated Board of Trustees is comprised of two City appointees, one police officer who is a member of the Plan, one firefighter who is a member of the Plan, and a fifth member appointed by the other four Trustees. The Police Trustee is a police officer elected by active Police members and the Fire Trustee is a firefighter elected by active Fire members.

Employees in the DROP or reverse DROP are *not* eligible to vote for the Trustee from their area, but are eligible to be elected as a Trustee of the Plan. The fifth member is selected by the other four Trustees and is then, through a ministerial function, confirmed by the City Commission. The Chair of the Board is the designated agent for the service of legal process

Contributions and Funding

The Plan is funded through contributions made by the City, by the State of Florida and by Plan members. Additional funding is received in the form of investment earnings on Plan assets. The City's contribution rate is determined at the end of each fiscal year when an actuary reviews the funding status of the Plan.

As a Firefighter, you are currently required to contribute 9% of your earnings during your years of participation in the Plan. These contributions are deducted and paid to the Plan each bi-weekly pay-day. Contributions cease when you enter the Deferred Retirement Option Program (DROP).

Prior to January 1, 1998, your contributions were made with "after-tax" dollars. After that date, your contributions are made with "pre-tax" dollars. Since pre-1998 contributions have already been taxed, a portion of your benefit received upon termination or retirement is tax-free if contributions were made to the plan prior to January 1, 1998.

Contributions may not be borrowed against or used for collateral; nor may you withdraw them while still an active employee.

All contributions and investment earnings are used for the purpose of providing a benefit to employees upon retirement. If you terminate your employment with the City prior to completing 10 years of service you will receive a refund of your employee contributions less income tax withholding on pre-tax contributions unless you authorize a direct transfer (“rollover”) of your contribution amount to an Individual Retirement Account (IRA) or other tax-qualified plan, in which case your refund will not be subject to income tax withholding. Refunds of pre-tax contributions are taxable income in the year paid, taxed at your normal tax rate.

Eligibility for Retirement Benefits

Participation in the Plan is mandatory for all police officers and firefighters of the City of Gainesville. The Plan has a 10 year vesting period which means if you terminate employment with the City prior to the completion of 10 years of service you will not be eligible to receive a retirement benefit in any form and you will receive only a refund of your contributions to the plan without interest.

There are several ways you become eligible to receive a retirement benefit from the Plan:

Normal Retirement

Your normal retirement date is the time you are first eligible to receive an unreduced retirement benefit based on your age or years of service.

If you were employed prior to January 1, 2014 you will qualify for normal retirement after:

- Accruing 20 years of service credit, regardless of age; or
- Accruing 10 years of service credit and reaching age 55; or
- Attaining a combination of credited service and age that equals seventy (70) referred to as the “Rule of Seventy”. (You have to be vested first)

If your most recent employment date is on or after January 1, 2014, you will qualify for normal retirement after:

- Accruing 25 years of service credit, regardless of age; or
- Accruing at least 10 years of service credit and reaching age 55; or
- Attaining a combination of credited service and age that equals 70 referred to as the “Rule of 70”.

Early Retirement

If you are vested but have not reached your normal retirement date, you may elect to take an early retirement. Members are eligible for early retirement upon attainment of age 50 and completing 10 years of credited service. If you select early retirement the amount of your benefit will be reduced by 3% for each year between your age at retirement and the normal retirement age.

For example:

Normal retirement age is 55 and you are 52 years old with 15 years of service when you elect to retire. Your retirement benefit would be reduced by 9% (3 years x 3% = 9%).

Termination Benefit

If you terminate employment before attaining 10 years of credited service, amounts contributed by you shall be paid without interest to you **or** you may voluntarily leave your contributions in the fund for a period of five years after leaving the employ of the City, pending the possibility of being rehired, without losing credit for the time already worked with the City. If after five years you are not reemployed by the City, your contributions will be refunded without interest.

Termination of employment after attaining 10 years of credited service, allows you to receive a refund of your contributions to the plan **or** elect to remain a vested member of the plan and eligible for a future vested benefit. You may elect to receive these benefits at age 55 without a reduction or beginning at age 50, with a 3% reduction for every year you are under age 55. However, you must apply for these benefits. They will not automatically occur. It is your responsibility to keep your address information up to date with the City for these future benefits to be processed timely.

If you terminate employment and receive a return of your contributions to the plan and you are subsequently rehired by the City, you may buy back your period of prior service by repaying withdrawn contributions plus interest at the plan's most recent actuarial assumed rate of return within 90 days of reemployment.

Normal Retirement Benefits Calculation

There are three components in the calculation of normal retirement benefits. They are your total pension service credit (which is the period in which you are a regular City employee and a member of the Consolidated Pension Plan), final average monthly earnings (FAME) (the average of your pensionable earnings during the 36 month period that produces your highest earnings), and the benefit multiplier.

Sick Leave for Credited Service

For service earned on or after January 1, 2014, no additional months of service will be credited for unused sick leave credits. In calculating credited service on or after January 1, 2014, the lesser number of unused sick leave credits earned on or before December 31, 2013, OR the unused sick leave credits available at the time of retirement will be used.

Vacation Leave

Vacation leave earned and accrued on or after January 1, 2014, will not be used to determine final average monthly earnings for retirement benefit calculations. The lesser number of hours earned pri-

or to December 31, 2013, OR the amount of credited hours at retirement may be used for FAME.

Overtime Hours

Effective January 1, 2014, no more than 300 hours of overtime a year will be used to calculate earnings for retirement benefits.

Once each components have been calculated, they are multiplied times each other as follows:

Service Credit	X	Benefit Multiplier	X	FAME	=	Monthly Retirement Benefit
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Assuming a hire date of July 1, 1995, FAME of \$5,400.00 and retirement date of July 1, 2015, the calculation would be as follows:

10.25 yrs. @ 2.5% credited service before 10/1/05 = 25.625%

8.25 yrs. @ 2.625% credited service 10/1/05 to 12/31/2013 = 21.656%

1.5 yrs. @ 2.5% credited service after 1/1/2014 = 3.75%

Benefit Multiplier = 51.031%

Benefit Multiplier		(FAME)		Monthly Benefit
51.031%	X	\$5,400.00	=	\$2,755.67

Cost of Living Adjustments (COLA)

Retirement benefits are adjusted each October 1st for those reaching eligibility for the Cost of Living Adjustment (COLA) prior to that date. Disability retirees receive a 2% COLA once they reach age 62. You are eligible for COLA adjustments while you are participating in DROP.

COLA's are designated as follows:

- If you have twenty-five (25) years of credited service you will receive a COLA starting the October after you reach age 55.
- If you have twenty (20) years of credited service you will receive a COLA starting the October after you reach age 62.
- If you retire under the Rule of 70 with less than 20 years of service you will receive a COLA starting the October after you reach age 62.

Employees who terminate employment with a deferred vested benefit are not eligible for a COLA.

Payment Options

Your Pension Plan allows you a choice of payment options for retirement after 2007:

Ten Year Life & Certain: This is the assumed option under the plan. The benefit pays you a guaranteed benefit for a minimum of 10 years. Your beneficiary will be guaranteed your benefit for the balance of the 10 year time certain of which you have not received benefits. This benefit will be paid to your named beneficiary of record or if no named beneficiary to your estate.

Life Annuity Option: Maximizes your own personal lifetime income but does not provide for a continuing pension to a beneficiary after you die.

Joint and Survivor Option: Pays an actuarial reduced pension benefit to you for your lifetime and continues to pay your beneficiary 2/3 of the reduced benefit for the rest of their life after your death. If your beneficiary dies first, you will continue to receive your full actuarial reduced monthly benefit without any additional reduction.

Joint and Last Survivor Option: Pays an actuarial reduced pension benefit to you and reduces to a selected percentage upon the death of **either** you or your beneficiary. It doesn't matter who dies first, the benefit will reduce according to the option selected. You may choose from the following reduction options:

- ♦ **100%** - the last survivor will receive the same monthly total benefit you were both receiving. No reduction of monthly benefit will occur.
- ♦ **75%** - the last survivor's monthly benefit will be 75% of the total monthly benefit you were both receiving.
- ♦ **66 2/3%** - the last survivor's monthly benefit will be 66 2/3% of the total monthly benefit you were both receiving.
- ♦ **50%** - the last survivor's monthly benefit will be 50% of the total monthly benefit you were both receiving.

The assumed or default payment option for all members of the plan after 2007 is the Ten Year Life and Certain. Members who select the assumed option or have already declared their Option election at least 90 days prior to retirement or DROP entry need to contact Risk Management at least 30 days prior to their retirement date. If you wish to choose an option other than the assumed payment and have not already completed an option election form you must contact Risk Management at least three months (90 days) before your planned retirement date in order to meet certain time requirements specified in the Plan. You may not make any change in your retirement option within three (3) months of benefit commencement. Your retirement must commence the 1st day of the month following 90 days. For those who retired prior to 2007, you only have Life Annuity, Joint & Survivor,

or Joint & Last Survivor options.

It is also important that you select a tentative payment option once you reach normal retirement eligibility even if you postpone retirement and continue in active service. In the event of your death, this will ensure that your beneficiary receives a retirement benefit according to the option you select. You can change this tentative selection 90 days before retirement.

You may not begin receiving retirement benefits until you have selected a benefit payment option and finalized the application process. After you retire from the plan (retire from employment or enter DROP), you may change your beneficiary designation only twice and each election is subject to approval by the Board of Trustees. You may **NOT** change your annuity option. If you have chosen an option with a joint annuitant, you may change your named joint pensioner but only as allowed by law and only if the previously named annuitant is still alive. Such changes will require your monthly benefit to be recalculated and actuarially adjusted. If you retired prior to 2007, you do not have this option at all to change your beneficiaries twice. You can only change from Life Annuity to Joint & Survivor if become married or from Joint & Survivor to Life Annuity upon divorce of survivor named. All changes would have to be actuarially recalculated and would become effective the 1st of the month following 90 days.

Deferred Retirement Option Plan (DROP)

Regular DROP

When you have completed 25 years of credited service or meet the Rule of 70 as a regular employee, you may elect to “retire” from the Plan but continue to work for the City by entering the Deferred Retirement Option Program (DROP) for up to 96 months or until reaching 33 years of service, whichever occurs earlier. Your retirement benefit will be calculated as if your employment terminated, however it will not be paid to you at that time. Instead, the benefit payments will be paid into a DROP account for you until you actually leave the employment of the City. DROP payments are retained within the Plan and earn interest at a rate of 5.5%* annually compounded monthly (the City assumes all risk for investment). Upon completion of the DROP, you must withdraw your money from the Plan.

*Assumed rates of return can affect your DROP interest rate if plan rate falls below 8.5% as per Ordinance Section 2-600. Corrections will be made back to your date of DROP entry if this occurs. Current interest rate for 10/1/19 is 5.135%.

Effective March 2, 2023 future and current DROP participants who modify their agreements:

If you are promoted while participating in the DROP, you will be entitled to receive the additional promotional increases and continue to be eligible for all wage increases if provided for in the collective bargaining agreement consistent with other members who hold the same position.

Upon DROP entry, you may elect to apply any portion of the lesser of the sick leave hours accrued at DROP entry or the balance as of December 31, 2013, towards service credit. Sick leave hours not used for service credit or not used during DROP will be forfeited upon leaving DROP. You may also elect to receive a cash payment for any portion of your accrued, unused vacation hours at DROP entry or the balance as of December 31, 2013 whichever amount is lower. These hours will be calculated into your FAME if they fall within the highest consecutive months of earnings prior to entry. Any hours not paid for will be available for use in the DROP. Upon leaving the DROP, you will be paid for any unused vacation hours at your current rate of pay as provided by union contract.

Effective January 1, 2014 no more than 300 hours of overtime a year will be used to calculate earnings for retirement benefits.

Monthly benefits accumulating in your DROP account are subject to the retiree cost-of-living adjustments allowed by the plan which will occur every October 1st after you meet eligibility. No additional credited service will be earned after entering DROP except as a re-hired retiree if applicable. Upon entry to DROP, you will not be eligible for a disability retirement under any City disability plan. Members of plans that do not provide separately for general and pay increases must elect to forgo future longevity pay or all future salary increases.

Members with Limited Participant Vested Service

Effective March 1, 2015, members whose limited participant service includes vested service in the City's General Employees' Pension Plan are eligible to participate in regular DROP on the first of the month coincident with or next following the completion of 25 years of limited participant vested service and continuing up to 35 years of service as a regular employee. Members with limited participant vested service:

- Must enter DROP prior to completing 25 years in the Consolidated Plan,
- May not participate in Reverse DROP.
- Are limited to 60 months maximum participation from date of DROP entry or must cease DROP participation at the conclusion of a total of 35 years of limited participant vested service, whichever occurs first.

Except for the aforementioned limitations, members electing to enter the DROP using limited participant vested service are governed by the requirements of regular DROP.

Reverse DROP

To enter the Reverse DROP you must have 25 years of service or meet the rule of 70 at beginning of your DROP period. The maximum allowed time in the reverse DROP is 60 months of credited service including the lesser of sick leave balances 90 days after your declaration to enter the DROP

or the hours at the beginning of the DROP. Vacation payout will be the lesser of the hours at the beginning or end of your DROP participation not to exceed to balance as of January 1, 2014, and are payable at your rate of pay at that time. You will receive a refund of your contributions without interest calculated from the beginning until the end of your DROP. During this same time period you will retain all longevity and pay increases. The end of your DROP and termination of employment must occur no later than 30 years of regular employment. Employment terminates 90 days from the date you have declared to enter the Reverse DROP. Your monthly benefit will earn interest in the plan at the rate of 5.5% annually compounded monthly.

Monthly benefits accumulating in your DROP account are subject to the retiree cost-of-living adjustments allowed by the plan. No additional credited service will be earned after entering DROP except as a re-hired retiree if applicable. Upon entry to DROP you will not be eligible for a disability retirement under any City disability plan.

An example of a DROP OR REVERSE DROP employee's annual balances while in the DROP OR REVERSE DROP is presented below. For an employee whose monthly DROP benefit is \$3000 (\$36,000 annually) and who earns 5.5% interest compounded monthly on his/her DROP balance, the cumulative balance at the end of 5 years in DROP is \$206,642.47.

*Assumed rates of return can affect your DROP interest rate if plan rate falls below 8.5% as per Ordinance Section 2-600. Corrections will be made back to your date of DROP entry if this occurs. Current interest rate for 10/1/19 is 5.135%.

YEAR	DROP OR REVERSE DROP PAYMENTS	INTEREST	CUMULATIVE TOTAL
1	\$36,000	\$921.51	\$36,921.51
2	\$36,000	\$3,004.17	\$75,925.68
3	\$36,000	\$5,204.31	\$117,129.99
4	\$36,000	\$7,528.56	\$160,658.56
5	\$36,000	\$9,983.91	\$206,642.47
TOTAL	\$180,000	\$26,642.47	<u>\$206,642.47</u>

Availability of DROP Assets

After you leave the DROP, you must decide where you want your DROP assets to be transferred. You may either take a cash distribution (subject to income tax withholding) or roll your DROP assets to a City of Gainesville-sponsored 457 Deferred Compensation account, an Individual Retirement Account (IRA), or another retirement plan. Your DROP assets cannot remain in the Plan.

Once you roll your DROP assets out of the pension plan, your DROP assets are considered “qualified plan” assets, and as such, distributions of your DROP assets when you leave the DROP are subject to IRS regulations. All qualified plan asset distributions after age 59½ are penalty-free and are taxed at your normal tax rate. Distributions taken before age 59½ are generally subject to a 10% penalty on top of normal income taxes on the distribution amount. There are two exceptions to this pre-59½ age penalty:

Exception One

Public safety employees may make withdrawals from their employer-sponsored retirement plan penalty-free if they separate from service (leave the DROP) in or after the year in which they turn 50 years of age. Withdrawals under this scenario are taxed at your normal tax rate. Note: If you transfer your DROP assets to an Individual Retirement Account (IRA) or other qualified plan with another employer, you will not be able to take advantage of this exception. DROP assets must be transferred into a City of Gainesville-sponsored 457 Deferred Compensation account in order to be qualified for the public safety employee exception.

Exception Two

This exception involves a “substantially equal payment” selection. Under this choice, you may withdraw DROP plan assets penalty-free if you elect to draw down your DROP assets uniformly over your actuarially determined life expectancy. Your retirement plan administrator (ICMA Retirement Corporation, for example) will assist you with this calculation. Once you make this election, you may not change your distribution amount before 5 years have passed or until you reach age 59½, whichever occurs later. If you change your distribution amount after selecting the “substantially equal payment” option and have not met the above mentioned requirements, you will be assessed an IRS penalty of 10% on all assets you have withdrawn from the plan prior to age 59½.

You are advised to contact your 457 Deferred Compensation Plan or Individual Retirement Plan administrator for further information regarding DROP withdrawals.

Disability Benefits

The monthly benefit for a service-incurred disability is the greater of your accrued benefit as of the date of disability or 42% of your final average monthly earnings. The monthly benefit for a non-service-incurred disability is the greater of your accrued benefit as of the date of

disability or 25% of your final average monthly earnings. Disability payments will continue until the death of the member or until the 120th payment, payable to the designated beneficiary if no option is elected. A member may elect an optional form of benefit (see the Payment Option section). If the member has elected another form of benefit payment, benefits will continue as designated. Monthly benefits will be calculated as follows: 2.5% on years of service prior to October 1, 2005, 2.625% on years of service from October 1, 2005, through December 31, 2013, and 2.5% for service on or after January 1, 2014. You must apply for disability benefits as an active employee of the City of Gainesville before you separate employment.

Eligibility for Disability Benefits

If you receive an injury or disease that permanently prevents regular and continuous duty, you may make application for disability benefits. There is no minimum eligibility requirement if the injury or disease is service-incurred. If the injury or disease is not service-incurred, you must have at least 5 years of service to be eligible to receive disability benefits. Employees participating in the DROP are not eligible for Disability Benefits.

If you wish to apply for disability benefits, you must do so on the forms provided by Risk Management while you are still employed by the City. There is no automatic entitlement to disability benefits and you have the burden of proving that you qualify. The Board of Trustees must approve the disability retirement. All decisions made by the Board of Trustees regarding disability retirement applications are binding and final.

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Denial of Benefits

Any member or beneficiary whose claim for benefits have been denied shall have 60 days to appeal a denial of a claim for benefits to the board. The claimant or his/her duly authorized representative must request an appeal in writing to the board. The Board shall make a decision as promptly as possible but in no event later than 60 days following the written request for review.

Prior Military or Public Safety Service

If you have served as a Firefighter in any state, federal or Local fire services if that service requires a certification consistent with Florida Statute 633.35 or served on active duty in the military prior to employment with the City you may be eligible to purchase this time to be used for service credit towards your retirement. If you are already participating in DROP you may not add additional prior service

your retirement. If you are participating in DROP you may not use prior service for service credit. You may purchase up to five (5) years of service, of which no more than four (4) years can be military at an actuarially determined amount. Service must be purchased in whole year increments if all qualifying years are not purchased at one time. Once every twelve (12) months during the months of November, December and January you may elect to purchase this prior service. Time purchased can not be used for service credit until you have earned ten (10) years of credited service. You may finance the purchase of prior public safety or military service at the plans assumed rate of interest compounded monthly. Payment of "financed" service must be completed prior to entering a regular DROP and prior to declaration of the intention to enter a reverse DROP. Service being purchased may not be used for retirement under any other federal, state or local retirement.

Death Benefits

If an active member dies after reaching normal retirement eligibility and had previously notified Risk Management of a tentative benefit payment option, benefit payments will be made to the beneficiary in accordance with the option the member selected. If the member did not previously notify the Risk Management Department of their intended payment option, the assumed payment option will apply. Please see the Payment Options section for more information.

For an active member who dies before reaching normal retirement eligibility, the death benefit is a refund to the beneficiary of 100% of the member contributions without interest. If an active member with at least 10 years of service dies prior to retirement eligibility, the beneficiary is entitled to the benefits otherwise payable to the employee at early or normal retirement age, based on the accrued benefit at the time of death.

Continuation of retirement benefits after the death of a retiree is contingent on the payment option selected at the time of retirement. If a retiree who has chosen a life annuity dies before receiving benefits greater than his or her contributions to the plan, the beneficiary will receive a lump sum payment equal to the difference between the member's contributions and the amount of retirement benefits received. If a retiree with a 10 year life and certain payment option dies prior to being retired for 10 years, his/her beneficiary will receive the remaining monthly payments up until the total retirement benefit paid reaches 120 months.

Forfeiture of Benefits

If a member willfully and knowingly makes false, misleading or fraudulent statements to obtain benefits under this plan, in addition to criminal penalty upon conviction may have his/her benefits forfeited. Conviction means a determination of guilt that is a result of a plea or trial, regardless of whether adjudication is withheld.

Supplemental Retirement Program for Firefighters

Effective February 1, 2017 regular full-time members hired on or after October 1, 2015 are eligible to participate in the Supplemental Retirement Program for Police Officers. The Supplemental Retirement Program provides an additional retirement benefit when you retire. Participants include eligible active employees, retired members, and members who died in-line-of-duty or military service.

Eligible retired and active employees will receive an initial allocation into individual share accounts for excess Premium Tax Receipts received from 1999 through 2015. Effective 2016, eligible members will receive annual allocations into their share accounts based upon the Premium Tax Receipts received by the Consolidated Board of Trustees.

Eligibility to receive the annual allocation for Premium Tax Receipts received after September 30, 2022 requires membership in the plan for the entire plan year and at least ten (10) years of credited service as of September 30 of each plan year.

Members who leave with less than 10 years of credited service are ineligible for annual and initial allocations. Their allocations will revert to the plan for pro rata allocation to eligible members during the next plan year.

The Consolidated Board of Trustees is responsible for equal distribution of Premium Tax Receipts and allocations to eligible members. The City has no responsibility for operation of the Share Program. All costs, expenses and fees for developing and administering the Share Program shall be paid from Premium Tax Receipts as determined by the Board. Should the Board receive no Premium Tax Receipts or if administrative fees and expenses exceed the Premium Tax received during a calendar year there will be no allocation to share members that year.

When You Are Ready to Retire

Please visit Risk Management's Community Builder Hub [Retirement](#) or contact the Risk Management Department to obtain the necessary application forms needed at 334-5045 prior to your retirement (in accordance with the time requirements shown in the Payment Options section above). This includes entry into the DROP or reverse DROP and commencement of the deferred vested retirement benefit at age 55. You will need to fill out an application for the retirement benefit you are requesting (normal, early, DROP or Reverse DROP, deferred vested, or disability) and choose a payment option if applicable. You should also update your beneficiary information at this time. Please contact Risk Management if you have any questions related to the timeline of your retirement application process. An appointment will be scheduled with you once your paperwork has been received to finalize any necessary documents to begin receiving your monthly benefit.

For Additional Information please contact:

Benefit Information

Risk Management Department
222 East University Ave
Station 60
Gainesville, FL 32602
Phone 334-5045, Fax 334-3102

Investment questions regarding the plan

Treasury Division of the Finance Department
200 East University Ave
Station 8
Gainesville, FL 32602
Phone 334-5044, Fax 334-2271

Board of Trustees Members:

Christopher Silcox , Chairperson
Leah Hayes (Police Officer)
Steve Varvel (City Appointee)
Walter Barry (City Appointee)
Harvey Lewis (Fifth Member)
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EFINITIONS

ACCRUED BENEFIT: The amount of pension which you have “accrued”, or built up, at any given time. An accrued benefit is determined by your length of credited service, the plan multiplier, and your final average monthly earnings. The accrued benefit is frozen at the time a member enters the DROP.

ASSUMED RATE OF RETURN: As per Ordinance Sec. 2-600, “If the plan’s 2006-2007 assumed rate of return of 8.5 percent changes, then the interest rate will be prospectively adjusted from the date of the change to 65 percent of the plan’s new assumed rate of return compounded monthly on the prior months accumulated ending balance up to the month of termination, or death, or established termination date, whichever occurs first.” The current assumed rate of returns are 8.0% effective 10/1/17 and 7.9% effective 10/1/18 which will make the DROP interest rates 5.2% effective 10/1/17 and 5.135% effective 10/1/18.

BENEFICIARY: The person you name to receive a benefit from the plan if one becomes payable in the event of your death. You may change your beneficiary designation prior to retirement by filing a written form with the board through the Risk Management Department. (Note: Changing your City of Gainesville Pension beneficiary does not automatically change your life insurance, or other plan beneficiary designations.)

COLA: Cost of living adjustment designed to mitigate the effects of inflation.

CREDITED SERVICE: The total number of months of service with the City, expressed in terms of full and fractional year(s). Additional months of service may be credited for unused sick leave credits. Absences granted in accordance with appropriate contract provisions or applicable personnel policies (example: sick leave or vacation leave) are not considered an interruption in service. Credited service will be adjusted to account for breaks in service longer than 90 days.

DROP: Deferred Retirement Option Program. An optional program of the City of Gainesville’s retirement systems for deferring retirement income while remaining in the employ of the city.

EARNINGS: The amount of money paid to you by the city for the performance of your duties during any calendar year. Earnings shall mean base pay including all paid leaves, overtime pay, working out of classification pay, longevity pay, state educational incentive pay, and vacation pay. Earnings shall also include police security overtime, special assignment pay, special duty assignment pay, paramedic certification pay, stand-by pay, call-back pay, acting out of classification pay. For members entering a DROP OR REVERSE DROP, earnings may also include the designated lump sum payment of vacation upon

Name of the Plan

City of Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan

Introduction

This document is the "Summary Plan Description" (SPD). The SPD introduces the Plan to you and answers the most frequently asked questions about it. It is revised and distributed to members of the Gainesville Police and Fire Pension Plan every two plan years. The plan year runs from October 1st through September 30th. The SPD outlines the plan in summary format. The most recent version will be posted on the Risk Management Intranet site and on the City of Gainesville's website.

This booklet is only a summary. It does not describe all of the detailed provisions of the Plan nor does it address all of the possible situations and complexities that may occur. In addition, since the SPD is only published once every two years, various plan provisions may be changed between printings which could cause discrepancies between the current plan provisions and this booklet. In the event of any conflict in language between the SPD and the authoritative provisions of the Plan as reflected in Governing Laws or regulations enacted thereto, or in the case of an omission or a lack of clarification in the SPD of any Plan provisions, the authoritative provisions of the Plan will supersede the wording in the SPD.

The City of Gainesville (the "City") has established and maintains the City of Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan (the "Plan"). The Plan is a tax-qualified defined benefit plan. Because the Plan is tax-qualified, you will not pay any income tax currently on the contributions you make to the Plan. Instead, you will be taxed when you receive benefits under the Plan, at which time you may be in a lower tax bracket than during your peak earning years. Because the Plan is a defined benefit plan, your ultimate benefit depends upon factors such as your compensation level and service, and the form in which your benefits are paid.

The Plan provides security for retirement in addition to that provided by Social Security and your own personal savings. You are encouraged to establish and maintain your own retirement savings program and not to rely solely on Social Security and employer provided retirement benefits.

You, your beneficiaries and your personal representatives may examine the Plan by visiting the City of Gainesville's website at www.cityofgainesville.org. The ordinance is located under the Clerk of the Commission, Municipal Codes, City of Gainesville Code of Ordinances, Chapter 2 - Administration.

Governing Laws

The City of Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan is a defined benefit pension plan providing retirement, termination, disability and death benefits. The Plan is established under City of Gainesville Code of Ordinances, Article 7, Chapter 2, Division 8. It is intended to comply with the provisions of Chapter 112, Part VII, Florida Statutes; Chapter 22D-1 of the Florida Administrative Code; Chapters 175 and 185, Florida Statutes; and Article X, Section 14 of the Florida Constitution, governing the establishment, operation and administration of plans.

Administration

The five-member Consolidated Board of Trustees is responsible for the overall administration of the Plan and the investment of Plan assets. The Consolidated Board of Trustees is comprised of two City appointees, one police officer who is a member of the Plan, one firefighter who is a member of the Plan, and a fifth member appointed by the other four Trustees. The Police Trustee is a police officer elected by active Police members and the Fire Trustee is a firefighter elected by active Fire members.

Employees in the DROP or reverse DROP are *not* eligible to vote for the Trustee from their area, but are eligible to be elected as a Trustee of the Plan. The fifth member is selected by the other four Trustees and is then, through a ministerial function, confirmed by the City Commission. The Chair of the Board is the designated agent for the service of legal process

Contributions and Funding

The Plan is funded through contributions made by the City, by the State of Florida and by Plan members. Additional funding is received in the form of investment earnings on Plan assets. The City's contribution rate is determined at the end of each fiscal year when an actuary reviews the funding status of the Plan.

As a Firefighter, you are currently required to contribute 9% of your earnings during your years of participation in the Plan. These contributions are deducted and paid to the Plan each bi-weekly pay-day. Contributions cease when you enter the Deferred Retirement Option Program (DROP).

Prior to January 1, 1998, your contributions were made with "after-tax" dollars. After that date, your contributions are made with "pre-tax" dollars. Since pre-1998 contributions have already been taxed, a portion of your benefit received upon termination or retirement is tax-free if contributions were made to the plan prior to January 1, 1998.

Contributions may not be borrowed against or used for collateral; nor may you withdraw them while still an active employee.

All contributions and investment earnings are used for the purpose of providing a benefit to employees upon retirement. If you terminate your employment with the City prior to completing 10 years of service you will receive a refund of your employee contributions less income tax withholding on pre-tax contributions unless you authorize a direct transfer (“rollover”) of your contribution amount to an Individual Retirement Account (IRA) or other tax-qualified plan, in which case your refund will not be subject to income tax withholding. Refunds of pre-tax contributions are taxable income in the year paid, taxed at your normal tax rate.

Eligibility for Retirement Benefits

Participation in the Plan is mandatory for all police officers and firefighters of the City of Gainesville. The Plan has a 10 year vesting period which means if you terminate employment with the City prior to the completion of 10 years of service you will not be eligible to receive a retirement benefit in any form and you will receive only a refund of your contributions to the plan without interest.

There are several ways you become eligible to receive a retirement benefit from the Plan:

Normal Retirement

Your normal retirement date is the time you are first eligible to receive an unreduced retirement benefit based on your age or years of service.

If you were employed prior to January 1, 2014 you will qualify for normal retirement after:

- Accruing 20 years of service credit, regardless of age; or
- Accruing 10 years of service credit and reaching age 55; or
- Attaining a combination of credited service and age that equals seventy (70) referred to as the “Rule of Seventy”. (You have to be vested first)

If your most recent employment date is on or after January 1, 2014, you will qualify for normal retirement after:

- Accruing 25 years of service credit, regardless of age; or
- Accruing at least 10 years of service credit and reaching age 55; or
- Attaining a combination of credited service and age that equals 70 referred to as the “Rule of 70”.

Early Retirement

If you are vested but have not reached your normal retirement date, you may elect to take an early retirement. Members are eligible for early retirement upon attainment of age 50 and completing 10 years of credited service. If you select early retirement the amount of your benefit will be reduced by 3% for each year between your age at retirement and the normal retirement age.

For example:

Normal retirement age is 55 and you are 52 years old with 15 years of service when you elect to retire. Your retirement benefit would be reduced by 9% (3 years x 3% = 9%).

Termination Benefit

If you terminate employment before attaining 10 years of credited service, amounts contributed by you shall be paid without interest to you **or** you may voluntarily leave your contributions in the fund for a period of five years after leaving the employ of the City, pending the possibility of being rehired, without losing credit for the time already worked with the City. If after five years you are not reemployed by the City, your contributions will be refunded without interest.

Termination of employment after attaining 10 years of credited service, allows you to receive a refund of your contributions to the plan **or** elect to remain a vested member of the plan and eligible for a future vested benefit. You may elect to receive these benefits at age 55 without a reduction or beginning at age 50, with a 3% reduction for every year you are under age 55. However, you must apply for these benefits. They will not automatically occur. It is your responsibility to keep your address information up to date with the City for these future benefits to be processed timely.

If you terminate employment and receive a return of your contributions to the plan and you are subsequently rehired by the City, you may buy back your period of prior service by repaying withdrawn contributions plus interest at the plan's most recent actuarial assumed rate of return within 90 days of reemployment.

Normal Retirement Benefits Calculation

There are three components in the calculation of normal retirement benefits. They are your total pension service credit (which is the period in which you are a regular City employee and a member of the Consolidated Pension Plan), final average monthly earnings (FAME) (the average of your pensionable earnings during the 36 month period that produces your highest earnings), and the benefit multiplier.

Sick Leave for Credited Service

For service earned on or after January 1, 2014, no additional months of service will be credited for unused sick leave credits. In calculating credited service on or after January 1, 2014, the lesser number of unused sick leave credits earned on or before December 31, 2013, OR the unused sick leave credits available at the time of retirement will be used.

Vacation Leave

Vacation leave earned and accrued on or after January 1, 2014, will not be used to determine final average monthly earnings for retirement benefit calculations. The lesser number of hours earned pri-

or to December 31, 2013, OR the amount of credited hours at retirement may be used for FAME.

Overtime Hours

Effective January 1, 2014, no more than 300 hours of overtime a year will be used to calculate earnings for retirement benefits.

Once each components have been calculated, they are multiplied times each other as follows:

Service Credit	X	Benefit Multiplier	X	FAME	=	Monthly Retirement Benefit
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Assuming a hire date of July 1, 1995, FAME of \$5,400.00 and retirement date of July 1, 2015, the calculation would be as follows:

10.25 yrs. @ 2.5% credited service before 10/1/05 = 25.625%

8.25 yrs. @ 2.625% credited service 10/1/05 to 12/31/2013 = 21.656%

1.5 yrs. @ 2.5% credited service after 1/1/2014 = 3.75%

Benefit Multiplier = 51.031%

Benefit Multiplier		(FAME)		Monthly Benefit
51.031%	X	\$5,400.00	=	\$2,755.67

Cost of Living Adjustments (COLA)

Retirement benefits are adjusted each October 1st for those reaching eligibility for the Cost of Living Adjustment (COLA) prior to that date. Disability retirees receive a 2% COLA once they reach age 62. You are eligible for COLA adjustments while you are participating in DROP.

COLA's are designated as follows:

- If you have twenty-five (25) years of credited service you will receive a COLA starting the October after you reach age 55.
- If you have twenty (20) years of credited service you will receive a COLA starting the October after you reach age 62.
- If you retire under the Rule of 70 with less than 20 years of service you will receive a COLA starting the October after you reach age 62.

Employees who terminate employment with a deferred vested benefit are not eligible for a COLA.

Payment Options

Your Pension Plan allows you a choice of payment options for retirement after 2007:

Ten Year Life & Certain: This is the assumed option under the plan. The benefit pays you a guaranteed benefit for a minimum of 10 years. Your beneficiary will be guaranteed your benefit for the balance of the 10 year time certain of which you have not received benefits. This benefit will be paid to your named beneficiary of record or if no named beneficiary to your estate.

Life Annuity Option: Maximizes your own personal lifetime income but does not provide for a continuing pension to a beneficiary after you die.

Joint and Survivor Option: Pays an actuarial reduced pension benefit to you for your lifetime and continues to pay your beneficiary 2/3 of the reduced benefit for the rest of their life after your death. If your beneficiary dies first, you will continue to receive your full actuarial reduced monthly benefit without any additional reduction.

Joint and Last Survivor Option: Pays an actuarial reduced pension benefit to you and reduces to a selected percentage upon the death of **either** you or your beneficiary. It doesn't matter who dies first, the benefit will reduce according to the option selected. You may choose from the following reduction options:

- ♦ **100%** - the last survivor will receive the same monthly total benefit you were both receiving. No reduction of monthly benefit will occur.
- ♦ **75%** - the last survivor's monthly benefit will be 75% of the total monthly benefit you were both receiving.
- ♦ **66 2/3%** - the last survivor's monthly benefit will be 66 2/3% of the total monthly benefit you were both receiving.
- ♦ **50%** - the last survivor's monthly benefit will be 50% of the total monthly benefit you were both receiving.

The assumed or default payment option for all members of the plan after 2007 is the Ten Year Life and Certain. Members who select the assumed option or have already declared their Option election at least 90 days prior to retirement or DROP entry need to contact Risk Management at least 30 days prior to their retirement date. If you wish to choose an option other than the assumed payment and have not already completed an option election form you must contact Risk Management at least three months (90 days) before your planned retirement date in order to meet certain time requirements specified in the Plan. You may not make any change in your retirement option within three (3) months of benefit commencement. Your retirement must commence the 1st day of the month following 90 days. For those who retired prior to 2007, you only have Life Annuity, Joint & Survivor,

or Joint & Last Survivor options.

It is also important that you select a tentative payment option once you reach normal retirement eligibility even if you postpone retirement and continue in active service. In the event of your death, this will ensure that your beneficiary receives a retirement benefit according to the option you select. You can change this tentative selection 90 days before retirement.

You may not begin receiving retirement benefits until you have selected a benefit payment option and finalized the application process. After you retire from the plan (retire from employment or enter DROP), you may change your beneficiary designation only twice and each election is subject to approval by the Board of Trustees. You may **NOT** change your annuity option. If you have chosen an option with a joint annuitant, you may change your named joint pensioner but only as allowed by law and only if the previously named annuitant is still alive. Such changes will require your monthly benefit to be recalculated and actuarially adjusted. If you retired prior to 2007, you do not have this option at all to change your beneficiaries twice. You can only change from Life Annuity to Joint & Survivor if become married or from Joint & Survivor to Life Annuity upon divorce of survivor named. All changes would have to be actuarially recalculated and would become effective the 1st of the month following 90 days.

Deferred Retirement Option Plan (DROP)

Regular DROP

When you have completed 25 years of credited service or meet the Rule of 70 as a regular employee, you may elect to “retire” from the Plan but continue to work for the City by entering the Deferred Retirement Option Program (DROP) for up to 96 months or until reaching 33 years of service, whichever occurs earlier. Your retirement benefit will be calculated as if your employment terminated, however it will not be paid to you at that time. Instead, the benefit payments will be paid into a DROP account for you until you actually leave the employment of the City. DROP payments are retained within the Plan and earn interest at a rate of 5.5%* annually compounded monthly (the City assumes all risk for investment). Upon completion of the DROP, you must withdraw your money from the Plan.

*Assumed rates of return can affect your DROP interest rate if plan rate falls below 8.5% as per Ordinance Section 2-600. Corrections will be made back to your date of DROP entry if this occurs. Current interest rate for 10/1/19 is 5.135%.

Effective March 2, 2023 future and current DROP participants who modify their agreements:

If you are promoted while participating in the DROP, you will be entitled to receive the additional promotional increases and continue to be eligible for all wage increases if provided for in the collective bargaining agreement consistent with other members who hold the same position.

Upon DROP entry, you may elect to apply any portion of the lesser of the sick leave hours accrued at DROP entry or the balance as of December 31, 2013, towards service credit. Sick leave hours not used for service credit or not used during DROP will be forfeited upon leaving DROP. You may also elect to receive a cash payment for any portion of your accrued, unused vacation hours at DROP entry or the balance as of December 31, 2013 whichever amount is lower. These hours will be calculated into your FAME if they fall within the highest consecutive months of earnings prior to entry. Any hours not paid for will be available for use in the DROP. Upon leaving the DROP, you will be paid for any unused vacation hours at your current rate of pay as provided by union contract.

Effective January 1, 2014 no more than 300 hours of overtime a year will be used to calculate earnings for retirement benefits.

Monthly benefits accumulating in your DROP account are subject to the retiree cost-of-living adjustments allowed by the plan which will occur every October 1st after you meet eligibility. No additional credited service will be earned after entering DROP except as a re-hired retiree if applicable. Upon entry to DROP, you will not be eligible for a disability retirement under any City disability plan. Members of plans that do not provide separately for general and pay increases must elect to forgo future longevity pay or all future salary increases.

Members with Limited Participant Vested Service

Effective March 1, 2015, members whose limited participant service includes vested service in the City's General Employees' Pension Plan are eligible to participate in regular DROP on the first of the month coincident with or next following the completion of 25 years of limited participant vested service and continuing up to 35 years of service as a regular employee. Members with limited participant vested service:

- Must enter DROP prior to completing 25 years in the Consolidated Plan,
- May not participate in Reverse DROP.
- Are limited to 60 months maximum participation from date of DROP entry or must cease DROP participation at the conclusion of a total of 35 years of limited participant vested service, whichever occurs first.

Except for the aforementioned limitations, members electing to enter the DROP using limited participant vested service are governed by the requirements of regular DROP.

Reverse DROP

To enter the Reverse DROP you must have 25 years of service or meet the rule of 70 at beginning of your DROP period. The maximum allowed time in the reverse DROP is 60 months of credited service including the lesser of sick leave balances 90 days after your declaration to enter the DROP

or the hours at the beginning of the DROP. Vacation payout will be the lesser of the hours at the beginning or end of your DROP participation not to exceed to balance as of January 1, 2014, and are payable at your rate of pay at that time. You will receive a refund of your contributions without interest calculated from the beginning until the end of your DROP. During this same time period you will retain all longevity and pay increases. The end of your DROP and termination of employment must occur no later than 30 years of regular employment. Employment terminates 90 days from the date you have declared to enter the Reverse DROP. Your monthly benefit will earn interest in the plan at the rate of 5.5% annually compounded monthly.

Monthly benefits accumulating in your DROP account are subject to the retiree cost-of-living adjustments allowed by the plan. No additional credited service will be earned after entering DROP except as a re-hired retiree if applicable. Upon entry to DROP you will not be eligible for a disability retirement under any City disability plan.

An example of a DROP OR REVERSE DROP employee's annual balances while in the DROP OR REVERSE DROP is presented below. For an employee whose monthly DROP benefit is \$3000 (\$36,000 annually) and who earns 5.5% interest compounded monthly on his/her DROP balance, the cumulative balance at the end of 5 years in DROP is \$206,642.47.

*Assumed rates of return can affect your DROP interest rate if plan rate falls below 8.5% as per Ordinance Section 2-600. Corrections will be made back to your date of DROP entry if this occurs. Current interest rate for 10/1/19 is 5.135%.

YEAR	DROP OR REVERSE DROP PAYMENTS	INTEREST	CUMULATIVE TOTAL
1	\$36,000	\$921.51	\$36,921.51
2	\$36,000	\$3,004.17	\$75,925.68
3	\$36,000	\$5,204.31	\$117,129.99
4	\$36,000	\$7,528.56	\$160,658.56
5	\$36,000	\$9,983.91	\$206,642.47
TOTAL	\$180,000	\$26,642.47	<u>\$206,642.47</u>

Availability of DROP Assets

After you leave the DROP, you must decide where you want your DROP assets to be transferred. You may either take a cash distribution (subject to income tax withholding) or roll your DROP assets to a City of Gainesville-sponsored 457 Deferred Compensation account, an Individual Retirement Account (IRA), or another retirement plan. Your DROP assets cannot remain in the Plan.

Once you roll your DROP assets out of the pension plan, your DROP assets are considered “qualified plan” assets, and as such, distributions of your DROP assets when you leave the DROP are subject to IRS regulations. All qualified plan asset distributions after age 59½ are penalty-free and are taxed at your normal tax rate. Distributions taken before age 59½ are generally subject to a 10% penalty on top of normal income taxes on the distribution amount. There are two exceptions to this pre-59½ age penalty:

Exception One

Public safety employees may make withdrawals from their employer-sponsored retirement plan penalty-free if they separate from service (leave the DROP) in or after the year in which they turn 50 years of age. Withdrawals under this scenario are taxed at your normal tax rate. Note: If you transfer your DROP assets to an Individual Retirement Account (IRA) or other qualified plan with another employer, you will not be able to take advantage of this exception. DROP assets must be transferred into a City of Gainesville-sponsored 457 Deferred Compensation account in order to be qualified for the public safety employee exception.

Exception Two

This exception involves a “substantially equal payment” selection. Under this choice, you may withdraw DROP plan assets penalty-free if you elect to draw down your DROP assets uniformly over your actuarially determined life expectancy. Your retirement plan administrator (ICMA Retirement Corporation, for example) will assist you with this calculation. Once you make this election, you may not change your distribution amount before 5 years have passed or until you reach age 59½, whichever occurs later. If you change your distribution amount after selecting the “substantially equal payment” option and have not met the above mentioned requirements, you will be assessed an IRS penalty of 10% on all assets you have withdrawn from the plan prior to age 59½.

You are advised to contact your 457 Deferred Compensation Plan or Individual Retirement Plan administrator for further information regarding DROP withdrawals.

Disability Benefits

The monthly benefit for a service-incurred disability is the greater of your accrued benefit as of the date of disability or 42% of your final average monthly earnings. The monthly benefit for a non-service-incurred disability is the greater of your accrued benefit as of the date of

disability or 25% of your final average monthly earnings. Disability payments will continue until the death of the member or until the 120th payment, payable to the designated beneficiary if no option is elected. A member may elect an optional form of benefit (see the Payment Option section). If the member has elected another form of benefit payment, benefits will continue as designated. Monthly benefits will be calculated as follows: 2.5% on years of service prior to October 1, 2005, 2.625% on years of service from October 1, 2005, through December 31, 2013, and 2.5% for service on or after January 1, 2014. You must apply for disability benefits as an active employee of the City of Gainesville before you separate employment.

Eligibility for Disability Benefits

If you receive an injury or disease that permanently prevents regular and continuous duty, you may make application for disability benefits. There is no minimum eligibility requirement if the injury or disease is service-incurred. If the injury or disease is not service-incurred, you must have at least 5 years of service to be eligible to receive disability benefits. Employees participating in the DROP are not eligible for Disability Benefits.

If you wish to apply for disability benefits, you must do so on the forms provided by Risk Management while you are still employed by the City. There is no automatic entitlement to disability benefits and you have the burden of proving that you qualify. The Board of Trustees must approve the disability retirement. All decisions made by the Board of Trustees regarding disability retirement applications are binding and final.

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Denial of Benefits

Any member or beneficiary whose claim for benefits have been denied shall have 60 days to appeal a denial of a claim for benefits to the board. The claimant or his/her duly authorized representative must request an appeal in writing to the board. The Board shall make a decision as promptly as possible but in no event later than 60 days following the written request for review.

Prior Military or Public Safety Service

If you have served as a Firefighter in any state, federal or Local fire services if that service requires a certification consistent with Florida Statute 633.35 or served on active duty in the military prior to employment with the City you may be eligible to purchase this time to be used for service credit towards your retirement. If you are already participating in DROP you may not add additional prior service

your retirement. If you are participating in DROP you may not use prior service for service credit. You may purchase up to five (5) years of service, of which no more than four (4) years can be military at an actuarially determined amount. Service must be purchased in whole year increments if all qualifying years are not purchased at one time. Once every twelve (12) months during the months of November, December and January you may elect to purchase this prior service. Time purchased can not be used for service credit until you have earned ten (10) years of credited service. You may finance the purchase of prior public safety or military service at the plans assumed rate of interest compounded monthly. Payment of "financed" service must be completed prior to entering a regular DROP and prior to declaration of the intention to enter a reverse DROP. Service being purchased may not be used for retirement under any other federal, state or local retirement.

Death Benefits

If an active member dies after reaching normal retirement eligibility and had previously notified Risk Management of a tentative benefit payment option, benefit payments will be made to the beneficiary in accordance with the option the member selected. If the member did not previously notify the Risk Management Department of their intended payment option, the assumed payment option will apply. Please see the Payment Options section for more information.

For an active member who dies before reaching normal retirement eligibility, the death benefit is a refund to the beneficiary of 100% of the member contributions without interest. If an active member with at least 10 years of service dies prior to retirement eligibility, the beneficiary is entitled to the benefits otherwise payable to the employee at early or normal retirement age, based on the accrued benefit at the time of death.

Continuation of retirement benefits after the death of a retiree is contingent on the payment option selected at the time of retirement. If a retiree who has chosen a life annuity dies before receiving benefits greater than his or her contributions to the plan, the beneficiary will receive a lump sum payment equal to the difference between the member's contributions and the amount of retirement benefits received. If a retiree with a 10 year life and certain payment option dies prior to being retired for 10 years, his/her beneficiary will receive the remaining monthly payments up until the total retirement benefit paid reaches 120 months.

Forfeiture of Benefits

If a member willfully and knowingly makes false, misleading or fraudulent statements to obtain benefits under this plan, in addition to criminal penalty upon conviction may have his/her benefits forfeited. Conviction means a determination of guilt that is a result of a plea or trial, regardless of whether adjudication is withheld.

Supplemental Retirement Program for Firefighters

Effective February 1, 2017 regular full-time members hired on or after October 1, 2015 are eligible to participate in the Supplemental Retirement Program for Police Officers. The Supplemental Retirement Program provides an additional retirement benefit when you retire. Participants include eligible active employees, retired members, and members who died in-line-of-duty or military service.

Eligible retired and active employees will receive an initial allocation into individual share accounts for excess Premium Tax Receipts received from 1999 through 2015. Effective 2016, eligible members will receive annual allocations into their share accounts based upon the Premium Tax Receipts received by the Consolidated Board of Trustees.

Eligibility to receive the annual allocation for Premium Tax Receipts received after September 30, 2022 requires membership in the plan for the entire plan year and at least ten (10) years of credited service as of September 30 of each plan year.

Members who leave with less than 10 years of credited service are ineligible for annual and initial allocations. Their allocations will revert to the plan for pro rata allocation to eligible members during the next plan year.

The Consolidated Board of Trustees is responsible for equal distribution of Premium Tax Receipts and allocations to eligible members. The City has no responsibility for operation of the Share Program. All costs, expenses and fees for developing and administering the Share Program shall be paid from Premium Tax Receipts as determined by the Board. Should the Board receive no Premium Tax Receipts or if administrative fees and expenses exceed the Premium Tax received during a calendar year there will be no allocation to share members that year.

When You Are Ready to Retire

Please visit Risk Management's Community Builder Hub [Retirement](#) or contact the Risk Management Department to obtain the necessary application forms needed at 334-5045 prior to your retirement (in accordance with the time requirements shown in the Payment Options section above). This includes entry into the DROP or reverse DROP and commencement of the deferred vested retirement benefit at age 55. You will need to fill out an application for the retirement benefit you are requesting (normal, early, DROP or Reverse DROP, deferred vested, or disability) and choose a payment option if applicable. You should also update your beneficiary information at this time. Please contact Risk Management if you have any questions related to the timeline of your retirement application process. An appointment will be scheduled with you once your paperwork has been received to finalize any necessary documents to begin receiving your monthly benefit.

For Additional Information please contact:

Benefit Information

Risk Management Department
222 East University Ave
Station 60
Gainesville, FL 32602
Phone 334-5045, Fax 334-3102

Investment questions regarding the plan

Treasury Division of the Finance Department
200 East University Ave
Station 8
Gainesville, FL 32602
Phone 334-5044, Fax 334-2271

Board of Trustees Members:

Christopher Silcox , Chairperson
Leah Hayes (Police Officer)
Steve Varvel (City Appointee)
Walter Barry (City Appointee)
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ACCRUED BENEFIT: The amount of pension which you have “accrued”, or built up, at any given time. An accrued benefit is determined by your length of credited service, the plan multiplier, and your final average monthly earnings. The accrued benefit is frozen at the time a member enters the DROP.

ASSUMED RATE OF RETURN: As per Ordinance Sec. 2-600, “If the plan’s 2006-2007 assumed rate of return of 8.5 percent changes, then the interest rate will be prospectively adjusted from the date of the change to 65 percent of the plan’s new assumed rate of return compounded monthly on the prior months accumulated ending balance up to the month of termination, or death, or established termination date, whichever occurs first.” The current assumed rate of returns are 8.0% effective 10/1/17 and 7.9% effective 10/1/18 which will make the DROP interest rates 5.2% effective 10/1/17 and 5.135% effective 10/1/18.

BENEFICIARY: The person you name to receive a benefit from the plan if one becomes payable in the event of your death. You may change your beneficiary designation prior to retirement by filing a written form with the board through the Risk Management Department. (Note: Changing your City of Gainesville Pension beneficiary does not automatically change your life insurance, or other plan beneficiary designations.)

COLA: Cost of living adjustment designed to mitigate the effects of inflation.

CREDITED SERVICE: The total number of months of service with the City, expressed in terms of full and fractional year(s). Additional months of service may be credited for unused sick leave credits. Absences granted in accordance with appropriate contract provisions or applicable personnel policies (example: sick leave or vacation leave) are not considered an interruption in service. Credited service will be adjusted to account for breaks in service longer than 90 days.

DROP: Deferred Retirement Option Program. An optional program of the City of Gainesville’s retirement systems for deferring retirement income while remaining in the employ of the city.

EARNINGS: The amount of money paid to you by the city for the performance of your duties during any calendar year. Earnings shall mean base pay including all paid leaves, overtime pay, working out of classification pay, longevity pay, state educational incentive pay, and vacation pay. Earnings shall also include police security overtime, special assignment pay, special duty assignment pay, paramedic certification pay, stand-by pay, call-back pay, acting out of classification pay. For members entering a DROP OR REVERSE DROP, earnings may also include the designated lump sum payment of vacation upon