

ARTICLE 39-37:

PENSION AND PENSION PLANS

- 3937.1: Any member entering the DROP Plan will be entitled to receive all accumulated time, including holiday, compensatory time, vacation, blood time and sick time. The payout of accumulated time will be consistent with applicable provisions of this Agreement. Accumulated sick time will not be used in the calculation of pension benefits. Amend the Hollywood Police Pension Plan effective upon ratification of this Agreement by the City Commission, if necessary, so that any employee who enters DROP after that date may elect to maintain a total balance of forty (40) hours of his/her accrued vacation and/or compensatory leave for use during DROP.
- 3937.2: Any member that is considered totally and permanently disabled, and therefore may be qualified for a light duty position, prior to entering the DROP, shall if practical, continue to be employed while participating in the DROP Plan. The above referenced disability must be service related.
- 3937.3: As per the provisions of the Hollywood Police Officer's Pension Plan, a member who has been found to be permanently disabled may be assigned to an available light duty position within the Police Department. The City will make available two (2) budgeted positions. As a need arises, future positions maybe budgeted at the City's discretion.
- 3937.4: Amend the Hollywood Police Pension to allow DROP participants to have the option to receive the assumption rate on their investments.
- ~~39.5: Amend Hollywood Ordinance 0 2001-13 Chapter 33 starting date December 1, 2000 (Police Officer Retirement System).~~
- ~~39.6: Amend Hollywood Police Pension Plan for a Senior Buy Out for those members who on October 1, 2002 have twenty one (21) years of service and forty one (41) years of age to buy up to four (4) years of credited service.~~
- ~~At its sole discretion, the City may reopen this section during the term of this agreement.~~
- 397.75: Any spouse of a deceased retiree may continue health care coverage and will be responsible for the entire premium.
- 397.86: If the actuarial assumption rate changes during the term of this Agreement the City may re-open this article with thirty (30) days notice to the PBA.

~~39.9: It is the intent of both parties that any excess monies prepaid by the City will offset the City's contribution for fiscal year 2002/2003.~~

397.107: Pension changes are effective on the dates stated in this Agreement but only upon ratification by the Bargaining Unit members, and ratification of this Agreement approval by the City Commission and approval by the members of the Police Pension Plan. However, the parties agree that this entire Agreement is a tentative Agreement which is contingent upon the confirmation that the actual costs of the pension improvements in this package of benefits are not more expensive than the cost estimates previously provided by the Pension Plan's Actuary in 2005. The parties agree that the City Commission shall not be required to consider ratification of this tentative Agreement until after the Pension Plan's Actuary provides the City a written impact statement/report showing the cost of the pension benefit improvements in this Article. The impact statement/report must be based upon the most recent/current financial/actuarial information. In the event that the cost of the pension improvements in this tentative Agreement as determined by the Plan Actuary's impact statement/report are higher than those prior cost estimates, then (1) if the current Chapter 185 Funds that the parties have agreed to distribute as the final payment to the members' Share Accounts in Fiscal Year 2006 are sufficient to pay for the higher actual cost of these pension improvements, then those Chapter Funds shall be used to pay for those higher costs and only the remaining balance of those Chapter Funds, if any, shall thereafter be deposited in the Share Accounts, without the need for any further ratification vote by the PBA, and the tentative Agreement shall then be presented to the City Commission for ratification and approval; or (2) if those Chapter 185 Funds are not sufficient to pay for the higher costs then this tentative Agreement shall be void and the parties shall return to negotiations.

37.8: Amend the Hollywood Police Pension Plan effective upon ratification of this Agreement by the City Commission ("Effective Date"), subject to the contingencies stated in this Article, so that for employees who retire (or enter DROP) after the Effective Date, the years of service required for normal retirement shall be reduced from twenty-five (25) years to twenty-two (22) years with a maximum multiplier benefit of eighty percent (80%) and a maximum of thirty (30) years of employment in the City (inclusive of all City employment and any

period of DROP). The parties further agree that the design of any changes to the pension multiplier benefit formula to accomplish the new 22/80 benefit shall be left to the discretion of the City in order to maximize the affordability of that new benefit, and that no changes to that formula shall be made without the City's written agreement.

37.9: The parties agree that the pension benefit improvements contained in Article 37 of this Agreement are either "minimum benefits" or "extra benefits" as those terms are used in Section 185, Florida Statutes, and are and shall be reported in the annual reports filed by the pension fund with the Florida Division of Retirement for the fiscal years ending September 30, 2006 and thereafter as "qualifying benefit improvements" as that term is used in the Actuarial Confirmation of the Use of State Moneys page of said reports.

37.10: Amend the Hollywood Police Pension Plan effective upon ratification of this Agreement by the City Commission to discontinue any further deposits into the Share Accounts because the parties have agreed that all Chapter 185 premium tax revenues received after the distribution normally paid in this Fiscal Year ending 2006, including any future growth, shall be paid into the Plan to pay for the "minimum benefits" and "extra benefit" improvements set forth in the Plan and this Agreement.

37.11: Amend the Hollywood Police Pension Plan effective upon ratification of this Agreement by the City Commission, for employees who retire and enter DROP after the Effective Date, to increase the maximum period of the DROP from five (5) years to up to eight (8) years. Provided, however, that no employee shall be able to participate in DROP for a period beyond a date that would cause the employee to exceed a total of thirty (30) years of employment with the City (inclusive of any City employment in a non-sworn position). For example, an employee who has completed twenty-four (24) years of employment in a sworn position or twenty-two (22) years in a sworn position and two (2) years in a non-sworn position may participate in only six (6) years of DROP. Similarly, an employee who has a combined total of twenty-five (25) years of City employment at the time of his/her retirement may participate in only five (5) years of DROP, and an employee who has a combined total of twenty-three (23) years of City employment may participate in only seven (7) years of DROP.

- 37.12: Amend the Hollywood Police Pension Plan effective upon the ratification of this Agreement by the City Commission to allow any employee who retires or enters the DROP after the Effective Date and who is at least age 50 and has at least ten years of credited service in the plan to purchase, at the full actuarial cost paid by the employee (i.e., no cost to the City or pension plan), up to eight (8%) percent of multiplier formula credit, provided that the employee's final multiplier benefit shall not exceed eighty (80%) percent.
- 37.13: Amend the Hollywood Police Pension Plan upon the ratification of this Agreement by the City Commission to add the non-Wartime Military Service benefit and the Ten Year Life and Certain benefit (retroactive to 2001), provided however, that the total cost of each of these benefits shall be paid completely from the current Chapter 185 funds before the last distribution of those current Chapter Funds during Fiscal Year 2006 to the employee Share Accounts (i.e., these benefits shall be at no cost to the City).
- 37.14: Amend the Hollywood Police Pension Plan effective October 1, 2006, to increase employee contributions into the plan to eight and one-half percent (8.5%) commencing on October 1, 2006.
- 37.15: Amend the Hollywood Police Pension Plan effective upon the ratification of this Agreement by the City Commission to cap the accrual of the multiplier formula benefit for anyone who retires after the Effective Date at a maximum benefit of eighty percent (80%), provided that any member who has already accrued in excess of an eighty percent (80%) multiplier benefit before the Effective Date shall not lose that accrued benefit.
- 37.16: Amend the Hollywood Police Pension Plan to allow retirees to change his/her beneficiary up to two (2) times, provided that any such change is cost neutral to the plan and that any actuarial cost shall be fully paid by the member. All such changes must be provided at the actuarial equivalent of the remaining value rather than the initial value.
- 37.17: Amend the Hollywood Police Pension Plan effective upon ratification of this Agreement by the City Commission so that any Police Officer who has not retired (or entered the DROP) before the Effective Date, and who has previous civilian time in the COH General Employees Retirement System, at an accrued multiplier benefit (vested or not) of less than 3% per year or service,

may purchase, subject to the requirements of this section, the difference between his/her accrued multiplier benefit and three (3%) percent per year of service within the General Plan. The employee must pay the full actuarial cost of this purchase (i.e., this purchase must be cost neutral to the COH General Employee Retirement System). To remain eligible for this purchase, the employee must complete the purchase within sixty (60) days after the General Pension Plan is amended to include the provision allowing for this option.

37.18: Amend the Hollywood Police Pension Plan effective upon ratification of this Agreement by the City Commission, so that coordination of an employee's benefits between General and Police Pension Plans cannot exceed a maximum of twenty-two (22) years of total credited service. Employees who have benefit credits for service under the General Employee's Pension Plan as of the Effective Date shall have such service counted toward the twenty-two (22) year maximum irrespective of whether such benefits are later paid from the General Employees' Pension Plan.

37.19: Amend the Hollywood Police Pension Plan effective upon ratification of this Agreement by the City Commission, so that members who retire and enter DROP after the Effective Date shall not be eligible for a pension COLA benefit for any period of time that the member remains employed in the DROP. Members in DROP will be eligible for a pension COLA benefit upon the later of separation from employment and three (3) years after the member's retirement from the Plan.

37.20: Amend the Hollywood Police Pension Plan effective upon ratification of this Agreement by the City Commission, so that after the Effective Date there shall be a cap at 400 hours annually on the maximum number of any member's overtime hours counted as pensionable earnings.

37.21: The parties have agreed that the Hollywood Police Pension Plan may be amended effective after ratification of this Agreement by the City Commission, for employees who retire (or enter DROP) after the Effective Date, so that the day of the month that an employee may start his/her retirement may be changed to the employee's actual eligibility date instead of the employee waiting until the first day of the next month, provided that this change shall have no additional cost to the City or the Plan. If there is any cost then the employee shall bear the full cost.