

**CITY OF HOLLYWOOD, FLORIDA  
EMPLOYEES' RETIREMENT FUND  
INTER-OFFICE MEMORANDUM**

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DATE: July 25, 2007

TO: Police Officers with Prior General Employee Service

FROM: Glenda Rowley, Pension Coordinator

SUBJECT: Employees' Retirement Fund Pension Benefits

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As you have already been advised, the City and AFSCME ratified a new collective bargaining agreement on April 5, 2006 for the General employees. This agreement included the following provision:

“Effective October 1, 2005, the City will permit any active police officer, who has previous civilian time in the City of Hollywood General Employees Retirement System, and accrued a benefit (vested or not) of less than 3% per year, to purchase the difference thereof at the full actuarial cost. This will be cost neutral to the City of Hollywood General Employees Retirement System. This transaction must be completed by no later than sixty (60) days after the pension plan is amended to reflect changes pursuant to this contract.”

In addition, the October 1, 2005 to September 30, 2008 contract between the City and the PBA included the following similar provision (Section 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 of service, may purchase, subject to 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.”

In accordance with these two provisions, the City Charter for the Employees' Retirement Fund was amended effective July 18, 2007 and you now have until September 16, 2007 to elect to purchase the increased multiplier.

Our actuary is standing by to calculate the cost of the multiplier upgrade for all the eligible members at a one-time fee of \$1,500. However, because the provisions referenced previously mandate cost neutrality to the Employees' Retirement Fund, we must pass the cost along to those members who choose to have their increased benefit calculated.

Once the amount of your benefit increase has been determined, you will have the option to pay for it by transferring funds from another tax-deferred account, such as the City's 457 deferred compensation plan or an Individual Retirement Account, without any tax consequences. Your payment options will be explained in more detail when you are notified of the purchase amount.

In the meantime, it is essential that we try to get the cost calculated as quickly as possible in order to give you the maximum amount of time to arrange funding. As soon as we know how many people we need to include in the study, we will calculate the portion of the \$1,500 that each owes and will ask them to submit a check in that amount. For example, if 10 members request the calculation, they will each have to pay \$150. The individual fee will decrease as the number included in the study increases.

If you are interested in having the cost of your multiplier upgrade calculated, send me your request to calculate your benefit cost no later than Wednesday, July 31. The study cost per individual will then be calculated and you will have until Friday, August 3 to submit your payment. On this timetable, we should have the calculations back by Friday, August 10, giving you five (5) weeks to decide if you want to complete the purchase and arrange your financing.

In the event that another party agrees to pay the \$1,500 fee for the study, we will proceed with the calculations for everyone on the list and could have the results as early as next week.

If you have any questions, please call me at 954-921-3333.