

# ADMINISTRATIVE POLICY

## EXCESS BENEFIT PLAN Office of the City Manager All City Departments and Offices

### Policy

Effective retroactively to October 1, 2014, the City of Hollywood, Florida (the "Employer") has adopted an excess benefit plan known as the "City of Hollywood, Florida Supplementary Pension Plan" (the "Plan") for employees participating in one of the Employer's three defined benefit retirement plans for police officers, firefighters and general employees.

### Explanation

The purpose of the Plan is to provide benefits in excess of the limitations imposed by Internal Revenue Code SS415 for participants of each of the three defined benefit retirement plans covering employees of the City of Hollywood, Florida.

#### Article 1

#### Definitions

As used herein, the following words and phrases have the meaning ascribed to them in Article II unless a different meaning is plainly required by the context. Some of the words and phrases used in the Plan are not defined in this Article II, but, for convenience, are defined as they are introduced into the text. Any headings used herein are included for ease of reference only, and are not to be construed so as to alter any of the terms of the Plan.

- 1.1 "Accrued Benefit" as of a specified date with respect to a participant means a monthly benefit equal to (a) minus (b) below (but not less than zero), where
- (a) means the sum of the vested benefits that would be payable to the participant under the applicable retirement plan computed without regard to the limitations imposed by Internal Revenue Code SS415 on such plan. The benefit described in this subsection (a) shall commence at the participant's normal retirement date; and
  - (b) means the sum of the vested benefits payable to the participant under the applicable retirement plan. The benefit described in this subsection (b) shall commence at the participant's normal retirement date.

- 1.2 “Actuarial Equivalent” shall mean a benefit which is of equal value at the date of determination to the benefit otherwise defined, computed on the basis of an interest rate and mortality rates adopted by the applicable retirement plan.
- 1.3 “Annuity Starting Date” shall mean the first day of the first period for which an amount is payable as an annuity (or in the case of a benefit not payable in the form of an annuity, the first day on which all events have occurred which entitle the participant to such a benefit).
- 1.4 “Beneficiary” shall mean the person or entity entitled to receive benefits, if any, under the applicable retirement plan upon the participant’s death.
- 1.5 “Benefit Service” shall mean the sum of all benefit service earned under the provisions of the applicable retirement plans.
- 1.6 “Code” shall mean the Internal Revenue Code of 1986, as amended. Reference to a section of the Code shall include that section and any comparable section or sections of any future legislation that amends, supplements or supersedes such section.
- 1.7 “Deferred Retirement Option Plan” shall have the same meaning as set forth in the applicable retirement plan that covers the participant as an active participant on the date his employment with the Employer terminates.
- 1.8 “Delayed Retirement Date” shall have the same meaning as set forth in the applicable retirement plan that covers the participant as an active participant on the date his employment with the Employer terminates.
- 1.9 “Early Retirement Date” shall have the same meaning as set forth in the applicable retirement plan that covers the participant as an active participant on the date his employment with the Employer terminates.
- 1.10 “Employer” shall mean City of Hollywood, Florida.
- 1.11 “Normal Retirement Date” shall have the same meaning as set forth in the applicable retirement plan that covers the participant as an active participant on the date his or her employment with the Employer terminates.
- 1.12 “Participant” shall mean an employee of the Employer who is a member of one of the Employer’s retirement plans who becomes eligible to participate in the Plan and who continues to be entitled to any benefits under the Plan.
- 1.13 “Plan” shall mean the City of Hollywood, Florida Supplementary Pension Benefit Plan, an excess benefit plan.

- 1.14 "Retirement Plan" shall mean and include the three (3) defined benefit retirement plans for police officers, firefighters and general employees of the City of Hollywood, Florida, as amended from time to time.
- 1.15 "Retirement" shall mean termination of employment with the Employer at a time when the participant is eligible for an early, normal, deferred, or delayed retirement benefit under the applicable retirement plan.

## Article II

### Eligibility

- 2.1 Eligibility to Participate in the Plan. To receive a benefit, a participant or his or her beneficiary must qualify for a benefit under the applicable Retirement Plan, the amount of which is reduced by reason of the application of the limitations set forth in Section 415 of the IRS Code.
- 2.2 Participation. A participant shall remain a participant in this Plan so long as he or she is entitled to current or contingent benefits under the Plan, but shall cease to be a participant if he or she terminates employment with the Employer prior to the date on which he or she becomes eligible for payment of benefits under Article III of the Plan. Should a participant cease to be an employee, but later becomes re-employed by the Employer and again becomes a member of a retirement plan, he or she shall again become a participant.

## Article III

### Benefits

- 3.1 Retirement Benefits. Except as otherwise provided herein, benefits under this plan will be computed as follows:
- (a) Normal retirement benefit shall be equal to the participant's accrued benefit determined at the participant's normal retirement date and commencing on such date.
  - (b) Early retirement benefit shall be equal to the participant's accrued benefit (after any applicable reduction) under the applicable retirement plan, determined at the participant's early retirement date and commencing on such date.
  - (c) Deferred retirement option benefit shall be equal to the participant's accrued benefit determined at the participant's deferred retirement date and commencing on such date.

- 3.2 Termination of Service. A participant shall be entitled to a monthly retirement benefit if he or she terminates before he or she is eligible to receive a retirement benefit, provided that a participant meets the vesting requirements of Article IV. The participant's benefit on his or her termination of employment shall be the participant's accrued benefit at the date of termination of employment, commencing on the first date on which he or she would be eligible to receive a normal or early retirement benefit.
- 3.3 Form and Payment of Benefit. Benefits, including death benefits, if any, payable under this Plan will be paid in the same manner as set forth in the applicable retirement plan. If death occurs before the participant's annuity starting date, a benefit, if any, hereunder will be based on the benefit rights in the applicable retirement plan.

#### Article IV

##### Vesting

- 4.1 Vesting. A participant shall be vested in his or her accrued benefit after completion of the requisite years of credited services under the applicable retirement plan.

#### Article V

##### Plan Administration

This Plan shall be administered by the City's Director of Financial Services, who shall have all of the discretionary authority, rights, and duties which are necessary for proper administration of the Plan. The decisions of the Plan Administrator, including but not limited to interpretations and determinations of amounts due under the Plan, shall be final and binding on all parties.

#### Article VI

##### Non-Alienation of Benefits

The interest of participants and their beneficiaries under this Plan are not subject to the claims of their creditors and may not be voluntarily or involuntarily sold, transferred, alienated, assigned, pledged, anticipated, or encumbered. Any attempt by a participant, his or her beneficiary, or any other person to sell, transfer, alienate, or assign, pledge, anticipate, encumber, charge or other dispose of any right to benefits payable hereunder shall be void. The Employer may cancel and refuse to pay any portion of a benefit which has been sold, transferred, alienated, assigned, pledged, anticipated or encumbered. Additionally, the benefits which a participant may accrue under this Plan are not subject to the terms of any Qualified Domestic Relations Order (as that term is defined in Section 414 (p) of the Code) with respect to any participant,

nor shall the Plan Administrator or Employer be required to comply with the terms of such order in connection with the Plan.

## Article VII

### Amendment and Termination

The Employer reserves the right to amend, alter or discontinue this Plan at any time by action of the City Commission. However, no such amendment shall deprive any participant or beneficiary of any portion of any benefit which would have been payable had the participant's employment with the Employer terminated on the effective date of such amendment or termination.

## Article VIII

### General Provisions

- 8.1 **Funding.** Benefits payable under this Plan to a participant shall be paid directly from the general assets of the Employer. The Employer shall not be obligated to set aside, earmark or escrow any funds or other assets to satisfy its obligation under this Plan, and the participant and beneficiary shall not have any property interest in any specific assets of the Employer other than the unsecured right to receive payments from the Employer as provided herein.
- 8.2 **Facility of Payment.** When a person entitled to a distribution under this Plan is under a legal disability, or, in the opinion of the Plan Administrator, may direct that the distribution to which such person otherwise would be entitled shall be made to such person's legal representative(s) for such person's benefit, or the Plan Administrator may direct the application of such distribution for the benefit of such person in such manner as the Plan Administrator considers advisable. Any payment made in good faith in accordance with provision of this Section 8.2 shall be a complete discharge of any liability for the making of such payment under the provision of this Plan.
- 8.3 **Plan Not a Contract of Employment.** This Plan does not constitute a contract of employment, and participation in the Plan will not give any participant the right to be retained in the employment of the Employer.
- 8.4 **Successors.** The provisions of this Plan shall be binding upon the Employer and its successors and assigns and upon every participant and his or her heirs, beneficiaries, estates and legal representatives.
- 8.5 **Required Notification to Plan Administrator.** Each participant entitled to benefits hereunder shall file with the Plan Administrator from time to time in writing his or her mailing address and each change of address, and any check representing payment hereunder and any communication addressed to a participant or a

former participant hereunder at his or her last address filed with the Plan Administrator, or if no such address has been filed, than at his or her last address as indicated on the records of the Employers shall be binding on such person for purposes of the Plan, and neither the Plan Administrator nor the Employer or other payor shall be obligated to search for or ascertain the location of any such person. If the Plan Administrator for any reason is in doubt as to the address of any participant entitled to benefits hereunder or as to whether benefit payments are being received by the person entitled thereto, the Plan Administrator shall, by registered mail addressed to the person concerned at the address last known to the Plan Administrator, notify such person that:

- (i) All unmailed and future retirement income payments shall be henceforth withheld until such person provides the Plan Administrator with evidence of continued life and proper mailing address; and
- (ii) Such person's right to any retirement income whatsoever shall, at the option of the Plan Administrator, be canceled forever, if at the expiration of five (5) years from the date of such mailing, such person shall not have provided the Plan Administrator with evidence of continued life and proper mailing address.

8.6 Required Information to Plan Administrator. Each participant will furnish to the Plan Administrator such information as the Plan Administrator considers necessary or desirable for purposes of administering the Plan, and the provisions of the Plan respecting any payments thereunder are conditional upon the participant's furnishing promptly such true, full and complete information as the Plan Administrator may request. Each participant will submit proof of age to the Plan Administrator at such time as required by the Plan Administrator. The Plan Administrator will, if such proof of age is not submitted as required, use as conclusive evidence thereof such information as is deemed by him or her to be reliable regardless of the lack of proof, or the misstatement of the age of persons entitled to benefits hereunder, by the participant or otherwise. Any notice or information which, according to the terms of the Plan or the rules of the Plan Administrator, must be filed with the Plan Administrator, shall be deemed so filed if addressed and either delivered in person or mailed to and received by the Plan Administrator, in care of the Employer at:

City of Hollywood, Florida  
2600 Hollywood Boulevard  
Hollywood, Florida 33020  
Attn: Director of Financial Services

8.7 Claims Procedure. Any claim for benefits must initially be submitted in writing to the Plan Administrator. If such claim is denied (in whole or in part), the claimant shall receive from the Plan Administrator notice in writing, written in a manner calculated to be understood by the claimant, setting forth the specific reasons for

denial, with specific reference to pertinent provisions of this Plan. Such notice shall be provided within ninety (90) days of the date the claim for benefits is received. Any disagreements about such interpretations and construction may be appealed within sixty (60) days to the City Commission.

8.8 Official Actions. Any action required to be taken by the City Commission pursuant to the Plan as been delegated to the City Manager.

8.9 Controlling State Law. To the extent not superseded by the law of the United States, the laws of the State of Florida shall be controlling in all matters relating to this Plan.

8.10 Severability. In case any provision of this Plan shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if such illegal and invalid provisions had never been set forth.

Approved by: \_\_\_\_\_  
City Manager

Date: \_\_\_\_\_