

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT PLAN**

**SUMMARY PLAN DESCRIPTION**

**ALL EMPLOYEES HIRED AFTER MARCH 4, 2014**  
**AND**  
**ALL GENERAL FUND MEMBERS**  
**HIRED AFTER SEPTEMBER 30, 2011**

**OCTOBER 2017**



## **INTRODUCTION**

The City of Hollywood (City) has established the City of Hollywood Employees' Retirement Fund (Plan), an IRS tax-qualified defined benefit plan. As a participant in the Plan, you are included in a program of benefits designed to help you meet your financial needs during your retirement, or in the event of your disability or death.

The Plan is contained in Sections 33.025 - 33.031 of the City's Code of Ordinances. The Plan is also governed by Chapter 112, Part VII of the Florida Statutes, Section 112.3173 of the Florida Statutes, and the collective bargaining agreements between the City and AFSCME Local 2432 covering the rank-and-file bargaining unit, supervisory bargaining unit, and professional bargaining unit.

This booklet is called a Summary Plan Description (SPD). This SPD is a brief description of your Plan and your rights, obligations and benefits under the Plan. This SPD does not contain every detail of the Plan. The provisions of the Plan may only be determined accurately by reading the actual Plan document. For complete documentation of the Plan, refer to the City's Code of Ordinances. In the event of a discrepancy between the information in this SPD and the Code and/or Florida law, the Code and/or Florida law shall govern. A copy of the Plan can be obtained at the Retirement Fund website (<http://hollywoodpension.com>) or from the Pension Coordinator in the Pension Office located at:

2600 Hollywood Boulevard  
City Hall Annex Building, Room 20  
Hollywood, FL 33020  
Phone: (954) 921-3333  
Fax: (954) 921-3332

**IMPORTANT NOTE:** This SPD reflects the benefits and other Plan provisions in effect for active City employees who are members of the Plan on the date on the front cover of the SPD. Please know that if you retired or separated from City employment prior to the date on the front cover of this SPD, your benefits, rights and obligations are governed by the terms of the Plan in effect on the date of your retirement/termination of City employment unless specifically provided otherwise in the Plan.

## **ADMINISTRATION AND GENERAL INFORMATION ABOUT YOUR PLAN**

Plan Name: City of Hollywood Employees' Retirement Fund

Employer: City of Hollywood, Florida

Plan Administrator: Board of Trustees of the City of Hollywood Employees' Retirement Fund  
City Hall Annex, Room 20  
2600 Hollywood Boulevard  
Hollywood, FL 33020  
(954) 921-3333 (phone)  
(954) 921-3332 (fax)

Designated Agent for Service of Legal Process: Board Chair (at above address)

Type of Administration: The Board of Trustees (Board) is responsible for the proper operation and administration of the Plan. This includes determining eligibility of members and their beneficiaries for Plan benefits and the amount of such benefits, and investing the assets of the Plan.

Board of Trustees: The Board consists of seven trustees. Two trustees are residents of the City appointed by the City Commission and serve a three year term. Two trustees, each serving a three year term, are employee members of the Plan and are elected by the employee members of the Plan. One trustee, serving a three year term, is a retiree of the Plan and is elected by Plan retirees. One trustee is the City Manager or his/her designee and has no term limit. One trustee, who has accounting or investment experience and has no term limit, is appointed by the City Manager and is a representative of the employee members whose positions are not included in a collective bargaining unit.

All correspondence for the Trustees should be directed to the Pension Office.

Pension Coordinator: The Board has engaged a Pension Coordinator to assist members and retirees in matters related to their retirement benefits from the Fund. The Pension Coordinator works at the Pension Office and is available Monday – Friday, 8:00 a.m. – 5:00 p.m.

Plan Year: the Plan Year is comprised of each 12 month period beginning October 1<sup>st</sup> and ending September 30<sup>th</sup>. The Plan's fiscal records are maintained on a Plan Year basis.

## **CLAIM FOR BENEFITS AND REMEDIES FOR DENIAL**

You must file a claim for Plan benefits with the Pension Coordinator. If your benefits claim is denied in whole or in part, you may appeal the Board's decision by requesting a formal hearing. A copy of the complete procedure for the adjudication of claims and appeals can be obtained from the Pension Coordinator.

## **DEFINITIONS**

**Member** is any fulltime City employee currently participating in the Plan in accordance with the provisions of the Plan, and any retiree who participated in the Plan when they were actively employed and covered by this Plan. Certain employees are excluded from Plan membership: active police officers and firefighters, seasonal and part-time employees, elected officials, independent contractors, and the City Manager and City Attorney. The City Manager and City Attorney may participate in the Plan upon approval of the City Commission.

**General Fund Member** Plan member paid out of the City's general fund.

**Non-General Fund Member** Plan member paid from one of the City's enterprise funds.

**Beneficiary** is each person you designate to receive any payments that may become payable by the Plan upon your death. You should designate one or more beneficiaries when you become a Plan member and keep your designation current throughout your City employment. You may change your beneficiary designation at any time upon written notice to the Pension Coordinator. If you designate more than one beneficiary and you elect a joint and survivor option, the age of the youngest beneficiary will be used to determine the amount of your benefit.

**Credited Service** is granted for each month in which you are employed fulltime for 15 or more days. You may receive additional Credited Service for up to six (6) months in your last year of City employment by paying the Plan the employee contributions you would have paid to the Plan if you had worked the necessary months to complete your final full year of service. The additional Credited Service you purchase may not be used to obtain the minimum service required for vesting or normal retirement. Twelve (12) months constitute a year of service.

**Average Final Compensation (AFC)** is your average monthly compensation based on your highest 130 consecutive bi-weekly pay periods of your final 260 bi-weekly pay periods of Credited Service.

**Compensation** is your wages received from the City and used in the calculation of your Average Final Compensation. The amount of Compensation used in your AFC is your base pay (including longevity).

### **NORMAL RETIREMENT DATE**

Your Normal Retirement Date is the first date you are eligible to receive your retirement benefit and is the earlier of age 65 with 7 years of Credited Service, age 62 with 25 years of Credited Service, or 30 years of Credited Service regardless of age.

### **NORMAL RETIREMENT BENEFIT**

Three components are used in the calculation of your Normal Retirement Benefit: Credited Service, Average Final Compensation (AFC), and the applicable Benefit Multiplier. The three components are multiplied to determine your monthly retirement benefit:

$$\text{Credited Service} \times \text{AFC} \times \text{applicable multiplier} = \text{monthly retirement benefit}$$

Your Benefit Multiplier is 2.5% for all Credited Service (up to a maximum of 81%).

## **BENEFIT PAYMENT OPTIONS**

The retirement benefit payable to you every month for the rest of your life but ceasing the first of the month following your death is a Life Annuity. This benefit will be paid to you unless you elect prior to or at your retirement to receive your benefit as one of the following options:

- a) 5 years certain and life thereafter - if you die within 5 years (60 months) of your retirement, the monthly benefit you were receiving will be paid to your designated beneficiary (or your estate if your designated beneficiary(ies) predecease you) for the remainder of the 5 years (60 months). If you are living after the first 5 years of receiving your monthly benefit, the benefit will continue to be paid to you for the rest of your life but will cease the first of the month following your death.
- b) 10 years certain and life thereafter - if you die within 10 years (120 months) of your retirement, the monthly benefit you were receiving will be paid to your designated beneficiary (or your estate if your designated beneficiary(ies) predecease you) for the remainder of the 10 years (120 months). If you are living after the first 10 years of receiving your payment, the benefit will continue to be paid to you for the rest of your life but will cease the first of the month following your death.
- c) 20 years certain and life thereafter - if you die within 20 years (240 months) of your retirement, the monthly benefit you were receiving will be paid to your designated beneficiary (or your estate if your designated beneficiary(ies) predecease you) for the remainder of the 20 years (240 months). If you are living after the first 20 years of receiving your payment, the benefit will continue to be paid to you for the rest of your life but will cease the first of the month following your death.
- d) Joint and survivor, equal - following your death, the monthly benefit you were receiving will be paid to your designated beneficiary for the rest of their life ceasing the first of the month following their death. If your designated beneficiary predeceases you, your benefit will continue to you for the rest of your life but you may designate a new beneficiary if you so choose (at which point your monthly benefit will be adjusted to reflect the new beneficiary).
- e) Joint and survivor, half - following your death, one-half of the monthly benefit you were receiving will be paid to your designated beneficiary for the rest of their life ceasing the first of the month following their death. If your designated beneficiary predeceases you, your benefit will continue to you for the rest of your life but you may designate a new beneficiary if you so choose (at which point your monthly benefit will be adjusted to reflect the new beneficiary).

If you choose any of the preceding options, your monthly benefit will be reduced in order to be actuarially equivalent to the Life Annuity you would otherwise receive.

## **DEFERRED VESTED RETIREMENT**

If you have 7 or more years of Credited Service and separate from City employment prior to reaching your Normal Retirement Date (and you do not elect to receive a refund of the contributions you made to the Plan), you are eligible to start receiving your deferred vested retirement benefits at age 65.

## **ELIGIBILITY FOR DISABILITY BENEFITS**

If you become totally and permanently disabled by reason of injuries sustained in the performance of duties as a City employee, resulting in your inability to perform the specific duties of your position, you may apply for duty disability benefits.

If you become totally and permanently disabled from causes other than the performance of duties as a City employee, resulting in your inability to perform the specific duties of your position, you may apply for non-duty disability benefits if you have 7 or more years of Credited Service.

## **DISABILITY BENEFITS**

### **DUTY-RELATED DISABILITY**

The duty disability benefit is equal to 75% of your salary. This amount, however, will be reduced to the extent the sum of this benefit and your workers' compensation benefits exceed your average weekly wages on the date of your disability retirement.

### **NON-DUTY DISABILITY**

The non-duty disability benefit is the same amount as your normal service retirement benefit, but not less than 20% of your AFC.

The amount of your disability benefit will be reduced by the amount of salary and net earnings you receive from self-employment.

## **DEATH BENEFITS**

- a) If you are actively employed and vested, but die before reaching your Normal Retirement Date, your beneficiary may elect to receive either 1) a refund of the contributions you made to the Plan plus 4% simple interest, or 2) monthly benefit payments until their death equal to the benefit payment you would have received had you retired on your date of death and selected the joint and survivor, equal benefit payment option.
- b) If you are actively employed, but not vested and you die before reaching your Normal Retirement Date, your beneficiary will receive a refund of the contributions you made to the Plan plus 4% simple interest.
- c) If you are a retiree and you selected an optional form of benefit that continues to a beneficiary after your death, your designated beneficiary, if still living, will receive the survivor benefit following your death.

## **COST-OF-LIVING ADJUSTMENTS ("COLA")**

Your retirement benefit will not receive a COLA.

## **SUPPLEMENTAL PENSION DISTRIBUTION ("13<sup>th</sup> CHECK")**

You are not eligible for a Supplemental Pension Distribution.

### **DEFERRED RETIREMENT OPTION PLAN ("DROP")**

You are not eligible for the DROP.

### **PLANNED RETIREMENT BENEFIT**

You are not eligible for Planned Retirement Benefit.

### **PARTIAL LUMP SUM DISTRIBUTION BENEFIT**

You may elect to receive a Partial Lump Sum Distribution Benefit upon your Normal Retirement Date. Under the partial lump sum distribution, you may elect to receive a fixed percentage (up to 25%) of your Normal Retirement Benefit as a lump sum payment. The remaining balance of your Normal Retirement Benefit is paid to you as a monthly benefit payment.

### **REFUND OF MEMBER CONTRIBUTIONS**

When you separate from City employment, you may elect to receive a refund of the employee contributions you paid into the Plan plus 4% simple interest per year. If you take a refund of your member contributions, you forfeit your right to any and all future monthly retirement benefits you were otherwise entitled to receive.

If you reenter City employment and work 3 or more years in a fulltime position, you may elect to repay to the Plan the previously refunded contributions (including the interest paid) plus 4% interest per year for each year of your absence. After you have repaid the refunded contribution, the Credited Service you previously forfeited by taking the refund will be fully restored.

### **FORFEITURE OF BENEFITS**

As required by state law, if, prior to your retirement, you are convicted of a specified offense or you admit to the commission of one of the specified offenses, you shall forfeit all rights and benefits under the Plan, except for the return of your accumulated contributions.

### **PLAN BENEFITS SUBJECT TO THE MAXIMUM LIMIT IN INTERNAL REVENUE CODE SECTION 415**

As a qualified plan under the U.S. Internal Revenue Code, the Plan is subject to the maximum benefit limit contained in Section 415 of the Code. Section 415 currently limits the annual benefit provided to members of a defined benefit pension plan to a maximum of \$215,000 at age 62. If benefits commence before age 62, the maximum benefit limit is actuarially reduced.

A lump sum benefit (DROP or partial lump sum) is considered part of the participant's accrued benefit. The lump sum must be converted to an annuity and counted toward the Section 415 benefit limit.

A Section 415 calculation will be done at the time a member applies for retirement benefits and the member will be notified if their benefit will be affected by the Section 415 benefit limit.



### **CONTRIBUTIONS AND FUNDING**

The Plan is funded by City contributions, participating employee contributions and investment returns.

All employee members contribute 8% of compensation to the Plan. Employee contributions are made with pre-tax dollars.

The City contribution is the amount necessary to fund the Plan on a sound actuarial basis and is determined by the Plan actuary at the end of each Plan Year, based on state law.

### **FINANCIAL AND ACTUARIAL INFORMATION**

Financial and actuarial information concerning the Plan is available at the Plan's website:  
<http://hollywoodpension.com>