

City of Hollywood
Police Officers' Retirement System



Share Plan

Adopted by the Board of Trustees
April 23, 2009

HOLLYWOOD POLICE OFFICERS' SHARE PLAN

SECTION 1. CREATION; PURPOSE.

Effective June 30, 2002, there is hereby created a plan to be entitled the "Hollywood Police Officers' Share Plan." The purpose of the Plan is to implement the provisions of Chapter 185, Florida Statutes, and to provide means whereby police officers of the City of Hollywood, Florida may receive benefits from the funds provided for that purpose by Chapter 185, Florida Statutes. The Plan hereby created shall be in addition to any other benefits, and nothing herein shall in any way affect any other benefits that now or hereafter exist.

SECTION 2. DEFINITIONS.

The following words and phrases shall, for the purpose of the Plan, have the meanings indicated below.

- (a) "Account" means the participant's share plan account credited with (i) Allocations of Contributions under Section 5(a) hereof ; (ii) Allocations of Forfeitures under section 5(b) hereof; (iii) Allocations of Investment Gains under section 5(c) hereof; and (iv) Allocations After Termination under section 5(d) hereof.
- (b) "Active Duty" means service for which an employee receives compensation as a Police Officer with Permanent Status in the Police Department of the City and is an active member of the City of Hollywood Police Officers' Retirement System.
- (c) "Beneficiary" means any person, persons or entity designated by a Participant to receive any benefits payable in the event of the Participant's death. If no Beneficiary designation is in effect at the Participant's death, or if no person, persons or entity so designated survives the Participant, the Participant's surviving spouse, if any, shall be deemed to be the Beneficiary; otherwise the Beneficiary shall be the Participant's estate.
- (d) "Board" means the Board of Trustees of the City of Hollywood Police Officers' Retirement System.
- (e) "City" means the City of Hollywood, Florida.
- (f) "Code" means the Internal Revenue Code, as from time to time amended.
- (g) "Credit" means, with respect to any Participant, each calendar month during which he is on Active Duty for the entire calendar month.
- (h) "Forfeiture" means the termination of a participant's account under section 6(e) of this Share Plan.

- (i) “Fund” or “Plan” means the Share Plan, as provided for herein.
- (j) “Fund Year” means July 1 through June 30.
- (k) “Leave” means (I) any period during which an employee is absent due to (i) service in the uniformed services of the United States; (ii) the birth or adoption of a child, or caring for a child, spouse or parent who has a serious health condition or (iii) his own serious health condition if Credit or Vesting Service, as the case may be, is required to be given for such periods under the Uniformed Services Employment and Reemployment Rights Act of 1994 or the Family and Medical Leave Act of 1993, respectively, and (II) any other period of leave as approved on a non-discriminatory basis by the Board.
- (l) “Participant” means every Police Officer with Permanent Status who is on Active Duty and is entitled to Credit.
- (m) “Permanent Status” means membership as a Police Officer in the City of Hollywood Police Officers’ Retirement System.
- (n) “Police Officer” means anyone defined as a police officer in the City of Hollywood Police Officers’ Retirement System.
- (o) “State” shall mean the State of Florida.
- (p) “System” means City of Hollywood Police Officers’ Retirement System as set forth in Section 33.125 *et seq.* “Police Officer’s Retirement System,” of Chapter 33 “City Employees,” of Title III “Administration” of the City of Hollywood, Florida Code of Ordinances and any amendments thereto.
- (q) “Trustee” means any member of the Board.
- (r) “Valuation Date” means the last business day of any Fund Year and such other dates as the Board may deem necessary or convenient.
- (s) “Vesting Service” means, with respect to a Participant, each full calendar month as a Participant for which he receives compensation from the City; and each full calendar month during which he is absent on a Leave; provided, however, Vesting Service shall not include any Leave within the meaning of paragraph (k)(II) of Section 2 that exceeds five years.

SECTION 3. FUNDING.

- (a) Contributions. The City shall contribute to the Fund each year an amount equal to the amount it receives under the provisions of Chapter 185, Florida Statutes, as amended. The City shall make its contributions to the Fund as soon as possible but in no event later than five days of

its receipt of such amount. The City shall not be required to levy any additional taxes on its residents to make any contributions to the Fund.

- (b) Payment of Costs, Expenses and Fees. All costs, expenses and fees of administering the Fund shall be paid from the assets of the Fund in such fashion as the Board shall determine.
- (c) Exclusive Benefit Rule. No part of the corpus or income of the Fund shall be used for, or diverted to, purposes other than for the exclusive benefit of Participants and other persons entitled to benefits under the Fund and paying the expenses of the Fund not paid directly by any other party. No person shall have any interest in, or right to, any part of the earnings of the assets of the Fund, or any right in, or to, any part of the assets held under the Fund, except as and to the extent expressly provided in the Plan.
- (d) Custody of Fund Assets. The Board shall hold all assets of the Fund in trust solely for use in paying the benefits provided by the Plan and paying the expenses of the Fund as described in paragraph (b) of this Section 3.

SECTION 4. PARTICIPATION.

- (a) Participation. An Account shall be established for each Participant on the effective date of the Plan and for each Police Officer who becomes a Participant subsequent to the effective date of the Plan.
- (b) Termination of Participation. Every Police Officer who becomes a Participant shall remain a Participant until his Account is fully distributed to him.

SECTION 5. ALLOCATION TO ACCOUNTS

- (a) Allocation of Contributions. As of each Valuation Date, all contributions made by the City since the preceding Valuation Date shall be allocated among the Participants' Accounts. The allocation shall be made solely in the proportion the total number of months of Credit accrued by each Participant in the immediately preceding Fund Year bears to the total months of Credit of all Participants in that Fund Year with no credit given on account of a Participant's seniority, rank or compensation.
- (b) Allocation of Forfeitures. As of the last Valuation Date in each Fund Year, and at such other Valuation Dates as the Board may determine, all amounts forfeited under Section 6 since the preceding date as of which forfeitures were allocated shall be prorated and credited to the Accounts of the individual Participants in the same manner as the City's contributions allocated under paragraph (a) of this Section 5.
- (c) Allocation of Investment Gains. The Board shall value the Fund's assets as of each Valuation Date and shall allocate to the Account of each Participant his share of the increase or decrease in the fair market value of the Fund's assets. The Participant's share of the

increase or decrease in the fair market value of the Fund or the separate investment account shall bear the same ratio to the total amount of the increase or decrease in the Fund as the value of the portion of the Participant's Account invested in the Fund bears to the total value of the Fund.

- (d) **Allocations After Termination.** Except as otherwise provided in this paragraph (d), no amounts shall be credited to a Participant's Account under paragraphs (a) and (b) of this Section 5 after he ceases to be on Active Duty. However, until completely distributed to him, the Account of a Participant not on Active Duty shall continue to be invested as part of the Fund and shall continue to share in the investment gains and losses of the Fund in accordance with the provisions of paragraph (c) of this Section 5. A Participant shall continue to receive allocations of contributions and forfeitures under paragraphs (a) and (b) of this Section 5 after he ceases to be on Active Duty if such contributions and forfeitures are attributable to a period when he was on Active Duty.
- (e) **Determination of Account Value.** Whenever an event requires the determination of the value of a Participant's Account, the value shall be computed as of the Valuation Date coincident with or immediately following the date of the determination.
- (f) **Maximum Allocation Limitation.** Notwithstanding any provision of the Plan to the contrary, the maximum amount allocated to the Participant's Account for any calendar year under the provisions of paragraphs (a) and (b) of this Section 5 shall not exceed the limitations set forth in Section 415 of the Code and any regulations issued thereunder.

SECTION 6. BENEFITS.

A Participant shall receive a benefit from the Fund upon his termination of employment, disability, retirement or death in accordance with this Section 6. However, no Participant shall receive a benefit from the Fund in excess of the amount credited to his Account.

- (a) **Termination of Employment.** Except as otherwise provided in this Section 6, if a Participant terminates his employment with the Police Department for any reason whatsoever, he shall receive a benefit equal to entire amount of his Account.
- (b) **Death.** If a Participant dies before payment of his benefits begin, the entire amount of his Account shall be paid to his Beneficiary. The Board may require and rely upon such proof of death and such evidence of the right of any Beneficiary or other person to receive the value of the Account of a deceased Participant as the Board may deem proper and its determination of the right of that Beneficiary or other person to receive payment shall be conclusive.
- (c) **Retirement or Disability.** A Participant who retires by reason of length of service or disability shall receive the entire amount of his Account.

- (d) Purchase of Additional Benefits. Effective June 1, 2009, a Participant shall be allowed to purchase additional Continuous Service in the System with funds from his Share Plan Account. Any actuarial or other professional services required to determine the benefit enhancement shall be paid by the Participant so that there is no cost to the City or the System.
- (e) Forfeiture for Cause. Notwithstanding anything in the plan to the contrary, if a Participant is convicted of a specified offense, the provisions of Chapter 112.3173, Florida Statutes, as amended, shall apply and he shall forfeit all rights to receive a benefit from the Fund in accordance with the provisions of such Chapter. For purposes of this paragraph (e), "convicted" and "specified offense" shall have the meanings given to them in Chapter 112.3173.
- (f) Form of Benefit. A Participant shall receive his benefit in a single lump sum.
- (g) Payment of Benefits. Benefits under this Section 6 shall be payable as soon as possible following the Valuation Date coincident with or next following the Participant's termination of employment with the Police Department, but in no event later than one (1) year after such termination. Payment of a Participant's Account as provided in this Section 6 shall be in full settlement of all claims of a Participant against the Fund.
- (h) Required Distributions. In no event shall the provisions of the plan operate so as to allow the distribution of a Participant's Account to begin after the later of the April 1 following (i) the calendar year in which he attains age 70½ or (ii) the calendar year in which he terminates his employment (the "required beginning date"). In the event a Participant is required to begin receiving payments while in service under the provisions of this paragraph (h), the Participant may elect to receive payments while in service in accordance with option (I) or (II) as follows:
 - (I) A Participant may receive one lump sum payment on or before his required beginning date equal to his entire Account balance and annual lump sum payments thereafter of amounts accrued during each calendar year; or
 - (II) A Participant may receive annual payments of the minimum amount necessary to satisfy the minimum distribution requirements of Section 401 (a)(9) of the Code. Such minimum amount will be determined on the basis of the joint life expectancy of the Participant and his Beneficiary. Such life expectancy will not be recalculated.

An election under this paragraph (h) shall be made by a Participant by giving written notice to the Board within the 90 day period prior to his required beginning date. Upon the Participant's subsequent termination of employment, payment of his Account shall be made in accordance with the provisions of this Section 6. In the event a Participant fails to make an election under this paragraph (h), payment shall be made in accordance with subparagraph (II) above.

- (i) **Distribution Limitation.** Notwithstanding any other provision of the Plan, all distributions from the Fund shall conform to the regulations issued under Section 401(a)(9) of the Code, including the incidental death benefit provisions of Section 401(a)(9)(G) of the Code. Further, such regulations shall override any provision of the plan that is inconsistent with Section 401 (a)(9) of the Code.

- (j) **Direct Rollover of Certain Distributions.** Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this paragraph (j), a distributee may elect, at the time and in the manner prescribed by the Board, to have any portion of an eligible rollover distribution paid directly by the Fund to an eligible retirement plan specified by the distributee in a direct rollover. The following definitions apply to the terms used in this paragraph (j):
 - (I) "Eligible rollover distribution" means any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include any distribution to the extent such distribution is required under Section 401(a)(9) of the Code, and the portion of any distribution that is not includible in gross income;

 - (II) "Eligible retirement plan" means an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan described in section 403(a) of the Code, or a qualified trust described in Section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity;

 - (III) "Distributee" means an employee or former employee. In addition, the employee's surviving spouse is a distributee with regard to the interest of the spouse; and

 - (IV) "Direct rollover" means a payment by the Fund to the eligible retirement plan specified by the distributee.

SECTION 7. MISCELLANEOUS PROVISIONS.

- (a) **Non-alienation of Benefits.** The benefits provided by the Fund shall not be subject to garnishment, attachment, execution of any other legal process.

- (b) **City's Responsibilities.** The City shall have no responsibility for the operation of the Fund except those specified herein and shall bear no expense in connection therewith.

- (c) **Facility of Payment.** If the Board shall find that a Participant or other person entitled to a benefit is unable to care for his affairs or is a minor, or is legally incapacitated, the Board may direct that any benefit due him shall be paid to his duly appointed legal representative.

Any payment so made shall be a complete discharge of the liabilities of the Fund for that benefit.

- (d) Information. Each Participant, Beneficiary or other person entitled to a benefit, before any benefit shall be payable to him or on his account under the Fund, shall file with the Board the information that it shall require to establish his rights and benefits under the Plan.
- (e) Amendment. The provisions of the Plan are intended to meet the requirements of a qualified profit sharing plan under Section 401(a) of the Code and to be tax-exempt under Section 501(a) of the Code. Should any changes be required to the Plan for the Plan to comply or to continue to comply with the provisions of Sections 401(a) and 501(a) of the Code, the Board shall make any such required changes to the Plan.
- (f) Severability of Provisions. If any provision of the Plan is for any reason held unconstitutional, inoperative or void, such holding shall not affect the remaining provisions of the Plan. It shall be deemed to be the intent of the Board to create the Plan without such unconstitutional, inoperative or void provision and the remainder of the Plan, after the exclusion of such provision, shall be deemed and held to be valid as if such provision had not been included herein.
- (g) Gender. Whenever used in the Plan, the masculine shall include the feminine and the singular shall include the plural, unless the context indicates otherwise.
- (h) Captions. The caption preceding the sections and paragraphs of the Plan are for convenience only. In the case of ambiguity or inconsistency, the text rather than the captions shall control.
- (i) Reports. The Board shall issue a report of the Plan's operations at least annually.
- (j) Termination. The Share Plan may be terminated by the City, subject to full compliance with all applicable federal, state and local laws and regulations. Written notice of the termination and effective date thereof shall be given to the Participants and Beneficiaries and any vendors providing services to the Share Plan. Until all of the Share Plan assets have been distributed, the Share Plan will be kept in full compliance with current laws and regulations by making appropriate amendments to the Share Plan and by taking such other measures as may be required. Upon termination of the Share Plan, each Participant shall become 100% vested in his or her Account and the balance of each Participant's Share Plan Account will be distributed in a lump sum as soon as administratively practicable following the effective date of the Share Plan's termination.
- (k) USERRA. Notwithstanding any provision of this plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code section 414(u).