

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF HOLLYWOOD, FLORIDA, AMENDING SECTION 33.025 RELATED TO PROVIDING NEW BENEFIT OPTIONS, REVISING THE MAKEUP OF THE BOARD OF TRUSTEES, AND REVISING LANGUAGE GOVERNING PURCHASE OF CREDITED SERVICE.

WHEREAS, members of the City of Hollywood Employees Retirement Fund ("COHERF") have only been able to participate in a defined benefit plan; and

WHEREAS, through collective bargaining, representatives of the City and AFSCME Local 2432 ("AFSCME") agreed to the addition of two more options for retiree benefits, namely a defined contribution plan and a hybrid plan comprised of both defined benefit and defined contribution components; and

WHEREAS, the Board of Trustees of the City of Hollywood Employees' Retirement Fund ("COHERF"), in recognition that a majority of members of COHERF are retirees, but retirees are represented by only one member of the Board, desire to revise the Board makeup to have one of the other Board members also be a retiree; and

WHEREAS, currently, the Code allows for an apparent inequity in benefits for certain members related to the purchase of credited service, and the City and AFSCME desire to revise the Code to remove such inequity; and

WHEREAS, these proposed ordinance revisions will be voted upon by the AFSCME voting members and members of COHERF following the first reading of this proposed ordinance, but prior to second reading and adoption of the ordinance; and

WHEREAS, the City Commission wishes to consider the proposed ordinance that will be voted upon by members of AFSCME and members of COHERF.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA:

Section 1: That the foregoing "WHEREAS" clauses are ratified and confirmed as being true and correct and are incorporated into this Ordinance.

Section 2: That Chapter 33, Section 33.025 of the Code of Ordinances, entitled "Pensions and Retirement," is amended to read as follows¹:

¹(Coding: Words and figures underscoring are additions to existing law; words and figures ~~struck-through~~ are deletions.)

§ 33.025 PENSIONS AND RETIREMENT.

(A) *Establishment and purpose.*

(1) The "City of Hollywood Employees' Retirement Fund" (the "Fund"), comprising a retirement plan for general employees of the City ~~city~~, originally effective October 1, 1958, is hereby amended. The fund consists of: (1) a defined benefit plan and a deferred retirement option plan, both of which are intended to qualify under section 401(a) of the Internal Revenue Code, and (2) a defined contribution plan intended to qualify under section 401(a) of the Internal Revenue Code; and (3) a Hybrid Plan intended to qualify under section 401(a) of the Internal Revenue Code. All plans are governmental plans under section 414(d) of the Internal Revenue Code. The Fund is maintained for the exclusive benefit of eligible City ~~city~~ employees and their beneficiaries. The benefits under the plan shall be in addition to amounts received as federal social security benefits, except where social security benefits are specifically applied as offsets in the case of disability benefits hereunder: the benefits under this plan shall also be in addition to benefits received by any member from any other private or public retirement system. Except as otherwise specifically provided, the amended plan shall be effective October 1, 2013. Notwithstanding the foregoing, the following effective dates shall apply.

(a) Section ~~Division~~ (Y) is amended effective January 1, 2009₁ to provide for direct rollovers by non-spouse beneficiaries.

(b) The definition of 415 compensation in section ~~division~~ (D) is modified to include differential pay effective for "limitation years" beginning after December 31, 2008.

(c) Section ~~Division~~ (D)(5) is amended, effective for employees who die after December 31, 2006₁ while engaged in qualified military service, to provide that they shall be treated as having returned to employment immediately prior to death for certain plan purposes.

(2) It is the legislative intent and purpose of this subchapter to provide certain retirement, disability, death and withdrawal benefits to officers and employees of the City ~~city~~ in the amounts and under the terms and conditions herein set forth.

(3) The purpose of the Fund is to provide an orderly means whereby employees of the City ~~city~~ who become superannuated or otherwise incapacitated as the result of age or disability may be retired from active service without prejudice and without inflicting a hardship upon the employees retired, and to enable such employees to accumulate reserves for themselves and their beneficiaries to provide for old age, disability, death, and termination of employment, thus effecting economy and efficiency in the administration of City ~~city~~ government.

(4) A ~~new~~ contribution and benefit structure is ~~hereby~~ established for employees hired on or after July 15, 2009. Such employees will be members of the Employees

Retirement Fund of the City of Hollywood; however, the contributions and benefits for such employees are as set forth in sections ~~divisions~~ (AA) and (JJ) ~~of this section~~.

- (5) (a) The benefit structure in effect on September 30, 2011₁ is frozen at midnight on that date for general fund members. All general fund members will be vested in benefits accrued to that date and payable under the terms and conditions of plan provisions then in effect. No additional benefits of any kind shall accrue to general fund members under the frozen benefit structure. Effective October 1, 2011, general fund members are subject to a new benefit structure applicable to future service as set forth in this § 33.025.

(b) Notwithstanding any provision contained in this § 33.025 to the contrary, for any general fund member who becomes eligible to retire with normal retirement benefits on or before September 30, 2011₁ and is so eligible on September 30, 2011, the benefit structure in effect on September 30, 2011₁ shall remain in effect beyond September 30, 2011₁ and shall not be frozen.

- (6) (a) The benefit structure in effect on March 4, 2014₁ is frozen at midnight on that date for non-general fund members. All non-general fund members will be vested in benefits accrued to that date and payable under the terms and conditions of plan provisions then in effect. No additional benefits of any kind shall accrue to non-general fund members under the frozen benefit structure. Effective March 5, 2014, non-general fund members are subject to a new benefit structure applicable to future service as set forth in this section.

(b) Notwithstanding any provision contained in this section to the contrary, for any non-general fund member who becomes eligible to retire with normal retirement benefits on or before March 4, 2014₁ and is so eligible on March 4, 2014, the benefit structure in effect on March 4, 2014₁ shall remain in effect beyond March 4, 2014₁ and shall not be frozen.

(7) Any member who, during the period beginning October 1, 2011₁ and ending March 4, 2014, transfers between a position in which he or she is a general fund member and a position in which he or she is a non-general fund member shall be subject to the benefit structure applicable to general fund members for all periods of time during which he or she is a general fund member and shall be subject to the benefit structure applicable to non-general fund members for all periods of time during which he or she is a non-general fund member.

(8) New optional contribution and benefit structures are hereby established for members employed by the City as of September 30, 2025, and employees hired or rehired after September 30, 2025. Such employees will be members of the Employees Retirement Fund of the City of Hollywood; however, the contributions and benefits for such employees are as set forth in sections 33.025 (DD), (JJ) and (KK).

(B) *Definitions.* For purposes of this subchapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

ACTUARIAL EQUIVALENT. A benefit or amount of equal value, based upon the 1983 Group Annuity Mortality Table for males and an interest rate of 8% per annum, or such other rate that is recommended by the actuary and approved by the Board.

ADMINISTRATOR PENSION COORDINATOR. The person or entity appointed in accordance with section division (S)(9) of this plan.

AVERAGE FINAL COMPENSATION. For a member hired prior to July 15, 2009, means monthly average compensation for the highest 78 consecutive bi-weekly pay periods of credited service. Payments for accumulated sick and annual leave received by such member following separation from employment and included in compensation in accordance with the definition of COMPENSATION below shall be deemed to have been received in the final pay period for the purpose of this definition. AVERAGE FINAL COMPENSATION for members hired on or after July 15, 2009, but prior to October 1, 2011, and separated from City city service prior to June 19, 2019, is set forth in section division (AA) below. AVERAGE FINAL COMPENSATION for members hired on or after October 1, 2011, but prior to March 5, 2014, and separated from City city service prior to June 19, 2019, is set forth in section division (CC) below. AVERAGE FINAL COMPENSATION for general fund members hired on or after October 1, 2011, and non-general fund members hired on or after March 5, 2014, who remain covered by, or who elect benefits under, section (DD) is set forth in section division (DD) below. The definition of AVERAGE FINAL COMPENSATION set forth above is frozen at midnight on September 30, 2011, for general fund members and at midnight on March 4, 2014, for non-general fund members. Under the benefit structure effective October 1, 2011, for general fund members and effective March 5, 2014, for non-general fund members, a definition of AVERAGE FINAL COMPENSATION for members hired prior to July 15, 2009, and separated from City city service prior to June 19, 2019, is set forth in section division (BB) below. AVERAGE FINAL COMPENSATION for members hired prior to March 5, 2014, and employed by the City city as of June 19, 2019, is set forth in section division (JJ) below. AVERAGE FINAL COMPENSATION for general and non-general fund members who elect benefits under section (KK) is set forth in section (KK) below.

BENEFICIARY. The person or persons entitled to receive benefits hereunder upon the death of a member who has or have been designated in writing by the member and filed with the Administrator Pension Coordinator in accordance with the provisions of this pension plan.

BOARD. The Board of Trustees, which shall administer the pension plan as provided herein.

CITY. The City of Hollywood, Florida.

CITY COMMISSION. The City Commission of the City ~~city~~.

CODE. The U.S. Internal Revenue Code of 1986, as amended from time to time.

COMPENSATION. A member's gross wages received from the City ~~city~~, including overtime and payments for accumulated annual leave and accumulated sick leave, except as provided below:

(a) For members who retire or enter the DROP on or after January 3, 2001₁ and prior to October 1, 2002, compensation shall include payments for accumulated sick and annual leave received by such member.

(b) For members hired prior to October 1, 2002₁ and employed by the City ~~city~~ on that date, compensation shall include payments for accumulated annual leave, but the amount of accumulated sick leave included in such member's compensation shall not exceed the amount accumulated as of October 1, 2002 (including the maximum limitation as of October 1, 1994).

(c) For members most recently hired after October 1, 2002₁ compensation shall include payments for accumulated annual leave, but no payment for accumulated sick leave shall be included in such member's compensation.

(d) For members hired prior to July 15, 2009₁ who retire or enter the DROP on or after August 17, 2009, compensation shall exclude all earnings and payouts for blood time and compensatory time. In addition, the payouts for accumulated annual leave that may be counted as compensation for such members shall not exceed 125 hours for employees who retire from a position covered by the general employees' bargaining unit; and shall not exceed 60 hours per year for employees who retire from a position not covered by the general employees' bargaining unit.

(e) Compensation for members hired on or after July 15, 2009₁ but prior to October 1, 2011₁ is set forth in sections ~~divisions~~ (AA) and (JJ) below, compensation for members hired on or after October 1, 2011₁ but prior to March 5, 2014₁ is set forth in sections ~~divisions~~ (CC) and (JJ) below, and compensation for members hired on or after March 5, 2014 is set forth in sections ~~division~~ (DD) and (KK) below.

(f) Employee-elective salary reductions or deferrals to any salary reduction, deferred compensation, or tax-sheltered annuity program authorized under the rules of the Internal Revenue Service Code shall be included in compensation for retirement purposes. Compensation in excess of the limitations set forth in Section 401(a)(17) of the Internal Revenue Code, adjusted in accordance with U.S. Treasury Department regulations, shall be disregarded.

The definition of compensation set forth above is frozen at midnight on September 30, 2011, for general fund members hired prior to July 15, 2009, and at midnight on March 4, 2014, for non-general fund members hired prior to July 15, 2009. Under the benefit structure effective October 1, 2011, for general fund members hired prior to July 15, 2009, and effective March 5, 2014, for non-general fund members hired prior to July 15, 2009, a definition of compensation is set forth in sections ~~divisions~~ (BB) and (JJ).

DIRECT ROLLOVER. A payment to an eligible retirement plan specified by the distributee in accordance with section ~~division~~ (Y) below.

EMPLOYEE. Any person employed by the City ~~city~~ on a full-time basis whose services are compensated in whole or in part by the City ~~city~~, with or without grant funds, including all employees hired on or after the effective date of this subchapter whose services are compensated on a contractual basis. All references to employees in this plan shall mean both sexes and where the male gender is used, it shall be construed to include male and female employees.

FUND. The pension fund established as part of this retirement plan.

GENERAL FUND MEMBER. Any member paid out of the City ~~city~~'s general fund and/or other City ~~city~~ funds, with the exception of the water and sewer utility, stormwater utility, parking and sanitation funds.

MEMBER. Any employee who participates in the fund in accordance with the provisions of this plan, and any retiree.

REGULAR INTEREST. Interest at the rate fixed by the Board from time to time based upon the long-term rate of income earnable on investments but not less than 4% per annum.

RETIREE. Any member who receives benefits under the provisions of this plan, including DROP participants.

RETIREMENT. A member's separation from City ~~city~~ employment with eligibility for and actual receipt of benefits under this retirement plan, or entry into the DROP.

RETIREMENT PLAN or PLAN. The Employee's Retirement Fund of the City of Hollywood as set forth herein and as it has been and may be amended from time to time.

SPOUSE. The lawful wife or husband of a member.

(C) *Membership.* All employees and retirees shall be compulsory members of this plan, except for the following:

(1) The City Manager and City Attorney, who may participate in the plan with the approval of the City Commission;

(2) Employees who serve as active City ~~city~~ law enforcement officers or firefighters and who are required to be certified as law enforcement officers or firefighters in accordance with state law;

(3) Seasonal and part-time employees;

(4) Elected officials;

(5) Independent contractors;

(6) Employees hired prior to the effective date of this subchapter who are employed by the City ~~city~~ on that date, whose services are compensated on a contractual basis, and who do not elect to participate in this plan in accordance with section ~~division~~ (D)(7) below.

(D) *Credited service.* Each member rehired on or before September 30, 2025, shall receive credit for service rendered as an employee as follows: based on subsections (1) through (11) below. Each member rehired after September 30, 2025, shall receive credit for service rendered as an employee based on subsections (2) through (5), (8), and (12) below.

(1) Any employee in the service of the City ~~city~~ on September 30, 1958, or on sick leave or on an approved leave of absence on such date, provided such leave shall not have extended for more than six months after such date, shall be entitled to credit for service rendered as an employee of the City ~~city~~ prior to October 1, 1958, for the purpose of the Fund.

(2) Each person becoming a member of the Fund after September 30, 1958, shall be entitled to credited service for all service rendered the City ~~city~~ on or after October 1, 1958, for which he or she shall have received compensation; provided, however, that no credited service shall be earned after a member has entered the DROP plan as herein described.

(3) In computing credited service, 12 months of service shall constitute a year of service and 15 calendar days or more of service during any month shall constitute a month of service.

(4) A member may receive additional credited service for up to six months in the last year of City ~~city~~ employment by paying into the Fund the member contributions that normally would have been paid to the Fund had the employee worked the necessary time to complete the year. Additional credited service purchased in accordance with this section ~~division~~ may not be used to obtain the minimum service required for vesting or participation in the DROP plan or planned retirement benefit.

(5) An employee shall receive credited service for all purposes, including vesting, for the years or fractional parts of years that he or she performs "Qualified Military Service," including voluntary or involuntary service, in the armed forces of the United States as defined in the Uniformed Services Employment and Reemployment Rights Act (USERRA) (P.L. 103-353), after separation from employment with the City ~~city~~, to perform training or service, provided that:

(a) The employee must return to his or her employment with the City ~~city~~ within one year following the date of military discharge or his or her release from active service;

(b) The employee is entitled to reemployment under the provisions of USERRA;

(c) The employee pays to the plan the amount he or she would have contributed to the plan as pick-up (pre-tax) contributions if his or her employment would have continued during the period he or she was absent due to qualified military service. Such payment must be made by the earlier of a period equal to three times the period of absence or five years after reemployment;

(d) The maximum credit for military service pursuant to this section ~~division~~ shall be five years;

(e) This section ~~division~~ (D)(5) is intended to satisfy the minimum requirements of USERRA and section 414(u) of the Internal Revenue Code, each as may be amended from time to time. To the extent that this section ~~division~~ does not meet the minimum requirements of USERRA or section 414(u) of the Internal Revenue Code, the applicable provisions of USERRA or section 414(u) of the Internal Revenue Code shall govern.

If an employee dies on or after January 1, 2007, while performing qualified military service as defined by USERRA, the employee's beneficiaries shall be entitled to any benefits to which the employee would have been entitled had he or she resumed employment and then died while employed.

Beginning January 1, 2009, to the extent required by section 414(u)(12) of the Internal Revenue Code, an individual receiving differential wage payments, as defined under section 3401(h)(2) of the Internal Revenue Code, from the City ~~city~~ shall be treated as employed by the City ~~city~~, and the differential wage payment shall be treated as compensation for purposes of applying the limits on annual additions under section 415(c) of the Internal Revenue Code. This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.

(6) Any person who was a member of this plan on June 4, 2003, and employed by the City ~~city~~ on January 3, 2001, may purchase credited service under the plan for all

prior periods of City ~~city~~ employment in a position eligible for membership in the plan in accordance with section ~~division~~ (C) above, that were not included in the member's credited service; provided that credited service for prior City ~~city~~ employment as a CETA, BETA or temporary employee may be purchased only by members who are employed in a position covered by this plan at the time of such purchase. Such member may enter into an agreement at any time prior to separation from City ~~city~~ employment to purchase such credited service by paying a contribution of 7% of the compensation received during the period of prior employment, plus a buy-back fee of 4% of the total contribution amount. If the total contribution amount and buy-back fee is not fully paid by the time the member leaves City ~~city~~ employment, an additional 6½% fee will be charged on the unpaid balance remaining when the member separates from City ~~city~~ employment. Payments for the purchase of credited service made pursuant to this section ~~division~~ must be made using any one or a combination of the following options:

- (a) Cash lump sum payment.
- (b) Direct transfer or rollover of an eligible rollover distribution from a qualified plan, in accordance with section ~~division~~ (Y) below.
- (c) *Time payment plan.* Under this option the member may elect to pay any remaining balance due for the purchase of credited service through a time payment plan approved by the City ~~city~~ and the employee. Under such plan, bi-weekly payments shall be deducted from the member's compensation, and if there is any remaining balance due upon separation from City ~~city~~ employment, monthly payments shall be deducted from the member's monthly pension benefit until the remaining balance is fully paid; provided that the deduction shall not exceed 20% of the member's gross monthly pension benefit. As of October 1, 2025, if electing a time-payment plan, the payments deducted from the member's compensation shall not be considered picked-up contributions.

(7) Employees hired prior to June 4, 2003, ~~the effective date of this subchapter~~ who are employed by the City ~~city~~ on that date, whose services are compensated on a contractual basis, may elect to participate in this plan by submitting a written election to participate, on a form approved by the City ~~city~~, by June 4, 2004, ~~within one year following the effective date of this subchapter~~. Any such member may purchase credited service under the plan for all prior periods of City ~~city~~ employment in a position eligible for membership in the plan in accordance with section ~~division~~ (C) above, under the same conditions and options as provided for the purchase of credited service under section ~~division~~ (D)(6) above. The election to participate in the plan under this section ~~division~~ (7) shall be irrevocable. Any person who is eligible to become a member of the plan under this section ~~division~~ (7) who does not submit a timely written election to participate in accordance with this section ~~division~~ shall not be eligible to participate in the plan for as long as he or she is compensated on a contractual basis.

(8) Notwithstanding anything to the contrary contained in this plan, a member who is receiving retirement benefits under this Fund which are based on previous employment with the City ~~city~~ shall not be required to make member contributions and shall not accrue additional benefits or receive additional credited service for any additional periods of employment. A member who retired pursuant to the Early Retirement Incentive Plan created by Ordinance No. O-94-34 shall not thereafter be eligible for full or part-time City ~~city~~ employment.

(9) ~~Notwithstanding any other provision of this subchapter,~~ Effective ~~effective~~ October 1, 2005, any former member of this plan who is employed as a City ~~city~~ police officer on the effective date of this section ~~division~~, and has credited service under this plan with an accrued benefit rate of less than 3% per year, may purchase the difference between the accrued benefit rate and 3% per year by paying the full actuarial cost of such difference. Full payment for this additional accrued benefit rate must be made within 60 days following the effective date of this section ~~division~~.

(10) Any City ~~city~~ employee who, on March 5, 2014, is a contributing member of this plan may purchase credited service under the plan for each period of prior City ~~city~~ employment in a permanent full-time position that was not eligible for membership in a defined benefit retirement plan of the City ~~city~~. Such member may enter into an agreement at any time prior to separation from City ~~city~~ employment to purchase such credited service by paying a contribution of 8% of the compensation received during the period of prior employment, plus a buy-back fee of 4% of the total contribution amount. If the total contribution amount and buy-back fee is not fully paid by the time the member leaves City ~~city~~ employment, an additional 6-1/2% fee will be charged on the unpaid balance remaining when the member separates from City ~~city~~ employment. Payments for the purchase of credited service made pursuant to this section ~~division~~ must be made using any one or a combination of the following options:

- (a) Cash lump sum payment.
- (b) Direct transfer or rollover of an eligible rollover distribution from a qualified plan, in accordance with section ~~division~~ (Y) below.
- (c) Time payment plan. Under this option the member may elect to pay any remaining balance due for the purchase of credited service through a time payment plan approved by the City ~~city~~ and the employee. Under such plan, bi-weekly payments shall be deducted from the member's compensation, and if there is any remaining balance due upon separation from City ~~city~~ employment, monthly payments shall be deducted from the member's monthly pension benefit until the remaining balance is fully paid; provided that the deduction shall not exceed 20% of the member's gross monthly pension benefit. As of October 1, 2025, if electing a time-payment plan, the payments deducted from the member's compensation shall not be considered picked-up contributions.

(11) ~~Notwithstanding anything to the contrary contained in this section, any~~ Any ~~City~~ city employee who is a contributing member of this plan may purchase credited service under the plan for each period of prior or current ~~City~~ city employment in a full-time position during which he or she was not a member of a contributory, defined benefit retirement plan of the ~~City~~ city. Such member may enter into an agreement at any time prior to separation from ~~City~~ city employment to purchase such credited service by ~~paving~~ paying a contribution of 8% of the compensation received during the period of prior employment, plus a buy-back fee of 4% of the total contribution amount. If the total contribution amount and buy-back fee is not fully paid by the time the member leaves ~~City~~ city employment, an additional 6.5% fee will be charged on the unpaid balance remaining when the member separates from ~~City~~ city employment. Payments for the purchase of credited service made pursuant to this section ~~division~~ must be made using any one or a combination of the following options:

- (a) Cash lump sum payment;
- (b) Direct transfer or rollover of an eligible rollover distribution from a qualified plan, in accordance with section ~~division~~ (Y) below; and/or
- (c) *Time payment plan.* Under this option, the member may elect to pay any remaining balance due for the purchase of credited service through a time payment plan approved by the ~~City~~ city and the employee. Under such plan, bi-weekly payments shall be deducted from the member's compensation, and if there is any remaining balance due upon separation from ~~City~~ city employment, monthly payments shall be deducted from the member's monthly pension benefit until the remaining balance is fully paid: provided that the deduction shall not exceed 20% of the member's gross monthly pension benefit. As of October 1, 2025, if electing a time-payment plan, the payments deducted from the member's compensation shall not be considered picked-up contributions.

(12) Any City employee rehired after September 30, 2025, who is a contributing member of this plan may purchase credited service under the plan for each period of prior or current City employment in a full-time position during which he or she has forfeited credited service and received a refund or has not received credited service as a member of a contributory, defined benefit retirement plan of the City. Such member may enter into an agreement ("Credited Service Agreement") within one year of date of rehire to purchase such credited service by paying his or her current contribution rate multiplied by the years of credited service being purchase multiplied by his or her current compensation.

Time Payment Plan. Under this option the participant may elect to pay for the purchase of credited service through a one-time payment or through post-tax payroll deduction on a time payment plan over a period of not more than two (2) years after entering into the Credited Service Agreement. The credited service purchased shall not be credited until all installments are paid.

(E) *Normal retirement date.*

(1) A member hired prior to July 15, 2009, and last hired on or before September 30, 2025, who separates from City ~~city~~ employment on or after July 1, 1999, may retire with normal retirement benefits upon attaining 25 years of credited service regardless of age, or upon reaching age 55 with at least five years of credited service, subject, however, to the additional provisions applicable to such a member under the benefit structure effective October 1, 2011, for general fund members and effective March 5, 2014, for non-general fund members as specified in sections ~~divisions~~ (BB) and (JJ) below.

A member hired prior to July 15, 2009, who elects to forfeit the benefits of section (JJ) and elects the benefits of section (KK) may retire with normal retirement benefits as defined in section (KK).

(2) A member who separates from City ~~city~~ employment on or after November 7, 1990, and before July 1, 1999, may retire with normal retirement benefits upon attaining 25 years of credited service regardless of age, or upon reaching age 55 with at least ten years of credited service.

(3) A member who separates from City ~~city~~ employment prior to November 7, 1990, may retire with normal retirement benefits upon attaining age 55 with at least 25 years of credited service, or upon reaching age 62 with at least ten years of credited service.

(4) The normal retirement date for members hired on or after July 15, 2009, but prior to October 1, 2011, is specified in sections ~~divisions~~ (AA) and (JJ) below.

A member hired on or after July 15, 2009, but prior to October 1, 2011, who elects to forfeit the benefits of section (JJ) and elects the benefits of section (KK) may retire with normal retirement benefits as defined in section (KK).

(5) The normal retirement date for members hired on or after October 1, 2011, but prior to March 5, 2014, is specified in sections ~~divisions~~ (CC) and (JJ) below.

A member hired on or after October 1, 2011, but prior to March 5, 2014, who elects to forfeit the benefits of section (JJ) and elects the benefits of section (KK) may retire with normal retirement benefits as defined in section (KK).

(6) The normal retirement date for members hired on or after March 5, 2014, is specified in section ~~division~~ (DD) below.

A member hired on or after March 5, 2014, who elects to forfeit the benefits of section (DD) and elects the benefits of section (KK) may retire with normal retirement benefits as defined in section (KK).

(F) *Normal retirement benefit.*

(1) The retirement benefit payable to a member hired prior to July 15, 2009, who separates from City ~~city~~ employment on or after October 1, 1998, shall be 3% of average final compensation multiplied by years of credited service, up to a maximum of 27 years of credited service and a maximum pension rate of 81%. Such benefit shall be payable on the member's normal retirement date and separation from City ~~city~~ employment. The normal retirement benefit specified in this paragraph is frozen at midnight on September 30, 2011, for general fund members and at midnight on March 4, 2014, for non-general fund members. The normal retirement benefit for general fund members hired prior to July 15, 2009, under the benefit structure effective October 1, 2011, and for non-general fund members hired prior to July 15, 2009, under the benefit structure effective March 5, 2014, is specified in sections ~~divisions~~ (BB), ~~and~~ (JJ) and (KK) below.

(2) The retirement benefit payable to a member who separates from City ~~city~~ employment on or after February 1, 1974, and before October 1, 1998, with ten or more years of credited service shall be 2.5% of average final compensation multiplied by years of credited service, up to a maximum of 30 years of credited service and a maximum pension rate of 75%, excluding those members who retired pursuant to the Early Retirement Incentive Plan created by Ordinance No. O-94-34. Such benefit shall be payable on the member's normal retirement date and separation from City ~~city~~ employment.

(3) The normal retirement benefit for members hired on or after July 15, 2009, but prior to October 1, 2011, is specified in sections ~~divisions~~ (AA) and (JJ) below.

A member hired on or after July 15, 2009, but prior to October 1, 2011, who elects to forfeit the benefits of section (JJ) and elects the benefits of section (KK) may retire with normal benefits as specified in section (KK) below.

(4) The normal retirement benefit for members hired on or after October 1, 2011, but prior to March 5, 2014, is specified in sections ~~divisions~~ (CC) and (JJ) below.

A member hired on or after October 1, 2011, but prior to March 5, 2014, who elects to forfeit the benefits of section (JJ) and elects the benefits of section (KK) may retire with normal benefits as specified in section (KK) below.

(5) The normal retirement benefit for members hired on or after March 5, 2014, is specified in section ~~division~~ (DD) below.

A member hired on or after March 5, 2014, who elects to forfeit the benefits of section (DD) and elects the benefits of section (KK) may retire with normal benefits as specified in section (KK) below.

(G) *Deferred vested retirement.*

(1) Any member hired prior to July 15, 2009, irrespective of age, who separates from City ~~city~~ employment on or after July 1, 1999, after having completed at least five years of credited service prior to October 1, 2011, and does not receive a refund of contributions, and any member hired prior to July 15, 2009, irrespective of age, who separates from City ~~city~~ employment on or after October 1, 2011, after having completed at least five years of credited service consisting of any combination of credited service (i) as a member of any kind prior to October 1, 2011, and (ii) as a member other than a general fund member on or after October 1, 2011, but prior to March 5, 2014, shall have the right to receive a service retirement benefit beginning at age 55 based on the benefit formula in effect on the date of separation from City ~~city~~ employment and years of credited service and average final compensation on that date. Deferred vested retirement for members hired prior to July 15, 2009, is further specified in sections ~~divisions~~ (BB), ~~and~~ (JJ), and (KK) below.

(2) Any member, irrespective of age, who separated from City ~~city~~ employment before July 1, 1999, after having completed at least ten years of credited service and did not receive a refund of contributions shall have the right to receive a service retirement benefit beginning at age 62, based on the benefit formula in effect on the date of separation from City ~~city~~ employment and years of credited service and average final compensation on that date.

(3) Deferred vested retirement for members hired on or after July 15, 2009, but prior to October 1, 2011, is set forth in sections ~~divisions~~ (AA) and (JJ) below.

Deferred vested retirement for members hired on or after July 15, 2009, but prior to October 1, 2011, who elect to forfeit the benefits of section (JJ) and elect the benefits of section (KK) is set forth in section (KK) below.

(4) Deferred vested retirement for members hired on or after October 1, 2011, but prior to March 5, 2014, is set forth in sections ~~divisions~~ (CC) and (JJ) below.

Deferred vested retirement for members hired on or after October 1, 2011, but prior to March 5, 2014, who elect to forfeit the benefits of section (JJ) and elect the benefits of section (KK) is set forth in section (KK) below.

(5) Deferred vested retirement for members hired on or after March 5, 2014, is set forth in section ~~division~~ (DD) below.

Deferred vested retirement for members hired on or after March 5, 2014, who elect to forfeit the benefits of section (DD) and elect the benefits of section (KK) is set forth in section (KK) below.

(H) *Deferred retirement option plan.*

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

(2) An employee covered by this plan with ten years of credited service may enter into the DROP plan on first day of any month by selecting an entry date on or after the day the member attains normal retirement date.

No member shall receive any benefits from both the DROP plan and the planned retirement benefit.

(3) An employee electing to participate in the DROP plan must complete and execute the proper forms supplied by the Administrator ~~Pension Coordinator~~.

(4) For an employee hired prior to July 15, 2009, the duration and participation in the DROP plan shall be specified and shall not exceed a number of years which, when added to the number of years of all credited service that the member has in the retirement system prior to entry into DROP, exceeds a total of 32 years. An employee may continue to be employed after conclusion of the DROP, by mutual agreement of the employee and the City, subject to approval of the City Manager. In any event, the total participation in the DROP plan shall not exceed five years and participation will end if the employee is terminated for just cause, dies or retires.

For an employee hired on or after July 15, 2009, the duration and participation in the DROP plan shall be specified and shall not exceed a number of years which, when added to the number of years of all credited service that the member has in the retirement system prior to entry into DROP, exceeds a total of 37 years. An employee may continue to be employed after conclusion of the DROP, by mutual agreement of the employee and the City, subject to approval of the City Manager. In any event, the total participation in the DROP plan shall not exceed five years and participation will end if the employee is terminated for just cause, dies or retires.

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

(6) Upon the effective date of employee commencement of participation in the DROP plan, neither the employee nor the employer contribution will continue to be paid.

(7) For purposes of this retirement plan, average final compensation and credited service shall be determined as of the effective date of commencement of participation in the DROP plan. The monthly retirement benefits ("DROP payments") that would have been payable, had the member elected to cease employment and receive a service retirement benefit, shall be paid into a deferred retirement option account.

(8) DROP payments shall earn interest at a rate set by the Board of Trustees, through the date of termination of the member's participation in the DROP. Notwithstanding the preceding sentence, effective July 1, 2006₁ for members included in the AFSCME General bargaining unit, May 1, 2007₁ for members included in the AFSCME Professional and Supervisory units, and July 1, 2007₁ for members not included in any bargaining unit, DROP payments shall earn interest at the same rate as the net

market rate of return on plan assets. For purposes of this section (H), NET MARKET RATE OF RETURN means the rate of return on a market value basis net of investment related expenses for each year ending September 30; however, in no event shall DROP payments earn interest at a rate of less than 0%. Upon the conclusion of a member's participation in the DROP, a permissible distribution of the DROP account balance credited to the member shall be distributed to the member under one or a combination of the following options selected by the member in accordance with procedures established by the Board:

(a) A single lump sum payment equal to the balance in the member's DROP account as of the date of termination from the DROP plan; or

(b) A direct rollover to a qualified plan or a direct trustee to trustee transfer to an eligible plan.

(9) The member's selection of a distribution option shall be irrevocable. If the member does not select a distribution option within 60 days following separation from City employment, the DROP account shall be distributed in accordance with option (a) above.

(10) If a participant dies during the period of participation in the DROP plan, a lump sum equal to DROP payments including earned interest to the date of the member's death shall be paid to the named beneficiary or, if no beneficiary is named, to the estate of the employee in addition to any other normal survivorship benefits that would be paid.

(11) A DROP participant may terminate DROP participation and resign from City employment prior to the end of the maximum DROP period and receive a distribution of the participant's DROP account balance. At the conclusion of the maximum DROP participation period and upon termination of DROP participation, a DROP participant who has attained normal retirement age or age 59.5 or older, regardless of whether the participant separates from City employment, may choose to receive a distribution of the participant's DROP account balance in accordance with section (H)(8) above. If a DROP participant does not separate from City employment at the end of the maximum DROP period, and does not choose to receive a distribution of the participant's DROP account balance, the DROP account will not be credited with additional interest. Regardless of age, the member's monthly retirement benefit will not be paid until the member separates from City employment following participation in the DROP.

(12) If an employee becomes disabled during the period of DROP participation and employment is terminated because of disability, the employee shall receive payment of the DROP account balance as set forth in this section. Thereafter, such member shall receive, at the member's election, a normal retirement benefit calculated in accordance with section (E) and (F) above, or a disability retirement benefit calculated in accordance with section (L) below, based on the compensation and years of credited service in effect on the date the DROP participation began.

(13) The Commission may, by ordinance, implement the provisions of the DROP plan.

(I) *Service retirement benefit; optional forms.*

(1) The retirement benefit to be paid by the system shall be a life annuity, provided that the member shall have an option, prior to the date of retirement, to receive his or her benefit under any of the following forms:

(a) Five years certain and life thereafter. Under this option, the member receives a reduced monthly benefit for life, and if the member dies within five years following retirement, the same monthly benefit is paid to the member's designated beneficiary for the remainder of the five- year period.

(b) Ten years certain and life thereafter. Under this option, the member receives a reduced monthly benefit for life, and if the member dies within ten years following retirement, the same monthly benefit is paid to the member's designated beneficiary for the remainder of the ten-year period.

(c) Twenty years certain and life thereafter. Under this option, the member receives a reduced monthly benefit for life, and if the member dies within 20 years following retirement, the same monthly benefit is paid to the member's designated beneficiary for the remainder of the 20-year period.

(d) Joint and last survivor, whereby the retired member shall receive a reduced monthly benefit for life, and following the retired member's death, the same monthly benefit is paid to the member's designated beneficiary for life.

(e) Joint and last survivor, whereby the retired member shall receive a reduced monthly benefit for life, and following the retired member's death, the designated beneficiary receives one-half of the member's reduced monthly benefit for life.

(2) All of these optional forms shall be actuarially equated to the life annuity to which the member is entitled at the date of retirement.

(3) A member may change his or her designated beneficiary at any time. If a retiree changes his or her designated beneficiary, the retiree's benefit shall be actuarially adjusted to reflect the age of the new beneficiary.

(4) A member may designate any number of beneficiaries. If he or she designates more than one, the age of the younger or youngest will be used in the calculation of benefits.

(J) *Benefit adjustments.*

(1) Effective January 1, 1970, a member who retired prior to January 1, 1968, shall have his or her monthly retirement adjusted so as to result in a minimum payment of \$100 per month, unless he or she has elected to receive his or her benefit under any of the options enumerated above, in which case a proportionate adjustment shall be made in accordance with the actuarial tables provided by the actuary.

(2) Effective January 1, 1970, a member retiring after January 1, 1968, shall have his or her monthly retirement benefit adjusted to the greater of either 2.5% of his or her highest average monthly salary for any three consecutive years within his or her last ten years of service, multiplied by the number of years of service, or \$100 per month. If, however, the member has elected to receive his or her benefit under the options enumerated above, the adjustment shall be made in accordance with the actuarial tables provided by the actuary.

(3) There shall be payable to a retiree whose retirement date occurs after October 1, 1989, and before August 17, 2009, commencing three years after retirement benefits begin, a 2% cost of living adjustment (COLA) in retirement benefits annually, including benefits paid into the DROP account.

(4) There shall be payable to a retiree whose retirement date occurred before October 1, 1989, commencing, October 1, 1999, a 2% cost of living adjustment (COLA) in retirement benefits annually.

(5) For members hired prior to July 15, 2009, who retire on or after August 17, 2009, without entering the DROP, a 2% COLA shall be payable annually commencing three years after retirement benefits begin. For members hired prior to July 15, 2009, who enter the DROP on or after August 17, 2009, a 2% COLA will be payable annually, commencing the later of three years after retirement benefits begin or one year after separation from employment following participation in the DROP. For general fund members, the benefit provided in this paragraph is frozen as of midnight on September 30, 2011. Under the benefit structure effective October 1, 2011, for general fund members, no COLA shall be payable. For non-general fund members, the benefit provided in this paragraph is frozen as of midnight on March 4, 2014. Under the benefit structure effective March 5, 2014, for non-general fund members, no COLA shall be payable.

(6) Members hired on or after July 15, 2009, shall not be eligible for a COLA.

(K) *Supplemental pension distribution.*

(1) Effective October 1, 2002, a supplemental pension distribution program shall be established in accordance with this subsection. For the purpose of this section ~~division~~, an eligible person is any member who is employed by the City ~~city~~ on October 1, 2002, and any member who is receiving benefits from the plan on that date, or the spouse of such member if the member is deceased and the spouse is receiving benefits from the

plan. A supplemental pension distribution shall be paid to each eligible person other than a DROP participant who receives retirement benefits from the plan, for each plan year beginning October 1, 2002₁ through September 30, 2005₁ in which the net market rate of return on fund assets exceeds the assumed rate of investment return plus 2%. For plan years beginning October 1, 2005₁ and thereafter, a supplemental pension distribution shall be paid to each eligible person other than a DROP participant who receives retirement benefits from the plan, as follows:

- (a) For the plan year beginning October 1, 2005, a supplemental pension distribution shall be paid if the net market rate of return on fund assets exceeds the assumed rate of investment return plus 3%.
- (b) For the plan year beginning October 1, 2006, a supplemental pension distribution shall be paid if the net market rate of return on fund assets exceeds the assumed rate of investment return plus 4%.
- (c) For plan years beginning October 1, 2007₁ and thereafter, a supplemental pension distribution shall be paid if the net market rate of return on fund assets exceeds the assumed rate of investment return plus 4.5%.

(2) For the purpose of this section ~~division~~, NET MARKET RATE OF RETURN means the rate of return on a market value basis net of investment related expenses for each year ending September 30. The total amount of the supplemental pension distribution for a particular fiscal year shall be equal to the actuarial present value of future retirement benefits with respect to eligible retirees multiplied by the excess (not to exceed 2%) of the net market rate of return, over the assumed rate of investment return plus 2%, for the years beginning October 1, 2002₁ and ending on or before September 30, 2005. For plan years beginning October 1, 2005₁ and thereafter, the total amount of the supplemental pension distribution for a particular fiscal year shall be equal to the actuarial present value of future retirement benefits with respect to eligible retirees multiplied by the excess (not to exceed 2%) of the net market rate of return, over the assumed rate of investment return plus:

- (a) Three percent for the plan year beginning October 1, 2005;
- (b) Four percent for the plan year beginning October 1, 2006; and
- (c) Four and one-half percent for plan years beginning October 1, 2007₁ and thereafter.

(3) For those years in which a supplemental pension distribution is payable, the amount of the supplemental pension distribution paid to each eligible person shall be determined as follows:

(a) First, the total amount of the supplemental pension distribution for a particular year shall be divided by the total years of credited service attributable to all eligible persons who are receiving retirement benefits from the plan (not to exceed 25 years for each eligible person).

(b) Then, the amount obtained in section ~~division~~ (3)(a), above, shall be multiplied by the years of credited service attributable to each eligible person (not to exceed 25 years) to produce the amount of the supplemental pension distribution payable to each eligible person.

(4) The supplemental pension distribution shall not be paid to any member who is participating in the DROP, for as long as the member participates in the DROP. For the purpose of this section ~~division~~, credited service includes only those periods in which the member contributed a percentage of his/her compensation to the Fund. The Board may adopt rules to implement this section ~~division~~.

(L) *Disability retirement.*

(1) Except as set forth in section ~~division~~ (3) below, upon total and permanent disability of a member by reason of injuries sustained while in the performance of an act of duty as an active employee of the City ~~city~~, resulting in the inability of the member to perform the specific duties of his or her position in the service of the City ~~city~~, such member shall be entitled to a disability retirement benefit equal to 75% of his or her salary from the first day of disability. Based on the available medical information, the Human Resources Director shall make the final determination regarding the ability of the member to perform the specific duties of his or her position.

(2) Except as set forth in section ~~division~~ (3) below, upon total and permanent disability of a member hired prior to July 15, 2009₁ having at least five years of credited service, from causes other than the performance of an act of duty as an employee of the City ~~city~~, resulting in the inability of the member to perform the specific duties of his or her position in the service of the City ~~city~~, such member shall be entitled to a disability retirement benefit equal in rate to that provided for service retirement, but not less than 20% of average salary. Based on the available medical information, the Human Resources Director shall make the final determination regarding the ability of the member to perform the specific duties of his or her position. The eligibility of members hired on or after July 15, 2009₁ but prior to October 1, 2011₁ for non-duty disability benefits is specified in sections ~~divisions~~ (AA) and (JJ) below. The eligibility of members hired on or after October 1, 2011₁ but prior to March 5, 2014₁ for non-duty disability benefits is specified in sections ~~divisions~~ (CC) and (JJ) below. The eligibility of members hired on or after March 5, 2014₁ for non-duty disability benefits is specified in section ~~division~~ (DD) below. If a general fund member hired prior to October 1, 2011₁ is entitled to a non-duty disability benefit and the date of disability, defined as the date the member becomes disabled, as opposed to the date on which the determination of disability is made, is on or after October 1, 2011, the amount of the non-duty disability benefit to which the member is entitled shall equal the sum of (i) a benefit for the period prior to October 1, 2011₁ calculated in

accordance with the benefit structure frozen as of September 30, 2011, and (ii) a benefit for the period on and after October 1, 2011, calculated in accordance with the benefit structure effective October 1, 2011. If a non-general fund member hired prior to March 5, 2014, is entitled to a non-duty disability benefit and the date of disability, defined as the date the member becomes disabled, as opposed to the date on which the determination of disability is made, is on or after March 5, 2014, the amount of the non-duty disability benefit to which the member is entitled shall equal the sum of (i) a benefit for the period prior to March 5, 2014, calculated in accordance with the benefit structure frozen as of March 4, 2014, and (ii) a benefit for the period on and after March 5, 2014, calculated in accordance with the benefit structure effective March 5, 2014.

(3) The disability benefit as herein provided shall continue until the member is able to return to work, or dies; provided that the member shall have an option, at the date of retirement, to receive his or her benefit under either section ~~division~~ (I)(1)(d) or (e).

(4) Notwithstanding the provisions of sections ~~divisions~~ (1) and (2) above, a member shall not be entitled to a disability retirement benefit if the City ~~city~~ offers the member, with no change in salary or benefit level, a newly created modified duty position or a vacant position which the member is capable and qualified to perform. If the position is a vacant position, it shall be a position within the civil service system provided in this chapter. Any member who is placed in such a position shall have preference for future vacant positions without regard to the provisions of the civil service system. Placement in a position pursuant to this section ~~division~~ shall be at the discretion of the Human Resources Director. This section ~~division~~ shall not apply to any member who was injured or disabled prior to July 1, 1999.

(5) The amount of a disability retirement benefit payable by reason of injuries sustained while in the performance of an act of duty as an active employee of the City ~~city~~ shall be reduced to the extent that the sum of the disability retirement benefit to which the retiree would otherwise be entitled, and the retiree's workers' compensation benefits exceeds the retiree's average weekly wages at date of retirement. For purposes of this section ~~division~~, AVERAGE WEEKLY WAGES shall be determined as prescribed in F.S. Ch. 440 (the Workers' Compensation Law).

(6) The amount of a disability retirement benefit shall be reduced annually by the amount of salary received by the member, and by the amount of net earnings from self-employment income received by the member. Neither social security nor workers' compensation benefits shall be deemed salary or net earnings from self-employment income under this section ~~division~~. Not later than April 15 of the year following any calendar year in which a member received a disability retirement benefit for the entire year, the member shall submit to the Board his or her federal income tax return without supporting schedules or documentation. Commencing with the first monthly payment thereafter to which the reduction can be applied, the member's disability retirement benefit for 12 consecutive monthly payments shall be reduced by an amount equal to 1/12 of the salary received by the member and 1/12 of the net earnings from self-employment income received by the member during the preceding calendar year. This section ~~division~~ shall

not apply to any member who was injured or disabled prior to July 1, 1999. Notwithstanding any other provision of this ~~section~~ division, effective October 1, 2005 the provisions of this ~~section~~ division shall apply only to disability retirement benefits payable by reason of injuries sustained while in the performance of an act of duty as an active employee of the City ~~city~~, and any member who was receiving non-duty disability retirement benefits on June 1, 2001, or who commenced receiving non-duty disability retirement benefits after that date, shall not be subject to the benefit reduction provided in this ~~section~~ division.

(7) Members receiving disability retirement benefit shall be subject to periodic investigations and medical examinations as deemed necessary by the Board and the City ~~city~~. The Board shall prescribe rules and regulations governing the payment of the disability benefits herein provided, including prescribing the requirements for such periodic investigations and medical examinations in the interest of an effective and efficient administration of these benefits.

(M) *Death benefits.*

(1) Effective April 5, 2006, for members included in the AFSCME General bargaining unit, March 7, 2007, for members included in the AFSCME Professional and Supervisory bargaining units, and July 18, 2007, for members not included in any bargaining unit, when an employed member of the Employees' Retirement Fund of the City of Hollywood, who is vested, dies before retirement, his or her designated beneficiary (or beneficiaries) shall have the option of receiving the member's contribution to the Fund, plus simple interest at the rate of 4% per year, or benefit payments until his or her own death equal to the benefit payments the deceased member would have received had he or she retired on the day of his or her death having selected to receive his or her annuity under ~~section~~ division (I)(1)(d) above.

(2) *Benefits payable upon a member's death following retirement.*

(a) If a member elects to receive an optional benefit form pursuant to ~~section~~ division (I)(1)(a), (b) or (c), that benefit shall be paid upon retirement for the member's lifetime, and if the member dies before the specified period of benefits ends, the benefit shall be paid to the member's beneficiary (or if more than one beneficiary is designated, in equal shares to each beneficiary), for the remainder of the specified period. Upon the death of any designated beneficiary following the retired member's death, the benefit shall continue to be paid, in equal shares, to any remaining beneficiaries for the remainder of the specified period. If all designated beneficiaries pre-decease the retired member, any remaining benefit shall be reduced to present value and paid to the member's estate upon the death of the member. Upon the death of the last surviving designated beneficiary following the death of the retired member, any remaining benefit shall be paid to the last surviving beneficiary's estate.

(b) If a member receives a life annuity or elects to receive an optional benefit form pursuant to section ~~division~~ (I)(1)(d) or (e), upon death of the last survivor of the retired member and the retired member's designated beneficiaries, a payment shall be made to the last survivor's designated beneficiary or estate of the excess, if any, of the contributions made by the member over the total amount paid by the fund to the retired member or designated beneficiaries, plus simple interest at the rate of 4% per year.

(3) Upon death of a vested member after separation from City ~~city~~ employment but before retirement, if such member had elected to receive an optional benefit form pursuant to section ~~division~~ (I)(1) above, benefit payments shall be made to the beneficiary designated by the member commencing on the date the member would have become eligible for benefit payments in accordance with section ~~division~~ (E) above. If such member did not elect to receive an optional benefit form pursuant to section ~~division~~ (I)(1) above, or upon the election of the member's designated beneficiary, the beneficiary shall receive payment of the member's contributions to the fund, plus simple interest at the rate of 4% per year to the date of separation from employment, in lieu of any other benefit. If no beneficiary is designated, the member's contributions to the fund, plus simple interest at the rate of 4% per year to the date of separation from employment, shall be paid to the member's estate.

(N) *Refund of member contributions.*

(1) Any member who separates from City ~~city~~ employment may elect to receive a refund of his or her total contributions plus simple interest at the rate of 4% per year through the date of separation.

(2) Any member receiving a refund of contributions shall thereby waive, forfeit and relinquish all accrued rights in the Fund including all accumulated credited service, ~~provided that if~~ ~~if a former member who has withdrawn his or her contributions and who shall reenter the service of the City and render at least three years of credited service following his or her reentry, he or she shall have the right to purchase credited service as defined in section (D)(12). make a repayment of the refund or refunds including interest at 4% per annum for the period of his or her absence from service of the city, and thereby have restored to him or her all credited service previously forfeited by the acceptance of a refund.~~

(O) *Financing.*

(1) The Fund shall be financed in accordance with actuarial requirements by the following revenues:

(a) Contributions by employees hired prior to July 15, 2009, of 7% of compensation prior to October 1, 2009, 8% of compensation as of October 1, 2009, 9% of compensation as of October 1, 2010, and 8% of compensation thereafter effective no later than the first day of a pay period

that begins within 30 days (i.e., one month) after March 5, 2014, to be deducted from members' pay at regular payroll periods. Contribution by employees who elect the Hybrid Plan shall be as set forth in section (KK), below. Effective for the first full pay period after June 19, 2019, contributions by general fund members hired prior to October 1, 2011, shall be 9% of compensation; and by general fund members hired on or after October 1, 2011, contributions shall be 8% of compensation. Effective for the first full pay period after June 19, 2019, contributions by non-general fund members hired prior to March 5, 2014, shall be 9% of compensation; and by non-general fund members hired on or after March 5, 2014, contributions shall be 8% of compensation. Contributions deducted from a member's pay, ~~including contributions deducted from a member's pay to purchase credited service in accordance with section division (D)(6) and (7) above,~~ shall be designated as employer contributions pursuant to section 414(h) of the Internal Revenue Code. Such designation is contingent upon the contributions being excluded from the member's gross income for federal income tax purposes in accordance with the code and applicable regulations. For all other purposes of the plan, unless otherwise specifically stated, such contributions shall be considered to be member contributions. A member's election to purchase credited service through payroll deduction in accordance with section division (D)(6) and (7) above shall be irrevocable. The employee contributions for members hired on or after July 15, 2009, but prior to October 1, 2011, is specified in sections divisions (AA), and (JJ), and (KK) below;

(b) Contributions by the City city in an amount which, when added to the members' contributions, will be sufficient to fund the plan on a sound actuarial basis, which contributions shall be made concurrently with contributions by the members according to rates established by the Board upon recommendation of the actuary;

(c) Interest earned on investments; and

(d) Miscellaneous income accruing to the Fund.

(2) The Board shall certify annually to the City Commission on or before April 1 of each year the amount necessary to fund the plan on a sound actuarial basis for the following fiscal year.

(3) Forfeitures may not be applied to increase the benefits any member would otherwise receive under the plan.

(P) *Depository account.* The moneys constituting the Fund derived from the aforesaid revenues shall be deposited by the Administrator ~~Treasurer~~ in an account entitled Employees' Retirement Fund of the City of Hollywood ~~and shall be subject to the laws and regulations that apply to other City city funds.~~

(Q) *Investments.*

(1) The Board shall have exclusive charge of the investment of any assets in the Fund not needed for the Fund's current obligations, and may invest such assets in accordance with the written investment policy adopted by the Board pursuant to section division (2) below. Board members must discharge their duties with respect to the plan solely in the interest of the participants and beneficiaries and for the exclusive purpose of:

(a) Providing benefits to participants and their beneficiaries; and

(b) Defraying reasonable expenses of administering the plan; with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims: by diversifying the investments of the plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

(2) The Board shall adopt and periodically update a written investment policy in accordance with F.S. § 112.661, as such statute may be amended in the future. Within the limitations of the foregoing standards and investment policy, the Board is authorized to acquire and retain in the Fund every kind of investment specifically including, but not limited to stocks, bonds, securities, debentures, real estate, mutual funds, trusts and other obligations which persons of prudence, discretion and intelligence acquire or retain for their own account.

(3) In carrying out its investment duties, the Board shall engage such custodial, investment management, and other professional consultants as the Board deems necessary and prudent.

(R) *Management.*

(1) The Fund shall constitute a trust to operate for the exclusive benefit of the participating employees by a Board of Trustees of seven members. The Board shall consist of two persons designated as citizen members who shall be residents of the City ~~city~~, one of whom shall be a retiree member of the Fund, who shall be appointed by and serve at the pleasure of the City Commission, and who shall not be identified with the City ~~city~~ government; the City Manager or the City Manager's designee; two members representing the employees, who shall be employee members (including DROP participants) with at least six years of credited service, and who shall be elected by vote of all employee members (including DROP participants); one member representing the retirees, who shall be a retiree (but not a DROP participant) elected by vote of all retired members (excluding DROP participants); and one member representing the employees whose positions are not included in a collective bargaining unit, who shall have some accounting or investment experience and shall be appointed by and serve at the pleasure

of the City Manager. The ~~Administrator Pension Coordinator~~ shall administer the election of employee Board members, subject to the direction of the Board. The City of Hollywood Retirees' Association shall administer the election of retiree Board members, subject to the direction of the Board. Each of the three employee members shall attend two pension-related seminars during the member's first year of service on the Board. The Fund shall pay all expenses, as appropriate, related to all Board members' attendance at such required seminars, in accordance with policies approved by the Board.

(2) The terms of office of all Board members shall be three years, except to provide staggered terms for Board members appointed by the City Commission, the first such appointment occurring on or after May 18, 2016, shall be for a term expiring June 30, 2018, notwithstanding any other provision of this section.

(3) In case of a vacancy occurring in the Board membership appointed by City Commission, the City Commission shall appoint a successor for the unexpired term of the office so vacated. In case of vacancy occurring in the Board membership appointed by the City Manager, the City Manager shall appoint a successor for the unexpired term of the office so vacated. In case of a vacancy occurring in the Board membership elected by employee members, if less than one year remains in the term of the vacating Board member, the Board shall appoint a successor who meets the qualifications for the vacated office from among those members who submit a written expression of interest to the Board; and if one year or more remains in the term of the vacating Board member a special election shall be held in accordance with section ~~division~~ (R)(1) above to fill the remainder of the term. In case of a vacancy occurring in the Board membership elected by retiree members, if less than one year remains in the term of the vacating Board member, the City of Hollywood Retirees' Association shall appoint a successor who meets the qualifications for the vacated office from among those members who submit a written expression of interest to the Association; and if one year or more remains in the term of the vacating Board member a special election shall be held in accordance with section ~~division~~ (R)(1) above to fill the remainder of the term.

(4) Trustees shall serve without compensation but shall be reimbursed for any expenses incurred in connection with service as members of the Board.

(5) The Board shall elect annually from among its members a chair and vice-chair.

(6) Meetings of the Board shall be open to the public.

(7) The Board shall formulate policy and shall be responsible for the proper operation and administration of the affairs of the Fund.

(8) The Board shall from time to time establish rules and regulations implementing the provisions hereof, for the proper administration of the Fund and for the transaction of its business consistent with the provisions of this subchapter. It shall adopt bylaws to define the duties of its officers and govern the conduct of its meetings.

(S) *Administration.*

(1) The Board shall annually select from among its members a secretary, who shall perform such duties as may be assigned by the Board.

(2) The official custody and supervision of the Fund (and assets thereof) shall be vested in the Board. Payment of benefits and disbursements from the Fund may be made by a disbursing agent but only upon written authorization from the Board.

(3) ~~Assets of the Fund may be deposited with the Director of the Department of Financial Services of the city, acting in a ministerial capacity only, who shall be liable in the same manner and to the same extent as he or she is liable for the safekeeping of funds for the city. Any assets so deposited with the Director of the Department of Financial Services of the city shall be kept in a separate fund or clearly identified as assets of the Fund. Alternatively, the~~ The Board may deposit assets of the Fund in a qualified public depository as defined in F.S. § 280.02, which depository with regard to such funds shall conform to and be bound by all of the provisions of F.S. Ch. 280.

(4) The ~~Administrator Pension Coordinator~~ shall maintain custody of all records, files, and documents of the Fund and Board. All such records, files and documents shall be stored in the pension office with appropriate backup approved by the Board.

(5) The Board shall engage such actuarial, accounting, legal, and other services as shall be required to transact the business of the Fund. The compensation of such persons engaged by the Board shall be paid from the Fund at such rates and in such amounts as determined by the Board.

(6) The Board shall purchase insurance coverage, including fiduciary insurance and surety bonds, in such amounts and under such terms as determined by the Board.

(7) All expenses for the administration and operation of the Fund as approved by the Board shall be paid by the Fund. Beginning with the fiscal year commencing October 1, 2017, the Board shall provide a detailed accounting report of its expenses for each fiscal year, and make the report available to all members and the City. The report must include all administrative expenses that, for purposes of this subsection, are expenses relating to any legal counsel, actuary, ~~Administrator Pension Coordinator~~, and other service provider, office expenses, and all travel and other expenses paid to or on behalf of the members of the Board or anyone else on behalf of the plan.

(8) Beginning with the fiscal year commencing October 1, 2017, the Board shall adopt and operate under an administrative expense budget for each fiscal year, provide a copy of the budget to the City, and make available a copy of the budget to all members before the beginning of the fiscal year. If the Board amends the administrative expense budget, the board must provide a copy of the amended budget to the City and make available a copy of the amended budget to all members.

(9) The Board shall ensure that proper and adequate records and accounts are established and maintained which will give full effect to the requirements of this plan.

(10) Beginning with the fiscal year commencing October 1, 2017, an annual audit of books, accounts and records of the Fund shall be made by a certified public accountant selected by the Board. As part of the audit, an annual report shall be prepared by the Administrator ~~Director of the Department of Financial Services~~ and be audited by a certified public accountant as of the close of each fiscal year for submission to the Board, showing the assets and liabilities of the fund at the end of such year and the income and expenditures for the year and other data pertinent to the operation of the Fund. A synopsis of such report may be prepared for distribution to the members of the Fund.

(11) The Board shall engage a person or entity to serve as Administrator ~~Pension Coordinator~~. The Board may provide an office for the Administrator ~~Pension Coordinator~~, or may contract with the Administrator ~~Pension Coordinator~~ for an office. The Administrator ~~Pension Coordinator~~ shall be available during normal business hours to assist members and retirees in matters related to their pensions and retirement as provided in this plan.

(T) *Accounting.* The assets of the Fund shall be held for the express purpose set forth in this plan subject to the conditions prescribed herein. An adequate system of accounts and records shall be established and maintained to give effect to the requirements herein.

(U) *Actuarial studies.* An actuarial valuation of the Fund shall be conducted periodically in accordance with applicable law, but at least once every three years. In conjunction with the actuarial valuation, the actuary shall provide a supplemental report containing comparative data from other governmental pension plans, as specified by the Board. An experience study shall be conducted at least once every five years, and more frequently if authorized by the Board, to review mortality, turnover, disability, interest and other actuarial factors assumed in the calculation of costs and liabilities, and to vary the City ~~city's~~ contribution rate. Any proposal for changes in the benefit schedule shall be subject to evaluation by the actuary and his or her report and recommendations.

(V) *Non-alienation.* The right of a member to a service retirement benefit, disability retirement benefit, payment upon death, refund of contributions or any other right, accrued or accruing to any member or beneficiary under the provisions of this plan, shall be unassignable and shall not be subject in any manner whatsoever to anticipation, alienation, sale, execution, garnishment transfer, assignment, pledge, encumbrance, charge or attachment, or any other legal process whatsoever.

(W) *De minimus payments.* If the present value of any non-forfeitable accrued benefit is less than \$5,000, the Board may direct at the member's request that such benefit be distributed to the member or beneficiary in a lump-sum, and such lump sum payment shall fully discharge all liability of the fund with respect to such benefit.

(X) *Insurance.* The Commission shall have the power to provide for life or disability insurance for all City ~~city~~ employees, agents and officers in a group insurance plan approved by the Commission, and to pay all or part of the premiums thereon as the Commission may by resolution determine.

(Y) *Direct transfers of eligible rollover distributions.*

(1) *Rollover distributions.*

(a) *General.* This ~~section~~ division applies to distributions made on or after the effective date of this subchapter. Notwithstanding any provision of the plan to the contrary that would otherwise limit a distributee's election under this ~~section~~ division, a distributee may elect, at the time and in the manner prescribed by the Board, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(b) *Definitions.*

ELIGIBLE ROLLOVER DISTRIBUTION. An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under section 401(a)(9) of the Internal Revenue Code; and the portion of any distribution that is not includible in gross income. Any portion of any distribution which would be includible in gross income will be an eligible rollover distribution if the distribution is made to an individual retirement account described in section 408(a) of the Internal Revenue Code, to an individual retirement annuity described in section 408(b) of the Internal Revenue Code or to a qualified defined contribution plan described in section 401(a) or 403(a) of the Internal Revenue Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is not so includible.

A portion of a distribution shall not fail to be an ELIGIBLE ROLLOVER DISTRIBUTION merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to (1) a traditional individual retirement account or annuity described in sections 408(a) or (b) of the Internal Revenue Code (a traditional IRA) or a Roth individual retirement account or annuity described in section 408A of the Internal Revenue Code (a Roth IRA); or (2) a qualified defined contribution, defined benefit, or annuity plan described in sections 401(a) or 403(a) of the Internal Revenue Code or to an annuity contract described in section 403(b) of the Internal Revenue Code, if such plan or contract provides for separate accounting for amounts so transferred (including interest thereon),

including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

ELIGIBLE RETIREMENT PLAN. An eligible retirement plan is an individual retirement account described in section 408(a) of the Internal Revenue Code, an individual retirement annuity described in section 408(b) of the Internal Revenue Code, an annuity plan described in section 403(a) of the Internal Revenue Code, an eligible deferred compensation plan described in section 457(b) of the Internal Revenue Code which is maintained by an eligible employer described in section 457(e)(1)(A) of the Internal Revenue Code and which agrees to separately account for amounts transferred into such plan from this plan, an annuity contract described in section 403(b) of the Internal Revenue Code, or a qualified trust described in section 401(a) of the Internal Revenue Code, that accepts the distributee's eligible rollover distribution. This definition shall also apply in the case of an eligible rollover distribution to the surviving spouse.

DISTRIBUTE. A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse is a distributee with regard to the interest of the spouse. For distributions occurring in plan years beginning after December 31, 2009 (or in any earlier plan year beginning after December 31, 2006), a distributee ~~DISTRIBUTE~~ also includes the participant's non-spouse designated beneficiary. In the case of a non-spouse beneficiary, the direct rollover may be made only to a traditional IRA or Roth IRA that is established on behalf of the designated beneficiary and that will be treated as an inherited IRA pursuant to the provisions of section 402(c)(11) of the Internal Revenue Code. Also, in this case, the determination of any required minimum distribution under section 401(a)(9) of the Internal Revenue Code that is ineligible for rollover shall be made in accordance with Notice 2007-7, Q&A 17 and 18, 2007-5 I.R.B. 395.

DIRECT ROLLOVER. A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.

(c) *Rollovers or transfers into the Fund.* On or after the effective date of this subchapter, the Fund will accept member rollover cash contributions and/or direct cash rollovers of distributions for the purchase of credited service pursuant to section ~~division~~ (D)(6) and (7), as follows:

1. *Direct rollovers or member rollover contributions from other plans.* The plan will accept either a direct rollover of an eligible rollover distribution or a member contribution of an eligible rollover distribution from a qualified plan described in section 403(a) of the Internal Revenue Code, from an annuity contract described in section 403(b) of the Internal Revenue Code, or from an eligible plan under section 457(b) of the Internal Revenue Code, which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

2. *Member rollover contributions from 401(a) plans and IRAs.* The plan will accept a member rollover contribution of the portion of a distribution from qualified plan described in section 401(a) of the Internal Revenue Code, or from an individual retirement account or annuity described in section 408(a) or 408(b) of the Internal Revenue Code, that is eligible to be rolled over and would otherwise be includible in the member's gross income.

(Z) *Maximum pension limitation.*

(1) *Basic limitation.* Notwithstanding any other provisions of this plan to the contrary, the member contributions paid to, and retirement benefits paid from, the plan shall be limited to such extent as may be necessary to conform to the requirements of section 415 of the Internal Revenue Code for a qualified retirement plan. Before January 1, 1995, a plan member may not receive an annual benefit that exceeds the limits specified in section 415(b) of the Internal Revenue Code, subject to the applicable adjustments in that section. On and after January 1, 1995, a plan member may not receive an annual benefit that exceeds the dollar amount specified in section 415(b)(1)(A) of the Internal Revenue Code (\$160,000), subject to the applicable adjustments in section 415(b), and subject to any additional limits that may be specified in this plan. For purposes of this section ~~division~~ (Z), LIMITATION YEAR shall be the calendar year.

For purposes of section 415(b) of the Internal Revenue Code, the term ANNUAL BENEFIT means a benefit payable annually in the form of a straight life annuity without regard to the benefit attributable to after-tax employee contributions (except pursuant to section 415(n) of the Internal Revenue Code) and to rollover contributions (as defined in section 415(b)(2)(A) of the Internal Revenue Code), and with the benefit attributable determined in accordance with Treasury Regulations located in 26 CFR 1.415(b)-1.

(2) *Adjustments to basic limitation for form of benefit.* If the form of benefit is other than the annual benefit defined in section ~~division~~ (Z)(1), the benefit shall be adjusted so that it is the equivalent of the annual benefit using factors prescribed in treasury regulations. If the form of benefit, without regard to any automatic benefit increase feature, is not a straight life annuity or a qualified joint and survivor annuity, then the preceding sentence is applied by either reducing the section 415(b) limit applicable at the annuity starting date or by adjusting the form of benefit to an actuarially equivalent amount, determined using the assumptions specified in 26 CFR 1.415(b)-1, that takes into account the additional benefits under the form of benefit as follows:

(a) *Benefit forms not subject to section 417(e)(3) of the Internal Revenue Code.* The straight life annuity that is actuarially equivalent to the member's form of benefit shall be determined under this section ~~division~~ (Z)(2)(a) if the form of a member's benefit is either a non-decreasing annuity (other than a straight life annuity) payable for a period of not less than the life of the employee (or in the case of a qualified pre-retirement survivor annuity, the life of the surviving spouse), or an annuity that decreases during the life of

the member merely because of (a) the death of the survivor annuitant (but only if the reduction is not below 50% of the benefit payable before the death of the survivor annuitant); or (b) the cessation or reduction of social security supplements or qualified disability payments (as defined in section 401(a)(11) of the Internal Revenue Code). For a benefit paid in a form described in this section ~~division~~ (Z)(2)(a), the actuarially equivalent straight life annuity is equal to the greater of:

1. The annual amount of the straight life annuity (if any) payable to the member under the plan commencing at the same annuity starting date as the member's form of benefit; or
2. The annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the member's form of benefit, computed using a 5% interest rate assumption and the applicable mortality tables described in section 417(e)(3)(B) of the Internal Revenue Code (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing section 417(e)(3)(B) of the Internal Revenue Code); or

(b) *Benefit forms subject to section 417(e)(3) of the Internal Revenue Code.* If a form of member's benefit is other than a benefit form described in section ~~division~~ (Z)(2)(a), the actuarially equivalent straight life annuity benefit is the greatest of:

1. The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using the interest rate and mortality table, or tabular factor, specified in the plan for actuarial experience;
2. The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable computed using a 5.5% interest rate assumption for the applicable statutory interest rate assumption and (i) for years prior to January 1, 2009, the applicable mortality tables for the distribution under 26 CFR 1.417(e)-1(d)(2) (Revenue Ruling 2001-62 or any subsequent revenue ruling modifying the applicable provisions of Revenue Ruling 2001-62); and (ii) for years after December 31, 2008, the applicable mortality tables described in section 417(e)(3)(B) of the Internal Revenue Code (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing section 417(e)(3)(B) of the Internal Revenue Code); or
3. The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the

particular form of benefit payable computed using the applicable interest rate for the distribution under 26 CFR 1.417(e)-1(d)(3), the 30-year treasury rate; prior to January 1, 2007, using the rate in effect for the month prior to retirement, and on and after January 1, 2007, using the rate in effect for the first day of the plan year with a one-year stabilization period, and (i) for years prior to January 1, 2009, the applicable mortality tables for the distribution under 26 CFR 1.417(e)-1(d)(2) (the mortality table specified in Revenue Ruling 2001-62 or any subsequent revenue ruling modifying the applicable provisions of Revenue Ruling 2001-62); and (ii) for years after December 31, 2008, the applicable mortality tables described in section 417(e)(3)(B) of the Internal Revenue Code (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing section 417(e)(3)(B) of the Internal Revenue Code), divided by 1.05.

(c) The actuary may adjust the section 415(b) limit at that annuity starting date in accordance with sections ~~divisions~~ (Z)(2)(a) and (b) above.

(3) *Benefits not taken into account.* For purposes of this section ~~division~~, the following benefits shall not be taken into account in applying these limits:

(a) Any ancillary benefit which is not directly related to retirement income benefits;

(b) Survivor benefits payable to a surviving spouse under a qualified joint and survivor annuity to the extent such benefits would not be payable if the member's benefit were paid in another form;

(c) Any other benefit not required under section 415(b)(2) of the Internal Revenue Code and regulations thereunder to be taken into account for purposes of the limitation of section 415(b)(1) of the Internal Revenue Code.

(4) *COLA effect.* Effective on and after January 1, 2003, for purposes of applying the limits under section 415(b) of the Internal Revenue Code (the "limit"), the following will apply:

(a) A member's applicable limit will be applied to the member's annual benefit in the member's first limitation year of benefit payments without regard to any automatic cost of living adjustments;

(b) Thereafter, in any subsequent limitation year, a member's annual benefit, including any automatic cost of living increases, shall be tested under the then applicable benefit limit, including any adjustment to the section 415(b)(1)(A) dollar limit under section 415(d), and the regulations thereunder; but

(c) In no event shall a member's benefit payable under the plan in any limitation year be greater than the limit applicable at the annuity starting date, as increased in subsequent years pursuant to section 415(d) of the Internal Revenue Code and the regulations thereunder.

Unless otherwise specified in the plan, for purposes of applying the limits under section 415(b) of the Internal Revenue Code, a member's applicable limit will be applied taking into consideration cost of living increases as required by section 415(b) of the Internal Revenue Code and applicable treasury regulations.

(5) *Other adjustments in limitations.*

(a) In the event the member's retirement benefits become payable before age 62, the limit prescribed by this ~~section~~ ~~division~~ shall be reduced in accordance with regulations issued by the Secretary of the Treasury pursuant to the provisions of section 415(b) of the Internal Revenue Code, so that such limit (as so reduced) equals an annual straight life benefit (when such retirement income benefit begins) which is equivalent to an annual benefit in the amount of the applicable dollar limitation of section 415(b)(1)(A) of the Internal Revenue Code (as adjusted pursuant to section 415(d) of the Internal Revenue Code) beginning at age 62.

(b) In the event the member's benefit is based on at least 15 years of credited service as a full-time police officer or firefighter, the adjustments provided for in (Z)(5)(a) above shall not apply.

(c) The reductions provided for in ~~section~~ ~~division~~ (Z)(5)(a) above shall not be applicable to disability benefits or pre-retirement death benefits.

(d) In the event the member's retirement benefit becomes payable after age 65, for purposes of determining whether this benefit meets the limit set forth in this ~~section~~ ~~division~~, such benefit shall be adjusted so that it is actuarially equivalent to the benefit beginning at age 65. This adjustment shall be made in accordance with regulations promulgated by the Secretary of the Treasury or his or her delegate.

(6) *Less than ten years of service.* The maximum retirement benefits payable under this section to any member who has completed less than ten years of credited service shall be the amount determined under ~~section~~ ~~division~~ (Z)(5)(a) multiplied by a fraction, the numerator of which is the number of the member's years of credited service and the denominator of which is ten. The reduction provided by this ~~section~~ ~~division~~ cannot reduce the maximum benefit below 10% of the limit determined without regard to this ~~section~~ ~~division~~. The reduction provided for in this ~~section~~ ~~division~~ shall not be applicable to pre-retirement disability benefits or pre-retirement death benefits.

(7) *Participation in other defined benefit plans.* The limit of this section division with respect to any member who at any time has been a member in any other defined benefit plan, as defined in section 414(i) of the Internal Revenue Code, maintained by the City city shall apply as if the total benefits payable under all City city defined benefit plans in which the member has been a member were payable from one plan.

(8) *Ten thousand dollar limit.* Notwithstanding anything in this section division to the contrary, the retirement benefit payable with respect to a member shall be deemed not to exceed the limit set forth in this section division if the benefits payable, with respect to such member under this plan and under all other qualified defined benefit pension plans to which the City city contributes, do not exceed \$10,000 for the applicable limitation year and for any prior limitation year and the City city has not at any time maintained a qualified defined contribution plan in which the member participated; provided, however, that if the member has completed less than ten years of credited service, the limit under this section division shall be a reduced limit equal to \$10,000 multiplied by a fraction, the numerator of which is the number of the member's years of credited service and the denominator of which is ten.

(9) *Reduction of benefits.* Reduction of benefits and/or contributions to all plans, where required, shall be accomplished by first reducing the member's benefit under any defined benefit plans in which the member participated, such reduction to be made first with respect to the plan in which the member most recently accrued benefits and thereafter in such priority as shall be determined by the Board and the plan administrator of such other plans, and next, by reducing or allocating excess forfeitures to defined contribution plans in which the member participated, such reduction to be made first with respect to the plan in which the member most recently accrued benefits and thereafter in such priority as shall be established by the Board and the plan administrator for such other plans provided, however, that necessary reductions may be made in a different manner and priority pursuant to the agreement of the Board and the plan administrator of all other plans covering such member.

(10) *Service credit purchase limits.*

(a) Effective for permissive service credit contributions made in limitation years beginning after December 31, 1997, if a member makes one or more contributions to purchase permissive service credit under the plan, then the requirements of this section division will be treated as met only if:

1. The requirements of section 415(b) of the Internal Revenue Code are met, determined by treating the accrued benefit derived from all such contributions as an annual benefit for purposes of section 415(b); or
2. The requirements of section 415(c) of the Internal Revenue Code are met, determined by treating all such contributions as annual additions for purposes of section 415(c);

3. For purposes of applying section ~~division~~ (Z)(10)(a)1., the plan will not fail to meet the reduced limit under section 415(b)(2)(C) of the Internal Revenue Code solely by reason of this section ~~division~~, and for purposes of applying section ~~division~~ (Z)(10)(a)2., the plan will not fail to meet the percentage limitation under section 415(c)(1)(B) of the Internal Revenue Code solely by reason of this section ~~division~~.

(b) For purposes of this section ~~division~~, the term PERMISSIVE SERVICE CREDIT means service credit:

1. Recognized by the plan for purposes of calculating a member's benefit under the plan;
2. Which such member has not received under the plan; and
3. Which such member may receive only by making a voluntary additional contribution, in an amount determined under the plan, which does not exceed the amount necessary to fund the benefit attributable to such service credit.

Effective for permissive service credit contributions made in limitation years beginning after December 31, 1997, such term may, if otherwise provided by the plan, include service credit for periods for which there is no performance of service, and, notwithstanding section ~~division~~ (Z)(2)(b), may include service credited in order to provide an increased benefit for service credit which a member is receiving under the plan.

(c) For purposes of applying the limits in this section ~~division~~ only and for no other purpose, the definition of COMPENSATION where applicable will be compensation ~~COMPENSATION~~ actually paid or made available during a limitation year, except as noted below and as permitted by Treasury Regulations located in 26 CFR 1.415(c)-2, or successor regulations. Unless another definition of compensation ~~COMPENSATION~~ that is permitted by Treasury Regulations section 1.415(c)-2, or successor regulation, is specified by the plan, compensation ~~COMPENSATION~~ will be defined as wages within the meaning of section 3401(a) of the Internal Revenue Code and all other payments of compensation to a member by the City ~~city~~ for which the City ~~city~~ is required to furnish the member a written statement under sections 6041(d), 6051(a)(3), and 6052 of the Internal Revenue Code and will be determined without regard to any rules under section 3401(a) of the Internal Revenue Code that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in section 3401(a)(2) of the Internal Revenue Code).

1. However, for limitation years beginning after December 31, 1997, compensation will also include amounts that would otherwise be included in compensation but for an election under sections 125(a), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b) of the Internal Revenue Code. For limitation years beginning after December 31, 2000, compensation will also include any elective amounts that are not includible in the gross income of the member by reason of section 132(f)(4) of the Internal Revenue Code.

2. For limitation years beginning on and after January 1, 2007, compensation for the limitation year will also include compensation paid by the later of 2.5 months after the member's severance from employment or the end of the limitation year that includes the date of the member's severance from employment if:

A. The payment is regular compensation for services during the member's regular working hours, or compensation for services outside the member's regular working hours (such as overtime or shift differential), commissions, bonuses or other similar payments, and, absent a severance from employment, the payments would have been paid to the member had the member continued in employment with the City city; or

B. The payment is for unused accrued bona fide sick, vacation, or other leave that the member would have been able to use if employment had continued.

3. Back pay, within the meaning of Treasury Regulations section 1.415(c)-2(g)(8), shall be treated as compensation for the limitation year to which the back pay relates to the extent the back pay represents wages and compensation that would otherwise be included under this definition.

(d) Notwithstanding any other provision of law to the contrary, the Board may modify a request by a member to make a contribution to the plan if the amount of the contribution would exceed the limits provided in section 415 of the Internal Revenue Code by using the following methods:

1. If the law requires a lump sum payment for the purchase of service credit, the Board may establish a periodic payment deduction plan for the member to avoid a contribution in excess of the limits under section 415(c) or 415(n) of the Internal Revenue Code.

2. If payment pursuant to section ~~division~~ (Z)(10)(d)1. will not avoid a contribution in excess of the limits imposed by section 415(c) of the

Internal Revenue Code, the Board may either reduce the member's contribution to an amount within the limits of that section or refuse the member's contribution.

(e) If the annual additions for any member for a plan year exceed the limitation under section 415(c) of the Internal Revenue Code, the excess annual addition will be corrected as permitted under the Member Plans Compliance Resolution System (or similar IRS correction program).

(f) For limitation years beginning on or after January 1, 2009, a member's compensation for purposes of this section ~~division~~ shall not exceed the annual limit under section 401(a)(17) of the Internal Revenue Code.

(11) *Additional limitation on pension benefits.* Notwithstanding anything herein to the contrary:

(a) The normal retirement benefit or pension payable to a retiree who becomes a member of the plan and who has not previously participated in such plan, on or after January 1, 1980, shall not exceed 100% of average final compensation. However, nothing contained in this section ~~division~~ shall apply to supplemental retirement benefits or to pension increases attributable to cost-of-living increases or adjustments.

(b) No member shall be allowed to receive a retirement benefit or pension which is in part or in whole based upon any service with respect to which the member is already receiving, or will receive in the future, a retirement benefit or pension from a different public employer's retirement system or plan. This restriction does not apply to social security benefits or federal benefits under 10 U.S.C. § 67.

(AA) *Benefits and employee contributions for members hired on or after July 15, 2009, but prior to October 1, 2011, and separated from City ~~city~~ service prior to June 19, 2019.*

(1) Notwithstanding any other provision of the plan, members hired on or after July 15, 2009, but prior to October 1, 2011, shall receive the same retirement benefits as members hired prior to July 15, 2009, except as follows:

(a) Under the benefit structure effective October 1, 2011, for general fund members and effective March 5, 2014, for non-general fund members, the normal retirement dates shall be age 65 or older with seven years of credited service; age 62 or older with 25 years of credited service; or age 60 or older with 30 years of credited service; provided, however, that effective April 6, 2016, the normal retirement dates shall be age 65 or older with seven years of credited service; age 62 or older with 25 years of credited service; or 30 years of credited service, regardless of age; under the benefit structure effective prior to October 1, 2011, for general fund

members and prior to March 5, 2014, for non- general fund members, the normal retirement dates shall be age 57 or older with 25 years of credited service; age 60 or older with seven years of credited service; or 30 years of credited service, regardless of age;

(b) The vesting period shall be seven years of credited service;

(c) Upon reaching the normal retirement date, a general fund member who separates from City employment prior to March 5, 2014, is entitled to a normal retirement benefit of (i) 2.5% of average final compensation for each year of credited service earned prior to October 1, 2011, and (ii) 2.0% of average final compensation for each year of credited service earned on or after October 1, 2011. Upon reaching the normal retirement date, a general fund member who is employed by the City on March 5, 2014, is entitled to a normal retirement benefit of (iii) 2.5% of average final compensation for each year of credited service earned prior to October 1, 2011, and (iv) 2.5% of average final compensation for each year of credited service earned on or after October 1, 2011, up to a maximum benefit, for credited service earned on or after October 1, 2011, of 81% of average final compensation less 2.5% of average final compensation for each year of credited service earned prior to October 1, 2011. Upon reaching the normal retirement date, a non-general fund member is entitled to a normal retirement benefit of (v) 2.5% of average final compensation for each year of credited service earned prior to March 5, 2014, and (vi) 2.5% of average final compensation for each year of credited service earned on or after March 5, 2014, up to a maximum benefit for credited service earned on or after March 5, 2014, of 81% of average final compensation less 2.5% of average final compensation for each year of credited service earned prior to March 5, 2014, (see paragraph (d) below for definitions of average final compensation to be applied to (i) through (vi) above);

(d) Average final compensation shall be based on the member's highest 104 consecutive bi-weekly pay periods of credited service; provided, however, that under the benefit structure effective October 1, 2011, for general fund members and effective March 5, 2014, for non- general fund members, average final compensation shall be based on the member's highest 130 consecutive bi-weekly pay periods of the last 260 bi-weekly pay periods of credited service;

(e) Compensation shall include only the member's base pay which includes longevity pay, and certification pay, but no other payments shall be included;

(f) Eligibility for non-duty disability benefits shall commence upon attaining seven years of credited service;

(g) A member who separates from City ~~city~~ employment prior to his or her normal retirement date after having completed at least seven years of credited service and does not receive a refund of contributions shall have the right to receive a service retirement benefit beginning at age 60 based on the benefit formula in effect on the date of separation from City ~~city~~ employment and years of credited service and average final compensation on that date; provided, however, that general fund members shall have their years of credited service and average final compensation frozen under the benefit structure in effect as of September 30, 2011₁ and non- general fund members shall have their years of credited service and average final compensation frozen under the benefit structure in effect as of March 4, 2014; also provided, however, that under the benefit structure effective October 1, 2011₁ for general fund members and effective March 5, 2014₁ for non- general fund members, the right to receive a service retirement benefit under that benefit structure shall begin at age 65.

(h) The member shall not be eligible to participate in the DROP;

(i) The member shall not be eligible for a COLA.

(2) Notwithstanding any other provision of the plan, members hired on or after July 15, 2009₁ shall contribute 9% of their compensation to the plan. Effective no later than the first day of a pay period that begins within 30 days (i.e., one month) after March 5, 2014, such members shall contribute 8% of their compensation to the plan.

(BB) Benefits for members hired prior to July 15, 2009, and separated from City ~~city~~ service prior to June 19, 2019.

(1) Members hired prior to July 15, 2009₁ shall continue to receive the same retirement benefits under the benefit structure effective October 1, 2011₁ that they received immediately prior to October 1, 2011, except as follows:

(a) Notwithstanding any provision contained in this § 33.025 to the contrary, for any general fund member who becomes eligible to retire with normal retirement benefits on or before September 30, 2011₁ and is so eligible on September 30, 2011, the benefit structure in effect on September 30, 2011₁ shall remain in effect beyond September 30, 2011₁ and shall not be frozen; provided, however, that any such member who does not, on or before September 30, 2011, enter the DROP shall not be eligible to participate in the DROP. Notwithstanding any provision contained in this section to the contrary, for any non-general fund member who becomes eligible to retire with normal retirement benefits on or before March 4, 2014₁ and is so eligible on March 4, 2014, the benefit structure in effect on March 4, 2014₁ shall remain in effect beyond March 4, 2014₁ and shall not be frozen; provided, however, that any such member who does not, on or

before March 4, 2014, enter the DROP shall not be eligible to participate in the DROP.

(b) Under the benefit structure effective October 1, 2011, the normal retirement date for a general fund member with less than ten years of credited service as of September 30, 2011, shall be age 65 or older with seven years of credited service; age 62 or older with 25 years of credited service; or age 60 or older with 30 years of credited service; provided, however, that effective April 6, 2016, the normal retirement date shall be age 65 or older with seven years of credited service; age 62 or older with 25 years of credited service; or 30 years of credited service, regardless of age; and provided further that the normal retirement date of a general fund member with ten or more years of credited service as of September 30, 2011, shall remain the same as it was on September 30, 2011. Under the benefit structure effective March 5, 2014, the normal retirement date for a non-general fund member with less than ten years of credited service as of March 4, 2014 shall be age 65 or older with seven years of credited service; age 62 or older with 25 years of credited service; or age 60 or older with 30 years of credited service; provided, however, that effective April 6, 2016, the normal retirement date shall be age 65 or older with seven years of credited service; age 62 or older with 25 years of credited service; or 30 years of credited service, regardless of age; and provided further that the normal retirement date of a non-general fund member with ten or more years of credited service as of March 4, 2014, shall remain the same as it was on March 4, 2014.

(c) The vesting period for general fund employees who have not vested as of September 30, 2011, and for non-general fund employees who have not vested as of March 4, 2014, shall be seven years of credited service;

(d) Upon reaching the normal retirement date, a general fund member who separates from City city employment prior to March 5, 2014, is entitled to a normal retirement benefit of (i) 3.0% of average final compensation for each year of credited service earned prior to October 1, 2011, and (ii) 2.0% of average final compensation for each year of credited service earned on or after October 1, 2011, up to a maximum benefit, for credited service earned on or after October 1, 2011, of 81% of average final compensation less 3.0% of average final compensation for each year of credited service earned prior to October 1, 2011. Upon reaching the normal retirement date, a general fund member who is employed by the City city on March 5, 2014, is entitled to a normal retirement benefit of (i) 3.0% of average final compensation for each year of credited service earned prior to October 1, 2011, and (ii) 2.5% of average final compensation for each year of credited service earned on or after October 1, 2011, up to a maximum benefit, for credited service earned on or after October 1, 2011, of 81% of average final

compensation less 3.0% of average final compensation for each year of credited service earned prior to October 1, 2011.

Upon reaching the normal retirement date, a non-general fund member is entitled to a normal retirement benefit of (i) 3.0% of average final compensation for each year of credited service earned prior to March 5, 2014, and (ii) 2.5% of average final compensation for each year of credited service earned on or after March 5, 2014, up to a maximum benefit, for credited service earned on or after March 5, 2014, of 81% of average final compensation less 3.0% of average final compensation for each year of credited service earned prior to March 5, 2014.

(e) Under the benefit structure effective October 1, 2011, for general fund members and effective March 5, 2014, for non-general fund members, average final compensation shall be based on the member's highest 130 consecutive bi-weekly pay periods of the last 260 bi-weekly pay periods of credited service.

(f) Under the benefit structure effective October 1, 2011, for general fund members and effective March 5, 2014, for non-general fund members, compensation shall include only the member's base pay which includes longevity pay, and certification pay, but no other payments shall be included.

(g) Under the benefit structure effective October 1, 2011, for general fund members and effective March 5, 2014, for non-general fund members, eligibility for non-duty disability benefits shall commence upon attaining seven years of credited service.

(h) A member who separates from City city employment prior to his or her normal retirement date after having completed at least five years of credited service and does not receive a refund of contributions shall have the right to receive a service retirement benefit beginning at age 55 based on the benefit formula in effect on the date of separation from City city employment and years of credited service and average final compensation on that date; provided, however, that general fund members who are not eligible for normal retirement as of September 30, 2011, shall have their years of credited service and average final compensation frozen under the benefit structure in effect as of September 30, 2011, and non-general fund members who are not eligible for normal retirement as of March 4, 2014, shall have their years of credited service and average final compensation frozen under the benefit structure in effect as of March 4, 2014; also provided however that under the benefit structure effective October 1, 2011, for general fund members and effective March 5, 2014, for non-general fund members, the right to receive a service retirement benefit under that benefit structure shall begin at age 65.

(i) A general fund member who does not enter the DROP prior to October 1, 2011, shall not be eligible to participate in the DROP. A non-general fund member who does not enter the DROP prior to March 5, 2014, shall not be eligible to participate in the DROP.

(j) A general fund member's entitlement to a benefit in the form of a COLA shall be frozen as of midnight on September 30, 2011, and a non-general fund member's entitlement to a benefit in the form of a COLA shall be frozen as of midnight on March 4, 2014. Under the benefit structure effective October 1, 2011, for general fund members and effective March 5, 2014, for non-general fund members, a member shall not be eligible for a COLA.

(2) Notwithstanding any other provision of the plan, members hired prior to July 15, 2009, shall contribute 9% of their compensation to the plan. Effective no later than the first day of a pay period that begins within 30 days (i.e., one month) after March 5, 2014, such members shall contribute 8% of their compensation to the plan.

(CC) *Benefits for members hired on or after October 1, 2011, but prior to March 5, 2014, and separated from City city service prior to June 19, 2019.*

(1) Members hired on or after October 1, 2011, but prior to March 5, 2014, shall receive the same retirement benefits as members hired on or after July 15, 2009, but prior to October 1, 2011, except as follows:

(a) The normal retirement date for a general fund member shall be age 65 or older with seven years of credited service; age 62 or older with 25 years of credited service; or age 60 or older with 30 years of credited service; provided, however, that effective April 6, 2016, the normal retirement date shall be age 65 or older with seven years of credited service; age 62 or older with 25 years of credited service; or 30 years of credited service, regardless of age;

(b) The vesting period shall be seven years of credited service;

(c) Upon reaching his/her normal retirement date, a general fund member is entitled to a normal retirement benefit of 2.5% of average final compensation for each year of credited service, up to a maximum benefit of 81% of average final compensation.

Upon reaching his/her normal retirement date, a non-general fund member is entitled to a normal retirement benefit of (i) 3.0% of average final compensation for each year of credited service earned prior to March 5, 2014, and (ii) 2.5% of average final compensation for credited service earned on or after March 5, 2014, up to a maximum benefit for credited service earned on or after March 5, 2014, of 81% of average final

compensation less 3.0% of average final compensation for each year of credited service earned prior to March 5, 2014.

(d) Under the benefit structure effective October 1, 2011, for general fund members and effective March 5, 2014, for non-general fund members, average final compensation shall be based on the member's highest 130 consecutive bi-weekly pay periods of the last 260 bi-weekly pay periods of credited service.

(e) Compensation shall include only the member's base pay which includes longevity pay and certification pay, but no other payments shall be included;

(f) Eligibility for non-duty disability benefits shall commence upon attaining seven years of credited service;

(g) A general fund member who separates from City ~~city~~ employment prior to his or her normal retirement date after having completed at least seven years of credited service and does not receive a refund of contributions shall have the right to receive a service retirement benefit beginning at age 65 based on the benefit formula in effect on the date of separation from City ~~city~~ employment and years of credited service and average final compensation on that date;

(h) The member shall not be eligible to participate in the DROP;

(i) The member shall not be eligible for a COLA.

(2) Notwithstanding any other provision of the plan, members hired on or after October 1, 2011, shall contribute 9% of their compensation to the plan. Effective no later than the first day of a pay period that begins within 30 days (i.e., one month) after March 5, 2014, such members shall contribute 8% of their compensation to the plan.

(DD) *Benefits for general fund members hired on or after October 1, 2011, and non-general fund members hired on or after March 5, 2014.*

(1) Members hired on or after March 5, 2014, shall receive the same retirement benefits as members hired on or after October 1, 2011, but prior to March 5, 2014, except as follows:

(a) The normal retirement date shall be age 65 or older with seven years of credited service; age 62 or older with 25 years of credited service; or age 60 or older with 30 years of credited service; provided, however, that effective April 6, 2016, the normal retirement date shall be age 65 or older with seven years of credited service; age 62 or older with 25 years of credited service; or 30 years of credited service, regardless of age;

- (b) The vesting period shall be seven years of credited service;
- (c) Upon reaching his/her normal retirement date, a member is entitled to a normal retirement benefit of 2.5% of average final compensation for each year of credited service, up to a maximum benefit of 81% of average final compensation;
- (d) Average final compensation shall be based on the highest 130 consecutive bi-weekly pay periods of the last 260 bi-weekly pay periods of credited service;
- (e) Compensation shall include only the member's base pay which includes longevity pay and certification pay, but no other payments shall be included. Compensation shall not include the one-time, lump sum \$1,500 payment made to any participant as a result of the collective bargaining agreements ratified on June 19, 2019;
- (f) Eligibility for non-duty disability benefits shall commence upon attaining seven years of credited service;
- (g) A member who (i) separates from City employment prior to his or her normal retirement date after having completed at least seven years of credited service and (ii) does not receive a refund of contributions shall have the right to receive a service retirement benefit beginning at age 65 based on the benefit formula in effect on the date of separation from City employment and years of credited service and average final compensation on that date;
- (h) The member shall be eligible to participate in the DROP but shall not be eligible to participate in the planned retirement benefit;
- (i) The member shall not be eligible for a COLA.

(2) Notwithstanding any other provision of the plan, members hired on or after March 5, 2014, shall contribute 9% of their compensation to the plan. Effective no later than the first day of a pay period that begins within 30 days (i.e., one month) after March 5, 2014, such members shall contribute 8% of their compensation to the plan.

(EE) *Planned retirement benefit; partial lump sum distribution benefit.*

(1) There is hereby created a benefit to be known as the planned retirement benefit.

- (a) The planned retirement benefit, as described below, will be retroactive to October 1, 2011, and will be available to any member who was a

contributing member of this plan prior to July 15, 2009, and who remained a contributing member continuously through and including March 5, 2014.

(b) In order to be eligible, a member must submit a written election, on a form created for this purpose, declaring the member's intent to participate in the planned retirement benefit at any time on or after reaching the member's normal retirement date, as defined in section ~~division~~ (E) of this section. The form will identify the maximum number of years the member may participate in the planned retirement benefit and the member's latest employment termination date based on the maximum number of years identified.

(c) A member may terminate employment any time prior to reaching the planned retirement benefit's maximum participation period of five years.

(d) When a member who has participated in the planned retirement benefit terminates employment, the member shall elect how he/she wishes to receive the planned retirement benefit earned. The member may choose to take (i) a maximum lump sum payment that would be valued based on all of the years the employee worked after electing to participate in the planned retirement benefit; (ii) a larger final pension annuity payment (meaning a larger annuity than that earned prior to electing to participate in the planned retirement benefit) based on the years the member worked after electing to participate in the planned retirement benefit; or (iii) any combination of a lump sum payment and a pension annuity by dividing the years worked after electing to participate in the planned retirement benefit between a lump sum payment and ongoing annuity payments. Any lump sum payment must be paid out to the member at termination (i.e., it cannot be left in the pension plan).

(e) While participating in the planned retirement benefit, a member shall continue making his/her applicable employee contributions until termination of employment.

(f) Any member who has reached his/her normal retirement date and has submitted the written election form to participate in the planned retirement benefit shall maintain the right to participate in the planned retirement benefit up to the date on which the maximum period applicable to the member has been reached or employment has terminated pursuant to the terms of the planned retirement benefit as provided in this subsection, and no subsequent amendment to the pension plan may alter this right.

(g) For any member who reached his/her normal retirement date between October 1, 2011, and March 4, 2014, the time such member worked between his/her normal retirement date (on or after October 1, 2011) and the date the member submits the planned retirement benefit election form

may be included in the employee's planned retirement benefit participation period, provided the member shall not exceed the maximum period of participation set forth in section division (EE)(1)(c) above.

(h) The lump sum payment, if elected, shall be calculated based upon the monthly values of the member's final pension annuity benefit determined using the member's credited service, average final compensation, and multiplier, as provided in the pension plan as of the beginning of the planned retirement benefit participation period, plus earnings on such amounts as provided in section division (EE)(1)(i) below, subject to the limitations in section division (EE)(1)(i) below.

(i) Investment earnings applicable to any lump sum payment shall be calculated in arrears using the net investment rate earned by the pension fund on its net assets for each month of credited service worked during the planned retirement benefit participation period and applied to the prior pension annuity balance including all prior months of credited service, including prior monthly earnings. The investment earnings shall be compounded monthly to determine the amount of investment earnings to be credited during each year of the planned retirement benefit participation period. The aggregate value of the monthly investment earnings calculations will determine the amount of investment earnings to be credited for the planned retirement benefit participation period. The investment earnings credited to said member will be net of the investment earnings retained by the pension fund per section division (EE)(1)(j) below.

(j) With regard to any plan earnings calculated into the member's lump sum payment, the member will share in plan losses in those years where plan earnings are negative. In any year where plan earnings are greater than 4% (applied monthly at the rate of .327%), the next 2% (applied monthly at the rate of .165%) of plan earnings (i.e., the annual earnings between 4% and 6%) shall be excluded from the employee's lump sum payment and retained by the pension plan. When the pension plan is 80% funded, the amount of investment earnings to be thereafter retained by the plan (i.e., to be excluded from members' lump sum payments at that time) will be reduced to the first 1% (applied monthly consistently with the above) of plan earnings in the years that earnings are greater than 4%, until the plan is 90% funded, at which time no further exclusions will be taken from plan earnings in years the plan earnings exceed 4%. The above-noted exclusions from earnings shall automatically resume at the same amounts if the plan's funding drops back below 90% or 80%.

(k) If an eligible member who is participating in the planned retirement benefit dies during his/her planned retirement benefit participation period, then the member's designated beneficiary (or beneficiaries) (per section

~~division~~ (M) above) shall make the election provided in section ~~division~~ (EE)(1)(d) above with respect to the planned retirement benefits earned.

(2) There is hereby created a benefit to be known as the partial lump sum distribution benefit.

(a) The partial lump sum distribution benefit, as described below, will be available only to members who (i) reach their normal retirement date, as defined in section ~~division~~ (E) of this section, on or after March 5, 2014, and (ii) do not enter the DROP plan.

(b) The partial lump sum distribution benefit is an optional form of payment of a member's retirement benefit that allows a member to receive a fixed percentage, not to exceed 25%, of the member's benefit as a lump sum payment and the balance of the member's benefit as a monthly annuity. The value of the combined lump sum and annuity benefits to which a member is entitled will be actuarially equivalent to the value of benefits otherwise payable, so there is no cost to the plan.

(3) A member who is eligible for the planned retirement benefit may elect to participate in the planned retirement benefit or the partial lump sum distribution benefit but may not participate in both of these optional benefits.

(FF) *Distribution of benefits.* As of March 20, 2019, this plan shall pay all benefits in accordance with a good faith interpretation of the requirements of section 401(a)(9) of the Internal Revenue Code and the regulations promulgated thereunder, as applicable to a governmental plan as defined in section 414(d) of the Internal Revenue Code. Notwithstanding any other provision of this plan to the contrary, a form of retirement income payable from this plan shall satisfy the following conditions:

(1) If the retirement income is payable before the participant death:

(a) It shall either be distributed or commence to the participant not later than April 1 of the calendar year following the later of the calendar year in which the participant attains age 70 1/2, or the calendar year in which the participant retires; and

(b) The benefit shall be paid over the life of the participant or over the lifetimes of the participant and designated beneficiary and shall be paid over the period extending not beyond the life expectancy of the participant and designated beneficiary.

Where benefit payments have commenced in accordance with the preceding paragraphs and the participant dies before his or her entire interest in the plan has been distributed, the remaining portion of such interest in the plan shall be distributed no less rapidly than under the form of distribution in effect at the time of the participant's death.

(2) If the participant dies before distributions begin, the participant's entire interest shall be distributed, or begin to be distributed, no later than as follows.

(a) If the participant's surviving spouse is the participant's sole designated beneficiary, then distributions to the surviving spouse shall begin by December 31 of the calendar year immediately following the calendar year in which the participant died, or by December 31 of the calendar year in which the participant would have attained age 70 1/2, if later.

(b) If the participant's surviving spouse is not the participant's sole designated beneficiary, then distributions to the designated beneficiary shall begin by December 31 of the calendar year immediately following the calendar year in which the participant died.

(c) if there is no designated beneficiary as of September 30 of the year following the year of the participant's death, the participant's entire interest shall be distributed by December 31 of the calendar year containing the fifth anniversary of the participant's death.

(d) If the participant's surviving spouse is the participant's sole designated beneficiary and the surviving spouse dies after the participant but before distributions to the surviving spouse are required to begin, this section ~~division~~ (FF)(2), other than section ~~division~~ (FF)(2)(a), shall apply as if the surviving spouse were the participant. For purposes of this section ~~division~~, unless subsection ~~division~~ (FF)(2)(d) applies, distributions are considered to begin on the participant's required beginning date. If section ~~division~~ (FF)(2)(d) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under section ~~division~~ (FF)(2)(d). If distributions under an annuity meeting the requirements of this section ~~division~~ (FF) commence to the participant before the participant's required beginning date (or to the participant's surviving spouse before the date distributions are required to begin to the surviving spouse under section ~~division~~ (FF)(2)(a)), the date distributions are considered to begin is the date distributions actually commence.

(GG) *Prohibited transaction.* The Board may not engage in any transaction prohibited under section 503(b) of the Internal Revenue Code.

(HH) *Qualification of plan.* It is intended that this plan shall constitute a qualified public pension plan under the applicable provisions of the Internal Revenue Code for a qualified plan under section 401(a) of the Internal Revenue Code and a governmental plan under section 414(d) of the Internal Revenue Code, as now in effect and as may be amended from time to time. Any modification or amendment of this plan may be made retroactively, if necessary or appropriate to maintain qualification.

(II) *Reemployment after retirement.* To the extent permitted under the Internal Revenue Code with regard to in-service distributions, the benefits otherwise payable to a retiree who has retired under the normal retirement provisions of this plan and attained age 62 shall not be discontinued if such retiree is subsequently reemployed by the City city.

(JJ) *Benefits for members hired prior to March 5, 2014, and employed by the City as of June 19, 2019.*

Notwithstanding any provision contained in this section, general fund members hired prior to October 1, 2011, and employed on June 19, 2019, shall continue to receive the same retirement benefits under the benefit structure effective October 1, 2011, that they received immediately prior to October 1, 2011.

Notwithstanding any provision contained in this section, non-general fund members hired prior to March 5, 2014, and employed on June 19, 2019, shall continue to receive the same retirement benefits under the benefit structure effective March 5, 2014, that they received immediately prior to March 5, 2014.

Notwithstanding any provision contained in this section, general fund members hired on or after October 1, 2011, but prior to March 5, 2014, and employed on June 19, 2019, shall continue to receive the same retirement benefits under the benefit structure effective March 5, 2014, that they received immediately prior to March 5, 2014.

Notwithstanding any provision contained in this section, members hired prior to July 15, 2009, shall not be obligated to make payment of contributions for overtime hours that were earned by general fund members on and after October 1, 2011, through June 19, 2019, and for overtime hours that were earned by non-general fund members on and after March 5, 2014, through June 19, 2019.

(1) *Benefits and employee contributions for members hired prior to July 15, 2009.*

(a) Notwithstanding any other provision contained in this section to the contrary, members hired prior to July 15, 2009, and employed by the City on June 19, 2019, shall receive as follows:

1. The normal retirement dates shall be age 55 with five years of service or 25 years of credited service regardless of age;
2. The vesting period shall be five years of credited service;
3. Upon reaching the normal retirement date, a member is entitled to a normal retirement benefit of 3% of average final compensation for each year of credited service, up to a maximum benefit of 81% of average final compensation;

4. Average final compensation shall be based on the member's highest 78 consecutive bi-weekly pay periods of credited service. Payments for accumulated sick and annual leave received by such member following separation from employment and included in compensation in accordance with the definition of compensation below shall be deemed to have been received in the final pay period;

5. *Compensation.* A member's gross wages received from the City, including overtime and payments for accumulated annual leave and accumulated sick leave (subject to limitations set forth in state law), except as provided below:

A. For members hired prior to October 1, 2002₁ and employed by the City on that date, compensation shall include payments for accumulated annual leave, but the amount of accumulated sick leave included in such member's compensation shall not exceed the amount accumulated as of October 1, 2002 (including the maximum limitation as of October 1, 1994). Such accumulated sick and annual leave shall be calculated at the member's total rate of pay at the time of retirement, or entry into the DROP plan or planned retirement benefit.

B. For members hired after October 1, 2002₁ compensation shall include payments for accumulated annual leave, but no payment for accumulated sick leave shall be included in such member's compensation. Such accumulated annual leave shall be calculated at the member's total rate of pay at the time of retirement, or entry into the DROP plan or planned retirement benefit.

C. For members hired prior to July 15, 2009₁ who retire or enter the DROP on or after August 17, 2009, compensation shall exclude all earnings and payouts for blood time and compensatory time. In addition, the payouts for accumulated annual leave that may be counted as compensation for such members shall not exceed 125 hours for employees who retire from a position covered by the general employees' bargaining unit; and shall not exceed 60 hours per year for employees who retire from a position not covered by the general employees' bargaining unit.

D. Employee-elective salary reductions or deferrals to any salary reduction, deferred compensation, or tax-sheltered annuity program authorized under the rules of the Internal Revenue Service Code shall be included in compensation for

retirement purposes. Compensation in excess of the limitations set forth in section 401(a)(17) of the Internal Revenue Code, adjusted in accordance with U.S. Treasury Department regulations, shall be disregarded.

E. For the purposes of this section, the terms accumulated annual leave and accumulated sick leave shall be capped at the amount reflected in the payroll records of the City for each member of the plan in the first full pay period of March 2014.

6. Eligibility for non-duty disability benefits shall commence upon attaining five years of credited service. Except as set forth in section (L)(3) above, upon total and permanent disability of a member hired prior to July 15, 2009, having at least five years of credited service, from causes other than the performance of an act of duty as an employee of the City, resulting in the inability of the member to perform the specific duties of his or her position in the service of the City, such member shall be entitled to a disability retirement benefit equal in rate to that provided for service retirement, but not less than 20% of average salary. Based on the available medical information, the Human Resources Director shall make the final determination regarding the ability of the member to perform the specific duties of his or her position.

7. A member who separates from City employment prior to his or her normal retirement date after having completed at least five years of credited service and does not receive a refund of contributions shall have the right to receive a service retirement benefit beginning at age 55 based on the benefit formula in effect on the date of separation from City employment and years of credited service and average final compensation on that date.

8. A member shall be eligible to participate in the DROP plan or the planned retirement benefit.

9. For members hired prior to July 15, 2009, who retire on or after August 17, 2009, without entering the DROP, a 2% COLA shall be payable annually commencing three years after retirement benefits begin. For members hired prior to July 15, 2009, who enter the DROP on or after August 17, 2009, a 2% COLA will be payable annually, commencing the later of three years after retirement benefits begin or one year after separation from employment following participation in the DROP.

(b) Notwithstanding any other provision of the plan, such members shall contribute 9% of their compensation to the plan.

(2) Benefits and employee contributions for general fund members hired on or after July 15, 2009, but prior to October 1, 2011.

(a) Notwithstanding any other provision contained in this section to the contrary, members hired on or after July 15, 2009, but prior to October 1, 2011, shall receive the same retirement benefits as members hired prior to July 15, 2009. except as follows:

1. The normal retirement dates shall be age 57 or older with 25 years of credited service; age 60 or older with seven years of credited service; or 30 years of credited service, regardless of age.
2. The vesting period shall be seven years of credited service.
3. Upon reaching the normal retirement date, a member is entitled to a normal retirement benefit of 2.5% of average final compensation for each year of credited service, up to a maximum benefit of 81% of average final compensation.
4. Average final compensation shall be based on the member's highest 104 consecutive bi-weekly pay periods of credited service.
5. Compensation shall include only the member's base pay, which includes longevity pay, and certification pay, but no other payments shall be included.
6. Eligibility for non-duty disability benefits shall commence upon attaining seven years of credited service. Except as set forth in section (L)(3) above, upon total and permanent disability of a member hired as defined in this section (2) having at least seven years of credited service, from causes other than the performance of an act of duty as an employee of the City, resulting in the inability of the member to perform the specific duties of his or her position in the service of the City, such member shall be entitled to a disability retirement benefit equal in rate to that provided for service retirement, but not less than 20% of average salary. Based on the available medical information, the Human Resources Director shall make the final determination regarding the ability of the member to perform the specific duties of his or her position.
7. A member who separates from City employment prior to his or her normal retirement date after having completed at least seven years of credited service and does not receive a refund of contributions shall have the right to receive a service retirement benefit beginning at age 60 based on the benefit formula in effect on

the date of separation from City employment and years of credited service and average final compensation on that date.

8. The member shall be eligible to participate in the DROP but shall not be eligible to participate in the planned retirement benefit.

9. The member shall not be eligible for a COLA.

(b) Notwithstanding any other provision of the plan, such members shall contribute 9% of their compensation to the plan.

(3) *Benefits and employee contributions for non-general fund members hired after July 15, 2009, but prior to March 5, 2014.*

(a) Notwithstanding any other provision contained in this section to the contrary, members hired after July 15, 2009, but prior to March 5, 2014, shall receive the same retirement benefits as members hired prior to July 15, 2009, except as follows:

1. The normal retirement dates shall be age 57 or older with 25 years of credited service; age 60 or older with seven years of credited service; or 30 years of credited service, regardless of age.

2. The vesting period shall be seven years of credited service.

3. Upon reaching the normal retirement date, a member is entitled to a normal retirement benefit of 2.5% of average final compensation for each year of credited service, up to a maximum benefit of 81% of average final compensation.

4. Average final compensation shall be based on the member's highest 104 consecutive bi-weekly pay periods of credited service.

5. Compensation shall include only the member's base pay, which includes longevity pay, and certification pay, but no other payments shall be included.

6. Eligibility for non-duty disability benefits shall commence upon attaining seven years of credited service. Except as set forth in section (L)(3) above, upon total and permanent disability of a member hired as defined in this section (3) having at least seven years of credited service, from causes other than the performance of an act of duty as an employee of the City, resulting in the inability of the member to perform the specific duties of his or her position in the service of the City, such member shall be entitled to a disability retirement benefit equal in rate to that provided for service retirement,

but not less than 20% of average salary. Based on the available medical information, the Human Resources Director shall make the final determination regarding the ability of the member to perform the specific duties of his or her position.

7. A member who separates from City employment prior to his or her normal retirement date after having completed at least seven years of credited service and does not receive a refund of contributions shall have the right to receive a service retirement benefit beginning at age 60 based on the benefit formula in effect on the date of separation from City employment and years of credited service and average final compensation on that date.

8. The member shall be eligible to participate in the DROP but shall not be eligible to participate in the planned retirement benefit.

9. The member shall not be eligible for a COLA.

b) Notwithstanding any other provision of the plan, such members shall contribute 9% of their compensation to the plan

(KK) Defined Contribution Plan and Hybrid Plan Options.

Effective October 1, 2025, there will be established a Defined Contribution ("DC") Plan and a Hybrid Plan. The Plans will comply with all requirements of the Internal Revenue Code applicable to defined contribution and hybrid plans.

All employees hired on October 1, 2025, and thereafter who are eligible to participate in this Fund will have the option to select participation in the defined benefit plan ("DB Plan") in existence as of September 30, 2025, and subject to the terms and conditions set forth in section (DD), above, or in the DC Plan, or in the Hybrid Plan. Selection is a one-time irrevocable choice made during the hiring process and remains binding on the employees throughout their service with the City.

All member contributions to each of the City Plans shall be treated as picked-up contributions pursuant to Internal Revenue Code Section 414(h)(2). Members do not have any option of choosing to receive the contributions directly instead of having them paid to the applicable Plan.

All active members hired on or before September 30, 2025, participating in the DB Plan will have a one-time irrevocable option to remain in the DB Plan or to switch their participation to either the new DC Plan or the new Hybrid Plan. Those members who are already vested and wish to move to the DC Plan or the Hybrid Plan will have the option to remain vested in the DB Plan based upon the terms and conditions of the applicable sections above, established based on their date of hire, and to receive a defined benefit based upon years of service creditable up until their move to the either the DC Plan or

the Hybrid Plan, and based on their Average Final Compensation at the time of their move to either the DC Plan or the Hybrid Plan. Alternatively, they also will have the option to request a “plan to plan” or “trustee to trustee” direct transfer of their DB Plan contributions to either the DC Plan or the Hybrid Plan, subject to any Internal Revenue Code requirements and limits governing such direct transfers. Members who are not vested and wish to select either the DC Plan or the Hybrid Plan will have their DB Plan contributions transferred to the DC Plan or the Hybrid Plan through the “plan to plan” transfer.

The DC Plan will be established with approximately 7-11 different investment options, including a default investment option. The DC Plan will be managed by the Board of Trustees, who will hire a record-keeper and investment consultant. For those members hired on or before September 30, 2025, and currently contributing 8% to the DB Plan, who select the DC Plan, there will be an 8% member pick-up contribution rate, and the City will provide that member with an 8% increase in compensation commencing with the first pay period in which the member begins contributing the 8% into the DC Plan. For those members hired on or after October 1, 2025, the City will contribute 8% into the DC Plan for the benefit of the member. Vesting will be immediate in the DC Plan. The Board of Trustees will attempt to establish DC Plan options that allow for voluntary member contributions, subject to the Internal Revenue Code and any other requirements and restrictions allowing such voluntary contribution. Any members currently contributing 9% into the DB Plan who elect to move to the DC Plan must contribute 9% into the DC Plan, and the City would provide such member with a 9% increase in compensation commencing the first pay period in which the member begins contributing the 9% into the DC Plan.

The Hybrid Plan shall be comprised of two components, a DB Plan component and a DC Plan component. The Hybrid Plan DB component shall receive the same retirement benefits as members governed by section (DD), above, including normal retirement date, vesting period, average final compensation, eligibility for non-duty disability benefits, eligibility for refund of contributions upon separation from the City prior to normal retirement date, and eligibility to participate in DROP with the following exceptions:

(1) The Hybrid Plan DB Component

(a) The member shall make a 5% pick-up contribution of their compensation to the plan.

(b) Upon reaching normal retirement date, the member is entitled to a normal retirement benefit of 1.0% of average final compensation for each year of credited service from the DB Plan.

All other sections applying to and governing members subject to section (DD), above, apply to members of the Hybrid Plan DB component.

(2) The Hybrid Plan DC Component.

(a) For those members hired on or before September 30, 2025, currently contributing 8% in the DB Plan, the member shall make a 3% pick-up contribution of the member's compensation into a DC Plan component of the Hybrid Plan and the City shall contribute 2% of the member's compensation into the DC Plan component of the Hybrid Plan. The City will provide that member with a 3% increase in compensation commencing with the first pay period in which the member begins contributing the 3% into the DC Plan component of the Hybrid Plan. For members hired on or after October 1, 2025, the City shall contribute 5% into the DC Plan component of the Hybrid Plan on behalf of the member.

Any members currently contributing 9% into the DB Plan and governed by Section (JJ) who elect to move to the Hybrid Plan would make a 4% pick-up contribution into the DC Plan component of the Hybrid Plan, and the City would provide such member with a 4% increase in compensation commencing the first pay period in which the member begins contributing the 4% into the DC Plan. The City will contribute 1% of such member's compensation into the DC Plan component of the Hybrid Plan

(b) Vesting will be immediate in the DC Plan component of the Hybrid Plan.

(c)The DC Plan component of the Hybrid Plan will have approximately 7-11 investment options, referenced above in this section (KK)..

(3) The DC Plan and the Hybrid Plan shall comply with all applicable requirements of the Internal Revenue Code for a governmental plan, including Internal Revenue Code §§415(b), 415(c), and 401(a)(9).

Section 3: That it is the intention of the City Commission that the provisions of this Ordinance shall be made a part of the Code of Ordinances of the City of Hollywood, Florida, and the sections of the Code may be renumbered to accomplish such intention.

Section 4: That if any word, phrase, clause, subsection, or section of this Ordinance is for any reason held unconstitutional or invalid, such invalidity shall not affect the validity of any remaining portions of this Ordinance.

Section 5: That all sections or parts of sections of the Code of Ordinances, all ordinances or parts of ordinances, and all resolutions or parts of resolutions in conflict are repealed to the extent of such conflict.

AN ORDINANCE OF THE CITY OF HOLLYWOOD, FLORIDA, AMENDING SECTION 33.025 RELATED TO PROVIDING NEW BENEFIT OPTIONS, REVISING THE MAKEUP OF THE BOARD OF TRUSTEES, AND REVISING LANGUAGE GOVERNING PURCHASE OF CREDITED SERVICE.

Section 6: That this Ordinance shall be in full force and effect immediately upon its passage and adoption.

Advertised _____, 2025.

PASSED on first reading this _____ day of _____, 2025.

PASSED AND ADOPTED on second reading this _____ day of _____, 2025.

JOSH LEVY, MAYOR

ATTEST:

PATRICIA A. CERNY, MMC
CITY CLERK

APPROVED AS TO FORM:

DAMARIS HENLON
CITY ATTORNEY