

*The Altamonte Springs Retirement System*

# GENERAL EMPLOYEES' PENSION PLAN



**A Retirement Guide for  
Regular Employees**

January 2012 Edition

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## INTRODUCTION

Upon hiring, all full time City employees (and elected officials upon election) are automatically enrolled in one of the employee pension plans offered by the City. These include:

- The Florida Retirement System (FRS) – Includes all full-time employees hired prior to January 1, 1996.
- The Altamonte Springs Police Officers Pension Plan – Includes all full-time Police Officers hired on or after January 1, 1996.
- The Altamonte Springs General Employees Pension Plan – Includes full-time employees other than Police Officers hired on or after January 1, 1996
- The Altamonte Springs Employees Investment Plan – Includes General Employees who have elected to move from the General Employees Pension Plan to the Employees Investment Plan.

For pension purposes full-time employees carry one of several classifications. These include:

- Police Officer - Sworn Police Officers
- General Employee - all full time employees other than Police Officers further classified as either –
  - Regular Employee - General Employees other than Senior Management
  - Senior Management – Department Directors, City Manager, and Elected Officials.

This *Summary Plan Description* has been prepared for **Regular Employees** enrolled in the **General Employees' Defined Benefit Pension Plan**. There are separate summary plan descriptions for the Police Officers' Pension Plan and the Employee Investment Plan. This guide explains your retirement plan - its benefits and policies, and your rights as a member of the City of Altamonte Springs General Employees' Pension Plan. Membership in the Pension Plan is an important fringe benefit provided to you by the City.

This guide is a basic employee handbook and is intended to be a reference for you. Inside you will find explanations of certain provisions of your Pension Plan. You are encouraged to study these provisions in order to become familiar with the benefits provided by the Plan. If you have any questions regarding any provision of the Plan, please contact the City's Human Resources Department. They will be happy to answer your questions or obtain an answer for you.

This document is only a brief explanation of the Plan. The full Plan can be found in the City of Altamonte Springs Code of Ordinances under Chapter II, Administration, Article

II, Retirement, Division 1, General Employees' Pension Plan. If there are any conflicts between this document and the ordinances of the City of Altamonte Springs, the ordinances will govern. A copy of the ordinances governing the Plan can be obtained from the City Clerk.

## BASIC PLAN INFORMATION

<b>Name of Plan</b>	The Altamonte Springs General Employees' Pension Plan (the Plan).
<b>Type of Plan</b>	The Plan is a defined benefit plan, qualified under section 401(a) of the Internal Revenue Code.
<b>Administration</b>	<p>The Plan is administered by the Altamonte Springs General Employees' Pension Plan Board of Trustees (Code Ch. 2-16.03). The City Commission serves as the Board of Trustees. Their address is:</p> <p>City Commission, City of Altamonte Springs 225 Newburyport Avenue Altamonte Springs, FL 32701</p>
<b>Service of Legal Process</b>	<p>The City Manager is the person designated for service of legal process. The contact information is:</p> <p>City Manager City of Altamonte Springs 225 Newburyport Avenue Altamonte Springs, FL 32701</p>
<b>Provisions of Law</b>	The Plan was established in 1995 and is operated pursuant to Chapter 112, Florida Statutes, City Code of Ordinances ("Code"), Chapter 2, Article II, Division 1, and certain other City ordinances and resolutions.
<b>Funding</b>	The Plan is contributory meaning contributions come from both the City and employees. However, only those employees hired on or after January 1, 2012, are required to make contributions to the Plan (Code Ch. 2-16.05).
<b>Plan Year</b>	The plan year is October 1 <sup>st</sup> through September 30 <sup>th</sup> .
<b>Employment Rights Not Implied</b>	Membership in the Plan does not give you the right to be retained in the employ of the City, nor does it give you a right or claim to any benefit you have not accrued under the terms of the Plan.

## BOARD OF TRUSTEES

The City of Altamonte Springs General Employees' Pension Plan is a defined benefit pension plan administered by the City Commission acting as the Board of Trustees (Code Ch. 2-16.03).

## MEMBERSHIP

### Membership in the Plan

Each full-time employee hired on or after January 1, 1996, and *not* classified as a sworn City Police Officer becomes a Plan Member as a condition of employment (Code Ch. 2-16.02(1)).

### Optional Retirement Program

The ***Altamonte Springs Employees Investment Plan*** is the defined contribution plan alternative to the Altamonte Springs General Employee's Defined Benefit Pension Plan available to all General Employees not in the Florida Retirement System.

Any member of the Defined Benefit plan can, at any time prior to retirement or leaving the City, chose to opt out of the Defined Benefit Plan and join the Investment Plan. If you chose this option the City will transfer from the Defined Benefit Plan to the Investment Plan an amount of money equal to the present value of your accumulated benefit obligation under the Plan. The Investment Plan is contributory for ALL participants regardless of when hired. ALL members are required to contribute one-percent (1%) of compensation to the Plan. ***The decision to transfer from the Defined Benefit program to the Investment Plan is irrevocable. You cannot go back again.*** (Code Ch. 2-16.02(5)).

For more information on the Investment Plan contact the Human Resources Department.

### Social Security Coverage

As a City employee you are automatically covered for Social Security and Medicare. Your pension plan benefits provided through the General Employees' Pension Plan are not offset (reduced) by Social Security benefits you receive. Social Security contributions are automatically deducted from your salary and matched by the City. Although Social Security coverage is a part of your overall benefit package, the City has no control over your Social Security or Medicare benefit payments. Information on Social Security or Medicare benefits can be obtained from the local Social Security office or call the toll-free number, 1-800-772-1213, or visit their website at [www.ssa.gov](http://www.ssa.gov).

### Deferred Compensation Program

In addition to the pension benefits provided by the Pension Plan, as a City employee you have the opportunity to participate in the City's deferred compensation program operated under Section 457 of the Internal Revenue Code. This program provides you the opportunity to build a retirement savings separate and distinct from the Pension Plan and reduce your current taxes.

You can elect to defer a portion of your compensation on a pre-tax basis through payroll deduction. This pre-tax advantage allows you to defer federal income taxes on the amount you invest, as well as earnings on your investments, until you withdraw your money from the program, usually during retirement when you may be in a lower tax bracket. The amounts you withdraw from your deferred compensation account are in addition to pension plan benefits or any other benefits you may receive.

This program is completely voluntary with deposits into your deferred compensation account made solely by you. Your pension plan benefits provided through the General Employees' Pension Plan are not affected in any way by your participation in the deferred compensation program. Further information can be obtained from the City's Human Resources Department.

## CONTRIBUTIONS

The Plan is an employee contributory plan. This means some employees are required to contribute to the Plan except for purchased creditable service.

General Employees hired prior to January 1, 2012 are not required to contribute to the Plan. General Employees hired on or after January 1, 2012 are required to contribute one percent (1%) of compensation to the Plan. Use of these funds is restricted for the sole purpose of funding the Plan (Code Ch. 2-16.05).

### Refund of Contributions

You may request a refund of contributions you made to the Plan if you terminate all employment with the City. Your refund will not include contributions made by or from any source other than yourself and will not include any interest. ***If your employee contributions are refunded you lose any accrued pension benefits forever*** (Code Ch. 2-16.09(1)).

## BENEFICIARY DESIGNATION

### Before You Retire

When you started work you should have filled out a form naming one or more beneficiaries to receive any pension benefits due if you die before retirement. You may name any person or persons you choose as beneficiary (Code Ch. 2-16.12).

You may change the beneficiary at any time by completing a new designation of beneficiary form. This is important to remember if your designated beneficiary dies or your marital or family status changes. ***A Member's divorce decree or will has no bearing on how Member survivor's benefits are paid.*** Any benefits due upon your death are paid only to the designated beneficiaries or to your estate if you have not named a beneficiary or your designated beneficiary has died.

### When You Retire

When you retire you will be asked to rename a beneficiary and to choose a retirement option on your application for retirement. Retirement options are explained later in this document under the section titled "RETIRING FROM THE CITY" (Code Ch. 2-16.10(2)).

- If you choose option 1 or 2 you may name a beneficiary as described above.
- If you choose option 3 or 4 you must name as your beneficiary a person who qualifies as a joint annuitant.

### **After You Retire**

If you retire under option 1 or 2 you may change your designated beneficiary at any time. If you choose option 3 or 4 you may change your joint annuitant only two times after your retirement benefit has started. When you change your joint annuitant, the monthly benefit you receive will be adjusted based on your current age and the age of your new joint annuitant (Code Ch. 2-16.09(2) & (3)).

## **VESTING**

Being vested means you are eligible to receive a current or future retirement benefit. You vest in the Plan upon the completion of six years of creditable service. Once you vest, you are eligible for a future benefit when you leave employment with the City and apply for your retirement benefit. Being vested does not entitle you to a disability benefit based on a disability that occurs after you terminate employment (Code Ch. 2-16.01(26)).

You will lose your vested rights if:

- You forfeit your benefits as described under the section titled "FORFEITURE OF BENEFITS" (Code Ch. 2-16.20).
- You receive a refund of your personal retirement contribution (Code Ch. 2-16.09(1)).

## **TERMINATING EMPLOYMENT BEFORE RETIREMENT**

Whenever you terminate your covered employment before retiring, you have some decisions to make. Your available options will vary depending upon your vesting status at the time of your termination (Code Ch. 2-16.09).

### **Before You Are Vested**

If you terminate your employment with the City prior to being vested, retirement is not an option. However, you can:

- Receive a refund of your personal contributions, or
- Leave your personal contributions on deposit with the Plan. The service credit is

not lost and will be combined with any additional service credit you may earn for covered employment in the future.

### After You Are Vested

If you are vested when you terminate your employment with the City, you can:

- Receive a refund of your personal contributions, or
- Leave your personal contributions on deposit with the Plan. The service credit is not lost and will be combined with any additional service credit you may earn for covered employment in the future, or
- Retire. Depending on your age, you could take a normal retirement or early retirement or you could defer your retirement until a future date of your choice:
  - If you qualify for normal retirement, your unreduced benefit will be based on all years of creditable service which you either earned or purchased.
  - If you chose to retire early (before reaching your normal retirement date) your benefit will be reduced based upon your age at retirement.
  - To avoid or minimize benefit reduction for early retirement, you could choose to postpone your retirement. If you defer retirement, the amount of your benefit will be calculated using your age at the time you begin receiving retirement benefits.

## YOUR RETIREMENT BENEFIT

### Retirement Benefit Formula

The monthly pension benefit payment you receive when you retire depends on your Average Final Compensation, age, Percentage Value, years of Creditable Service, and the benefit payment option you select. The formula for calculating the normal annual retirement benefit is as follows (Code Ch. 2-16.06(2)(b)):

$$\begin{array}{ccccccccc} \text{Average} & & & & \text{Years of} & & & & \\ \text{Final} & & & & \text{Creditable} & & & & \\ \text{Compensation} & \times & \text{Percentage} & \times & \text{Service} & = & \text{Normal Annual} & & \\ & & \text{Value} & & & & \text{Retirement Benefit} & & \end{array}$$

**Monthly Pension Benefit Payment = Normal Annual Retirement\_Benefit divided by 12**

- **Average Final Compensation** is the average annual compensation of the five best years of Creditable Service prior to retirement. Compensation includes regular earnings, overtime of up to 300 hours annually, and annual paid leave. It also includes lump sum payments for accrued leave earned prior to July 1, 2011, not exceeding 500 hours. Compensation does not include clothing, meal, mileage, telephone (cell phone) allowance, vehicle allowances, or lump sum payments for accrued leave earned on or after July 1, 2011 (Code Ch. 2-16.01(3)).

- **Percentage Value** is the value you receive for each year of your Creditable Service. This value is 1.6%. However, if at the time of retirement you have more than 30 years of Creditable Service or are older than 62 years of age, then the applicable rate is as follows (Code Ch. 2-16.06(2)):
  - Age 63 or 31 years of creditable service      1.63%
  - Age 64 or 32 years of creditable service      1.65%
  - Age 65 or older or 33 or more years          1.685%
  
- **Creditable Service** is your total number of years and fractional parts of years of service you worked in a covered position with the City (Code Ch. 2-16.01(10)):
  
- **Other Types of Creditable Service** In addition to the service credit you earn for current work, you may be able to claim credit for certain other types of service to increase your benefits. To receive extra service credit, you may be required to pay additional retirement contributions. Other types of qualified creditable service include the following:
  - Military Leave-of-Absence Credit - A military leave-of-absence occurs when you leave your City General Employee position to serve in the United States military. If you return to City employment as General Employee within one year of release from active military service, you may receive credit for up to five years of such active military service.
  - Workers' Compensation Credit - You may claim up to two years of creditable service for periods you receive temporary Workers' Compensation payments if you return to City employment as a General Employee for at least 30 days or you retire on a disability.
  - Leave-of-Absence Without Pay Credit - A leave-of-absence without pay is a period when you are on an approved leave from work without pay, and plan to return to work after your leave. You may claim up to two years of such time as creditable service if you have at least 10 years of creditable service, the leave was approved, in writing, in advance, by both the City and the Board of Trustees, you return to work as a City General Employee immediately upon termination of the leave-of-absence and remain employed for at least 30 days, and you pay into the Pension Trust Fund the full amount of both the City and employee contributions, with interest, for the period of creditable service claimed.

**RETIRING FROM THE CITY**

**Normal Retirement**

Normal retirement date or age is the time you are first eligible to receive a retirement benefit without a reduction of the benefits because of your age. You qualify for normal retirement at the earlier of (Code Ch. 2-16.06(1)):

- The attainment of age 62 and the completion of 6 years of Credited Service, or,
- The completion of 30 years of Credited Service, regardless of age.

### **Early Retirement**

If you are vested but have not reached your normal retirement date or age you can take early retirement. The amount of the retirement benefit will be reduced by five percent (5%) for each year the commencement of retirement benefits precedes your normal retirement date (age 62 with at least 6 years of creditable service, or, 30 years of creditable service regardless of age). For example, if you were to retire after 25 years of creditable service, 5 years before the full 30 years of service necessary for normal retirement, your monthly pension benefit would be reduced by 25% (5 years X 5% = 25%) (Code Ch. 2-16.06(4) & (5)):

### **Retirement Benefit Options**

Upon retirement, before you can begin receiving your pension benefits, you must choose one of the four benefit options, or methods of payment, described below. Once you cash or deposit a benefit payment your option selection cannot be changed.

Option 1 is considered the normal retirement option. Options 2, 3, and 4 are adjusted to be actuarially equal to Option 1.

**Option 1** This option provides a monthly pension benefit which is larger than the option 1 benefit but is only payable for so long as you live. Upon your death no further benefits will be paid. This is considered the normal retirement option (Code Ch. 2-16.06(3)).

**Option 2** This option provides a monthly pension benefit to you for so long as you live. If you die within 10 years after your effective retirement date, your beneficiary will receive a monthly benefit payment in the same amount as you were receiving for the balance of the 10 year period. No further benefits are then payable (Code Ch. 2-16.10(1)(a)).

**Option 3** This option provides a reduced monthly pension benefit to you while both you and your joint annuitant are living. Upon the death of either you or your joint annuitant, the monthly pension benefit payment to the survivor will be adjusted to 100%, 75%, 66 2/3% or 50% of the amount you were receiving while you both were living. At the time you retire, you must choose the adjustment percentage. No further benefits are payable after both you and your joint annuitant are deceased (Code Ch. 2-16.10(1)(b)).

**Option 4** This option is designed to provide a more level retirement allowance throughout your retirement period. If you retire prior to the time at which Social Security benefits are payable, you may elect to receive an

increased retirement benefit until such time as Social Security benefits shall be assumed to commence and a reduced benefit thereafter. Upon your death no further pension benefits are payable (Code Ch. 2-16.10(1)(c)).

## DISABILITY BENEFITS

### **Regular Disability Benefits**

You are eligible for regular disability benefits if you have completed at least 8 years of creditable service. Your disability must be total and permanent and the injury or illness causing the disability must have occurred before you terminate employment with the City. The minimum regular disability retirement benefit paid under Option 1 is 25% of your average final compensation. Your actual earned benefit, based on your years of service, will be used if it is higher than the minimum of 25% (Code Ch. 2-16.08).

### **In-Line-of-Duty Disability Benefits**

You are eligible for in-line-of-duty disability benefits beginning on your first day of covered employment, regardless of length of service. An in-line-of-duty disability must be total and permanent and caused by injury or illness that happens in the performance of duties required by your job. The minimum in-line-of-duty disability retirement benefit paid under Option 1 is 42% of your final average compensation. Your actual earned benefit, based on your years of service, will be used if it is higher than the minimum of 42% (Code Ch. 2-16.08(3)).

### **Conditions Disqualifying Disability Benefits**

You may not claim, nor will you receive, disability pension benefits if the disability is the result of (Code Ch. 2-16.08(2)):

- Excessive or habitual use of any drugs, intoxicants or narcotics.
- Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections.
- Injury or disease sustained while committing a crime.
- Injury or disease sustained while serving in any branch of the Armed Forces.
- Injury or disease sustained after your employment as a General Employee of the City has been terminated.
- Willful, wanton or intentional misconduct or gross negligence.
- False, misleading or fraudulent statements made to obtain retirement benefits.
- Injury or disease sustained while you were working for anyone other than the City and arising out of such employment.

- A condition pre-existing your membership in the Plan.
- Intentional, self-inflicted injury.

### **Optional Disability Benefits**

In addition to the disability benefits provided by this Plan, the City provides all City employees the opportunity to purchase additional disability insurance through payroll deduction at group rates. The City offers both short-term and long-term disability options. Short-term covers temporary disabilities lasting less than 6 months. Long-term covers long-term or permanent disabilities lasting 6 months or more. These policies pay income directly to you in the event you become disabled as defined by the insurance policies. Disability benefits provided by the Pension Plan are not offset or reduced by benefits you may receive from these optional disability insurance programs. Further information on these optional disability insurance programs can be obtained from the City's Human Resources Department.

## **SURVIVOR BENEFITS**

### **Regular Survivor Benefits**

If you die other than in the line of duty with less than 6 years of creditable service the Plan will refund 100% of your accumulated Member contributions. Other than that there are no pension benefits available to your survivors. If death occurs after you have completed 6 years of creditable service, your beneficiary, who is your spouse, dependent child or any person receiving at least 50% of his or her support from you, is entitled to an immediate or deferred lifetime monthly benefit calculated as if you had retired on the date of death and chosen the 100% joint and survivor benefit option (Option 3). The benefit will be adjusted for early retirement if you were not of normal retirement age at the time of your death (Code Ch. 2-16.07(2)).

If your beneficiary does not qualify as a joint annuitant no monthly benefit would be payable.

### **In Line of Duty Survivor Benefits**

If you die in the line of duty your spouse is entitled to a lifetime monthly benefit equal to one-half of your last monthly salary or your spouse may elect to receive an immediate or deferred lifetime monthly benefit calculated as if you had retired on the date of death and chosen the 100% joint and survivor benefit option (Option 3). The benefit will be adjusted for early retirement if you were not of normal retirement age at the time of your death. Your spouse can receive these benefits regardless of your length of service and even if you named someone else as your beneficiary. If you leave no surviving spouse or if your spouse should die, the benefit will be paid on behalf of your dependent children until the youngest child reaches 18 years of age or marries, whichever comes first. These survivor benefits supercede any other distribution that might have been provided by your designation of beneficiary (Code Ch. 2-16.07(1)).

### **Other Survivor Benefits**

In addition to the pension benefits provided by the Plan, if you die while actively employed by the City as a General Employee, your survivors may be entitled to other death benefits. The City, at its expense, provides life insurance for every full-time employee. If you die while employed by the City this policy will provide a single death benefit to survivors equal to your annual salary. In addition, you may purchase, at your expense, additional life insurance coverage at group rates through payroll deduction. Further information on this City program can be obtained from the City's Human Resources Department.

## AFTER RETIREMENT

### **Cost-of-Living Increase**

Retirees receive an annual 3% cost-of-living increase on October first of each year. The first cost-of-living increase will be a prorated amount if you have not been retired for one full year (Code Ch. 2-16.11).

### **Health Insurance Coverage**

The City offers retirees, at the retirees' expense, the option of continuing to participate in the City's group health insurance plan for active employees. The premium cost of health insurance offered to retirees is the same as that paid by the City for each active employee.

### **Employment or Re-employment with the City**

You can be employed by any employer other than the City without affecting your pension benefits (Code Ch. 2-16.09(7)).

The Plan allows you to be re-employed by the City in any capacity at the sole discretion and option of the City. However, you:

- must meet the Plan's definition of termination,
- must have been terminated for at least a year, and
- cannot participate in any City funded pension plan while you are re-employed by the City.

Pension benefit payments to you will be suspended so long as you are re-employed by the City. Re-employed retirees are not eligible for Plan disability benefits.

## FORFEITURE OF BENEFITS

### **Specific Offenses**

If you are convicted of any of the following offenses committed prior to retirement, or

your employment with the City is terminated because you admitted to commission, aid or abetment of the following offenses, you forfeit all rights to any pension benefits under this Plan, except for the return of your accumulated personal contributions as of the date of termination. Specific offenses are as follows (Code Ch. 2-16.20(1)):

- Committing, aiding or abetting of an embezzlement of public funds;
- Committing, aiding or abetting of any theft by a public officer or employee from employer;
- Bribery in connection with the employment of a public officer or employee;
- Any felony specified in Chapter 838, Florida Statutes except ss. 838.15 and 838.16;
- The committing of an impeachable offense;
- The committing of any felony by a public officer or employee who willfully, and with intent to defraud the public or public agency for which he or she acts or in which he or she is employed, of the right to receive the faithful performance of his or her duty as a public officer or employee, realizes or obtains or attempts to obtain a profit, gain, or advantage for himself or herself or for some other person through use or attempted use of the power, rights, privileges, duties or position of his or her public office of employment position.
- The committing on or after October 1, 2008, of any felony defined in section 800.04, Florida Statutes, against a victim younger than 16 years of age, or any felony defined in chapter 794 against a victim younger than 18 years of age, by a public officer or employee through the use or attempted use of power, rights, privileges, duties, or position of his or her public office or employment position;

### **Fraud**

Any Member or Beneficiary who is convicted of willfully and knowingly making, or causing to be made, or to assisting, conspiring with, or urging another to make, or cause to be made, any false, fraudulent, or misleading oral or written statement or withholding or concealing material information to obtain a benefit available under the Plan may, in the discretion of the Board, be required to forfeit the right to receive any or all benefits to which the person would otherwise be entitled under the Plan. For purposes of this paragraph, "conviction" means a determination of guilt that is the result of a plea or trial, regardless of whether adjudication is withheld (Code Ch. 2-16.20(2)).

### **Strikes**

Any Member who, prior to retirement, is adjudged by a court of competent jurisdiction to have violated any state law against strikes by public employees, or who has been found guilty by such court of violating any state law prohibiting strikes by public employee, shall forfeit all rights and benefits under this chapter, except the return of

his or her accumulated contributions, without interest, as of the date of the conviction (Code Ch. 2-16.20(3)).

#### **Beneficiary Forfeiture of Benefits**

Any beneficiary who by a verdict of a jury or by the court trying the case without a jury is found guilty, or who has entered a plea of guilty or nolo contendere, of unlawfully and intentionally killing or procuring the death of the Member forfeits all rights to the deceased Member's benefits under this Plan, and the benefits will be paid as if such beneficiary had predeceased the decedent (Code Ch. 2-16.20(4)).

#### **Conviction Defined**

Conviction shall be defined as an adjudication of guilt by a court of competent jurisdiction; a plea of guilty or a nolo contendere; a jury verdict of guilty when adjudication of guilt is withheld and the accused is placed on probation; or a conviction by the Senate of an impeachable offense (Code Ch. 2-16.20(5)).

#### **Court Defined**

Court shall be defined as any state or federal court of competent jurisdiction which is exercising its jurisdiction to consider a proceeding involving the alleged commission of a specified offense. Prior to forfeiture, the Board shall hold a hearing on which notice shall be given to the Member whose benefits are being considered for forfeiture. Said Member shall be afforded the right to have an attorney present. No formal rules of evidence shall apply, but the Member shall be afforded a full opportunity to present his or her case against forfeiture (Code Ch. 2-16.20(6)).

#### **Withholding of Benefits**

Benefits will not be paid pending final resolution of such charges against a Member or Beneficiary if the resolution of such charges could require the forfeiture of benefits as provided in this section (Code Ch. 2-16.20(7)).

#### **Return of Benefits**

Any Member who has received benefits from the Plan after Member's rights were forfeited shall be required to pay back to the Trust Fund the amount of benefits received. The Board may implement all legal action necessary to recover such funds (Code Ch. 2-16.20(8)).

## **CLAIMS PROCEDURES**

Pension benefits are not automatic, you have to file a claim to receive any benefits. This begins with you. Contact the City's Human Resources Department (HR) to begin the process. The Human Resources Department will provide you with an Application for Service Retirement package. In this package you will find the forms that must be completed along with information designed to help you make your retirement benefit decisions. You can submit your claim up to six months prior to your desired retirement date but we suggest you contact HR at least 90 days before you plan to retire. You can change the information on the application before it is processed. However, once you have cashed or deposited your first retirement payment you cannot make any

changes.

If your claim for benefits is denied, you have the right to appeal this decision directly to the Board of Trustees. Again, contact the Human Resources Department and let them know you want to appeal. They will pass this on to the Board of Trustees. The Board will decide to schedule a date for your appeal hearing. The Board's decision is final.

## GENERAL INFORMATION

### **Applicable Law**

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

- Internal Revenue Code and amendments thereto.
- The federal Employee Retirement Income Security Act (ERISA) of 1974 and amendments thereto.
- Part VIII, Chapter 112, Florida Statutes, "Actuarial Soundness of Retirement Systems".
- Chapter 2, Article II, Division 1 of the Code of Ordinances of the City of Altamonte Springs.
- Other ordinances, resolutions and policies of the City of Altamonte Springs.
- Administrative rules and regulations adopted by Board of Trustees

### **Plan Year and Plan Records**

The Plan year begins on October 1<sup>st</sup> of each year and ends on September 30<sup>th</sup> of the following year. All records of the Plan are maintained on the basis of the Plan year.

### **Assignment, Execution or Attachment**

Except as otherwise provided by law, your retirement benefits and accumulated contributions accrued under this Plan are not subject to execution, attachment, garnishment or any other legal process and are not assignable.

## FINANCIAL AND ACTUARIAL INFORMATION

The Plan is audited annually. An annual financial report is included in the City's Comprehensive Annual Financial Report. A separate actuarial report on the solvency and actuarial soundness of the Plan is prepared annually. Copies of either or both of these reports are available from the City's Finance Department. The following is selected financial and actuarial information.

<b><u>FINANCIAL INFORMATION</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>
<b><u>Net assets</u></b>			
Held in trust for benefits as of september 30	\$ 7,047,805	\$ 8,825,340	\$ 9,523,812
<b><u>Investments</u></b>			
At market as of september 30			
U.S. Treasuries	\$ 84,432	\$ 390,824	\$ 94,879
U.S. Agencies	-	-	420,549
Corporate bonds	1,570,033	1,908,525	2,376,029
Mutual funds	887,187	731,636	653,374
Common stocks	4,587,211	5,748,045	5,937,326
Total investments	<u>\$ 7,128,863</u>	<u>\$ 8,779,030</u>	<u>\$ 9,482,157</u>
<b><u>Change in net assets</u></b>			
For the year ended september 30	<u>\$ 886,093</u>	<u>\$ 1,777,535</u>	<u>\$ 698,472</u>
<b><u>ACTUARIAL INFORMATION</u></b>			
<b><u>Funded trend (projected liabilities)</u></b>			
Actuarial value of assets	\$ 7,048,958	\$ 8,837,719	\$ 9,523,673
Actuarial present value (APV) of credited-projected benefits	<u>7,537,079</u>	<u>8,802,296</u>	<u>10,000,191</u>
Percentage funded	<u>94%</u>	<u>100%</u>	<u>95%</u>
<b><u>Employer contributions</u></b>			
Annual city pension cost	\$ 1,165,393	\$ 1,178,234	\$ 1,114,217
City contributions	<u>1,077,385</u>	<u>1,129,028</u>	<u>1,112,581</u>
Contributions as a percentage of cost	<u>92%</u>	<u>96%</u>	<u>100%</u>
<b><u>Funding progress</u></b>			
Actuarial value of assets	\$ 7,048,958	\$ 8,837,719	\$ 9,523,673
Actuarial accrued liability	<u>8,441,462</u>	<u>9,595,455</u>	<u>11,176,673</u>
Unfunded actuarial accrued liability	<u>(1,392,504)</u>	<u>(757,736)</u>	<u>(1,653,000)</u>
Percentage funded	<u>84%</u>	<u>92%</u>	<u>85%</u>
<b><u>Plan members</u></b>			
Active	213	208	217
Retirees and beneficiaries	4	11	15
Vested terminateds and limited members	43	47	50

## GLOSSARY OF TERMS

The following is a list of terms and definitions which may be helpful in understanding your pension benefits.

**Average Final Compensation** is the average annual compensation of the five best years of creditable service (Code Ch. 2-16.01(3)).

**Beneficiary** is the person or persons you designate to receive any benefits which may be payable upon your death (Code Ch. 2-16.01(4)).

**Creditable Service** is the aggregate number of years you work as a General Employee and may include other types of qualified service periods (Code Ch. 2-16.01(10)).

**Early Retirement Age or Date** is the age or date when, after you have been vested, you choose to receive a retirement benefit which is reduced because you have not reached normal retirement age (Code Ch. 2-16.06(4)).

**Joint Annuitant or Pensioner** means a beneficiary who is eligible to receive continuing benefits upon your death either benefit options 3 or 4. To qualify as a joint annuitant, your beneficiary must be (Code Ch. 2-16.01(16)):

- your spouse, or
- your natural or adopted child who is either under age 25, or physically or mentally disabled and incapable of self-support, regardless of age, or
- any person under the age of 25 for whom you are the legal guardian and who is financially dependent on you for no less than one-half of his or her support, or
- any person, age 25 or older, who is financially dependent on you for no less than one-half of his or her support, and is your parent, grandparent, or a person for whom you are the legal guardian.

**Normal Retirement Age or Date** is the age or date when you first become eligible to retire, without a reduction of benefits, by being vested and reaching age 62 or completing 30 years of creditable service regardless of age (Code Ch. 2-16.06(1)).

**Termination** occurs when you end all employment with the City.

**Vested or Vesting** is the guarantee that you will receive future benefit after you work a certain number of years. You are vested after completing 6 years of creditable service (Code Ch. 2-16.01(26)).