



Summary Plan Description

Supplement - February 2026

City of Hollywood Employees' Retirement Fund
Defined Benefit Plan

**City of Hollywood Employees' Retirement Fund
Defined Benefit Plan
2450 Hollywood Boulevard, Room 204
Hollywood, FL 33020**

**SUMMARY PLAN DESCRIPTION
SUPPLEMENT – FEBRUARY 2026**

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February 1, 2026

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Dear Member or Prospective Member

Since the publication of the City of Hollywood Employees' Retirement Fund Summary Plan Description ("SPD"), there have been significant legislative changes that affect your retirement plan. This Plan is now renamed to the Defined Benefit ("DB") Plan and the September 2021 SPD and this Supplement relate only to the DB Plan.

You may now select a retirement plan among the Defined Benefit Plan, Hybrid Plan, or Defined Contribution Plan. Current employees of the City as of January 31, 2026 have a 30-day window ending on March 11, 2026 to elect to participate in the Hybrid Plan or Defined Contribution Plan or remain in the Defined Benefit Plan. New employees will have the option to elect to join any of these three (3) Plans when first hired into an eligible position. We recommend you review the SPD, Plan document and this update carefully, which explains the specific features and benefits of this DB Plan. We designed the SPD and Supplement to provide important information about the Plan that is as plainly described as possible.

The provisions of this Plan may only be determined by reading the actual governing documents, which consist 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. If there is any discrepancy between this SPD update and the actual provisions of the Plan, the provisions of the Plan will govern. This SPD update does not constitute a contract for retirement benefits.

This DB Plan provides, if eligible and elected, a monthly retirement benefits for full-time employees of the City of Hollywood, Florida ("City"). The structure, procedures, and benefits are determined by administrative rules and regulations and by law. COHERF is governed by an independent Board of Trustees ("Board") that includes representatives of the residents, employer, active members and retirees.

All contributions to this Plan are held in trust for the payment of benefits. The Board of Trustees is the Plan Administrator. 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 contact Pension Office to discuss any questions you may have with our dedicated staff. We hope that this booklet will be of assistance to you and your loved ones.

Sincerely,

Christine Bailey

Christine Bailey
Executive Director

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WHO IS A DEFINED BENEFIT PLAN MEMBER

The City of Hollywood has created two additional retirement benefit plans, a Defined Contribution (“DC”) Plan and a Hybrid Plan. For those hired on or before January 31, 2026 (“Current Employees”), participation in either the DC Plan or the Hybrid Plan is available only if you submit a one-time irrevocable election during a designated thirty-day window that ends on March 11, 2026. Individuals hired on or after February 1, 2026 (“New Employees”) are permitted to make a single, irrevocable choice at the time of hire regarding which Plan to participate in. Participation in the DC or Hybrid Plan will begin with the City’s pay period that starts on March 30, 2026 (with an April 17, 2026 pay date). On or before March 11, 2026, Current Employees will have the option of remaining in the Defined Benefit Plan (“DB”) or discontinuing the DB Plan and switching participation to either the DC or Hybrid Plan.

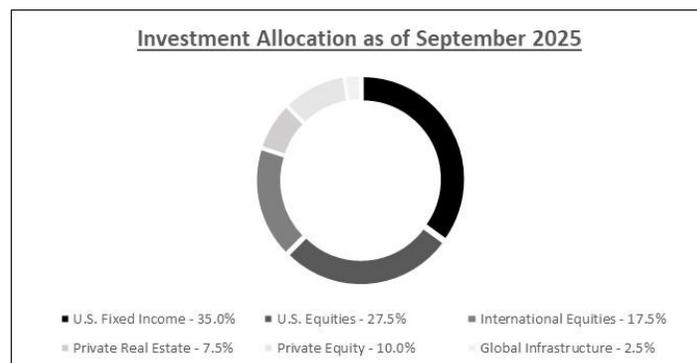
Vested Current Employees will have the additional option of vesting in the DB Plan before switching their future participation to the DC or Hybrid Plan. Non-vested members who switch to the DC or Hybrid Plan must also transfer their DB Plan contributions to their new Plan and forfeit their right to all benefits of this Plan.

HOW TO JOIN THE DEFINED BENEFIT PLAN

To become a DB member, 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 an Irrevocable 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.

WHO PAYS FOR YOUR BENEFITS

How Your Contributions Are Invested



HOW TO BUY BACK PREVIOUS SERVICE

How Much It Costs To Buy Back Service Previously Credited

Rejoining Members Who Received A Refund of Contributions: If you were last rehired on or before September 30, 2025, and you had previously received credit for service with DB Plan, but your membership had ended and you received a refund of your contributions, and you later rejoin the DB Plan, 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.

If you were last rehired after September 30, 2025, and you had previously received credit for service with DB Plan, but your membership had ended and you received a refund of your contributions, and you later rejoin the DB Plan, you may purchase that previous service by entering into an agreement (“Credited Service Agreement”) within one year of the date of rehire to purchase such credited service by paying your current employee contribution rate for the Plan multiplied by the years of credited service being purchased multiplied by your current Compensation. Under this option, you may elect to pay for the purchase of credited service through a one-time payment or post-tax payroll deduction on a time payment plan over a period of not more than two (2) years after entering into the Credited Service Agreement. No credited service shall be earned until the entire payment amount of the Credited Service Agreement is made.

How Much It Costs To Buy Back Service Not Previously Credited

Beginning October 1, 2025 all bi-weekly deductions from payroll to purchase credited service will be made after federal taxes are taken out of your paycheck.

WHAT IF YOU LEAVE AND RETURN TO SERVICE LATER

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 would again become a member of the DB Plan, you may apply to purchase service credit from your prior membership and have the restored service credited toward you current retirement benefit. (refer to the section above *How to Buy Back Previous Service*).

DEFERRED RETIREMENT OPTION PLAN (DROP)

Beginning July 3, 2025, if you are a member of the DB Plan with a minimum of 10 years of credited service, on or after the you attained your Normal Retirement Date, 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. 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 81% of your Final Average Compensation ("AFC").

If you are a Group One Restored Member, 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. If you are a Group Two Restored Member or a Group Three Member, 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 37 years, whichever occurs first.

If you separate from City employment, you may choose to receive a distribution of your DROP account balance. 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.

Please note that if you are a General, Professional, or Supervisory employee in a bargaining unit represented by AFSCME, you will no longer be required to sign an irrevocable agreement that you will separate from City employment at the conclusion of your DROP participation. Please contact your department's Director if you wish to remain in City employment after the conclusion of your DROP participation.

If you do not leave City employment at the end of the DROP period (a decision made by City and you), 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.

If you do not separate from City employment at the end of the maximum DROP period you may choose to have an in-service distribution made payable to you, in which case it becomes taxable, or you may choose to transfer all or a portion of your DROP account balance to a tax-deferred plan or account. There may be tax consequences associated with such a distribution. See the Chapter Special Tax Rollover Notice containing a summary of the rules regarding distributions.

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.

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
2450 Hollywood Boulevard
Room 204
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. One Citizen Member must be a retiree of the City.
- 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	
	2024	2023
Number of Members of the Plan		
Active Members	681	621
Those Receiving or Due to Receive Benefits	1,241	1,230
Annual Payroll of Active Members	\$52,694,344	\$46,043,744
Annual Rate of Benefits in Pay Status	42,021,140	40,330,686
Actuarial Accrued Liability	663,049,734	647,851,952
Net Assets Available for Benefits (Actuarial Value)	431,722,243	417,994,686
Unfunded Actuarial Accrued Liability	231,327,491	229,857,266
Required Contribution to be Made to the Plan Over and Above Contributions by Members of the Plan	31,408,806	29,236,511
Expected Annual Payroll of Active Members In Contribution Year	54,538,646	47,655,275
Required Contribution as % of Expected Payroll of Active Members in Contribution Year	57.59%	61.35%
Required Contribution to be Paid During Year Ending	9/30/2026	9/30/2025

REVENUES AND EXPENDITURES		
	Year Ended	
	9/30/2024	9/30/2023
REVENUES:		
a. Member contributions	\$ 4,027,262	\$ 3,674,798
b. City contributions – Including receivables	26,508,097	25,492,473
c. County contributions	25,913	49,833
d. Investment income		
Interest, dividends, and other income	9,273,412	23,876,232
Net appreciation (depreciation) in fair value of investments	65,722,273	14,492,313
Investment expenses	<u>(616,283)</u>	<u>(570,349)</u>
Net investment income	74,379,402	37,798,196
e. Other	-	-
f. Total revenues	<u>104,940,674</u>	<u>67,015,300</u>
EXPENDITURES:		
a. Refunds of member contributions	638,514	940,866
b. Benefits paid	37,287,063	36,375,107
c. DROP Distributions	2,853,249	2,138,331
d. Supplemental Pension Distribution	-	-
e. Administrative expenses	<u>1,427,640</u>	<u>1,031,636</u>
f. Total expenditures	<u>42,206,466</u>	<u>40,485,940</u>
NET INCOME:		
Total revenues minus total expenditures	62,734,208	26,529,360

SUMMARY OF ASSETS – MARKET VALUE		
	Year Ended	
	9/30/2024	9/30/2023
Money Market Shares	\$ 2,510,678	\$ 1,831,152
Corporate Equities	-	-
Corporate Bonds	5,350,543	4,220,117
U.S. Government Securities	5,462,337	5,455,403
Mutual Funds	303,453,288	255,850,762
Pooled Investment Funds	155,196,372	145,107,786
Payables/Accrued Expenses	(1,704,234)	(1,815,135)
Receivables	4,656,611	1,541,302
Total Assets	<u>\$ 474,925,595</u>	<u>\$ 412,191,387</u>
DROP Accounts	(10,333,003)	(8,081,937)
Supplemental Pension Distribution	<u>(8,807,517)</u>	-
Net Assets	<u>\$ 455,785,075</u>	<u>\$ 404,109,450</u>



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