



## Summary Plan Description

Updated through September, 2021

# City of Hollywood Employees' Retirement Fund Defined Benefit Plan

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial statements. This includes not only sales and purchases but also expenses, income, and transfers between accounts.

The second part of the document provides a detailed breakdown of the accounting cycle. It outlines the ten steps involved in the process, from identifying the accounting entity to preparing financial statements. Each step is explained in detail, with examples provided to illustrate the concepts.

The third part of the document focuses on the classification of accounts. It discusses the different types of accounts, such as assets, liabilities, equity, revenue, and expense accounts, and how they are used to record and summarize business transactions.

The fourth part of the document covers the process of journalizing and posting. It explains how transactions are recorded in the journal and then posted to the ledger accounts. This process is essential for maintaining the double-entry system and ensuring that the books are balanced.

The fifth part of the document discusses the preparation of financial statements. It outlines the steps involved in calculating the net income, preparing the balance sheet, and the income statement. It also discusses the importance of these statements for management and external stakeholders.

The sixth part of the document covers the process of closing the books. It explains how the temporary accounts (revenue, expense, and dividend) are closed to the permanent accounts (assets, liabilities, and equity) at the end of the accounting period. This process is necessary to start the new period with a clean slate.

The seventh part of the document discusses the importance of internal controls. It outlines various techniques and procedures that can be implemented to prevent errors and fraud, such as segregation of duties, authorization, and regular audits.

The eighth part of the document covers the process of reconciling bank statements. It explains how the company's records should be compared with the bank's records to identify any discrepancies and correct them. This process is crucial for ensuring the accuracy of the cash balance.

The ninth part of the document discusses the importance of maintaining accurate records of fixed assets. It outlines the methods for recording the acquisition, depreciation, and disposal of these assets, and how they are reflected in the financial statements.

The tenth part of the document covers the process of preparing the final financial statements. It outlines the steps involved in reviewing the records, calculating the net income, and preparing the balance sheet, income statement, and statement of cash flows. It also discusses the importance of these statements for management and external stakeholders.

**City of Hollywood Employees' Retirement Fund**  
2600 Hollywood Boulevard  
Annex Building, Room 20  
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SUMMARY PLAN DESCRIPTION

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September 2021

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September 2021

Dear Member or Prospective Member

Planning properly for your retirement and future financial security is extremely important. Therefore, the City of Hollywood Employees' Retirement Fund is eager that you understand your retirement plan. Within this booklet, we explain many features of your particular plan and benefits. We recommend that you review this document carefully as the information contained herein is rather complex, requiring the use of technical, legal, and administrative language. We have tried to design this booklet to help provide information as plainly described as possible.

The provisions of your Plan may only be determined by reading the actual documents, which consists of the Code of Ordinances of the City of Hollywood, Florida, the applicable provisions of Chapter 112, Part VII, Florida Statutes and the Internal Revenue Code. In the event of any discrepancy between this SPD and the actual provisions of the Plan, the provisions of the Plan will govern. This SPD does not constitute a contract for retirement benefits.

The City of Hollywood Employees' Retirement Fund (COHERF), is a defined benefit plan, established in 1958 to provide retirement benefits for full-time employees of the City of Hollywood. The structure, procedures and benefits are determined by administrative rules and regulations, and by law. COHERF itself is governed by an independent Board of Trustees that includes representatives of the residents, employer, active members and retirees.

COHERF currently has more than \$420 million in assets held in trust for the payment of benefits. Each year, the Plan's Actuary appraises the assets of the Plan to affirm their value and assesses the liabilities and obligations of the Plan to ensure that sufficient funding is available to pay benefits. Each year an independent auditor examines COHERF to ensure that the Plan continues to operate soundly. Know that COHERF functions and transactions are regularly subject to careful and extensive scrutiny – to protect you and your benefits.

We encourage you to visit the Pension Office to discuss any questions you may have with our dedicated staff. We hope that this book will be of assistance to you and your loved ones

Sincerely,



Christine Bailey  
Executive Director

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## INTRODUCTION

The Summary Plan Description booklet (SPD) outlines the features and benefits provided by the City of Hollywood Employees' Retirement Fund under the City of Hollywood's Code of Ordinances. Through a careful reading of this booklet and with an understanding of its content, you can select the options that best suit your needs, thus, better planning for your future. It is also a wise idea to keep this booklet in a safe place, readily available for future reference.

You should keep in mind that this is only a summary plan description, so if you have further questions, contact the Pension Office located in Room 20 of the City Hall Annex Building, 2600 Hollywood Boulevard, Hollywood, FL 33020 (954-921-3333). We are always available to assist you.

Please be aware that, in the event of discrepancies between this summary and any applicable federal, state, and city laws, rules and regulations (which could change) the applicable laws, rules and regulations will govern. Retirement benefits are also subject to certain maximum limitations under Section 415 of the Internal Revenue Code.

Also know that it is the policy of COHERF not to discriminate on the basis of race, color, creed, national origin, age, disability, marital status, sexual orientation, or gender in its benefit program, activities and employment policies, as required by law.

Important Note: This SPD reflects the benefits and other plan provisions that are in effect for active City employees who are members of the Plan on the date of the SPD. The benefits are governed by the terms of the Plan that are in effect on the date of their retirement or termination of employment, except as otherwise specifically provided in the Plan.

## WHO IS A COHERF MEMBER

Membership in COHERF is automatically provided to all full-time employees of the City of Hollywood who are not eligible to join the City of Hollywood Police Officers' or Firefighters' Pension Funds, including employees whose services are compensated on a contractual basis hired on or after June 4, 2003 or who were hired prior to June 4, 2003 and elected to participate in the Plan. In addition, the City Manager and City Attorney may participate with the approval of the City Commission.

You may not become a member of the Plan if you are an active City law enforcement officer or firefighter. You also may not become a member of the Plan if you are a seasonal or part-time employee, an elected official, an independent contractor, or an employee whose services are compensated on a contractual basis hired prior to June 4, 2003 and you did not elect to participate in the Plan.

The Plan has several benefit structures. The benefit structure or structures that apply to a particular member generally depend upon when a member was hired and whether a member is paid out of the City's General Fund or one of the City's Enterprise Funds.

### **General Fund Member**

- Group One Restored Member - If you were hired prior to July 15, 2009 and you were employed by the City on June 19, 2019, you are covered under Group One Benefits.
- Group Two Restored Member - If you were hired on or after July 15, 2009, but prior to October 1, 2011, and you were employed by the City on June 19, 2019, you are covered under Group Two Benefits.
- Group Three Member - If you were hired on or after October 1, 2011, you are covered under Group Three Benefits.

### **Non-General Fund Member**

- Group One Restored Member - If you were hired prior to July 15, 2009 and you were employed by the City on June 19, 2019, you are covered under Group One Restored Benefits.
- Group Two Restored Member - If you were hired on or after July 15, 2009, but prior to March 5, 2014 and you were employed by the City on June 19, 2019, you are covered under Group Two Restored Benefits.
- Group Three Member - If you were hired on or after March 5, 2014, you are covered under Group Three Benefits.

Please Take Note: If you were not employed by the City on June 19, 2019 and you had any membership with the Plan prior to that date, the benefit structure in effect at the time you separated from City service would apply to that membership. Upon your return to City employment, any additional benefit will accrue as a Group Three Member.

## **HOW TO JOIN COHERF**

To become a member of COHERF, you must be hired in a full-time City position that mandates or allows your membership in the Plan. Upon hiring, you must complete, and then submit to the Plan, both a Membership Record as well as a Designation of Beneficiary Form. When enrolling, you should indicate any previous full-time employment with the City as reemployed members may be eligible to purchase service credit for that time which may then be used to enhance your retirement benefits.

### **Naming A Beneficiary**

On the Designation of Beneficiary Form, which you have to complete when enrolling, you will identify your beneficiary or beneficiaries so that any death benefit due will be paid to your survivors according to your wishes. Please make sure it is what you intend.

You may change your designation at any time prior to your death upon written notification to the Plan. The designation of a beneficiary must be in writing on an authorized form, signed by you and submitted to the Plan. The designation is not in effect until the form is properly completed and received by the Plan.

When multiple beneficiaries are designated and the death benefit is paid as a joint and survivor annuity, the benefit will be calculated using your age at the time of death and the age of your youngest beneficiary. Proof of Birth will be required for each beneficiary.

When you retire, you will have to select beneficiaries once more. This step will be further explained in the Chapters *How to File for Retirement Benefits* and *How Benefits are Paid*. A retiree may also change his or her beneficiaries. However, if a joint and survivor option is selected prior to retirement, the member's benefit will be actuarially adjusted to reflect the age of the new beneficiary.

When a significant event occurs in your life such as marriage, birth, death, divorce or any change in family status, please contact us to update your beneficiary designation on file with us. Forms must be submitted to the COHERF Pension Office. Forms submitted to a City Office, including the Human Resources Department, are not considered submitted unless, and until, they are received by the COHERF Pension Office.

Please take note: If your marriage dissolved through divorce or annulment, and your ex-spouse is still listed as your beneficiary, and the Designation of Beneficiary form states that the beneficiary is your spouse, at the time your divorce or annulment is finalized, and you later die without submitting a new designated beneficiary form to the COHERF Pension Office, your survivor benefits will be paid as if your former spouse predeceased you, subject to any applicable exceptions listed in Fla. Stat. §732.703(4), which are as follows:

- To the extent that controlling federal law provides otherwise;
- If the governing instrument is signed by the decedent, or on behalf of the decedent, after the order of dissolution or order declaring the marriage invalid and such governing instrument expressly provides that benefits will be payable to the decedent's former spouse;
- To the extent a will or trust governs the disposition of the assets and s. 732.507(2) or s. 736.1105 applies;
- If the order of dissolution or order declaring the marriage invalid requires that the decedent acquire or maintain the asset for the benefit of a former spouse or children of the marriage, payable upon the death of the decedent either outright or in trust, only if other assets of the decedent fulfilling such a requirement for the benefit of the former spouse or children of the marriage do not exist upon the death of the decedent;
- If, under the terms of the order of dissolution or order declaring the marriage invalid, the decedent could not have unilaterally terminated or modified the ownership of the asset, or its disposition upon the death of the decedent;

- If the designation of the decedent's former spouse as a beneficiary is irrevocable under applicable law;
- If the governing instrument is governed by the laws of a state other than this state;
- To an asset held in two or more names as to which the death of one co-owner vests ownership of the asset in the surviving co-owner or co-owners;
- If the decedent remarries the person whose interest would otherwise have been revoked under this section and the decedent and that person are married to one another at the time of the decedent's death; or
- To state-administered retirement plans under chapter 121.

Therefore, if you have gotten a divorce or an annulment and you wish for your ex-spouse to still receive your survivor benefits, in almost all instances, you must submit a new designation form after the date of the divorce decree or annulment.

**First Designation**  
When you join COHERF, you must designate beneficiaries for the death benefit

**Second Designation**  
At anytime during your membership you can change your beneficiaries.

**Retirement Designation**  
At retirement you may designate beneficiaries to receive a benefit under an optional form of benefit selected by you.

**Retirement Re-Designation**  
At anytime after your retirement you may change your beneficiaries.

## WHO PAYS FOR YOUR BENEFITS

The benefits of the Plan are financed by both the you and your employer, and by investment returns on those contributions.

### Employee Contributions

All active members are required to make regular contributions to COHERF. Group One and Group Two active employees are required to make bi-weekly contributions equal to 9% of their compensation and Group Three active employees are required to make bi-weekly contributions equal to 8% of their compensation. Usually, your employee contributions are made to COHERF through payroll deductions before federal taxes are taken out of your paycheck. This means that your employee contributions are not included as part of your gross income for federal tax purposes. Your benefit will be subject to federal taxes when paid out in retirement, or if and when you receive a

refund of these contributions. Your annual statement from COHERF reports your actual contributions.

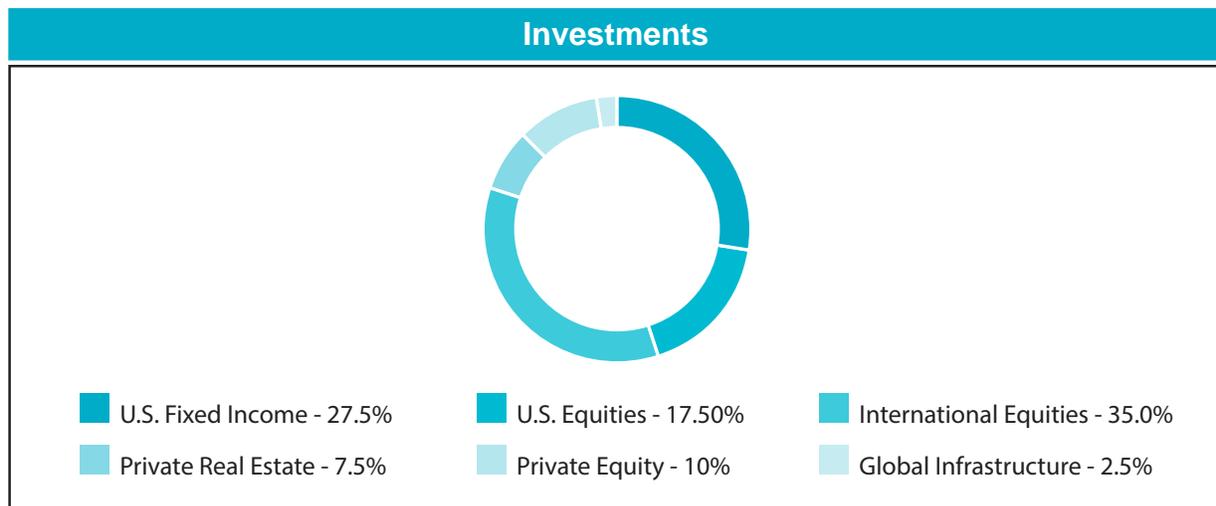
Your contributions will cease upon your death, retirement, employment termination or entry into the DROP.

### Employer Contributions

The Plan's Actuary calculates and determines how much the employer should contribute to the Plan on your behalf. City contributions are not allocated to specific members, but are combined with all the employee contributions and investment earnings to pay benefits.

### How Your Contributions Are Invested

Know that the earnings of Plan investments fund much of the cost of your retirement benefits. The fund is made up of diversified investments, predominantly domestic stocks, bonds, real estate and other like securities. These investments are managed and monitored by the Board with the assistance of an Independent Investment Consultant and Professional Investment Managers. The chart that follows illustrates the investment strategy and asset allocation within the Plan.



### WHAT KIND OF SERVICE COUNTS AND HOW

**Credited Service** (that is, employment which counts toward your retirement allowance) can include the following:

- Membership Service
- Previous Service
- Military Service
- Forward Purchase Service

Credited Service is used to compute the amount of your pension benefit when you retire, to determine your eligibility for certain benefits and to determine whether you are vested. Your credited service is the period of your City employment that is credited under the Plan up to a maximum of 27 years.

**Membership Service** is the service rendered (that is, the time worked) after you join COHERF and it includes all full-time service while you are on the payroll in a position required to join COHERF. Membership Service includes paid leave of absence, paid sick leave, and paid annual leave. Twelve (12) months constitute one year of service and 15 days or more of service in a month constitutes a month of service. Any unpaid leave of absence does not count towards credited service.

**Previous Service** is service rendered prior to the date you became a member of COHERF as a full-time employee of the City of Hollywood in a position, which service is now eligible for credit in the Plan. You must purchase such service to get credit for it, and you must be eligible to do so. Eligibility and Cost are both explained in the Chapter *How To Buy Back Previous Service*. Previous service includes service credited to you during a former membership (that ceased) in the COHERF.

**Military Service** (while a member or employee), is certain qualified duty served, including voluntary or involuntary service, in one of the United States armed forces that may meet the legal requirements allowing you to apply that time to your retirement benefit.

You may purchase qualifying military service, pursuant to conditions that are required in order for you to be entitled to reemployment as defined in the Uniformed Services Employment and Reemployment Rights Act (“USERRA”). Under U.S.C. Sec. 4318 of USERRA, an individual is entitled to be treated (for pension and seniority purposes), as if they had been continuously employed in the civilian job, during the time they were away from work for military service, upon reemployment under USERRA.

USERRA, in order to be entitled to reemployment, you have to be: engaged in covered employment, and left your civilian job for the purpose of performing voluntary or involuntary service in the uniformed services ; given your employer prior oral or written notice that you would be away from work for military service; not have exceeded the cumulative five-year limit on the duration of the period or periods of uniformed service, relating to the employer relationship for which you seek reemployment (subject to the exceptions listed in 38 U.S.C. 4312(c)); actually serve in same and be honorably discharged therefrom; and apply to return to your covered position within one year following the date of military discharge or release from active service. Then pay the contributions that you would have been making to the Plan had you not been on military leave.

**Forward Purchase Service** is service that you may purchase to complete a full year of credited service, up to a maximum of six months. You must first meet the eligibility

requirements for vesting, retirement or DROP participation in order to forward purchase service credit. For example:

If you are a Group One member planning to retire based on attaining 25 years of credited service, you are *under* age 55, and you have 24 years and 6 months of credited service, you may not purchase an additional six months to qualify for retirement benefits and have your benefit calculated using 25 years of credited service. Therefore, if you are under age 55, you must attain 25 years of credited service to be eligible to retire.

If you are a Group One member retiring based on attaining 25 years of credited service, you are *under* age 55, you have 25 years and 6 months of credited service, and therefore eligible to retire, you may purchase an additional six months and have your benefit calculated using 26 years of credited service.

However, please take note: If you are a Group One member retiring based on attaining 5 years of credited service, you are *over* age 55, you have 24 years and 6 months of credited service, and therefore eligible to retire, you may purchase an additional six months and have your benefit calculated using 25 years of credited service. Further, you cannot purchase any part of the six month of additional credited service credit that would result in final year of service exceeding 12 month.

## HOW TO BUY BACK PREVIOUS SERVICE

If you want to receive credit for previous service, you must submit a completed Application to Purchase Service Credit to COHERF. You must pay for such service credit and you must be eligible to do so. You can purchase credit for previous service if the following applies to you:

- Either you had previously received credit for service with COHERF, but your membership had ended and you received a refund of your contribution, and you later rejoin COHERF, or
- Your previous service now qualifies for retirement credit – whereas it did not qualify before – because you were in a job that did not allow you to join COHERF.

### **How Much It Costs To Buy Back Service Previous Credited**

Rejoining Members Who Received A Refund of Contributions: If you had previously received credit for service with COHERF, but your membership had ended and you received a refund of your contributions, and you later rejoin COHERF, you may purchase that previous service at a cost equal to the amount of the refund, plus interest at a rate of 4% per year for the period of absence from the City. This repayment must be made in a lump sum.

You can claim and pay for your previous service at any time while an active member of COHERF, but know you will not receive credit for it until you have completed three years of full-time service with COHERF.

### **How Much It Costs To Buy Back Service Not Previously Credited**

Full-Time CETA, BETA Or Temporary Employment: If you were a member of COHERF on June 4, 2003 and employed by the City on January 1, 2001, you may purchase credit under COHERF for all prior periods of employment in a position as a full-time CETA, BETA or temporary employee. You may purchase that previous service at a cost equal to 7% of the compensation received during the period of prior employment, plus a buyback fee of 4% of the total contribution amount.

If the total contributions and buyback fee are not fully paid by the time the member separates from City employment, an additional 6.5% fee will be charged against the unpaid balance remaining. If you retire and have not completed the buyback, the 6.5% fee will be added to the unpaid balance and your pension benefit will be reduced until the buyback is completed.

Payment for the purchase of this credited service can be made by:

- A cash lump sum payment, and/or
- Direct transfer or rollover of an eligible rollover distribution, and/or
- A time payment plan of bi-weekly deductions from payroll. These payroll deductions are made before federal taxes are taken out of your paycheck.

Full-Time Employment While Not A Contributing Member Of COHERF: If you are a member of COHERF, you may purchase credit for any period of prior or current City employment in a full-time position with the City during which you were not a contributing member of COHERF. You may purchase that previous service at a cost equal to 8% of the compensation received during the period of prior or current employment, plus a buyback fee of 4% of the total contribution amount.

If the total contributions and buyback fee are not fully paid by the time the member separates from City employment, an additional 6.5% fee will be charged against the unpaid balance remaining. If you retire and have not completed the buyback, the 6.5% fee will be added to the unpaid balance and your pension benefit deposits will be reduced until the buyback is completed.

Payment for the purchase of this credited service can be made by:

- A cash lump sum payment, and/or
- Direct transfer or rollover of an eligible rollover distribution, and/or
- A time payment plan of bi-weekly deductions from payroll. These payroll deductions are made before federal taxes are taken out of your paycheck.

## Who Is Not Eligible To Buy Back Previous Service

You cannot purchase credit for previous part-time service. You cannot purchase credit for previous service after you terminate service with the City of Hollywood. Please note that an approved leave of absence is neither a separation nor a termination.

## WHAT IF YOUR EMPLOYMENT ENDS BEFORE RETIREMENT

### What Happens To Your Membership And Contributions If You Are A Vested Member

Vesting means acquiring the right to receive the benefits specified by your particular retirement program after attaining the requisite number of years of credited service and membership in COHERF. You are automatically vested in COHERF if you have a certain minimum number of years of credited service. The minimum number of years required to vest is determined by your date of hire.

You can remain vested by leaving your contributions in COHERF and thus, maintain your right to receive a deferred vested retirement benefit at your normal retirement date. Again your normal retirement date is determined by your date of hire. You shall have the right to receive a service retirement benefit beginning on or after your normal retirement date based on the benefit formula in effect on the date of separation from City employment and your years of credited service and average final compensation on that date.

You can choose to receive a refund of your contributions plus 4% simple interest per year through the date of separation from the City employment that made you eligible to join the COHERF. If you receive such a refund, however, your membership in COHERF will end, as will end your right to receive a retirement benefit. Further, there may be tax consequences associated with such a refund. Note: If you return to service later, you may be able to repay the amount refunded to you and restore your membership and service in COHERF. See the Chapter *What If You Leave And Return To Service Later*.

### What Happens To Your Membership And Contributions If You Are A Non-vested Member

If your employment ends and you have less than the minimum number of years of credited service required to vest, you are non-vested and you have two options:

- You can receive a refund of your contributions plus 4% simple interest if you apply for such. If you receive a refund, however, your membership in COHERF will end. There may be tax consequences associated with a refund of your contributions. See the Chapter *Special Tax Rollover Notice* containing a summary of the rules for payment of the refund.
- You can leave your contributions in the Plan and refer to the Chapter *What If You Leave And Return To Service Later*.

**Please take note:** If your termination is not voluntary and you have any claims pending against the City for such termination and there is a possibility that you might be reinstated to your employment, you should avoid taking a refund of contributions until all such issues have been finalized. Since in addition to the tax consequences, you will be required to repay your refund should your termination be rescinded.

## WHAT IF YOU LEAVE AND RETURN TO SERVICE LATER

### **Maintaining Your Membership Rights**

If your employment ends with the City of Hollywood, before retirement and then you are rehired and return later, you may be able to maintain your membership rights in COHERF and retain the credited service you had earned before your employment ended if the following apply to you:

- You are vested, or
- Your employment ended before you were vested and you did not withdraw your contributions and you have returned to full-time City employment for more than three years.

In general, should you be rehired and return to the employ of the City of Hollywood in a full-time position eligible for membership in COHERF, you would come back with the same rights and privileges that you had before your employment ended for your prior credited service. When you return to service, your rights and privileges of your future credited service will be based on the rules in effect at the time of rehire.

Neither an approved leave of absence without pay nor a break in service due to Layoff and Recall constitute time out of service and does not affect your membership, but such absences are not included in your credited service.

### **Returning To Service After Losing Your Membership Rights**

Having lost your membership rights, should you be rehired and return to the employ of the City of Hollywood and you join the COHERF again, you may apply to purchase service credit from your prior membership and have restored all credited service previously forfeited by accepting the refund. If you received a refund of any contributions under your past membership, in order to have past credited service restored to you, you would have to pay the gross amount of the refund, plus 4% interest per year for the period of absence from the date of separation from the City employment that made you eligible to join the COHERF to the date of your return to City employment in a position that made you eligible to rejoin the COHERF.

## SERVICE RETIREMENT AND BENEFITS:

If, at any time, you are planning to retire in the next three months, the Pension Office can provide a detailed calculation of your *estimated* retirement benefits (including the amounts of any option you may wish to select). You should contact the Pension Office before your desired retirement date to review your eligibility and the benefit options available to you.

The requirement for qualifying for a service retirement benefit, the calculation of the benefits and other provisions differ based on your date of hire, service credit start date, and your employment history.

### **Member Hired Prior To July 15, 2009 And Employed By The City On June 19, 2019**

You are eligible to receive retirement benefits if you have:

- at least five years of credited service (hence vested), and
- you have made all the required membership contributions, and
- you have reached age 55, or you have attained 25 years of credited service regardless of age.

Your Normal Retirement Date is the earliest date that retirement benefits (other than disability benefits) may be paid. Your Normal Retirement Date is the earlier of: the date on which you attain 25 years of credited service regardless of age, or the date you attain age of 55 with at least five years of credited service.

There is no mandatory retirement age. You may continue working past your Normal Retirement Date.

### **Amount of benefits and how they are computed**

To calculate how much your benefits will be, a percentage of your Average Final Compensation is multiplied by the number of years of credited service you have accrued.

Your Average Final Compensation (AFC) is the average monthly gross wages received from the City, including overtime, during your highest 78 consecutive bi-weekly pay periods of credited service and your payments for accumulated annual and sick leave (subject to limitations set forth in State and City laws) received following separation from employment that are included in compensation.

The amount of accumulated annual leave included in compensation for members hired prior to July 15, 2009, cannot exceed 125 hours for employees who retire from positions covered by the general employees' bargaining unit; and 60 hours per year for employees who retire from positions not covered by the general employees' bargaining unit.

The amount of accumulated sick leave included in compensation for members hired prior to October 1, 2002, cannot exceed the amount accumulated as of October 1, 2002. For members hired on or after October 1, 2002, accumulated sick leave payouts are not included in compensation. Additionally, compensation excludes payouts for blood time and compensatory time.

**The Normal Retirement Benefits for members hired prior to July 15, 2009 and employed by the City on June 19, 2019 will be equal to the lesser of the two calculations below:**

$$3\% \times \text{Average Final Compensation} \times \text{Years of Credited Service}$$

Or

$$81\% \text{ of Average Final Compensation}$$

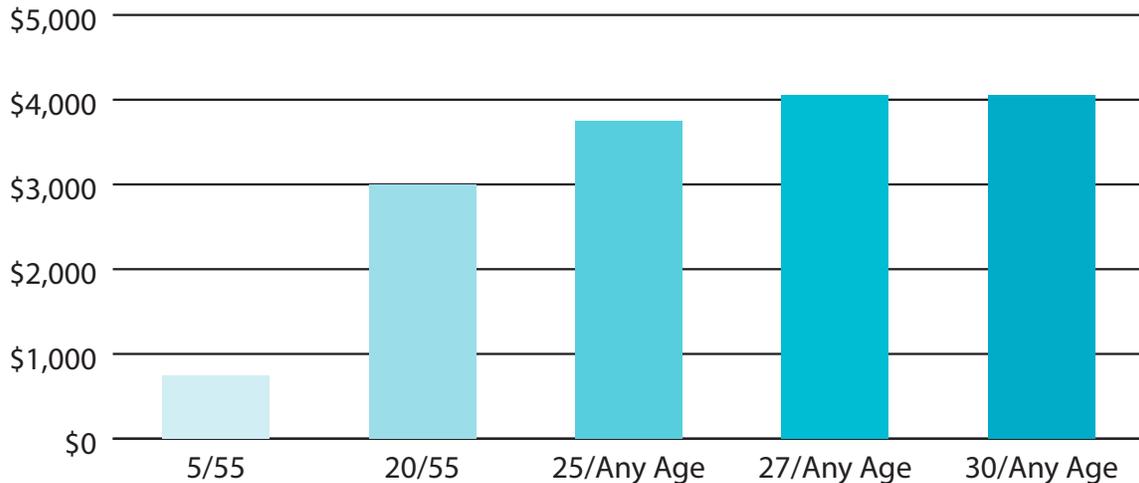
The table below is merely an illustrative example of the amount of benefits paid at retirement based on age and different numbers of years of credited service. The figures are also based on the selection of the Normal Retirement Annuity as opposed to the selection of an Option (both of which will be explained in the Chapter *How Benefits Are Paid*) and are based on an average final compensation of \$5,000.

Normal Retirement Benefit		
Number Of Years of Credited Service/Age	Benefits As % Of Your AFC	Your Monthly Retirement Benefit
5/55	$3\% \times 5 \times \$5,000 = 15.0\%$	\$750.00
20/55	$3\% \times 20 \times \$5,000 = 60.0\%$	\$3,000.00
25/Any Age	$3\% \times 25 \times \$5,000 = 75.0\%$	\$3,750.00
27/Any Age	$3\% \times 27 \times \$5,000 = 81.0\%$	\$4,050.00
30/Any Age	$3\% \times 27 \times \$5,000 = 81.0\%$	\$4,050.00

These examples are provided for informational purposes only and are not a guarantee of your actual benefit, which will be calculated using your own personal information at the time of your actual separation from service or DROP participation.

Now, if you wish to provide benefits for your survivors by selecting an Option (rather than the Normal Retirement Benefit used in the table above and the graph to follow), the amount of your benefits would be reduced. The amount of such reduction would depend on the option you selected.

## Normal Retirement Benefit



### Non-Contributory Time

If you were a 1% non-contributory member of the Supplemental Plan and do not buy back your non-contributory time, then the calculation of your Normal Retirement Benefit will be based on both the amount of credited service you had in the Supplemental Plan and the amount of credited service you had while you were a contributing member. The benefit will be calculated in the same manner as in the previous section under Normal Retirement Benefit, with the following exceptions. The percentage of average compensation that will be applied to your years of credited service during which you did not make contributions to the Plan will be 1%. Also, the AFC will be calculated over five years of base pay (not including overtime) and will not include any accumulated leave time.

If you had 10 years of non-contributory credited service with AFC of \$4,800 and 15 years of contributory credited service with AFC of \$5,000, then your Normal Retirement Benefit calculation would be:

$$(1\% \times \$4,800 \times 10 \text{ years}) + (3.0\% \times \$5,000 \times 15 \text{ years})$$

$$\$480 + \$2,250 = \$2,730 \text{ per month}$$

You may be eligible to purchase the higher benefit rates for your non-contributory credited service during your current period of employment by paying into the Plan an 8% contribution on what you earned during the non-contributory period plus a 4% fee. Please contact the Pension Office to determine your eligibility, a calculation of the purchase amount and information about the payment options. The election to purchase this service must be made prior to your separation from service or DROP. If you retire and have not completed the buyback, the 6.5% fee will be added to the unpaid balance and your pension benefit will be reduced until the buyback is completed.

**General Fund Members Hired On Or After July 15, 2009 But Prior To October 1, 2011 And Non-General Fund Members Hired After July 15, 2009 But Prior To March 5, 2014 And Employed By The City On June 19, 2019**

You are eligible to receive retirement benefits, if you have:

- at least seven years of credited service (hence vested), and
- you have made all the required membership contributions, and
- you have reached age 60, or you have reached age 57 with 25 years of credited service, or you have attained 30 years of credited service regardless of age.

Your Normal Retirement Date is the earliest date that retirement benefits (other than disability benefits) may be paid. Your Normal Retirement Date is the earliest of: the date on which you attain 30 years of credited service regardless of age, the date you attain age of 57 with 25 years of credited service, or the date you attain age of 60 with at least seven years of credited service.

There is no mandatory retirement age. You may continue working past your Normal Retirement Date.

**Amount of benefits and how they are computed**

To calculate how much your benefits will be, a percentage of your Average Final Compensation is multiplied by the number of years of credited service you have accrued.

Your Average Final Compensation (AFC) is the average monthly gross wages received from the City, including longevity and certification pay, during your highest 104 consecutive bi-weekly pay periods of credited service. Compensation excludes payouts for accumulated annual and sick leave, blood time, compensatory time and overtime.

**The Normal Retirement Benefits for general fund members hired on or after July 15, 2009 but prior to October 1, 2011 and non-general fund members hired after July 15, 2009 but prior to March 5, 2014 and employed by the city on June 19, 2019 will be equal to the lesser of the two calculations below:**

$$2.5\% \times \text{Average Final Compensation} \times \text{years of credited service}$$

Or

$$81\% \text{ of Average Final Compensation}$$

The table below is merely an illustrative example of the amount of benefits paid at retirement based on age and different numbers of years of credited service. The figures are also based on the selection of the Normal Retirement Annuity as opposed to the selection of an Option (both of which will be explained in the Chapter *How Benefits Are Paid*) and are based on an average final compensation of \$3,500.

Normal Retirement Benefit		
Number Of Years of Credited Service/Age	Benefits As % Of Your AFC	Your Monthly Retirement Benefit
7/60	$2.5\% \times 7 \times \$3,500 = 15.0\%$	\$750.00
20/60	$2.5\% \times 20 \times \$3,500 = 50.0\%$	\$3,000.00
25/57	$2.5\% \times 25 \times \$3,500 = 62.5\%$	\$3,750.00
27/57	$2.5\% \times 27 \times \$3,500 = 67.5\%$	\$4,050.00
30/Any Age	$2.5\% \times 30 \times \$3,500 = 75.0\%$	\$4,050.00

These examples are provided for informational purposes only and are not a guarantee of your actual benefit, which will be calculated using your own personal information at the time of your actual separation from service or DROP participation.

Now, if you wish to provide benefits for your survivors by selecting an Option (rather than the Normal Retirement Benefit used in the table above and the graph to follow), the amount of your benefits would be reduced. The amount of such reduction would depend on the option you selected.



If you are planning to retire in the near future and wish to have a detailed calculation of your estimated retirement benefits (including the amounts of any option you may wish to select), you should call the Pension Office to request this information.

**General Fund Member Hired On Or After October 1, 2011 And Non-General Fund Members Hired On Or After March 5, 2014**

You are eligible to receive retirement benefits if you have:

- at least seven years of credited service (hence vested), and
- you have made all the required membership contributions, and
- you have reached age 65, or you have reached age 62 with 25 years of credited service or you have attained 30 years of credited service regardless of age.

Your Normal Retirement Date is the earliest date that retirement benefits (other than disability benefits) may be paid. Your Normal Retirement Date is the earliest of the date on which you attain 30 years of credited service regardless of age, the date you attain age of 62 with 25 years of credited service, or the date you attain age of 65 with at least seven years of service.

There is no mandatory retirement age. You may continue working past your Normal Retirement Date.

**Amount of benefits and how they are computed**

To calculate how much your benefits will be, a percentage of your Average Final Compensation is multiplied by the number of years of credited service you have accrued.

Your Average Final Compensation (AFC) is the average monthly gross wages received from the City, including longevity and certification pay, during your highest 130 consecutive bi-weekly pay periods of credited service. Compensation excludes payouts for accumulated annual and sick leave, blood time, compensatory time and overtime.

**The Retirement Benefits for general fund members hired on or after October 1, 2011 and non-general fund members hired on or after March 5, 2014 will be equal to the lesser of the two calculations below:**

$$2.5\% \times \text{Average Final Compensation} \times \text{years of credited service}$$

Or

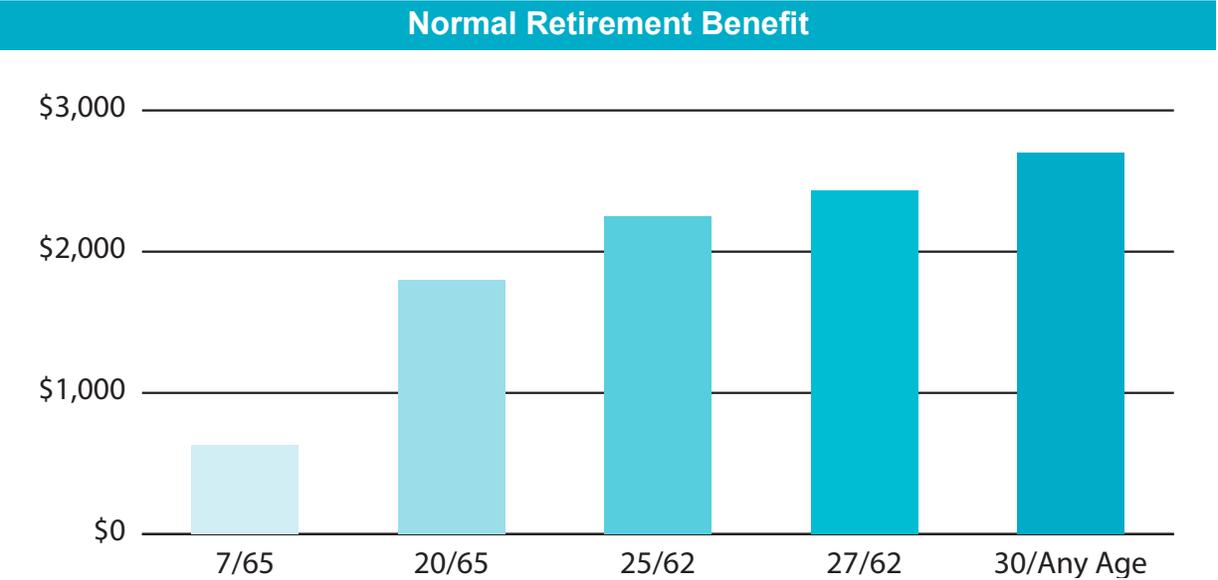
$$81\% \text{ of Average Final Compensation}$$

The following table is merely an illustrative example of the amount of benefits paid at retirement based on age and different numbers of years of credited service. The figures are also based on the selection of the Normal Retirement Annuity as opposed to the selection of an Option (both of which will be explained in the Chapter *How Benefits Are Paid*) and are based on an average final compensation of \$3,000

Normal Retirement Benefit		
Number Of Years of Credited Service/Age	Benefits As % Of Your AFC	Your Monthly Retirement Benefit
7/65	$2.5\% \times 7 \times \$3,000 = 17.5\%$	\$525.00
20/65	$2.5\% \times 20 \times \$3,000 = 50.0\%$	\$1,500.00
25/62	$2.5\% \times 25 \times \$3,000 = 62.5\%$	\$1,875.00
27/62	$2.5\% \times 27 \times \$3,000 = 67.5\%$	\$2,025.00
30/Any Age	$2.5\% \times 30 \times \$3,000 = 75.0\%$	\$2,250.00

These examples are provided for informational purposes only and are not a guarantee of your actual benefit, which will be calculated using your own personal information at the time of your actual separation from service or DROP participation.

Now, if you wish to provide benefits for your survivors by selecting an Option (rather than the Normal Retirement Benefit used in the table above and the graph to follow), the amount of your benefits would be reduced. The amount of such reduction would depend on the option you selected.



## DEFERRED RETIREMENT OPTION PLAN (DROP)

If you were a member of COHERF, first employed before July 15, 2009, and you were also a member on June 19, 2019, are still employed, and you are at least age 55 with a minimum of 10 years of credited service, or have 25 years of credited service regardless of age, you may elect to enter the Deferred Retirement Option Plan (DROP). You may enter the DROP on the first day of any month following the month in which you meet the requirements above but prior to your completion of 30 years of credited service. If you do not participate in the DROP, your Retirement Benefit may continue to increase due to your completion of additional years of credited service, up to the maximum of 27 years, and any further pay increases included in your AFC.

If you elect to enter the DROP, your retirement benefit will be based on your years of credited service and AFC as of the date you enter the DROP. Also, your contributions and the City's contribution to COHERF will end. The monthly benefit that you would receive if you retired on your DROP election date will be paid into an interest-bearing DROP account in COHERF. DROP accounts earn interest at the same rate as the net rate of investment return on assets of COHERF. However, the rate of interest credited to your DROP account for any fiscal year cannot be less than 0%.

You may participate in the DROP for any period of time up to a maximum of five years, or until your years of credited service and the years you are in the DROP reach a combined total of 32 years, whichever occurs first. You do not have to stay employed for the entire period. When you leave City employment and the DROP, the total amount of benefits and interest in the DROP account will be distributed. Please note that if you are a General, Professional, or Supervisory employee in a bargaining unit represented by AFSCME, you will be required to sign an irrevocable agreement that you will separate from City employment at the conclusion of your DROP participation.

You may choose to have the distribution made payable to you, in which case it becomes taxable, or you may choose to transfer all or a portion of it to a tax-deferred plan or account. See the Chapter *Special Tax Rollover Notice* containing a summary of the rules regarding distributions. If you do not make a distribution selection for your DROP account balance within 60 days following your separation of employment, the distribution will be made payable directly to you. There may be tax consequences associated with such a distribution.

If you are an Executive, Management, Technical or Confidential employee and you do not leave City employment at the end of the DROP period, the money in your DROP account will cease to earn interest. In addition, your retirement benefit will be forfeited during the months you continue to remain in employment. You may only access your DROP monies when you leave City employment. Upon Separation from City employment you will begin receiving monthly retirement benefit payments and in addition, the balance in your DROP account will be distributed to you. There may be tax consequences associated with such a distribution.

Should you pass away during your participation in the DROP, your primary beneficiaries will receive a lump sum payment equal to your DROP account balance plus any other survivors' benefits that you may have selected.

If you become disabled while a member of the DROP and you separate from employment, you will receive the total of your DROP account. In addition, if you are terminated because of your disability, you may choose to receive your retirement benefit or a disability benefit, which will be calculated on your compensation and years of credited service in effect on the date of your DROP participation.

You may not participate in more than one of the following: the DROP, the Planned Retirement Benefit explained in the Chapter *Planned Retirement Benefit*, and the Partial Lump Sum Distribution Benefit explained in the Chapter *Partial Lump Sum Distribution Benefit*. You may participate in the DROP only once. Once you enter the DROP, you will not have the right to be an active member of the Plan again.

DROP participants who were employed on October 1, 2002 are eligible for supplemental pension distributions when they begin receiving their monthly retirement benefits. These participants are not eligible for such distributions while participating in the DROP. See the Chapter *Supplemental Pension Distribution (13th Check)* later.

## PLANNED RETIREMENT BENEFIT

If you were a contributing member of COHERF before July 15, 2009, remained a contributing member through March 5, 2014, and are still employed, you may elect to participate in the Planned Retirement Benefit at any time on or after reaching your Normal Retirement Date. You must submit a completed Planned Retirement Application to the Pension Office.

If you elect to enter the Planned Retirement Benefit, you will remain an active employee of the City. Your contributions to COHERF and the City's contribution will continue to be made until you separate from City employment. You may participate in the Planned Retirement Benefit for any period of time up to a maximum of five years. You will be required to sign an irrevocable agreement that you will separate from City employment at the conclusion of your Planned Retirement Benefit participation.

Immediately prior to your separation from City employment, you will select a retirement date that provides one of the following benefits:

- A benefit from your planned retirement start date that provides the maximum lump sum payment and a monthly benefit will be based on your years of credited service and AFC as of your planned retirement start date.
- A benefit from your planned retirement start date that provides no lump sum payment and the maximum monthly benefit based on your years of credited service and AFC as of your date of separation for City employment.

- A benefit from any date after your planned retirement start date that provides a lump sum payment and a monthly benefit based on your years of credited service and AFC as of your retirement date you select.

The lump sum benefit will be equal to the monthly benefit that you would have received if you had retired on your selected retirement date. The lump sum will also include interest earned from the selected retirement date to your date of separation from City employment at the same rate as the net rate of investment return on assets of COHERF. However, if the net rate of investment return is over 4%, up to the next 2% of returns (depending on the funding status of COHERF) will be excluded from the lump sum calculation, and returns above the exclusion will again be included in the lump sum calculation. Please take note: If the rate of return is negative, your lump sum benefit may be reduced.

If you choose a Lump Sum option, you may choose to have the distribution made payable to you, in which case it becomes taxable, or you may choose to transfer all or a portion of it to a tax-deferred plan or account. See the Chapter *Special Tax Rollover Notice* containing a summary of the rules regarding distributions. If you do not make a distribution selection for your Planned Retirement Benefit lump sum within 60 days following your separation of employment, the distribution will be made payable directly to you. There may be tax consequences associated with such a distribution.

Should you pass away during your participation in the Planned Retirement Benefit, your primary beneficiaries will elect an assumed retirement date and receive a benefit equal to the lump sum payment you would have received had you retired on that date plus any other survivor benefits that they select.

If you become disabled while a member of the Planned Retirement Benefit and your employment is terminated, you will receive active disability retirement benefit explained in the Chapter *What If You Become Disabled* below.

You may not participate in more than one of the following: the DROP, the Planned Retirement Benefit, and the Partial Lump Sum Distribution Benefit (explained in the Chapter *Lump Sum Distribution Benefit*). You may participate in the Planned Retirement only once. Once you enter the Planned Retirement, you must separate from City employment no later than the last day of your planned retirement benefit participation.

Planned Retirement participants who were employed on October 1, 2002 are eligible for supplemental pension distributions when they begin receiving their monthly retirement benefits. These participants are not eligible for such distributions while participating in the Planned Retirement. See the Chapter *Supplemental Pension Distribution (13th Check)* later.

## PARTIAL LUMP SUM DISTRIBUTION BENEFIT

If you reach your Normal Retirement Date on or after March 5, 2014 and you do not enter the DROP or Planned Retirement Benefit, you may elect a partial lump sum distribution benefit. If you elect to receive this optional form of payment, you will receive a retirement benefit equal to the actuarial value of your retirement benefits on your retirement date in the form of a lump sum payment of up to 25% of the actuarial value plus the balance in a monthly annuity based on selection of the Normal Retirement Annuity or an Option (both of which will be explained in the Chapter *How Benefits Are Paid*).

Once you have selected the distribution percentage that you wish to receive in a lump sum, not to exceed 25%, the balance of your benefit will be paid as a monthly annuity. This monthly annuity will be calculated by the Plan's Actuary so that the value of the combined lump sum and annuity benefits to which you are entitled will be actuarially equivalent to the value of benefits otherwise payable.

## SUPPLEMENTAL PENSION DISTRIBUTION (13TH CHECK)

A Supplemental Pension Distribution (also known as a 13th check) may be paid to you if you are receiving monthly retirement benefits and you were employed by the City on October 1, 2002. A 13th check may also be paid to your surviving spouse if that spouse is receiving monthly benefits from COHERF on the date the 13th check becomes payable.

For each Plan year, (that is, from each fiscal year beginning on October 1st and ending on September 30th of the following year), you or your surviving spouse that still receiving benefits will be entitled to a 13th check if the rate of return on the investments exceeds the assumed rate of return by more than 4.5%.

For example, if the assumed rate of return is 7.5% and the rate of return is more than 12.0% in a Plan year, then a 13th check will be paid to you or your surviving spouse. The 13th check will be determined on the basis of your years of contributory service up to 25 years of credited service. DROP participants and Planned Retirement Participants are not eligible for the supplemental pension distributions until they begin receiving their monthly retirement benefits.

## COST OF LIVING ADJUSTMENT (COLA)

If you are a member hired prior to July 15, 2009, you will receive a Cost of Living Adjustment (COLA) in your monthly retirement benefit. If you enter the DROP, you will receive a 2% COLA annually starting the later of three years after retirement benefits begin or one year after separation from City employment. If you do not enter the DROP, you will receive a 2% COLA annually starting three years after retirement benefits begin.

## FORFEITURE OF BENEFITS

If you are convicted of a specified offense committed prior to retirement or if your employment is terminated because you admitted to the committing, aiding or abetting of a specific offense, you will forfeit all your rights and benefits in this Plan, except the return of your accumulated contributions as of the date of termination. Specified offenses include:

- committing, aiding, or abetting of an embezzlement of public funds;
- committing, aiding, or abetting of any theft from the City;
- bribery in connection with your employment,
- any felony specified in Chapter §838 of the Florida Statutes, except Subsections. §838.15 and §838.16
- committing of an impeachable offense;
- committing any felony willfully and with intent to defraud the public or the City of the right to receive the faithful performance of your duty, to realize or obtain, or attempt to realize or obtain, a profit, gain, or advantage for yourself or for some other person through the use or attempted use of the power, rights, privileges, duties, or position of your office or employment; or
- committing on or after October 1, 2008, any felony defined in Chapter §800 Subsection §800.04 of the Florida Statutes against a victim younger than age 16, or any felony defined in Chapter §794 against a victim younger than age 18, by you through the use or attempted use of power, rights, privileges, duties, or position of your public office or employment position.

If COHERF receives notice that you have committed an offense, an administrative hearing will be held to determine whether COHERF is required to forfeit your rights and privileges in COHERF.

## HOW TO FILE FOR RETIREMENT BENEFITS

First, you may wish to speak to your timekeeper, human resources department or payroll department to determine the last day that you will be on payroll – and then inform COHERF of that date. Your last day on payroll is the date that is crucial to COHERF. Once you decide to retire you should inform your department head or supervisor of this decision.

Next, you should make an appointment to meet with a COHERF representative at least three months before your retirement start date. During this appointment, you will receive a retirement or DROP application, information about your retirement payment options, information about your rights within your specific retirement program, and an approximate amount of your retirement benefit.

Then, if you are currently working or are on an approved leave, if you meet all the eligibility requirements, and you want to retire or DROP, you must file the appropriate

application with COHERF. When filing a retirement application, you should request that your actual date of retirement be the day after the last day you are an employee on payroll. When filing a DROP application, you must request that your actual date of retirement be the first day of the month.

Advisably, you should complete and return these same application forms as soon as you make the decision to retire. But you must file your retirement application at least one day before your date of retirement, making your retirement date effective at the earliest, the very next day. If you elect to DROP, you must file your DROP application by the last day of the month before your DROP start date, making your DROP start date effective at the earliest, the first of the following month.

When you file for service retirement or DROP participation, you choose and identify a beneficiary or beneficiaries once again.

### **Withdrawal Of Your Application For Retirement**

You can withdraw your application for service retirement or DROP participation at any time up to the day before the actual date of your retirement or DROP start date. But to do so, you must file with the City of Hollywood and the COHERF, a written request to rescind your retirement or DROP application.

### **HOW BENEFITS ARE PAID**

When you apply for the service retirement, disability retirement, or the DROP, you must choose how you want your retirement benefit to be paid. It is at this point that you must select either the Normal Retirement Annuity form of benefit payment (the maximum dollar amount you are able to receive) or select an optional form of benefit payment (providing a death benefit to your named survivors). This choice cannot be changed once you have reached your retirement date or DROP participation start date. Therefore, it is crucial that you read carefully and fully understand the explanations to follow as you consider your selection.

No matter which option you select, COHERF guarantees that the total benefits paid to you and on your behalf to your beneficiaries, will at least equal the accumulated contributions you paid into COHERF. Note: On Options 1, 2 and 3, the guarantee period starts with your retirement date or your DROP participation start date, not your date of death.

Once you have commenced receiving your retirement benefits or started your DROP participation, you cannot change your selected option. You may, however, change beneficiaries at any time prior to your death. Note: Under Options 4 and 5, your benefit will be recalculated if you make a beneficiary change. Your benefit may increase or decrease, in part, depending on the difference in ages between the old and new youngest beneficiary.

## **Normal Retirement Annuity**

If you do not select one of the options listed next, your benefit will be paid as a Normal Retirement Annuity. With the normal retirement annuity, you receive a monthly installment which is greater than the amount of any other benefit option. However, the normal retirement annuity continues for the remainder of your lifetime only and, consequently, does not provide benefits for your survivors. This means that when you die, the benefits stop.

## **Options**

Options, on the other hand, do provide retirement benefits for your survivors, in addition to providing benefits during your lifetime. When you file your service retirement, disability retirement, or DROP participation, and if you select an option, it is at this point that you pick a beneficiary or beneficiaries once again – whether you changed your designation since joining COHERF or not. In the case of Options 1, 2 and 3, you may choose contingent beneficiaries in addition to your primary beneficiaries. Note: If you choose contingent beneficiaries under Options 4, and 5, those beneficiaries will not receive the optional benefit. They would only receive any residual amount that may be due to you after your death that was not paid to your primary beneficiaries prior to their death.

In selecting an option, you agree to accept a reduced retirement allowance for the rest of your lifetime. The amount of the reduction depends on which option you select and also can depend on your age and on your youngest beneficiary's age. For example, with some options, the younger the beneficiary, the greater the reduction, as the expected payments would have to extend over a longer period of time. In no event will the total of benefit payments to you and your beneficiaries be less than your own accumulated contributions.

Please take note: If you designate your spouse to receive any survivor benefits after you retire, then your marriage is later dissolved through divorce or annulment, and you do not submit a new designation of beneficiary form before your death, your survivor benefits will be paid as if your former spouse predeceased you. Therefore, if you designate your spouse to receive survivor benefits, you then get a divorce or an annulment, and you wish for your ex-spouse to still receive your survivor benefits, you must submit a new designation form after the date of the divorce decree or annulment, which re-designates your now ex-spouse as your beneficiary.

You may choose to receive your benefit based on one of the options described below. You may revoke that election and make a new election at any time prior to the commencement of your retirement, or DROP participation start date. Such revocation of election must be in writing and filed with the COHERF Pension Office. This election also applies to terminated vested participants eligible for payment of deferred retirement benefits.

The optional forms of benefit result in a decreased benefit that is determined by your age and under the 100% Joint and Equal and the 50% Joint and Half options, the age of your youngest beneficiary. You may elect to have a single beneficiary or multiple beneficiaries. If you elect to have multiple beneficiaries, the age of the youngest beneficiary will be used to calculate Options 4 and 5.

#### Option 1 - 5 Year Certain and Life:

You receive a reduced monthly benefit for the rest of your life. After payment of the retirement benefit for five years (60 payments), however, there is no further coverage for a beneficiary. If you die before receiving 60 payments, your primary beneficiaries will receive a percentage of the reduced monthly payments selected by you until a total of 60 payments have been made. Note: If one of your primary beneficiaries then dies before the 60 payments have been made, the benefit will be paid to the remaining primary beneficiaries in the ratio you selected.

Yet, if after your death, your primary beneficiaries have started to receive benefit payments and then they all die before the 60 payments have been made, the benefit will be paid to your contingent beneficiaries until a total of 60 payments have been made. But, if you do not name a contingent beneficiary, the benefits will be paid to the estate of your last surviving primary beneficiary.

If, though, your primary beneficiaries die before you do and you do not name another primary beneficiary, and then you die within the five years following retirement, the remaining benefits will be paid to your contingent beneficiary. But, if you do not name a contingent beneficiary, these benefits are paid to your estate.

You can name one or more primary beneficiaries, as well as one or more contingent beneficiaries. If you do name more than one beneficiary the benefit will be divided amongst them in the ratio you select. The ages of your beneficiaries do not affect the reduction of benefits because its benefits are paid within a finite period of time. You choose your primary and contingent beneficiaries when you file your retirement application, and you can change your choice of beneficiaries at any time.

#### Option 2 - 10 Year Certain and Life:

You receive a reduced monthly benefit for the rest of your life. After payment of the retirement benefit for 10 years (120 payments), however, there is no further coverage for a beneficiary. If you die before receiving 120 payments, your primary beneficiaries will receive a percentage of the reduced monthly payments selected by you until a total of 120 payments have been made. Note: If one of your primary beneficiaries then dies before the 120 payments have been made, the benefit will be paid to the remaining primary beneficiaries in the ratio you selected.

Yet, if after your death, your primary beneficiaries have started to receive benefit payments and then they all die before the 120 payments have been made, the benefit will be paid to your contingent beneficiaries until a total of 120 payments have been made. But, if you do not name a contingent beneficiary, the benefits will be paid to the estate of your last surviving primary beneficiary.

If, though, your primary beneficiaries die before you do and you do not name another primary beneficiary, and then you die within the 10 years following retirement, the remaining benefits will be paid to your contingent beneficiary. But, if you do not name a contingent beneficiary, these benefits are paid to your estate.

You can name one or more primary beneficiaries, as well as one or more contingent beneficiaries. If you do name more than one beneficiary the benefit will be divided amongst them in the ratio you selected. The ages of your beneficiaries do not affect the reduction of benefits because its benefits are paid within a finite period of time. You choose your primary and contingent beneficiaries when you file your retirement application, and you can change your choice of beneficiaries at any time.

#### Option 3 - 20 Year Certain and Life:

You receive a reduced monthly benefit for the rest of your life. After payment of the retirement benefit for 20 years (240 payments), however, there is no further coverage for a beneficiary. If you die before receiving 240 payments, your primary beneficiaries will receive a percentage of the reduced monthly payments selected by you until a total of 240 payments have been made. Note: If one of your primary beneficiaries then dies before the 240 payments have been made, the benefit will be paid to the remaining primary beneficiaries in the ratio you selected.

Yet, if after your death, your primary beneficiaries have started to receive benefit payments and then they all die before the 240 payments have been made, the benefit will be paid to your contingent beneficiaries until a total of 240 payments have been made. But, if you do not name a contingent beneficiary, the benefits will be paid to the estate of your last surviving primary beneficiary.

If, though, your primary beneficiaries die before you do and you do not name another primary beneficiary, and then you die within the 20 years following retirement, the remaining benefits will be paid to your contingent beneficiary. But, if you do not name a contingent beneficiary, these benefits are paid to your estate.

You can name one or more primary beneficiaries, as well as one or more contingent beneficiaries. If you do name more than one beneficiary the benefit will be divided amongst them in the ratio you selected. The ages of your beneficiaries do not affect the reduction of benefits because its benefits are paid within a finite period of time. You choose your primary and contingent beneficiaries when you file your retirement application, and you can change your choice of beneficiaries at any time.

#### Option 4 - 100% Joint and Equal:

You receive a reduced monthly benefit for the rest of your life. Upon your death, your primary beneficiaries only will together receive 100% of your reduced allowance until the last surviving beneficiary dies in the ratio you select. This is a benefit guaranteed to be paid for as long as you live and then continue to be paid in an amount equal to your benefit until your last surviving primary beneficiary dies.

You can name one or more primary beneficiaries. If you do name more than one beneficiary the benefit will be divided among them in the ratio you select. The age of your beneficiary will affect the reduction of benefits. If you designate more than one beneficiary, the age of the youngest beneficiary will be used in the calculation of benefits. You choose your primary beneficiaries when you file your retirement application, and you can change your choice of beneficiaries at any time. Note that under this option, your benefit will be recalculated if you make a beneficiary change. Your benefit may increase or decrease, in part, depending on the difference in ages between the old and new youngest beneficiary.

Please note: The IRS limits the percentage of a survivor annuity for non-spousal beneficiaries. This limitation is based on your age and the age of your preferred beneficiaries. If you are considering designating non-spousal beneficiaries who are ten or more years younger than you, this option may not be available to you.

#### Option 5 - 50% Joint and Equal:

You receive a reduced monthly benefit for the rest of your life. Upon your death, your primary beneficiaries only will together receive 50% of your reduced allowance until the last surviving beneficiary dies in the ratio you select. This is a benefit guaranteed to be paid for as long as you live and then continue to be paid in an amount that is half of your benefit until your last surviving primary beneficiary dies.

You can name one or more primary beneficiaries. If you do name more than one beneficiary the benefit will be divided among them. The age of your beneficiary will affect the reduction of benefits. If you designate more than one beneficiary, the age of the youngest beneficiary will be used in the calculation of benefits. You choose your primary beneficiaries when you file your retirement application, and you can change your choice of beneficiaries at any time. Note that under this option, your benefit will be recalculated if you make a beneficiary change. Your benefit may increase or decrease, in part, depending on the difference in ages between the old and new youngest beneficiary.

### **Payment Of Benefits**

Retirement benefit payments are made once per month, on the 25th of each month (or on the next business day when the 25th falls on a weekend or holiday). COHERF can either send your check directly to your home, or deposit your payment directly into

your bank account through Electronic Funds Transfer (EFT) – commonly known as direct deposit. EFT is a faster and safer method of payment. To choose EFT, you must complete an Electronic Deposit Authorization form.

## **Benefit Statements And Tax Forms**

If you choose to receive payment via check, a stub will be attached to the monthly check. If you choose EFT, you will receive a monthly statement showing the amount of benefits paid to you. With either method of benefits payment, each year you will receive an IRS Form 1099-R with the information necessary for preparing your federal tax returns.

## **WHAT IF YOU BECOME DISABLED**

If you become totally and permanently disabled from causes other than the performance of your duties as a City employee, resulting in your inability to perform the specific duties of your position, you may be eligible to receive non-duty related disability benefits under the following circumstances based on the date you were hired. If you become totally and permanently disabled by reason of injuries sustained in the performance of your duties as a City employee, resulting in your inability to perform the specific duties of your position, you may be eligible to receive duty related disability benefits.

### **Non-Duty Related Disability Retirement Eligibility**

You may be eligible to receive non-duty related disability retirement benefits at any age provided the following apply to you:

- you become totally and permanently disabled, and
- you are vested, and
- you, or a duly authorized representative, complete and submit an application for disability retirement to COHERF, and
- after a medical examination, the Board's physician finds that you are physically or mentally incapacitated for the performance of your employment, and if you are no longer performing the duties of your job title, that you were incapacitated when you ceased performance of your duties, and
- the City's Human Resources Director determines that you are unable to perform the specific duties of your position, or any other position which you are capable and qualified to perform, that may be offered by the City with no change in salary or benefit level, and
- the Board of Trustees approves your application for non-duty related disability retirement benefits.

## **Non-Duty Related Disability Retirement Benefits**

If your application for non-duty related disability retirement is approved by the Board, your benefit would be equal to the greater of the two calculations on the next page:

- the Service Retirement Benefit Calculation, or
- 20% x Current Salary.

If you are approved for a non-duty related disability, you must choose how you want your retirement benefit to be paid. It is at this point that you must select either the Normal Retirement Annuity form of benefit payment or select a joint and survivor form of benefit (see the Chapter *How Benefits Are Paid*). This choice of benefit payment cannot be changed.

## **Duty Related Disability Retirement Eligibility**

You may be eligible to receive duty related disability retirement benefits at any age provided you qualify for non-duty related disability retirement as explained above, except that you can retire without the years of credited service necessary to vest if the Board's Physician determines that your disability is indeed the result of an injury you suffered while performing your job for the City of Hollywood, and that said injury is not a result of your own willful negligence. Also, the injury would have had occurred while you were a member of COHERF.

## **Duty Related Disability Retirement Benefits**

If your application for duty related disability retirement is approved by the Board, your benefit would be equal to:

- 75% x Salary on the first day of the disability.

If you are approved for a duty related disability, you must choose how you want your retirement benefit to be paid. It is at this point that you must select either the Normal Retirement Annuity form of benefit payment or select a joint and survivor form of benefit (see the Chapter *How Benefits Are Paid*). This choice of benefit payment cannot be changed.

Note: Should the sum of the disability retirement benefit when added to any workers' compensation benefit exceed your average weekly salary as defined by Florida Statue Chapter §440 (the Workers' Compensation law), your disability benefit will be reduced by the amount of that excess. Your benefit will also be reduced annually by any salary received or net earnings on self-employment. Neither social security nor workers' compensation benefits will result in a reduction under this rule.

## **How To File For Disability Retirement Benefits**

To file for disability retirement, you must notify COHERF in writing that you request a disability retirement. We will then send you an application for disability retirement, and just as if you were filing for service retirement. The effective date of your disability retirement is either the date on which the application is received by COHERF, the date of your medical examination by the Board's physician or on a date established by the Board.

You must be employed by the City at the time the application is submitted unless you are prevented from submitting the application while employed as a result of the disability. However, your application cannot be submitted more than 90 days following termination of employment, unless the Board determines based on evidence presented that extenuating circumstances prevented you from submitting a timely application or the condition resulting in the disability was not discovered in a timely manner. You may not submit more than one application based on the same asserted disability or medical condition.

Your application should include but is not limited to:

- a report of the attending physicians,
- the cause and nature of the disability,
- an estimate of the probable length of the disability, and
- a statement from the physician that you have reached the maximum medical improvement.

You will be required to release your medical records to COHERF, the City, and the Board's Physicians. Completed applications are considered to be filed with the Board when received by the Pension Office. Incomplete applications will not be considered.

## **What If You Are No Longer Eligible For Disability Retirement**

If you are approved for disability retirement, you will be subject to periodic investigation and medical examinations. COHERF will notify you, if and when you are subject to such an investigation and examination. If, after a medical examination, you are deemed able to engage in gainful employment, the Board of Trustees will review the approval of your disability retirement application to determine your eligibility for future benefits.

## **WHAT IF YOU DIE BEFORE RETIREMENT**

### **Death Benefits**

Benefits may be paid to your survivors if you die after retirement via the options previously explained. But benefits also may be paid if you die before retirement.

## One of the three kinds of benefits may be paid if you die before retirement:

- **Employed Vested Death Benefit:** If you die while actively employed by the City, and you were vested, a vested death benefit will be paid to the designated beneficiaries that you chose. At the time you pass away, your beneficiaries have the option of receiving a refund of your contributions plus 4% simple interest, or the benefit payments until their death equal to the benefit payments you would have received if you had retired on the day you passed away and elected the 100% Joint and Equal annuity option. If you have not designated a beneficiary, or your beneficiaries have predeceased you, a refund of your contributions plus 4% simple interest will be paid to your estate.
- **Employed Non-vested Death Benefit:** If you die while actively employed by the City, and you were not vested, a death benefit will be paid to the designated beneficiaries that you chose. If you pass away before you are vested, your beneficiaries will receive a refund of your contributions plus 4% simple interest. If you have not designated a beneficiary, or your beneficiaries have predeceased you, the refund will be paid to your estate.
- **Death Benefit for Vested Members not in Active Service:** If you die after you separated from employment but before you reached your normal retirement date, and you were vested, a vested death benefit will be paid to the designated beneficiaries that you chose. At the time you pass away, your beneficiaries have the option of receiving a refund of your contributions plus 4% simple interest, or if you elected an optional form of benefit, your benefit will be paid to your beneficiary according to the option you selected, starting on the day you would have attained your normal retirement date had you lived. If you have not designated a beneficiary, or your beneficiaries have predeceased you, a refund of your contributions plus 4% simple interest will be paid to your estate.

## What Your Survivors Should Do If You Die Before Retirement

If you die before retirement, your survivors should meet with us and determine:

- your survivor's eligibility for benefits,
- the procedures for claiming benefits,
- the amount of any benefits due, and
- the survivor benefit payment options.

Please take serious note: you should always keep all pertinent COHERF documents and forms in a location that is known and readily accessible to your beneficiaries or the executor of your estate.

## WHAT IF YOU RETURN TO WORK AFTER RETIREMENT

Your retirement allowance is not affected if you return to work with the City of Hollywood after a bona fide separation of employment (when there was not a prearrangement for

you to return to work). You will continue to receive your monthly benefit payments. You will however, not be eligible to rejoin the COHERF as an active participant. You will continue to be considered retired for all COHERF operations, including supplemental pension distributions, cost of living adjustments, and for voting on ordinance change approvals and employee trustee elections.

## CHANGE OF ADDRESS

This is also crucial: if you plan to move, you must contact COHERF for the appropriate change of address form. Then you must return to COHERF a signed form. (When in active service, notifying your employer alone as to your change does not suffice.)

All information will then be sent to your new address. What COHERF mails to you is extremely important – such as – your annual statement, news of critical changes in the law, let alone your checks and tax forms. You do not want such mailing rerouted or lost.

## HEALTH INSURANCE AND OTHER BENEFITS

The City of Hollywood provides health insurance coverage for eligible retirees and their dependents. COHERF does not provide health insurance. In order to continue health insurance coverage after your retirement for you and your dependents, you must file the appropriate applications with the Human Resources Department to enroll in the retiree medical, dental or vision plans offered by the City.

The City also offers life insurance and legal services to eligible retirees. Again, you must file applications with the Human Resources Department to enroll in these benefit programs.

Once retired, you direct all health insurance issues and inquiries to:

Human Resources Department  
City of Hollywood  
2600 Hollywood Boulevard, Room 206  
Hollywood, FL 33020  
Telephone Number: (954) 921-3216  
Email Address: [SLane@Hollywoodfl.org](mailto:SLane@Hollywoodfl.org)

This is critical, so please take note: upon your death, City health insurance benefits for your abovementioned dependents will end immediately unless your dependents choose to continue coverage via direct payment to the health plan itself.

It is also important to remember that when you or any of your dependents reach age 65, you must each apply for Medicare on your own.

Although there may be deductions in your retirement benefit payments to pay for the cost of certain health benefits, COHERF does not administer health care benefits for retirees. So, once again, refer to the City of Hollywood, Human Resources Department regarding health care benefits after you are retired.

## SPECIAL TAX ROLLOVER NOTICE

If you are receiving a lump sum distribution from the Plan, all or a portion of the distribution may be eligible to be rolled over to an Individual Retirement Account/Annuity (IRA) or an employer plan. If you are receiving a lump sum, you will receive a Special Tax Rollover Notice from the Plan that will explain your options.

## IMPORTANT GENERAL INFORMATION ABOUT COHERF

**Name Of The Plan:** City of Hollywood Employees' Retirement Fund

### **Plan Administration:**

Board of Trustees  
City of Hollywood Employees' Retirement Fund  
City Hall Annex, Room 20  
2600 Hollywood Boulevard  
Hollywood, FL 33020

### **Board Of Trustees:**

The Board of Trustees is made up of seven members. The Board consist of

- two members designated as Citizen Members, who are residents of the City, are not identified with the City government, and are appointed by the City Commission.
- the City Manager or the City Manager's designee
- two members representing employees, who are themselves employees of the City, including DROP participants, who have at least six years of credited service in the Plan, and are elected by the employee members
- one member representing the retirees, who is a retiree of the City, excluding DROP participants, and is elected by the retirees.
- one member representing employees whose positions are not included in a collective bargaining unit, who has some accounting and investment experience, and is appointed by the City Manager.

The Board regularly meets monthly, except one month of the year, and meetings are open to the public. The Annual meeting of the Board is usually the last meeting of the calendar year at which time the Trustees elect a Chair, Vice Chair and Secretary by majority vote. Special meetings may be held at such times as may be deemed necessary.

## Pertinent Actuarial Information

The Plan undergoes an actuarial valuation each year. The following tables provide pertinent actuarial information about the Plan, the revenues and expenditures of the Plan and a summary of the Plan's Assets.

Pertinent Actuarial Information		
	As of October 1	
	2020	2019
Number of Members of the Plan		
Active Members	599	592
Active Transfers	9	11
Those Receiving or Due to Receive Benefits	1,190	1,186
Annual Payroll of Active Members	\$40,789,456	\$40,869,983
Annual Rate of Benefits in Pay Status	35,469,154	33,458,933
Actuarial Accrued Liability	583,426,971	565,621,420
Net Assets Available for Benefits (Actuarial Value)	369,068,328	341,286,411
Unfunded Actuarial Accrued Liability	214,358,643	224,335,009
Required Contribution to be Made to the Plan Over and Above Contributions by Members of the Plan	29,112,903	30,198,278
Expected Annual Payroll of Active Members In Contribution Year	42,217,087	42,300,432
Required Contribution as % of Expected Payroll of Active Members in Contribution Year	68.96%	71.39%
Required Contribution to be Paid During Year Ending	9/30/2022	9/30/2021

## Revenues and Expenditures

	Year Ended	
	9/30/2020	9/30/2019
<b>REVENUES:</b>		
a. Member contributions	\$ 3,635,402	\$ 3,561,448
b. City contributions – Including receivables	29,815,790	25,199,128
c. City contributions – 2012 Supplemental Pension Distribution	0	4,299,167
d. County contributions	29,738	26,734
e. Investment income		
Interest, dividends, and other income	4,964,406	5,344,656
Net appreciation (depreciation) in fair value of investments	21,551,652	9,259,446
Investment expenses	<u>(785,676)</u>	<u>(732,217)</u>
Total investment income	25,730,382	13,871,885
f. Other	<u>0</u>	<u>0</u>
g. Total revenues	59,211,312	46,958,362
<b>EXPENDITURES:</b>		
a. Refunds of member contributions	425,409	539,713
b. Benefits paid	29,051,230	35,041,379
c. DROP Distributions	5,190,976	1,821,383
d. Supplemental Pension Distribution (2012)	0	4,299,167
e. Administrative expenses	<u>731,022</u>	<u>724,049</u>
f. Total expenditures	35,398,637	42,425,691
<b>NET INCOME:</b>		
Total revenues minus total expenditures	23,812,675	4,532,671

<b>Summary of Assets - Market Value</b>		
	<b>Year Ended</b>	
	<b>9/30/2020</b>	<b>9/30/2019</b>
Money Market Shares	\$ 9,040,245	\$ 8,382,553
Corporate Equities	11,921,866	14,174,422
Mutual Funds	221,399,064	218,753,289
Pooled Investment Funds	112,510,754	99,848,577
Payables/Accrued Expenses	(3,606,638)	(8,093,695)
Receivables	18,420,554	12,808,024
Total Assets	\$ 369,685,845	\$ 345,873,170
DROP Accounts	(6,012,841)	(8,414,980)
Net Assets	\$ 363,673,004	\$ 337,458,190

**Public Records Officer:**

Executive Director  
City of Hollywood Employees' Retirement Fund  
City Hall Annex Building, Room 20  
2600 Hollywood Boulevard  
Hollywood, FL 33020  
[GeneralPensionHelp@hollywoodfl.org](mailto:GeneralPensionHelp@hollywoodfl.org)  
Telephone Number: (954) 921-3333

**Legal Process Against The Board:**

Chair Phyllis Shaw,  
City of Hollywood Employees' Retirement Fund  
City Hall Annex Building, Room 20  
2600 Hollywood Boulevard  
Hollywood, FL 33020  
[GeneralPensionHelp@hollywoodfl.org](mailto:GeneralPensionHelp@hollywoodfl.org)  
Telephone Number: (954) 921-3333

**Plan Type:**

COHERF is a Defined Benefit Plan that provides a fixed, pre-established benefit for employees at retirement.

**Plan Year:**

The Plan Year is comprised of each 12 month period beginning on October 1st and ending on September 30th of the following year. The Plan's fiscal records are maintained on this basis.

**Relevant Provisions Of Local And State Laws:**

The Plan is set forth in the City of Hollywood Code of Ordinances in Chapter §33 Sections §33.025 through Section §33.031. The Plan is also governed by certain provisions of Chapters 112 and 119 of the Florida Statutes as well as by various federal laws, including the Internal Revenue Code.

Article 18 of the current collective bargaining agreement between the City and AFSCME Local 2432 covering the general employees bargaining unit, Article 8 of the current collective bargaining agreement between the City and AFSCME Local covering the supervisory employees bargaining unit, and Article 11 of the current collective bargaining agreement between the City and AFSCME covering the professional employees bargaining unit, are relevant provisions of the collective bargaining agreements which affect the Plan.

## GLOSSARY OF TERMS

### **Active Service**

Service as a paid employee of the City of Hollywood.

### **Actuarial/Actuary**

Mathematical and statistical calculation, used to forecast benefit payments and financial obligations, based on life expectancy and other demographic data. An actuary performs these calculations.

### **Average Final Compensation (AFC)**

Regular earnings used to calculate a pension benefit. The highest average wages earned by a member during a certain continuous period of employment for which the member received service credited.

### **Annuity**

A sum of money paid out monthly or at other regular intervals for a lifetime.

### **BETA**

Broward County Employment and Training Act, legislation that provided certain upgrading and retraining employment programs.

### **Beneficiary**

A person or entity named to receive survivor benefits after a member or retiree dies.

### **Board**

Governing Board of Trustees of the City of Hollywood Employees' Retirement Fund.

### **Buyback**

Purchase of retirement service credit for previous service with the City of Hollywood or in the Military.

### **CETA**

Comprehensive Employment and Training Act, legislation that provided certain upgrading and retraining employment programs.

### **Code Of Ordinances**

Codification of the rules, regulations and policies of a municipality.

### **COLA**

Cost of Living Adjustments made to pension benefits based on changes in the prices of goods and services.

### **Compensation**

Regular earnings paid to an employee from an employer.

**Contingent Beneficiary**

A secondary beneficiary who would receive survivor benefits should the primary beneficiary be deceased at the time of member's or retiree's death.

**Contribution Rate**

Rate at which regular employee contributions are computed and deducted from compensation.

**Credited Service**

Service accumulated by a member that counts toward retirement credit and allowance.

**Current Salary**

Annual base earnings, including pensionable adjustments, paid to an employee from an employer.

**Direct Rollover**

Any payment of a distribution from a pension plan made directly to another retirement plan or to an Individual Retirement Account (IRA).

**Distribution**

Any withdrawal or payment of monies from a pension plan.

**Electronic Funds Transfer (EFT)**

The Deposit of pension payments or refunds directly into a member's or retiree's bank account without the use of a paper check. Also known as direct deposit.

**Employee**

An employee of the City of Hollywood.

**Forward Purchase**

Purchase of additional credited service so that you may purchase to complete a full year of credited service, up to a maximum of six months.

**General Fund Member**

Any member paid out of the City of Hollywood's General Fund and/or other City funds except a member employed by the water and sewer utility, storm water utility, parking and sanitation funds.

**Group One Restored Member**

Any general or non-general fund member who was hired prior to July 15, 2009 and employed by the City on June 19, 2019.

**Group Two Restored Member**

Any general fund member who was hired on or after July 15, 2009, but prior to October 1, 2011, and who was employed by the City on June 19, 2019. Any non-general fund member who was hired on or after July 15, 2009, but prior to March 5 2014, and who was employed by the City on June 19, 2019.

**Group Three Member**

Any general fund member who was hired on or after October 1, 2011 and who was employed by the City on June 19, 2019. Any non-general fund member who was hired on or after March 5 2014, and who was employed by the City on June 19, 2019.

**Net Rate of Investment (see DROP)**

The rate of return on a market value basis net of investment related expenses for each year ending September 30.

**Non-Contributory Time**

Any time as a member of the prior plan, the Supplemental Plan, when a member did not contribute to the COHERF.

**Non-General Fund Member**

Any member not paid out of the City of Hollywood's General Fund and/or other City funds that define a General Fund Member.

**Normal Retirement Annuity**

Highest pension benefit payable to a member who is retiring before a benefit payment option is chosen.

**Rescind**

Take back, withdraw, cancel (such as an application).

**Retirement Benefit**

Actual amount payable to a retiree.

**Rollover**

Transfer of a retirement funds from one institution to another on a pre-tax basis.

**Service Retirement**

Normal retirement (as opposed to disability or survivor).

**Simple Interest**

Interest calculated on a principal amount only, no additional interest will accrue on any charges owed or gains earned.

**1099-R**

A tax form used to report distributions from a qualified pension plan to the IRS. This form is sent to retirees annually, each January after distributions are made.

**Vesting**

Acquiring the right to receive future benefit payments after the completion of a minimum service requirement, even if the member discontinues employment prior to reaching the age for service retirement.







**City of Hollywood Employees' Retirement Fund**  
2600 Hollywood Boulevard  
Annex Building, Room 20  
Hollywood, FL 33020

