

**1. Monthly Accrued Benefit**

3% of average monthly earnings multiplied by service to 20 years plus 4% multiplied by service over 20 years with a maximum of 80% of average monthly earnings. The full 80% is earned at 22 years of service (resulting in a 12% increase in benefit at the moment the member attains 22 years of service).

(Average monthly earnings are based upon the highest three years of compensation prior to retirement or termination. Earnings include basic annual wages including regular longevity raises and overtime up to 400 hours per year, but not including amounts for unused sick time or unused vacation time paid at retirement or termination.)

**2. Normal Retirement Age and Benefit**

- **Age:** Age 50 or any age upon attainment of 22 years of service
- **Amount:** Monthly Accrued Benefit
- **Form of Payment:** Life annuity with ten years certain, with a 50% survivor annuity payable to the spouse until death or remarriage

**3. Disability Retirement Age and Benefit**

- **Condition**

For a service connected disability benefit, the member must become totally and permanently disabled in the line of duty and must have applied for Social Security disability benefits as well as worker's compensation benefits, if applicable;

For a non-service connected disability benefit, the member must become totally and permanently disabled, must have at least five years of service, and must have applied for Social Security disability benefits as well as worker's compensation benefits, if applicable.

- **Amount**

For a service connected disability benefit:

Greater of monthly accrued benefit or 50% of earnings at the time of determination of disability.

For a non-service connected disability benefit:

2½% of average monthly earnings multiplied by service, with a minimum benefit of 25% of earnings at the time of determination of disability. The benefit will be offset by any worker's compensation, Social Security, pension, or similar benefit payable to the member or to his dependents. Upon attainment of age 65, the Social Security offset will cease and, upon attainment of age 50, the benefit will be recomputed as a normal retirement benefit with consideration of service granted for the period of time that the member was receiving a disability retirement benefit.

(continued)

- **Form of Payment**

Ten year certain and Life annuity, with a 50% survivor annuity payable to the spouse until death or remarriage. In the case of a member who dies prior to age 50 while receiving a non-service connected disability a 100% survivor annuity is payable to the spouse until death or remarriage.

**4. Withdrawal Retirement Age and Benefit**

- **Age:** Any age with at least ten years of service
- **Amount:** Monthly Accrued Benefit, payable at age 50
- **Form of Payment:** Life annuity with ten years certain, with a 50% survivor annuity payable to the spouse until death or remarriage if the member dies after payment has begun. A member may elect to receive his contributions in lieu of a withdrawal retirement benefit.

**5. Death Benefits**

- **Service connected death benefit:** 50% of earnings at the date of death payable as a monthly life and ten years certain benefit to the spouse until death or remarriage or to surviving children until the youngest child reaches age 18.
- **Non-service connected death benefit:** 25% of earnings at the date of death payable as a monthly life and ten years certain benefit to the spouse until death or remarriage or to surviving children until the youngest child reaches age 18.

**6. Employee Contributions**

8.5% of salary per year (during the member's first 22 years of service)

**7. Refund of Employee Contributions**

If a member's service is terminated prior to his becoming eligible for a withdrawal retirement benefit, then his contributions are returned to him. If contributions are refunded to the member or to his beneficiaries, then interest is credited at the rate of 3% per year.

**8. Police Officers' Deferred Retirement Option Plan (DROP)**

A member may enter into the DROP upon attainment of normal retirement age. When a member enters the DROP, his Monthly Accrued Benefit is frozen based on his average monthly earnings and service at that time and his Monthly Accrued Benefit is paid into his DROP account. Upon termination of employment, but not more than eight years after entry into the DROP, the balance in the member's DROP account, including interest, is payable to him and he also begins to receive his frozen Monthly Accrued Benefit.

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**9. Cost-of-Living Adjustment**

Any retiree whose benefit commences on or after April 1, 1987 and any beneficiary of such retiree will receive a 2% annual increase in benefit payments commencing three years after the retiree's benefit payments have begun. For participants who enter the DROP on or after October, 1, 2006, cost-of-living adjustments do not occur while the member participates in the DROP. Adjustments commence the later of the date the participant leaves the DROP and three years after entry into the DROP.

**10. Supplemental Pension Check**

If the actual asset return of the trust exceeds the assumed actuarial return for any fiscal year, the excess return (up to 2%) will be allocated to retirees and beneficiaries based on service at retirement.

The following plan amendments have been adopted within the past few years:

1. Effective January 1, 1991:
  - a) The Police Officers' Deferred Retirement Option Plan (DROP) was established;
  - b) The benefit formula was changed from 2½% of average monthly earnings multiplied by service up to 30 years to 3% of average monthly earnings multiplied by service up to 27 years; and
  - c) The normal retirement age was changed from age 50 to the earlier of age 50 or the attainment of 25 years of service.
2. Effective January 2000:
  - a) The excess (up to 2%) of the actual asset return over the assumed actuarial return each September 30 would be allocated the following January to retirees and beneficiaries based on service at retirement.
3. Approved April 2001:
  - a) Monies received as a result of Chapter 185, Florida Statutes, will no longer be allocated to this System but to a separate shares plan (effective in the fiscal year beginning October 1, 2001).
  - b) The benefit formula was changed from 3% of average monthly earnings multiplied by all service up to 27 years to a 3% rate for service up to 20 years and 4% rate for service over 20 years, with a maximum of 88% of average monthly earnings.
  - c) Member contribution rate was changed from 7% to 8% of earnings.
  - d) A minimum service-incurred disability benefit equal to the monthly accrued benefit was added. In addition, this benefit will no longer be offset by worker's compensation, Social Security or other similar benefits.
4. Approved February 2002:

Police officers at least age 41 and with between 21 and 25 years of service by September 30, 2002 were permitted to retire and granted service up to 4 years to be credited up to a minimum of 25 years and a maximum of 27 years, provided they paid an amount representing their own estimated contributions for the grant of service.
5. Effective October 1, 2004:

Normal form of benefit was changed to life annuity with ten years certain, 50% joint and survivor, in compliance with Chapter 99-1 Florida Statutes.
6. **Effective October 1, 2006:**
  - a) **The maximum pension benefit was reduced from 88% to 80% of final average salary. The maximum is accrued upon attainment of 22 years of service.**
  - b) **Members with 22 years of service are permitted to enter the DROP with a retirement benefit of 80% of final average salary.**

- c) **Maximum DROP participation is eight years for members who enter the DROP with 22 years of service on or after October 1, 2006. However, the maximum City service (including service while in the DROP) is limited to 30 years.**
- d) **Overtime hours were capped at 400 hours per year.**
- e) **Member contributions were increased from 8.0% to 8.5% of pay.**
- f) **For participants entering the DROP on or after October 1, 2006, Cost-of-living adjustments do not occur while the member participates in the DROP. Adjustments commence the later of the date the participant leaves the DROP and three years after entry into the DROP.**
- g) **The life and 10-year certain benefit as the normal form of payment is retroactive to October 1, 2000**
- h) **State tax premium distributions (185 Monies) after October 1, 2006 will be used as an offset to the City contribution requirements, not to exceed the annual cost of the benefit improvements. Any future State contributions in excess of the annual cost of the benefit improvements will be accumulated and used for future benefit improvements. Also, the accumulated State excess contribution of \$81,376 as of September 30, 2006 will be used to offset the cost of the proposed benefit improvements.**

\* Note: Plan changes that have first been reflected in this valuation are shown in bold print.