City of Fort Lauderdale Police and Firefighters' Retirement System

2023 Summary Plan Description

April 2023

DISCLAIMER:

As much as possible, this brochure has been written in non-technical terms, avoiding the formal language of the retirement laws and rules. If questions of interpretation arise as a result of the attempt to make the retirement provisions easy to understand, Division 3 "Police and Firefighters' Retirement System," Article IV "Pensions" of Chapter 20 of the City of Fort Lauderdale Code of Ordinances is the final authority and shall prevail in the event of a conflict. The information provided in this brochure is based on the City of Fort Lauderdale Code of Ordinances in existence as of March 2016 and is subject to modification based on changes in the law.

Table of Contents

CHAPTER 1-INTRODUCTION

Introduction To Your Plan 2

CHAPTER 2-GENERAL INFORMATION

Official Plan Name 3
Plan Sponsor 3
Plan Membership 3
Board Of Trustees 3
Contacting The Trustees 4
Executive Director 4
Plan Fiscal Year 4
Applicable Law 4
Collective Bargaining 4
Beneficiary Designation 4
Social Security Benefits 5
Benefit Estimates 5

CHAPTER 3-SERVICE PROVIDERS

The Investment Managers 6
The Custodian 7
The Actuary 7
The Auditors 7
The Performance Monitor 7
The Attorney 8

CHAPTER 4-CONTRIBUTIONS TO THE PLAN

Contributions to the Plan 9
Employee Contributions 9
State Contributions 9
City Contributions 9
Investment Income 9
Refund of Contributions 10

CHAPTER 5- ELIGIBILITY, CREDITABLE SERVICE, AND RETIREMENT DATES

Eligibility 11
Creditable Service 11
Military Service During Employment 11
Normal Retirement Date 11
Early Retirement Date 11

CHAPTER 6-RETIREMENT BENEFITS

Calculation of Normal Retirement Benefit Amount 12
Normal Form of Retirement Benefit 13
Optional Forms of Retirement Benefits 13
Early Retirement Benefit 13
Vested/Deferred Retirement Benefit 14
Deferred Retirement Option Plan (DROP) 14
BAC-DROP Retirement 15
Forfeiture of Pension Benefits 16
Post Retirement Cost of Living Adjustment (COLA) 16

CHAPTER 7-DISABILITY BENEFITS

Local Law / Service-Connected Disability 17
Local Law / Non-Service-Connected Disability 17
Chapter 175/185 Disability 17
Service-Connected Catastrophic Disability for Firefighters 18
Recovery From Disability 18
Disability Benefit Exclusions 18
Denial of Disability Benefits 18
Other Disability Benefits 18

CHAPTER 8-DEATH AND SURVIVOR BENEFITS

Service-Connected Pre-Retirement Death Benefits 19
Non-service-Connected Pre-Retirement 20
Death Benefits 20
Death during DROP Retirement 20
Death After Retirement 20

CHAPTER 9- FIREFIGHTERS' SUPPLEMENTAL SHARE PLAN

Firefighters' Supplemental Share Plan 21

CHAPTER 10- YOUR RESPONSIBILITIES

Membership Forms 22
Employment Termination 22
Claims Procedures 22
Claims Review Procedures 22
Legal Actions 23

CHAPTER 11- OTHER PERTINENT INFORMATION

Exemption from Execution, Attachment, or other Legal Process 24
Plan Amendments 24
Plan Termination 24

FINANCIAL INFORMATION 25

Chapter
1

Introduction to Your Plan

On behalf of the Board of Trustees of the City of Fort Lauderdale Police & Firefighters' Retirement System, welcome to one of the finest Pension Plans in the country.

The eight-member Board of Trustees is comprised of highly dedicated, diverse professionals who take their fiduciary responsibility very seriously. The individuals who serve on the Board are either elected by you, the Plan members, or appointed by the Board and Mayor. The Board is committed to treating all participants and beneficiaries in a fair and equitable manner.

Defined benefit pension plans are traditional plans that promise to pay you a specific benefit at retirement. The amount of the benefit is known in advance, and it is based on your age, your years of service and on your earnings. In order to pay benefits, the Plan requires you, the City of Fort Lauderdale, and the State of Florida to make contributions into the Plan, which are then invested to help pay for these benefits.

The Executive Director, Lynn Wenguer, and her highly competent staff handle the Police & Firefighters' Retirement System's day-to-day operations. A copy of the Plan document is available at the Police & Firefighters' Retirement System office and may be read by you, your beneficiaries, or your legal representatives during normal working hours. If you have any questions regarding either your Plan or this Summary Plan Description, you should contact the Plan's Administrator.

This Summary Plan Description is merely a synopsis of your Plan and your rights, obligations, and benefits under the Plan. This document shall not be deemed to interpret, extend, or change the provisions of your Plan in any way. The provisions of your Plan may only be determined accurately by reading the actual Plan document as adopted in the Ordinances of the City of Fort Lauderdale Code of Ordinances. In the event of any discrepancy between this Summary Plan Description and the actual provisions of the Plan, the Plan shall govern.

This Summary Plan Description was published March 2023.

Ken Rudominer
Chairman

Chapter

2

General Information

There is certain information you may need to know about your Plan. This general information is summarized below. If you require additional information, have comments or concerns regarding this Plan; contact the Police & Firefighters' Retirement System office at (954) 828-5595.

What is the Official Name of My Plan?

Your Plan is called the Fort Lauderdale Police and Firefighters' Retirement System.

Who Sponsors This Plan?

The City of Fort Lauderdale is the sponsor.

Who Can Be a Member of This Plan?

Each sworn police officer and firefighter of the City who is eligible to participate in the Plan and who fulfills the prescribed eligibility requirements is considered a Member of the Plan.

Who Are the Board of Trustees?

The Board of Trustees ("Board") is composed of eight members. The Board is responsible for the administration and operation of the Plan. The Board retains the services of professional plan administrators, attorneys, actuaries, accountants, investment advisors and others. The Board is not responsible for determining the particular benefits set forth in the Plan. The Fort Lauderdale City Commission is responsible for, and is the final authority on, the terms and benefits contained in the Plan.

The eight Trustees are City employees, City residents, and others who have either been elected or appointed to serve as Trustees. The current Trustees are:

- Ken Rudominer, Chairperson, Elected Trustee, Fire Department
- Derek Joseph, Vice Chairperson, Elected Trustee, Police Department
- J. Scott Bayne, Secretary, Elected Trustee, Fire Department
- Richard Fortunato, Elected Trustee, Police Department
- Mr. Jeffrey Cameron, Appointed by City Commission
- Mr. Jim Naugle, Appointed by City Commission, Former Mayor of the City of Fort Lauderdale
- Mr. Dennis Hole, Board Elected, Retired Firefighter
- City Finance Director, non-voting Ex-Officio Member

How May I Contact These Trustees?

You may contact the Board of Trustees at:

Board of Trustees
Fort Lauderdale Police and Firefighters' Retirement System
888 S. Andrews Avenue, Suite 202
Fort Lauderdale, FL 33316
(954) 828-5595 **(888) 237-8780** [Toll Free] **(954) 828-5532** [Fax]
Website: www.ftlaudpfpension.com

Who Is the Executive Director and What Does the Executive Director Do?

The **Executive Director** is the professional retained by the Board to oversee the day-to-day business and operation of the Plan. The Executive Director is **Lynn Wenguer**. She is responsible for supervising the Pension Office and its staff; counseling Plan members and their beneficiaries; overseeing the preparation of the agendas for Board meetings; preparing annual reports to the State of Florida; preparing the annual budget; maintaining the Plan's website; and acting as the Board's liaison with the city and the other Plan professionals.

When Does the Plan Year Begin?

The Plan year begins on October 1st and ends on September 30th.

What Law Applies to This Plan?

The Plan is set forth in Division 3 "Police and Firefighters Retirement System," Article IV "Pensions" of Chapter 20 of the City of Fort Lauderdale Code of Ordinances. The Plan is also governed by certain provisions of Chapter 112, Chapter 175 and Chapter 185, Florida Statutes; various federal laws including the Internal Revenue Code; and certain policies and rules adopted by the Board of Trustees.

Does Collective Bargaining Affect My Plan?

The city and its police officer and firefighter unions, the Fraternal Order of Police, and the International Association of Fire Fighters respectively, negotiate pension benefit changes through the process of collective bargaining.

Can I Designate a Beneficiary in Case of Death?

You may designate, in writing, a person(s) to receive any payments that may become payable by the Plan upon your death. You should designate a beneficiary when you first become a Member of the Plan by completing the initial *Membership Application* provided by the Pension Office. You may subsequently change your designated beneficiary by completing a *Change of Beneficiary* form also available at the Pension Office and on the Plan's website at www.ftlaudpfpension.com. As a retiree, you may also change your designated beneficiary, subject to actuarial equivalence calculations.

Is My Pension Benefit in Addition to Or Instead of Social Security Benefits?

Your normal retirement benefits are generally *not* affected by receipt of Social Security benefits. However, certain disability benefits under the Plan will be reduced by any amounts paid or payable to you by reason of workers' compensation and federal Social Security (see Chapter 7).

How Can I Find the Amount of My Pension Benefits?

The Pension Office provides an annual benefit estimate at the end of each calendar year, posted to your online member page. The Pension Office will also provide you with additional statements upon request. It is important to remember that benefit estimates are preliminary, rough calculations of the amount of money that you will receive from the Plan when you retire. The closer you are to your retirement date, the more accurate an estimate will be. Although it is unlikely that your estimate will be the same as your actual benefit, it will give you an idea of what to expect and help you plan for your retirement years.

To calculate your retirement benefits, please visit our Retirement Planner website at https://www.marcweb.com/plannerftl/ or you may access through our website www.ftlaudpfpension .com. This retirement planning tool provides you with the ability to download forms and documents applicable to the plan. You also have the ability to review your personal or employment data currently on file and inform us of any changes that need to be made. In addition, you will be able to run detailed "what if" benefit estimates from your home or office. All final benefits will be reviewed by our staff and are subject to change based on incomplete or inaccurate data.

Chapter 3

Service Providers

Your Plan, in its day-to-day operation, employs various professionals who advise and render financial and other services to the Plan and the Board of Trustees. Listed below are the names and addresses of current firms employed by the Plan as well as a short synopsis of their role in the operations of the Plan.

Investment Managers:

The Investment Managers are responsible for selecting specific securities or investments for the pension Plan, in accordance with the guidelines established by the Plan administrators, the pension ordinance and the performance monitor. The current investment managers are:

- **Affiliated Housing Impact Fund, LP**
  Nicholas Rojo
  613 NW 3rd Ave, Suite 104
  Fort Lauderdale, FL 33311
- **AgAmerica Lending Fund, LLC**
  Adara Richter
  4030 South Pipkin Road
  Lakeland, FL 33811
  Agincourt Capital Management LLC
  Patrick K. Kelly, CFA
  600 E. Main Street, Suite 2120
  Richmond, VA 23219
- **American Realty Advisors**
  Jay Butterfield
  515 S Flower Street, 49 Fl
  Los Angeles, CA 90071
- **Aristotle Capital Management**
  Nancy Scarlett
  840 Newport Center Drive, Suite 600
  Newport Beach, CA 92660
- **Bloomfield Capital**
  Mike Lucci
  171 N Aberdeen Street, Suite 400
  Chicago, IL 60607
- **Boyd Watterson Asset Management**
  Tim Hyland
  1301 East 9th Street Suite 2900
  Cleveland OH 44114
- **Capital Dynamics**
  Alex Hahn
  10 East 53 Street, 17 Floor
  New York, NY 10022
- **Dodge and Cox**
  Matthew A Beck
  555 California Street, 40th Floor
  San Francisco, CA 94104
- **Eagle Asset Management**
  Diane Herman
  880 Carillon Parkway
  St. Petersburg, Florida 33716
- **Entrust**
  Mark Guariglia
  375 Park Avenue 24th Floor
  New York, NY 10152
- **Invesco Private Capital**
  Evan Darr
  1555 Peachtree Street
  Atlanta, GA 30309
- **Lazard Asset Management**
  Tom Franzese
  30 Rockefeller Plaza
  New York, NY 10112
- **Providence Equity Partners**
  Daniel Holland
  50 Kennedy Plaza
  Providence, Rhode Island 02903
- **Prudential Financial**
  Kevin Smith
  8 Campus Drive
  Parsippany, NJ 07054

- **Rhumbline Advisers**
  Denise D'Entremont
  265 Franklin St. 21st Floor
  Boston, MA 02110

- **Taurus Private Markets LLC**
  Kevin Campbell
  1200 Atwater Drive, Suite 140
  Malvern, PA 19355

- **Vaughan Nelson**
  Belinda Denn
  600 Travis Street, Suite 6300
  Houston, TX 77002

- **Waycross Partners, LLC**
  Chris Greco
  13000 Sawgrass Village Circle, Suite 28
  Ponte Vedra Beach, FL 32082

- **William Blair Investment Management, LLC.**
  Robert Duwa
  150 North Riverside Plaza
  Chicago, IL 60606

The Custodian:

The Custodian of the Plan is responsible for the safekeeping of securities and other investment instruments owned by the Plan and for facilitating the transfer of securities by the Investment Manager on behalf of the Plan. The Custodian is:

- **Northern Trust**
  Mr. Claudiu Besoega
  333 S Wabash Ave, 42nd Fl
  Chicago, IL 60604
  (312) 630-6000

The Actuary:

The Plan's Actuary is a professional whose duties include determining the City's contribution to the Plan, evaluating the Plan's assets and actuarial liabilities, commenting on the Plan's funding progress and providing cost information regarding possible benefit changes to the Plan. Each year, the Plan's Actuary prepares the Plan's annual valuation report which is submitted to the State of Florida's Division of Retirement. The Actuary is also responsible for calculating benefit amounts for retiring or separating Members. The Plan's Actuary is:

- **Foster & Foster**
  Brad Heinrichs
  13420 Parker Commons Blvd., Suite 104
  Fort Meyers, FL 33912
  (239) 481-5500

The Auditor:

The Plan employs the services of certified public accountants to prepare the Plan's annual financial statements. The Plan Auditor is:

- **Marcum, LLP**
  Michael Futterman
  450 East Las Olas Blvd 9th Floor
  Fort Lauderdale FL 33301

(954) 320-8060

The Performance Monitor:

The Performance Monitor, in conjunction with the Board of Trustees, develops the Plan's investment policy and guidelines. The Performance Monitor also analyzes the Plan's overall investment returns and evaluates the performance of the individual Investment Managers retained by the Plan. The Plan's Performance Monitor is:

- **CAPTRUST**
  Stephen Schott, Kyle Campbell
  400 N Tampa Street, Suite 1800
  Tampa, FL 33602
  (813) 218-5044

The Attorney:

The Plan Attorney is responsible for ensuring that the Plan and all Board actions comply with the governing ordinance as well as any other applicable state and federal laws. The Plan's Attorney is:

- **Klausner, Kaufman, Jensen & Levinson**
  Robert Klausner, Esq.
  7080 NW 4th Street
  Plantation, FL 33317
  (954) 916-1202

Chapter

4

Contributions to the Plan

Benefits payable out of your Plan are financed by contributions paid into the pension Plan by you, the City, and the State of Florida. In addition, earnings generated by the investment of the Plan's assets supplement these contributions. Plan contributions and investment earnings can be used only for the exclusive benefit of Plan Members and their beneficiaries. It is not possible for Members to borrow against their contributions to the Plan.

Contributions to the Plan:

Employee Contributions: As of October 1, 2018, all members are required to contribute 10% of your **Earnings** to the Pension Plan. Contributions to the Pension Plan are made by payroll deduction. **Earnings** includes base wages, assignment pay, longevity pay, City & State academic pay, temporary upgrade pay, shift pay, certification pay for Firefighters, and First Responder pay for Firefighters. **Earnings** also includes up to 40 hours per year of overtime for Police Officers. Police Officers hired prior to April 1, 2014, and Firefighters hired prior to October 1, 2014, who have elected the maximum accrual of 81% are only required to contribute 1% of earnings upon the attainment of 24 years of service. For Police Officers hired after April 1, 2014, and Firefighters hired after October 1, 2014, when a member attains the maximum accrual of 75% they will only be required to contribute 1%. Contributions are deducted bi-weekly and are calculated on a pre-tax basis. Members hired prior to April 10, 2010, that enter the DROP shall contribute 1.75% of pensionable earnings while in the DROP. Members hired after April 10, 2010, shall continue to contribute 10% of pensionable earnings up to 25 years of service. After 25 years, if in the DROP, the member will contribute 1.5% for the remainder of their DROP participation.

As of January 1989, your pension contributions are not included in your taxable income and are, therefore, not subject to Federal Income Tax.

During any periods of sick leave, vacation, and authorized leave of absence you are required to continue making contributions to the Plan.

State Contributions (Premium Tax Revenue):

The State of Florida provides a portion of insurance premiums it collects to the trust fund for the express purpose of funding retirement benefits for police officers and firefighters. Section **185.08,** Florida Statutes, provides a 0.85% tax on casualty insurance premiums related to policies written within City limits. Section **175.101,** Florida Statutes, provides a 1.85% tax on property insurance premiums related to policies written within City limits. The Florida Department of Revenue is responsible for the collection of these funds.

City Contributions:

The city is required to contribute the amount necessary to maintain the Plan on a sound actuarial basis as determined annually by the Plan's Actuary.

Investment Income:

In addition to contributions, the Plan depends on the **investment income** earned on Plan assets invested by the Plan's Investment Managers. Collectively, these sources of income generally fund benefit payments. Your Plan's target investment return is **7.3%.**

Refund of Contributions:

If you leave employment with the City before completing at least 10 years of service, you are not eligible for retirement benefits from the Plan. Upon written request, the money you contributed to the Plan, plus 3% interest earned prior to December 31, 2013, compounded annually, will be refunded to you. After December 31, 2013, members no longer receive interest on their contributions.

If you leave after completing 10 or more years of creditable service, you are eligible for a deferred, vested benefit, but you may also choose to withdraw your contributions. If you withdraw your contributions, you forfeit any vested retirement benefits you would have been entitled to receive in the future.

As of January 1989, the money you contribute to the Pension Plan each payday has not been included in earnings subject to Federal income tax. This means that your taxable income does not include the amount you contributed to the Pension Plan each year. If you leave employment and receive a refund of your contributions plus accrued interest, the amount you contributed after January 1989 is considered taxable income. As a result, this money will be subject to the mandatory Federal income tax withholding of 20% and possibly a 10% excise tax.

You may defer Federal income tax, and avoid the mandatory 20% withholding for income tax, by directing the transfer of the untaxed portion of your contributions to an Individual Retirement Account (IRA) or another qualified pension plan. Contact the Pension Office for additional information.

Chapter 5

Eligibility, Creditable Service, and Retirement Dates

Eligibility:

You are eligible to be a Member of the Plan if you meet all City requirements for employment as either a Police Officer or Firefighter. You must be employed full-time by the city. Participation in the Plan is optional for the Fire Chief and the Police Chief.

Creditable Service:

Creditable Service is used to compute the amount of your pension benefit when you retire, to determine whether you are eligible for certain benefits and to determine whether you are vested. Your Creditable Service is equal to your total length of service with the city as a Police Officer or Firefighter. Creditable Service omits periods when you were not employed by the city. You accrue years of Creditable Service from your pension date-of-hire until you either enter into the DROP or terminate employment. Creditable Service accrues during periods of service in the United States armed forces, while on vacation, and throughout authorized leaves of absence, as long as your member contributions have been made. You may elect to receive additional credit for service earned while a member of the City of Fort Lauderdale General Employees Retirement System as long as this election is made prior to December 31, 2016.

Prior Police & Fire Service: Firefighters and Police Officers may purchase up to five (5) years of prior service. You can use a combination of prior service for firefighters as a federal, state, county, fire district, or municipal firefighter or for police officers service as a federal, state, county, or municipal police officer for which you have not or will not receive a retirement benefit. Members may purchase prior military service. You are required to pay the full actuarial cost of the prior service. Members may use accumulated benefits from the 175 supplemental Share Plan, a rollover from another qualified retirement account, a 457 Plan, payroll deduction, cash, or a combination of all. This service does not count towards vested service.

Military Service during Employment:

Should you take a leave of absence from the City in order to enter the military, your period of leave (up to a maximum of 5 years) will be included in your Creditable Service if you return to work for the City within 12 months after your discharge, provided that you are entitled to re-employment under the provisions of the Uniformed Services Employment and Re-employment Rights Act. A Member is not required to make contributions to receive Creditable Service for such period of military service.

Normal Retirement Date:

The **Normal Retirement Date** is the *earlier* of: (1) the date on which you complete 20 years of Creditable Service or (2) the first day of the month coincident with or next following the date on which you complete 10 or more years of Creditable Service and attain 55 years of age.

Chapter 6

Retirement Benefits

Your retirement benefit is based on several factors: (1) your average final earnings, (2) your years of Creditable Service at your actual retirement date, and (3) the applicable benefit formula.

Calculation of Normal Retirement Benefit Amount:

If you continue to be employed until your Normal Retirement date, the benefit that you will receive is called your **Normal Retirement Benefit.** The Plan is a defined benefit plan and, depending upon factors such as your hire date or certain elections made by you, applies different formulas to determine the amount of your monthly benefit as well as the maximum benefit available to you. The benefit formulas are:

For Police Officers hired before April 1, 2014, and Firefighters hired prior to October 1, 2014

Benefit Accrual Formula:

3.38% of average monthly earnings for all years of Creditable Service up to a maximum of 81%.

For Police Officers hired after April 1, 2014, and Firefighters hired after to October 1, 2014

Benefit Accrual Formula:

3.0% of average monthly earnings for all years of Creditable Service up to a maximum of 75%.

In addition, Firefighters who became members of the Plan on or before December 10, 1993, are eligible for a 2%-point increase to the maximum benefit accrual under the applicable benefit accrual formula.

Benefits are subject to any limitations set forth by the Internal Revenue Code for qualified pension plans. In addition, if you were hired on or after January 1, 1980, Florida law limits your Normal Retirement benefits to 100% of your final average earnings.

Please note:
If you retire and return to City employment, it may have Tax consequences for you.
Please contact the Pension office before accepting any employment with the City of Fort Lauderdale.

Normal Form of Retirement Benefit:

For Police Officers hired before April 1, 2014, and Firefighters hired before October 1, 2014:

The Normal form of retirement unless otherwise elected will be paid to your spouse for one year after your death. Thereafter, 60% of your monthly benefit will be paid to your spouse until the earlier of your spouse's death or remarriage. In addition, your children will receive 20% of your monthly benefit until the child marries dies or attains age 18 subject to a maximum of 100% of your monthly benefit. If you have no spouse, or if upon your spouse's death or remarriage, there are surviving children, each child shall receive 25% of your monthly benefit until the child marries, dies, or attains age 18 subject to a maximum of 100% of your monthly benefit. In the absence of a written election, the normal form of retirement benefit is a ten-year certain and life annuity. This form of payment guarantees at least 10 full years of payments (120 payments) to you and/or your beneficiary.

For Police Officers hired on or after April 1, 2014, and **Firefighters hired on or after October 1, 2014:**

The Normal form of Retirement Benefit is a 10 Year Certain and Life. If you should die prior to receiving 120 monthly payments, your designated beneficiary would receive the same monthly payments until a total of 120 monthly payments have been made to you and your contingent annuitant and then all payments will cease.

Optional Forms of Retirement Benefits:

In lieu of the normal form of retirement benefit payment, you may choose an optional form of retirement benefit. Benefit payments will be made in accordance with the option you select at the time of retirement.

Life of Member: This option provides payments to you as long as you live. If you should die before you have received an amount equal to your contributions to the Plan, payments will continue to your beneficiary until your contributions have been depleted.

100% Joint & Survivor: This option provides a monthly payment to you as long as both you and your beneficiary are living. After the death of either you or your beneficiary, the monthly payment will continue for the life of the remaining person.

75%, 66-2/3%, and 50% Joint & Survivor: This option provides a monthly payment to you as long as both you and your beneficiary are living. After the death of either you or your beneficiary, a reduced monthly payment will continue for the life of the remaining person.

Note: These options provide no additional benefits to dependent children. The Joint & Survivor benefits are based on the beneficiary named and are payable only to that beneficiary. If you wish to change your beneficiary at any time, new amounts will be recalculated for the new beneficiary chosen. **The IRS tax code may prohibit the payment of a 100% survivor benefit based on the new beneficiaries age which may prohibit the member from getting the benefit they intended.**

Early Retirement Benefit:

You are eligible to retire early at age 50 with 10 years of creditable service. The monthly amount of retirement income payable to you will be actuarially reduced to consider your younger age and the earlier commencement of retirement benefits. The monthly income payable for Early Retirement is paid in the same manner as in Normal Retirement. The Early Retirement reduction cannot exceed 3% for each year by which your age at retirement precedes your Normal Retirement Date.

Vested/Deferred Retirement Benefit:

If you leave employment with the city after completing 10 or more years of service, you have a vested deferred retirement benefit. The monthly benefit is payable commencing at age 47 or your Normal Retirement Date, provided you do not elect to withdraw your member contributions. If you should die prior to reaching your Normal Retirement Date your contributions plus 3% interest earned prior to December 31, 2013, will be paid in a lump sum to your designated beneficiary.

If you leave employment with the City after completing at least 15 years of service, and you die prior to reaching your Normal Retirement Date, then your spouse and eligible children will be entitled to survivorship benefits, commencing on what would have been your Normal Retirement Date.

At any time before reaching your Early or Normal Retirement Date, a terminated vested Member can choose to withdraw his or her member contributions. If you choose to withdraw your contributions you forfeit your right to any future benefits you may have been entitled to receive.

Deferred Retirement Option Program (DROP):

The Deferred Retirement Option Program (DROP) allows you to retire, for pension purposes, while allowing you to continue to work for a specified period of time. As a DROP Participant, you no longer accrue pension benefits. Once you enter the DROP, all benefits that you are entitled to receive as an employee remain the same except for your pension. You are retired for all purposes related to your pension. As a DROP Participant, you are not eligible for disability or pre-retirement death benefits under the Plan.

In order to enter the DROP, you must notify the Pension Office at least 90 days prior to the date you wish to enter the DROP. You will be required to submit a DROP Participation form together with all other required forms and applications. Upon entering the DROP, your monthly retirement benefit will be held for you by the Plan in a separate DROP Account. The money in your DROP Account will earn or lose interest in accordance with the Plan's provisions.

DROP ELIGIBILITY: If you were hired on or before April 18, 2010, you are eligible to enter the DROP upon the attainment of 20 years of Creditable Service regardless of age. If you were hired after April 18, 2010, you are eligible to enter the DROP upon the attainment of 22 years of Creditable Service regardless of age. The day you enter the DROP is known as your DROP Retirement Date.

DROP PARTICIPATION PERIODS: As described below, the Plan provides several different DROP participation periods, with varying eligibility requirements. For each month that you delay entry into the DROP following the date you are first eligible to participate in the DROP, your maximum DROP participation period will be reduced by one month.

For Police Officers hired prior to April 1, 2014, and Firefighters hired prior to October 1, 2014, Members that have completed 20 or more years of Creditable Service, but less than 23.96, for members hired prior to April 10, 2010, are eligible to participate in the DROP for 96 months. After 23.96 years of service, your participation in the DROP will be prorated to not to exceed 31.96 years of service.

For Police Officers hired after April 1, 2014, and Firefighters hired after October 1, 2014, members may enter the DROP after completing 20 years of service but less than 25. You are eligible to participate in the DROP for 96 months. After 25 years of service, your participation in the DROP will be prorated not to exceed 33 years of service.

DROP ACCOUNT EARNINGS: The money in your DROP Account will earn or lose interest in accordance with the Plan's provisions, which vary depending upon the length of your DROP participation period.

During the first 60 months you participate in the DROP, your DROP Account will earn simple interest at the rate of 6% per annum and the interest will be credited to your DROP Account each month. Beginning with the 61st month of your DROP participation, your DROP Account will be credited with interest at the end of each Plan Year as follows:

- Your DROP Account will earn 3% interest if the Plan's Net Rate of Return is less than 3%.
- Your DROP Account will earn Plan's Net Rate of Return if the Plan's Net Rate of Return is at least 3% but less than 6%.
- Your DROP Account will earn 6% interest if the Plan's Net Rate of Return is more than 6%.

Earnings on DROP Accounts after Termination of Employment. If you elect to leave the funds in your DROP Account on deposit with the Plan after you terminate employment with the City, your DROP Account will be credited or debited with simple interest quarterly based on the Plan's Net Rate of Investment return less an administrative fee as determined by the Board.

TERMINATION OF DROP PARTICIPATION: If you decide to terminate your participation in the DROP, you must notify the Pension Office at least 30 days prior to your desired termination date. The minimum DROP participation period is two months. DROP Accounts left on deposit with the Plan must be distributed by no later than the Participant's attainment of age 70 ½. The balance of your DROP Account may be distributed in either a lump sum or rolled over to an eligible recipient. **Members may elect to take distributions quarterly in accordance with the rules established by the Board.**

BAC-DROP Retirement:

Under the provisions of the *Benefit Actuarially Calculated Deferred Retirement Option Program* (BAC-DROP), you may elect to receive a lump sum distribution of an amount not to exceed the equivalent of 36 months of your normal retirement benefit.

If you elect to receive a lump sum BAC-DROP distribution your monthly retirement benefit will be actuarially reduced by the lump sum distribution amount. To qualify for participation in BAC-DROP, you must submit a written election at the time you apply for retirement and at least 30 days prior to your retirement date.

No Member who elects the DROP Retirement is eligible to participate in the BAC-DROP.

Forfeiture of Pension Benefits:

Sec. 20-135(1) of the Plan provides for forfeiture of all rights and benefits under this Plan for any Member convicted of a specified offense, as defined in Section 112.3173, Florida Statutes, committed prior to retirement, or whose employment is terminated by reason of his admitted commission, aid, or abetment of a specified offense. A Member whose retirement benefits are forfeited under law will receive a return of his accumulated contributions as of the date of termination. In addition, Section 175.195 and Section 185.185, Florida Statutes, provide that any person who willfully and knowingly makes, or cause to be made, or to assist, conspire with, or urge another to make, or cause to be made, any false, fraudulent, or misleading oral or written statement or withhold or conceal material information to obtain any benefit available under a retirement plan may be required to forfeit their right to receive any or all benefits under the Plan.

Post Retirement Cost of Living Adjustment (COLA):

The Plan previously provided for a cost of living (COLA) increase on July 1st of each year for retired members who were retired at least one year on July 1st. The COLA was added to the retiree's monthly benefit. The increase was based on the percentage increase in the United States Consumer Price Index or the actuarially present value of "excess gains" of the Plan. The COLA could not exceed 5% unless approved by the City Commission.

On July 15, 2008, the COLA provision of the Plan was repealed. The repeal of the COLA did not take away any COLA previously granted to and being received by any retiree or beneficiary. This does not prohibit members that retired, or were eligible to retire, prior to July 15, 2008, from receiving a COLA in the future if certain conditions are met.

Chapter 7

Disability Benefits

If you become disabled, you may be eligible to receive disability retirement benefits as provided by the Plan. The Board of Trustees approves or denies claims for disability benefits based on the particular facts of each situation and evaluations provided by the medical board. You must submit a disability retirement application to the Board in order to be eligible for disability retirement benefits. If you are terminated, you should submit your application to the Board no more than 30 days after ~~of~~ your termination date. **A DROP participant is not eligible for disability benefits offered under the Plan.**

Local Law / Service Incurred Disability Retirement:

If you receive a medically substantiated service-connected injury, disease, or disability, as determined by the Plan's medical board, which permanently incapacitates you, physically or mentally, from your regular and continuous duty as a Firefighter or a Police Officer, or other duty or duties available through the fire or police departments respectively, you are eligible for a **local law service-connected disability retirement.**

If the Board approves your request for a local law service-connected disability retirement, beginning on the 91st day after your date of disability you will receive monthly installments equal to 65% of your Earnings in effect on the date of your disability. The amount payable from the Plan will be reduced, to the extent permitted by law, by any amounts that you receive or are payable by reason of workers' compensation, so that the total benefit from said sources will not exceed 65% of Earnings. This benefit is payable until the earlier of your death or recovery and cannot be converted to a Normal Retirement Benefit upon attainment of your Normal Retirement Date.

Local Law / Non-Service Incurred Disability Retirement:

If you suffer an injury, illness, disease, or disability which is determined to be non-service connected, and the injury, illness, disease, or disability either physically or mentally prevents you from performing your regular and continuous duties as a police officer or firefighter, or any other gainful employment, you may be eligible for **non-service incurred disability retirement.**.

Non-service incurred disability benefits are equal to 50% of your monthly earnings, beginning on the 91st day after the date of your disability. If you receive Social Security disability benefits, Workers' Compensation, or other earned income, your monthly non-service-connected disability pension will be reduced up to a maximum of 75% of your Earnings at the date of disability. This benefit is payable until the earlier of your death or recovery and cannot be converted to a Normal Retirement Benefit upon attainment of your Normal Retirement Date.

Chapter 175/185 Disability Retirement:

In lieu of the local law service and non-service incurred disability provisions set forth above, if you are a firefighter or police officer you may elect to have your application for disability retirement benefits administered pursuant to the terms Chapter175/185 of the Florida Statutes. If you have 10 or more years of Creditable Service and become totally and permanently disabled, or if you become totally and permanently disabled in the line of duty regardless of your years of service, you may be eligible for **Chapter 175/185 Disability Retirement**.

If the Board finds that you are totally and permanently disabled, a monthly income will be paid to you for 10 years certain and for your life thereafter. If your disability occurred in the line of duty, your monthly benefit will be your accrued retirement benefit, but will not be less than 42% of your average monthly compensation as of your disability retirement date. If you are disabled after you attain 10 years of service, and your disability is other than in the line of duty, your monthly benefit will be your accrued normal retirement benefit but will not be less than 25% of your average monthly compensation as of your disability retirement date.

Service-Connected Catastrophic Disability for Firefighters:

If you are a Firefighter and suffer a medically substantiated service-incurred injury, as determined by the Board of Trustees, that renders you totally and permanently disabled (as defined in Chapter 440, Florida Statutes, and applicable federal social security provisions) you will receive a **catastrophic disability benefit**. This monthly benefit will be supplementary to, and in excess of any payments you receive from workers' compensation and federal social security. Your total monthly benefit received from all these sources cannot exceed 75% of your Earnings in effect on the date of your catastrophic disability. The disability benefit will be paid in monthly installments until your death or recovery, whichever occurs first.

Recovery From Disability:

As part of the disability retirement process, you will be examined by a duly qualified physician or surgeon selected by the Board of Trustees. If you retire under any of the Plan's disability retirement provisions, you are required to submit an annual disability questionnaire to the Board. The Board may also require you to submit to an examination by a duly qualified physician or physicians selected by the Board, to determine if your disability has ceased to exist. If the Board of Trustees subsequently finds that you are no longer disabled, the Board will direct that your disability retirement benefits cease.

If you recover from disability and re-enter service with the city as a Police Officer or Firefighter, your service will be deemed to have been continuous, but the period beginning with the first month for which you received a disability retirement payment and ending with the date you re-entered service with the city, may not be considered as Creditable Service for the purposes of the Plan.

Disability Benefit Exclusions:

Disability benefits will not be paid when the Pension Board determines that the following conditions exist:

(a) Disability was the result of excessive and habitual use of drugs, intoxicants, or narcotics.

(b) Disability resulted from injury or disease sustained while willfully and illegally participating in fights, riots, and civil insurrections or while committing a crime.

(c) Disability resulted from injury or disease while serving in the armed forces.

(d) Disability sustained after employment with the city has terminated; or

(e) Disability sustained by a Police Officer while working for anyone other than the city.

Denial of Disability Benefits:

If your claim for disability benefits is denied by the Board, you will receive written notice setting forth the specific reasons for the denial. You may then ask for a formal hearing before the Board to make statements or present evidence relevant to the Board's review of its decision. You have the right to review all pertinent documents and to cross examine witnesses. You also have the right to be represented by an attorney. Within 30 days following the hearing, you should receive written notice of the Board's decision.

Other Disability Benefits:

There may be additional benefits payable under Florida and Federal law for Police Officers or Firefighters injured in the line of duty. These benefits are not included in this Plan.

Chapter 8

Death and Survivor Benefits

In the event of your death, your beneficiary or beneficiaries may be entitled to receive survivorship benefits. There is no waiting period to obtain coverage under the Plan's provisions governing survivor benefits.

Service Incurred Pre-Retirement Death Benefits:

If you die prior to retirement from causes directly related to your employment, your Beneficiary is entitled to pre-retirement death benefits as follows:

1) If a written election is on file with the Pension Office, then in the event of your death prior to retirement, your beneficiary will receive:
   (a) A monthly benefit equals to 50% of your monthly Earnings to your spouse, until the death of your spouse; plus,
   (b) A monthly benefit equals to 10% of your monthly Earnings for each child until age 18, subject to a limitation of a total of 80% of Earnings for your spouse and children combined. Upon the death of your spouse, the combined benefit for each child will be paid in trust, or as otherwise determined by the Board. The combined benefit limitation for your children cannot exceed 50% of your final Earnings. Each child's pension will terminate at death or marriage as well as attainment of age 18. No survivor pension will be paid to your stepchildren unless you legally adopted them.
   (c) The minimum death benefit paid must equal at least 4 times your annual Earnings as of the date of your death.
2) If you die before retirement and a written election to receive the benefit set forth in number 1 above is not on file with the Pension Office, then your beneficiary will receive one of the following:
   (a) If you die before retirement with less than 10 years of Creditable Service, your beneficiary will be entitled to a refund of 100% of your Contributions to the Plan.
   (b) If you die prior to retirement with at least 10 years of Creditable Service, your Beneficiary is entitled to the benefits otherwise payable to you at your Early or Normal Retirement age.
   (c) If you work beyond your Normal Retirement Date and die prior to your actual retirement, then your monthly retirement payments will be made for life to your designated Beneficiary (or Beneficiaries) as if you had retired on the date of your death.

There may be additional benefits payable under Florida and federal law for Police Officers or Firefighters killed in the line of duty. These benefits are not included in this Plan.

Non-Service Incurred Pre-Retirement Death Benefits:

If you die prior to retirement from causes NOT directly related to your employment, your Beneficiary is entitled to pre-retirement death benefits as follows:

1) If you die before retirement with less than ten 10 years of Creditable Service, your beneficiary is entitled to a refund of 100% of your Contributions to the Plan.

2) If you die prior to retirement with at least ten 10 years of Creditable Service, your Beneficiary is entitled to the benefits otherwise payable to you at your Early or Normal Retirement age.

3) In lieu of the death benefits set forth above, you may elect the following pre-retirement service incurred death benefits by filing a written election form with the Pension Office: A monthly benefit equal to 50% of your monthly Earnings payable to your designated Beneficiary for 8 years. If your Beneficiaries should all die before the 8 years has elapsed, the balance will be payable to your estate.

Death During Participation in DROP:

If you die during the time you are participating in the DROP, your DROP retirement will cease. The balance of your DROP account and your survivorship benefits will be paid in accordance with your elections on file with the Pension Office at the time of your death.

Death After Retirement:

If you die after retirement, your designated Beneficiary (or Beneficiaries) will receive retirement benefits in accordance with your elections on file with the Pension Office at the time of your death.

Chapter

9

Firefighter's Supplemental Share Plan:

The Firefighters' Supplemental Share Plan ("Share Plan") is a separate provision within the Police & Firefighters' Retirement System.

On October 1, 2005, the City of Fort Lauderdale established the Share Plan pursuant to the provisions of Chapter 175, Florida Statues. The Share Plan provides additional retirement benefits to qualified Firefighter members.

Under the terms of the Share Plan, a portion of the additional Premium Tax Revenues the Plan receives each year pursuant to Section 175.121, Florida Statutes, is allocated to individual accounts established in each Firefighter participant's name. Each account accumulates funds as long as the participant is employed as a City Firefighter. Share Plan accounts earn interest equal to the Plan's return, less expenses, on a quarterly basis.

Firefighters participating must complete 10 years of Creditable Service as a Firefighter to receive a Share Plan benefit. If employment terminates prior to ten years of service, the participant's entire Share Plan balance is forfeited.

Share Plan benefits are paid in a lump sum payment only upon the Firefighter Participant's termination of employment, disability, retirement, or death. If a Firefighter Participant dies having accrued at least 10 years of Credited Service under the Plan or if a Firefighter Participant suffers a service incurred death, then the entire accrued amount of the participant's Share Plan account is paid to the Firefighter's beneficiary.

Chapter

10

Your Responsibilities

Retain this summary plan description with your other important papers for future reference or for replacement by updated versions and supplemental notices.

If you retire and return to City employment, it may have Tax consequences for you.
Please contact the Pension office before accepting any employment with the City of Fort Lauderdale.

Membership Forms:

Upon completing eligibility requirements, sign a *Membership Form* available from the Pension Office. This form also requests that you designate a beneficiary. Keep this designation updated to reflect your current wishes.

Employment Termination:

Before you terminate employment, check with the Pension Office. You will be required to complete an *Application for Pension Benefits* form provided by the Pension Office. This form addresses tax matters that you should know before you receive your benefit.

Claims Procedure:

Claims for benefits under the Plan must be filed in writing with the Plan Administrator. If you are eligible for any benefits from this Plan, you will be provided with a notification estimate showing the approximate amount of your benefit and options, if any, and the earliest date on which such benefit is payable. Your request for Plan benefits will be considered a claim for Plan benefits, and it will be subject to a full and fair review. If your claim is wholly or partially denied, the Plan Administrator will furnish you, within a reasonable period of time after receipt of your claim, a written notice of denial.

The written notice must contain the following information:

- The specific reason(s) for the denial.
- Specific reference to the Plan provision(s) on which the denial is based.
- A description of any additional information or material necessary to correct your claim and an explanation of why such material or information is necessary.
- Appropriate information as to the steps to be taken if you or your beneficiary wishes to submit your claim for review.

If notice of the denial is not furnished to you in accordance with the above within a reasonable period of time, your claim will be deemed denied. You will then be permitted to proceed to the review stage described in the next section. If your claim has been denied, and you wish to submit your claim for review, you must follow the *Claims Review Procedures*.

Claims Review Procedures:

Upon the denial of your claim for benefits, you may file your claim for review, in writing, with the Plan Administrator. Your claim must be filed no later than the time specified in the notification of denial of your claim for benefits. You may review all pertinent documents relating to the denial of your claim and submit any issues and comments in writing to the Plan Administrator.

Legal Actions:

If you are involved in any legal action, the Plan's attorney must review the documents before any order regarding pension benefits are entered or the member will pay the fund for the cost of rectifying the matter.

You or your beneficiary may bring civil action against the Plan in order to recover benefits due to you or your beneficiary under the terms of the Plan, to enforce your rights or the right of your beneficiary, or to clarify your rights or beneficiary's rights to future benefits under the terms of the Plan.

The Board of Trustees may be served with process as follows:

Chairman, Board of Trustees
Fort Lauderdale Police and Firefighters' Retirement System
888 S. Andrews Avenue, Suite 202 Fort Lauderdale, FL 33316

Chapter 11

Other Pertinent Information:

Exemption from Execution, Attachment, or Other Legal Process:

In accordance with Section 175.241 and Section 185.25, Florida Statutes, the pensions, annuities, or other benefits accrued or accruing to any person under this Plan and the accumulated contributions and the cash securities in the funds created under this Plan are not assignable and are exempt from any state, county, or municipal tax and are not subject to execution or attachment or to any legal process, except for IRS tax levies or the recoupment of overpayment of pension benefits.

The Plan is a governmental plan and therefore does not honor Qualified Domestic Relations Orders. However, the Plan will honor an appropriate Income Deduction Order for alimony or child support.

Plan Amendments:

The Plan may be amended or terminated at any time. Members may initiate recommendations to the Board of Trustees. The Board of Trustees, in turn, may make recommendations for changes to the City Commission. Also, from time to time, the Board of Trustees, the Plan Actuary, the Plan Attorney, or others may propose plan amendments that are necessary in order to comply with applicable state or federal law.

Plan Termination:

If the Plan were to be terminated, you would immediately become fully vested in the benefit that you had earned so far. Upon termination of the Plan, the Fund would be apportioned and distributed in accordance with the procedures set forth in Section 175.361, Florida Statutes, for Firefighters and Section 185.37, Florida Statutes, for Police Officers.

Please refer to the actual Plan document on file with the Pension Office for more information. You may also view the Plan documents online at **www.ftlaudpfpension.com**.

From our website active and retired members can also link to an online portal where members can confirm their current information, run benefit estimates, and view statements.

City of Fort Lauderdale Police and Firefighters' Retirement System and Affiliate
Combined Financial Statements
Years Ended September 30, 2021, and 2020

The following pages are an excerpt from the Combined Financial Statements.
A complete copy of these and other reports can be found on the Plan's website.
www.ftlaudpfpension.com

COMBINED STATEMENTS OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2022 AND 2021

	2022	2021
Assets		
Investments		
Money market funds	$ 10,794,034	$ 23,130,929
U.S. Treasury securities	130,529,099	113,581,845
U.S. Government agency obligations	2,113,848	5,700,178
Corporate bonds and other fixed income	115,039,818	159,707,992
Index funds	204,699,349	248,424,664
Equity securities	127,367,966	162,415,115
Commingled equity funds	180,974,747	215,042,714
Real estate funds	187,990,256	155,584,054
Hedge fund of funds	12,773,685	21,333,144
Private debt and equity funds	46,322,225	38,615,333
Total Investments	1,018,605,027	1,143,535,968
Receivables		
Unsettled trades	545,346	14,121,792
Accrued dividends and interest	2,788,596	2,040,851
State contribution	--	6,816,607
City contribution	--	409,021
Total Receivables	3,333,942	23,388,271
Prepaid expense	4,600	--
Intangible right to use leased asset, net	76,334	--
Total Assets	1,022,019,903	1,166,924,239
Liabilities		
Current Liabilities		
Unsettled trades	500,264	4,190,438
Accounts payable and accrued liabilities	422,536	529,850
Current portion of long-term liabilities	55,739	--
Due to the City of Fort Lauderdale	4,086,600	3,012,050
Total Current Liabilities	5,065,139	7,732,338
Long-Term Liabilities		
Due in more than one year	23,487	-
Total Liabilities ¤	5,088,626	7,732,338
Net Position Restricted for Pension Benefits	$ 1,016,931,277	$ 1,159,191,901

CITY OF FORT LAUDERDALE POLICE & FIREFIGHTERS' RETIREMENT SYSTEM AND SUPPLEMENTAL SHARE PLAN

COMBINED STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	2022	2021
Additions		
Contributions		
City	$ 20,357,843	$ 19,757,218
Employees	8,752,909	11,212,422
State	7,672,038	6,816,607
Total Contributions	36,782,790	37,786,247
Investment Income (Loss)		
Net appreciation (depreciation) in fair value of investments	(132,023,882)	173,178,183
Interest	7,090,415	6,239,132
Dividends	8,596,002	4,637,705
Real estate income	8,117,563	8,749,758
Other income	--	1,614
	(108,219,902)	192,806,392
Less: investment expenses	6,728,295	6,484,043
Net Investment Income (Loss)	(114,948,197)	186,322,349
Total Additions	(78,165,407)	224,108,596
Deductions		
Benefits Paid		
Retirement	56,719,362	48,660,281
Disability	1,664,915	1,523,108
Death	4,742,505	4,566,716
Total Benefits Paid	63,126,782	54,750,105
Refund of contributions	308,707	218,195
Administrative expenses	659,728	605,457
Total Deductions	64,095,217	55,573,757
Change in Net Position	(142,260,624)	168,534,839
Net Position Restricted for Pension Benefits		
Beginning of year	1,159,191,901	990,657,062
End of year	$ 1,016,931,277	$ 1,159,191,901