



# CHARTER REVIEW COMMITTEE

## March 1, 2017

### 3:30 P.M.

*Lakeland Electric – Conference Rooms 1A & 1B  
501 E. Lemon St.*

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In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing special accommodation to participate in this proceeding, or those requiring language assistance (free of charge) should contact the City of Lakeland ADA Coordinator, David Uria, P.E., no later than forty-eight (48) hours prior to the proceeding, at (863) 834-8447, Email: [david.uria@lakelandgov.net](mailto:david.uria@lakelandgov.net). If hearing impaired, please contact the TDD numbers: Local – (863) 834-8333 or 1-800-955-8771 (TDD-Telecommunications Device for the Deaf) or the Florida Relay Service Number 1-800-955-8770 (VOICE), for assistance

## **Call to Order – Chairman Joe Mawhinney**

## **Approval of Minutes – [February 15, 2017](#)**

## **Comments from the Public**

## **Consent Agenda**

All items listed with an asterisk ( \* ) are considered routine by the Committee and will be enacted by one motion. There will be no separate discussion of these items unless a Committee member requests, in which event the item will be removed from the consent agenda and considered in its normal sequence.

## **DIVISION II**

### **ARTICLE I. – CIVIL SERVICE BOARD**

- \* Sec. 5. - Qualification of members.**

### **[Existing Text](#)**

Any ~~qualified voter~~[person](#) residing in the City of Lakeland Electric Service Territory, as it may be amended from time to time, over the age of twenty-one (21) years, shall be eligible to hold office as a member of the civil service board, provided that no person who has been convicted of a felony, or who is or has been within one year prior to his [or](#)

her election or appointment an officer or employee of the ~~said~~ city shall be eligible for election or appointment to such office.

\* **Sec. 18. - Causes and procedure for removal of members of board.**

**Existing Text**

Any member of the civil service board who shall be found by the city commission of the City of Lakeland to no longer possess the qualifications for membership, be ~~be~~ unqualified, incompetent or to be guilty of misconduct, violation of law, neglect of duty or of misfeasance, malfeasance, or nonfeasance in office, shall be subject to removal by the city commission by the adoption of a resolution setting forth the acts which justify removal. ~~and thereafter filing a petition for a writ of quo warranto in the name of the city with the circuit court in Polk County, Florida, to test the right of such member to remain in office and to determine whether or not a vacancy exists by reason of such member's misconduct.~~ Any member who shall fail to attend three (3) consecutive meetings without such absences being excused by the board shall thereby forfeit his or her membership on the board.

**ARTICLE II. - CITY OF LAKELAND EMPLOYEES' PENSION AND RETIREMENT SYSTEM**

\* **Sec. 20. - Statement of policy**

- (a) An amended and restated pension plan is hereby adopted, and the establishing of a pension fund, together with said plan, is authorized, to be administered to provide benefits in accordance with the provisions of this article. The board of trustees, as herein defined and created, is authorized, directed and granted full authority to take any action necessary to accomplish the purposes of this article.
- (b) The purposes of this article is to provide benefits to City of Lakeland Employees, as defined herein, and their beneficiaries upon the occurrence of retirement, death or disability, or upon the termination of employment as provided herein. At no time prior to the satisfaction of all liabilities under the plan with respect to members and their spouses or beneficiaries shall any part of the corpus or income of the pension fund be used for or diverted to any purpose other than for their exclusive benefit.
- (c) The plan hereby created by the City of Lakeland, shall be known as the "City of Lakeland Employee Pension Plan", hereinafter referred to as the "plan." All the affairs and business of such plan shall be transacted in such name.
- (d) This plan shall be operated for the exclusive benefit of the members and their beneficiaries. This Plan is intended to be a government plan as defined in Code Section 414(d) and shall be administered accordingly.
- (e) Effective upon the date Ordinance No. \_\_ [Proposed Ordinance 11-072] takes effect, all firefighter members of this Plan shall be transferred to and become members of the City of Lakeland Firefighters' Retirement System. The assets and

liabilities of this Plan attributable to current, vested terminated and retired firefighters shall be transferred to and become assets and liabilities of the City of Lakeland Firefighters' Retirement System as provided in Resolution 2012 -\_\_.

**\* Sec. 21. - Definitions.**

As used herein, unless otherwise defined or required by the context, the following words and phrases shall have the meaning indicated:

Accrued retirement benefit is the monthly pension benefit to be provided a retiree accruing on the first day following his retirement date. This is payable during the retiree's lifetime, and thereafter to the beneficiary if the retiree has elected a joint survivor option in accordance with section 23.4.4 of this article.

Actuarial equivalent means a benefit or amount of equal value, based upon the mortality table and interest rate used in the most recent state accepted actuarial valuation as required by federal law.

Actuary means the person, firm or corporation, one of whose officers shall be an enrolled actuary who is enrolled under Subtitle C of Title III of the Employee Retirement Income Security Act of 1974 and who is a member of the Society of Actuaries or the American Academy of Actuaries, appointed by the board to render actuarial services for the plan.

Beneficiary means the person or persons entitled to receive benefits hereunder at the death of a member who has or have been designated in writing by the member and filed with the board or its representative. If no such designation is in effect, or if no person so designated is living at the time of death of the member, the beneficiary shall be the estate of the member.

Board means the board of trustees, which shall administer and manage the plan herein provided and serve as trustees of the fund.

City means the City of Lakeland, Florida.

Code means the Internal Revenue Code of 1986, as amended from time to time.

Compensation. In addition to other applicable limitations set forth in the plan, and notwithstanding any other provisions of the plan to the contrary, for plan years beginning on or between January 1, 1996 and December 31, 2001, the annual compensation of each employee taken into account under the plan shall not exceed the OBRA 1993 annual compensation limit. The OBRA 1993 annual compensation limit is one hundred fifty thousand dollars (\$150,000.00). For plan years beginning after December 31, 2001, the annual compensation of each employee taken into account shall not exceed the limits set under Code Section 401(a)(17). These limits shall be adjusted by the commissioner for increases in the cost-of-living in accordance with Section 401(a)(17)(B) of the Internal Revenue Code. The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding twelve (12) months, over which compensation is determined (determination period) beginning in such calendar year. If a determination period consists of fewer than twelve (12) months, the OBRA 1993 annual compensation limit shall be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is twelve (12).

- (a) If compensation for any prior determination period is taken into account in determining an employee's benefit accruing in the current plan year, the compensation for that prior determination period is subject to the Section 401(a)(17) annual compensation limit in effect for that prior determination period. For this purpose, for determination periods beginning before the first day of the first plan year beginning after December 31, 2001, annual compensation limit is one hundred fifty thousand dollars (\$150,000.00), as increased for cost-of-living.
- (b) The limitation on earnings for an "eligible employee" shall not be less than the amount which was allowed to be taken into account hereunder as in effect on July 1, 1993. "Eligible employee" is an individual who was a member before the first plan year beginning after December 31, 1995.

Credited service means the total number of complete years and complete months of continuous employment for which contributions are made to the fund by the city and the employee. Subject to the provisions of Sec. 32, an employee who terminates service and receives a refund of contributions shall not receive prior service credit upon reemployment.

Effective date means October 1, 1997, except as otherwise specified, either through a direct date provided in a provision or by a separate notation indicating the date an ordinance was effective. The plan administrator is charged with determining a provision's effective date.

Employee means someone employed by the city on a full-time, regular basis; enrolled in and contributing to the pension fund; and for whom the city contributes to the fund.

Fund means either the City of Lakeland Employee Pension Fund established to manage the assets of the plan or the pension system itself.

Joint pensioner means a person designated by a plan member to be the recipient of benefits when the member elects an alternate benefit form.

Limitation year is the twelve (12) consecutive month period coinciding with the plan year.

Masculine gender. The masculine gender, where used herein, unless the context specifically requires otherwise, shall include both the feminine and masculine genders.

Member means a participant of the City of Lakeland Employee Pension Plan.

Overtime year means the consecutive period of 26 complete biweekly pay periods commencing on the first day of the first pay period beginning on or after July 1 of any year.

Plan means the pension system created herein.

Plan A. That version of the plan applicable to members hired prior to October 1, 2003 and who have not made an irrevocable election to convert their prospective benefit calculation to Plan C as of February 15, 2012, or the period of time not exceeding eighty-five days following ratification of a collective bargaining agreement for bargaining unit members.

Plan B. That version of the plan applicable to members hired on or after October 1, 2003 and who have not made an irrevocable election to convert their prospective benefit calculation to Plan C as of February 15, 2012, or the period of time not exceeding eighty-five days following ratification of a collective bargaining agreement for bargaining unit members.

Plan C. That version of the plan applicable to members hired after December 29, 2011 or who have made an irrevocable election to convert their prospective benefit calculation to Plan C as of February 15, 2012, or the period of time not exceeding eighty-five days following ratification of a collective bargaining agreement for bargaining unit members.

Plan year is the one year period commencing on October 1st. For example, plan year 1996 begins on October 1, 1995 and ends on September 30, 1996.

Retiree means a member who has terminated employment and is receiving a monthly benefit from the plan.

Salary means all regular pay, including salary, wages, and overtime proficiency payments, longevity, final payout of accrued leave balances subject to limitations identified in sections 23.4.1 hereof, and some special educational allowances that are classified as pensionable per City Policy, and includes any elective deferral (as defined in Code Section 402(g)(3) of the Internal Revenue Code), and any amount which is contributed or deferred by the employer at the election of the Member and which is not includible in the gross income of the Member by reason of Section 125 or 457 of the Internal Revenue Code. The inclusion of overtime earnings shall be subject to limits identified in sections 23.4.1 hereof. Salary may include the final payout of accrued leave balances consisting of vacation, compensatory time, saved holiday, floating holiday and unused sick leave subject to limitations set forth in sections 23.4.1 hereof. The pensionable earnings component of the final payout of accrued leave balances included in this calculation shall be limited to the amount that is payable as a lump sum upon separation from service subject to limitations on the percentage payable and the maximum lump sum payable pursuant to City Policy and other limitations identified in sections 23.4.1 hereof. Pensionable unused sick leave is further limited to that portion of any final payout that could have been earned during the same period of time used to calculate average final compensation and subject to certain reductions as specified by City Policy. For the purposes of determining the limits under Section 415 of the Code, for Plan Years beginning after December 31, 2000, this definition of "salary" shall include employee deferrals, such as those under Section 132(f) of the Code, as required under Section 415(c)(3)(D) of the Code.

Spouse means the lawful wife or husband of a member.

Terminated vested member means a member who terminates employment with no less than ten (10) years of credited service who has not yet attained the age of fifty (50) years or one who terminates employment with no less than ten years of credited service who has attained the age of fifty (50) years but elects to postpone receipt of pension benefits.

\* **Sec. 22.1. - Board of trustees, members, terms of office.**

- (a) The City of Lakeland Employee Pension System shall be administered by a pension board consisting of seven (7) trustees. Those trustees serving on May 31, 2008 shall continue to serve until the expiration of the terms for which they were appointed. Subsequent appointments shall be made in accordance with Section 22.3. Before entering upon his duties as a member of the board, each member shall take and subscribe to the oath of office required by the City Charter, which oath shall be administered and filed by the city clerk.
- (b) Immediately after the first of January each year, the board shall, by majority vote, elect from the trustees a chairman. The chairman shall serve for the calendar year. In the event the office shall become vacant, a new officer shall immediately be elected by the board from among the board members. The retirement services director shall serve as secretary of the board and shall keep a complete minute book of the actions, proceedings or hearings of the board. The retirement services director shall also be the custodian of all records and files of said board.
- (c) The trustees shall not receive any compensation as such but may receive reimbursement for reasonable expenses incurred in connection with their duties as a trustee, provided such reimbursement is approved by the board.
- (d) Any action by the board shall require the vote of at least four (4) trustees present and eligible to vote. Four (4) trustees present and eligible to vote shall constitute a quorum. Any action by the board shall require the vote of at least four (4) trustees.
- (e) Those board members serving on the effective date of this article are hereby continued in office for the remainder of their terms.
- (f) The board shall meet as often as is necessary, upon the call of the chairman or any member thereof, or upon the request of the retirement services director.
- (g) The board shall promulgate rules of procedure as may be required for the conduct of its business.

**\* Sec. 22.2. - Powers of the pension board.**

- (a) The board shall have full power to administer the plan in all of its details and shall not be liable for any acts of omission or commission, individually or as members or employees, except for willful and intentional malfeasance or misfeasance.
- (b) The board shall have the power and authority to invest any and all funds received under this act, or any other act heretofore created, in interest-bearing bonds and certificates of indebtedness of the United States and of any state, county, municipality, in business trusts which invest solely in securities which are direct obligations of the United States Government and repurchase agreements pertaining to such securities, or in any other securities in which public funds may be invested under authority of law. The board shall identify and publicly report any direct or indirect holdings it may have in any scrutinized company, as defined in F.S. § 215.473, and proceed to sell, redeem, divest, or withdraw all publicly traded securities it may have in such company beginning January 1, 2010 and shall thereafter be prohibited from purchasing or holding such securities. The divestiture of any such security must be completed by September 30, 2010. In accordance with Ch. 2009-97, Laws of Florida, no person may bring any civil, criminal, or

administrative action against the board or any employee, officer, director, or advisor of such board based upon the divestiture of any security pursuant to this paragraph.

- (c) The board shall invest no more than two (2) percent of its funds in bonds, notes or other instruments of indebtedness issued by the city.
- (d) The board may invest not more than seventy (70) percent of its funds in equities or common or preferred stocks. Investments in foreign securities may not exceed twenty-five (25) percent on a market-value basis of total fund assets. All remaining investments in equities or stocks must be in corporations organized under the laws of the United States provided such corporations are listed on a major stock exchange or National Association of Securities Dealers Exchange (NASDAQ). This limitation shall be based on the market value of fund assets.
- (e) The board shall have the power and authority to retain the services of an investment manager whose responsibility it will be to advise the board on matters relating to the investment of pension funds and to carry out the investment strategy of the board pursuant to the provisions of this part and written investment policies adopted by the board.
- (f) The board may authorize the investment manager to invest pension funds made available by the board for that purpose in investments authorized by this subsection and pursuant to the investment policy of the board.
- (g) The treasurer of the city, or such other person or institution as may be designated by the board, shall be the custodian of such securities. Interest accretion there from shall become a part of the fund. All funds and securities of the fund shall be deposited with the custodian who shall keep a separate accounting of such funds and shall be liable for the safekeeping of the securities.
- (h) Nothing herein shall empower a board to amend the provisions of the plan without the approval of the city commission.
- (i) The board shall keep in convenient form such data as shall be necessary for an actuarial evaluation of the fund and for checking the actual experience of the fund.
- (j) An actuarial valuation of the plan must be made at least once every year by the board's actuary. Such report must be submitted to the city and the state, in accordance with Chapter 112, Part VII, Florida Statutes.
- (k) The benefits accrued to any person under the provisions of this Act and the accumulated contributions, securities or other investments in the fund hereby created are exempt from any state, county or municipal tax and shall not be subject to assignment, execution, attachment, garnishment or to any legal process whatsoever.

\* **Sec. 22.3. - Appointment of subsequent trustees; terms.**

Upon the expiration of the terms described in Section 22.1, successor members of the pension board shall be appointed for terms of three (3) years as follows: Each year the city commission shall appoint one trustee and the full-time employees of the city shall appoint one trustee. Successors to the seventh trustee serving as the selection of the other members of the board shall be selected by the other members of the board. The method of election of members to the pension board by full-time employees of the

City of Lakeland under this section and the previous section shall be prescribed by ordinance.

\* **Sec. 22.4. - Qualification of members.**

Any qualified voter residing in the City of Lakeland, Florida, over the age of twenty-one (21) years, shall be eligible to hold office as a member of the pension board, provided that no person who has been convicted of a felony, and, except as provided in this section, no person who is or has been within one year prior to his election or appointment an officer or employee of the said city shall be eligible for election or appointment to such office. The City Commission may appoint one person to the pension board who is or has been within one year prior to his election or appointment an officer or employee of the city and the full-time employees of the City of Lakeland may appoint one such individual to the board, provided that no more than two (2) such individuals, who shall be exempt from the City of Lakeland residency requirement, may serve on the board at any one time.

\* **Sec. 22.5. - Authority to employ retirement services director and prescribe their duties.**

The pension board is authorized on behalf of the City of Lakeland, with the concurrence of the City Manager, to employ, as a City of Lakeland employee, a retirement services director. The City of Lakeland shall employ such staff of employees as may be reasonably necessary for the proper performance of the duties of the board. The board shall prescribe the duties to be performed by the retirement services director.

\* **Sec. 23.1. - [Plan C transition.]**

- (a) During the forty-five day period commencing January 1, 2012 for non-bargaining unit members and the period of time not exceeding eighty-five days following ratification of a collective bargaining agreement for bargaining unit members, all plan members excluding firefighters who are active members of this plan may make a one-time irrevocable election to transition to an alternate defined benefit pension plan (Plan C).
- (b) Plan Members, excluding firefighters. as of September 30, 2003 who make the election to transition to Plan C shall carry over into Plan C an accrued benefit equal to (3) percent multiplied by one-twelfth (1/12) of the number of completed months of continuous employment for which contributions are made as of February 25, 2012 up to a total of three hundred (300) months, plus one (1) percent multiplied by one-twelfth (1/12) of the number of completed months of continuous employment for which contributions are made as of February 25, 2012 in excess of three hundred (300). Members, excluding firefighters who were hired on or after October 1, 2003 who make the election to transition to Plan C shall carry over into Plan C an accrued benefit equal to (2) percent multiplied by one-twelfth (1/12) of the number of completed months of continuous employment for which contributions are made as of February 25, 2012 up to a total of one hundred twenty (120) months.

\* **Sec. 23.1.1 - Employee pension fund.**



- (a) All funds contributed by the city and the employees participating in this plan, shall be placed in one fund known as the City of Lakeland Employee Pension Fund. The fund shall be funded by deposition as follows:
- (1) Member contributions.
    - a. Every participating regular officer and employee, except temporary employees and except employees who have elected to be excluded from participation in this plan pursuant to the provisions of section 35, shall contribute eight (8) percent of salary subject to retirement to the fund by payroll deduction while so employed. Effective February 26, 2012, the contribution rates shall be as follows:
      1. Members, excluding firefighters, in Plan A and Plan B - 11% of salary.
      2. Members in Plan C - 6.25% of salary.
      3. Members, consisting of firefighters, in Plan A and Plan B - 8.5% of salary.
    - b. Member contributions withheld by the city on behalf of the member shall be deposited with the fund at least monthly. Members shall have rights to said money so contributed into the fund only as provided in this Act. The contributions made by each member to the fund shall be designated as employer contributions pursuant to 414(h) of the Internal Revenue Code of 1986. Such designation is contingent upon the contributions being excluded from the members' gross income for federal income tax purposes. For all other purposes of the plan, such contributions shall be considered to be member contributions.
  - (2) Effective February 26, 2012 for non-bargaining unit members and commencing on the first day of the pay period following a date that is no later than forty-five days after ratification of a collective bargaining agreement for bargaining unit members, changes to the required contributions, as may be required from time to time, to maintain actuarial soundness shall be based upon a study by a qualified actuary and approved by the board and the city commission. For the fiscal year beginning 10/1/2012, the City's contribution shall be 19.6% of salary. For the same period, the contribution for employees in Plans A & B shall be 11% of salary, and the contribution rate for employees in Plan C shall be 6.25%. To the extent the actuarial analysis recommends changes to the required contribution for Plan years starting after 10/1/2012 those changes shall be applied to the City and to the employee contribution rates on a ratio of 1.40 to 1.00. Notwithstanding, any actuarial losses or gains incurred by Plan solely as a result of the variable interest rate option for DROP Members, provided for herein in Section 23.4.5, shall not be applied by the actuary in its analysis to affect the employee contribution rates. Any such actuarial gains or losses shall inure to or be borne by the City solely affecting its required contribution.
- (b) Payment of benefits and disbursements from the fund shall be made in the same manner as provided for the disbursement of other funds of the city.
  - (c) For assets of the fund deposited with the city treasurer, the treasurer shall be liable in the same manner and to the same extent as he is liable for the safekeeping of

funds for the city, even though the treasurer is acting in a ministerial capacity only. However, any funds and securities so deposited shall be kept in a separate fund by the treasurer or clearly identified as such funds and securities of the fund. In lieu thereof, the board shall deposit the funds and securities of the plan in a qualified public depository as defined in Section 280.02, Florida Statutes, which depository, with regard to such funds and securities, shall conform to and be bound by all of the provisions of Chapter 280, Florida Statutes. In order to fulfill its investment responsibilities as set forth herein, the board may retain the services of a custodian bank, investment advisors registered under Investment Advisors Act of 1940 or otherwise exempt from such required registration, insurance companies, credit unions or a combination of these, for the purposes of investment decisions and management. Such investment manager shall have discretion, subject to any guidelines as prescribed by the board, in the investment of all fund assets.

- (d) All funds and securities may be commingled in the fund, provided that accurate records are maintained at all times reflecting the financial composition of the fund, including accurate current accounts and entries as regards the following:
  - (1) Current amounts of accumulated contributions,
  - (2) Receipts and disbursements,
  - (3) Benefit payments,
  - (4) Current amounts clearly reflecting all monies, funds and assets whatsoever attributable to contributions and deposits from the city, and
  - (5) All interest, dividends and gains (or losses) whatsoever, and
  - (6) Such other entries as may be properly required so as to reflect a clear and complete financial report of the fund.
- (e) An independent audit shall be performed annually by a certified public accountant for the most recent fiscal year of the city showing a detailed listing of assets and a statement of all income and disbursements during the year. Such income and disbursements must be reconciled with the assets at the beginning and end of the year. Such report shall reflect a complete evaluation of assets on both a cost and market basis, as well as other items normally included in a certified audit.
- (f) The board shall be vested with full legal title to said fund, and no amendment shall ever result in the use of any assets of this fund except for the payment of regular expenses and benefits under this plan.
- (g) No trustee or the board shall be liable for any claim arising out of the making, retention or sale of any investment or reinvestment made as herein provided, nor for any loss or diminishment of the fund, except that due to his or its own gross negligence, willful misconduct or lack of good faith.
- (h) The board may cause any investment in securities held by it to be registered in or transferred into its name as trustee or into the name of such nominee as it may direct, or it may retain them unregistered and in form permitting transferability, but the books and records shall at all times show that all investments are part of the fund.

- (i) The board is empowered, but is not required, to vote upon any stocks, bonds, or securities of any corporation, association, or trust and to give general or specific proxies or powers of attorney with or without power of substitution; to participate in mergers, reorganizations, recapitalization, consolidations, and similar transactions with respect to such securities; to deposit such stock or other securities in any voting trust or any protective or like committee with the trustees or with depositories designated thereby; to amortize or fail to amortize any part or all of the premium or discount resulting from the acquisition or disposition of assets; and generally to exercise any of the powers of an owner with respect to stocks, bonds, or other investments comprising the fund which it may deem to be to the best interest of the fund to exercise.
- (j) The board shall not be required to make any inventory or appraisal or report to any court, nor to secure any order of court for the exercise of any power contained herein.
- (k) Where any action which the board is required to take or any duty or function which it is required to perform either under the terms herein or under the general law applicable to it as trustee under this act, can reasonably be taken or performed only after receipt by it from a member, the city, or any other entity, of specific information, certification, direction or instructions, the board shall be free of liability in failing to take such action or perform such duty or function until such information, certification, direction or instruction has been received by it.
- (l) The board shall sustain no liability whatsoever for the sufficiency of the fund to meet the payments and benefits herein provided for.
- (m) In any application to or proceeding or action in the courts, only the board shall be a necessary party, and no member or other person having an interest in the fund shall be entitled to any notice or service of process. Any judgment entered in such a proceeding or action shall be conclusive upon all persons.
- (n) Any of the foregoing powers and functions reposed in the board may be performed or carried out by the board through duly authorized agents, provided that the board at all time maintains continuous supervision over the acts of any such agent; provided further, that legal title to said fund shall always remain in the board.
- (o) The city is hereby authorized to provide such funds, by tax levy or otherwise and to appropriate and pay such funds monthly to the board for deposit in the fund. All contributions from time to time paid into the fund, and the income thereof, without distinction between principal and income, shall be held and administered by the board or its agent in the fund and the board shall not be required to segregate or invest separately any portion of the fund.
- (p) In the event the fund, together with contributions thereto at the current rate, shall be determined to be insufficient to make full payments as provided herein, immediate action shall be taken to provide for the deficit; provided, that such determination shall be in accordance with the standards, methods, factors and assumptions recommended by a qualified actuary and approved by the board and the city commission.

- (q) Each plan member or other person who shall claim the right to any payment under the plan shall be entitled to look only to the fund for payment. No liability for the payment of annuities under the plan shall be imposed upon the board or the city.

\* **Sec. 23.2. - Keeping of records; available to members.**

The board shall keep and maintain a full and complete permanent record of all accounts, receipts, disbursements, deposits, and all other official actions of the board. These records are a public record as defined in F.S. ch. 119, and shall be available to all members in the plan and the public.

\* **Sec. 23.3. - Membership.**

- (a) Participation in the plan shall be a condition of employment as a regular, full-time member of the classified service. However, nothing herein shall be construed to guarantee or provide a right to continued employment within the city.
- (b) Membership shall cease upon the earliest of the following:
- (1) Death,
  - (2) Termination of employment with the city prior to completion of ten (10) years of participation in the plan for members enrolled in Plans A or B; or prior to completion of five (5) years of participation in the plan for those members enrolled in Plan C. Such employees shall not have any vested rights in the plan, and shall not be entitled to any benefits pursuant to this part,
  - (3) The date a member receives a refund of his pension contributions in lieu of all other benefits under the plan.
- (c) Membership shall be considered inactive should employment terminate after completion of the minimum vesting period pursuant to section 23.3(b)(2) but before benefits are paid. Such former employees shall be known as "terminated vested members."

**Sec. 23.4. - Pension benefits and eligibility.**

\* **23.4.1. Retirement eligibility.**

- (a) Plan members as of September 30, 2003 (Plan A) who have not elected to transition to Plan C pursuant to section 23.1 who have ten (10) or more consecutive years credited service in the Plan, and who have attained age fifty (50), shall be entitled to retire and to receive pension benefits hereunder, subject to the conditions of this section. Except as otherwise indicated, Normal Retirement Age under this Plan A shall be the attainment of age sixty (60) with contributions to the Plan for ten (10) or more consecutive years.

For members who entered the Plan on or after October 1, 2003, (Plan B) who have not elected to transition to Plan C pursuant to section 23.1 who have ten (10) or more consecutive years of credited service in the Plan, and who have attained age fifty-two (52), shall be entitled to retire and to receive pension benefits hereunder, subject to the conditions of this section. Except as otherwise indicated, Normal

Retirement Age under this Plan B shall be the attainment of age sixty-two (62) with contributions to the Plan for ten (10) or more consecutive years.

For members who enter the Plan on or after February 26, 2012, (Plan C) and all members who have elected to transition to Plan C pursuant to section 23.1 who have five (5) or more consecutive years of credited service in the Plan, and who have attained age fifty-two (52), shall be entitled to retire and to receive pension benefits hereunder, subject to the conditions of this section. Except as otherwise indicated, Normal Retirement Age under this Plan C shall be the attainment of age sixty-two (62) with contributions to the Plan for five (5) or more consecutive years.

- (b) For Plan members who enter the plan prior to September 30, 2003 who have not elected to transition to Plan C pursuant to section 23.1, the amount of monthly pension benefit shall be equal to (1) multiplied by the sum of (2), and (3) multiplied by (4) as follows:
- (1) Is three (3) percent multiplied by one-twelfth (1/12) of the number of completed months of continuous employment for which contributions are made up to a total of three hundred (300) months, plus one (1) percent multiplied by one-twelfth (1/12) of the number of completed months of continuous employment for which contributions are made in excess of three hundred (300) months.
  - (2) Is the average monthly salary determined by dividing thirty-six (36) by the total salary received in any consecutive thirty-six (36) month period prior to retirement so selected by the employee, excluding any payment for final unused sick and vacation time, and including all overtime worked prior to July 2, 2011 that is included in the consecutive thirty-six (36) month period but no more than 300 hours of overtime worked in any overtime year after July 1, 2011 that occurs within the consecutive thirty-six (36) month period.
  - (3) The greater of:
    - a. The number of hours of unused sick leave and annual leave that is accrued as of July 1, 2011 multiplied times the hourly rate upon retirement, subject to limitations on the percentage payable and the maximum lump sum payable pursuant to City Policy, and for unused sick time further limited to that portion of unused sick hours that could have been earned during the same period of time used to calculate average final compensation.
    - b. The number of hours of unused sick leave and annual leave that is paid upon retirement, subject to limitations on the percentage payable and the maximum lump sum payable pursuant to City Policy, and for unused sick time further limited to that portion of any final payout that could have been earned during the consecutive thirty-six (36) month period prior to retirement so selected by the employee for purposes of determining average monthly salary; multiplied times the ratio of the percentage value calculated pursuant to section 23.4.1(b)(1) above for all completed months of continuous employment as of July 1, 2011 to the percentage value calculated pursuant to section 23.4.1(b)(1) above for all completed months of continuous employment as of the retirement date.

- (4) Is the benefit factor determined from Benefit Factor Table I in section 23.4.2, based on the age of the employee in years and months on the day retirement benefits commence. If the employee's age is sixty (60) or greater, the benefit factor shall be one (1).
- (c) For Plan members who enter the plan after September 30, 2003 who have not elected to transition to Plan C pursuant to section 23.1, the amount of monthly pension benefit shall be equal to (1) multiplied by the sum of (2), and (3) multiplied by (4) as follows:
    - (1) Is two (2) percent multiplied by one-twelfth (1/12) of the number of completed months of credited service for which contributions are made up to a total of one hundred twenty (120) months, plus three (3) percent multiplied by one-twelfth (1/12) of the number of completed months of credited service for which contributions are made in excess of one hundred twenty (120) months up to a total of three hundred sixty (360) months, plus one (1) percent multiplied by one-twelfth (1/12) of the number of completed months of credited service for which contributions are made in excess of three hundred sixty (360) months.
    - (2) Is the average monthly salary determined by dividing sixty (60) by the total salary received in any consecutive sixty (60) month period prior to retirement so selected by the employee, excluding any payment for final unused sick and vacation time, and including all overtime worked prior to July 2, 2011 that is included in the consecutive sixty (60) month period but no more than 300 hours per overtime year of overtime worked after July 1, 2011 that occurs within the consecutive sixty (60) month period.
    - (3) The greater of:
      - a. The number of hours of unused sick leave and annual leave that is accrued as of July 1, 2011 multiplied times the hourly rate upon retirement, subject to limitations on the percentage payable and the maximum lump sum payable pursuant to City Policy, and for unused sick time further limited to that portion of unused sick hours that could have been earned during the same period of time used to calculate average final compensation.
      - b. The number of hours of unused sick leave and annual leave that is paid upon retirement, subject to limitations on the percentage payable and the maximum lump sum payable pursuant to City Policy, and for unused sick time further limited to that portion of any final payout that could have been earned during the consecutive sixty (60) month period prior to retirement so selected by the employee for purposes of determining average monthly salary; multiplied times the ratio of the percentage value calculated pursuant to section 23.4.1(c)(1) above for all completed months of continuous employment as of July 1, 2011 to the percentage value calculated pursuant to section 23.4.1(c)(1) above for all completed months of continuous employment as of the retirement date.
  - (4) Is the benefit factor determined from Benefit Factor Table II in section 23.4.2, based on the age of the employee in years and months on the day retirement benefits commence. If the employee's age is sixty-two (62) or greater, the benefit factor shall be one (1).

- (d) For Plan members who enter the plan after February 26, 2012, the amount of monthly pension benefit shall be equal to (1) multiplied by (2) multiplied by (3) as follows:
- (1) Is two and forty-one hundredths (2.41) percent multiplied by one-twelfth (1/12) of the number of completed months of credited service for which contributions are made.
  - (2) Is the average monthly salary determined by dividing sixty (60) by the total salary received in any consecutive sixty (60) month period prior to retirement so selected by the employee, excluding any payment for final unused sick and vacation time, and excluding all overtime.
  - (3) Is the benefit factor determined from Benefit Factor Table II in section 23.4.2, based on the age of the employee in years and months on the day retirement benefits commence. If the employee's age is sixty-two (62) or greater, the benefit factor shall be one (1).
- (e) For Plan members who enter the plan prior to September 30, 2003 and who have elected to transition to Plan C pursuant to section 23.1, the amount of monthly pension benefit shall be equal to (1) multiplied by (2) multiplied by (3) as follows:
- (1) Is:
    - (a) Three (3) percent multiplied by one-twelfth (1/12) of the number of completed months of continuous employment as of February 25, 2011 for which contributions are made up to a total of three hundred (300) months, plus one (1) percent multiplied by one-twelfth (1/12) of the number of completed months of continuous employment as of February 25, 2011 for which contributions are made in excess of three hundred (300) months.plus:
    - (b) Two and forty-one hundredths (2.41) percent multiplied by one-twelfth (1/12) of the number of completed months of credited service after February 25, 2011 for which contributions are made.
  - (2) Is the average monthly salary determined by dividing sixty (60) by the total salary received in any consecutive sixty (60) month period prior to retirement so selected by the employee, excluding any payment for final unused sick and vacation time, and excluding all overtime.
  - (3) Is the benefit factor determined from Benefit Factor Table II in section 23.4.2, based on the age of the employee in years and months on the day retirement benefits commence. If the employee's age is sixty-two (62) or greater, the benefit factor shall be one (1).
- (f) For Plan members who enter the plan after September 30, 2003 and who have elected to transition to Plan C pursuant to section 23.1, the amount of monthly pension benefit shall be equal to (1) multiplied (2) multiplied by (3) as follows:
- (1) Is:
    - (a) Two (2) percent multiplied by one-twelfth (1/12) of the number of completed months of credited service for which contributions are made as of February

25, 2011 up to a total of one hundred twenty (120) months, plus three (3) percent multiplied by one-twelfth (1/12) of the number of completed months of credited service for which contributions are made as of February 25, 2011 in excess of one hundred twenty (120) months up to a total of three hundred sixty (360) months, plus one (1) percent multiplied by one-twelfth (1/12) of the number of completed months of credited service for which contributions are made as of February 25, 2011 in excess of three hundred sixty (360) months.

plus:

- (b) Two and forty-one hundredths (2.41) percent multiplied by one-twelfth (1/12) of the number of completed months of credited service after February 25, 2011 for which contributions are made.
- (2) Is the average monthly salary determined by dividing sixty (60) by the total salary received in any consecutive sixty (60) month period prior to retirement so selected by the employee, excluding any payment for final unused sick and vacation time, and excluding all overtime.
- (3) Is the benefit factor determined from Benefit Factor Table II in section 23.4.2, based on the age of the employee in years and months on the day retirement benefits commence. If the employee's age is sixty-two (62) or greater, the benefit factor shall be one (1).
- (g) The consecutive period so selected by the employee must be a period during which the employee has continuously contributed to the plan. Any employee with interrupted service, who has repaid into the fund the amount previously refunded to him in accordance with section 26-2 of this article, shall be treated as having continuously contributed to the Plan.  
  
For purposes of computing pension benefits, all accrued sick leave at date of retirement shall be credited as additional time of continuous employment at an equivalency ratio of one month service for every twenty-one (21) days of accrued sick leave.
- (h) The normal form of retirement benefits shall be an income to the member commencing at retirement and continuing during the life of the member. In the event of death of the retired member, any excess of the sum of the member's contributions over the total of such income received by the member shall be paid to the member's designated beneficiary as a refund of contributions.
- (i) Benefits under this plan shall not exceed the limits set under Section 415(b) of the Code.



**\* 23.4.2. Benefit Factor Table.**

Benefit Factor Table I  
 RETIREMENT AGE (YEARS & MONTHS)  
 For Plan Members as of September 30, 2003 (Plan A)

AGE	MONTHS											
	0	1	2	3	4	5	6	7	8	9	10	11
40	0.4480	0.4505	0.4530	0.4555	0.4580	0.4605	0.4630	0.4655	0.4680	0.4705	0.4730	0.4755
41	0.4780	0.4805	0.4830	0.4855	0.4880	0.4905	0.4930	0.4955	0.4980	0.5005	0.5030	0.5055
42	0.5080	0.5105	0.5130	0.5155	0.5180	0.5205	0.5230	0.5255	0.5280	0.5305	0.5330	0.5355
43	0.5380	0.5405	0.5430	0.5455	0.5480	0.5505	0.5530	0.5555	0.5580	0.5605	0.5630	0.5655
44	0.5680	0.5705	0.5730	0.5755	0.5780	0.5805	0.5830	0.5855	0.5880	0.5905	0.5930	0.5955
45	0.5980	0.6005	0.6030	0.6055	0.6080	0.6105	0.6130	0.6155	0.6180	0.6205	0.6230	0.6255
46	0.6280	0.6305	0.6330	0.6355	0.6380	0.6405	0.6430	0.6455	0.6480	0.6505	0.6530	0.6555
47	0.6580	0.6605	0.6630	0.6655	0.6680	0.6705	0.6730	0.6755	0.6780	0.6805	0.6830	0.6855
48	0.6880	0.6905	0.6930	0.6955	0.6980	0.7005	0.7030	0.7055	0.7080	0.7105	0.7130	0.7155
49	0.7180	0.7205	0.7230	0.7255	0.7280	0.7305	0.7330	0.7355	0.7380	0.7405	0.7430	0.7455
50	0.7480	0.7505	0.7530	0.7555	0.7580	0.7605	0.7630	0.7655	0.7680	0.7705	0.7730	0.7755
51	0.7780	0.7805	0.7830	0.7855	0.7880	0.7905	0.7930	0.7955	0.7980	0.8005	0.8030	0.8055
52	0.8080	0.8105	0.8130	0.8155	0.8180	0.8205	0.8230	0.8255	0.8280	0.8305	0.8330	0.8355
53	0.8380	0.8405	0.8430	0.8455	0.8480	0.8505	0.8530	0.8555	0.8580	0.8605	0.8630	0.8655
54	0.8680	0.8705	0.8730	0.8755	0.8780	0.8805	0.8830	0.8855	0.8880	0.8905	0.8930	0.8955
55	0.8980	0.8997	0.9014	0.9031	0.9048	0.9065	0.9082	0.9099	0.9116	0.9133	0.9150	0.9167
56	0.9184	0.9201	0.9218	0.9235	0.9252	0.9269	0.9286	0.9303	0.9320	0.9337	0.9354	0.9371
57	0.9388	0.9405	0.9422	0.9439	0.9456	0.9473	0.9490	0.9507	0.9524	0.9541	0.9558	0.9575

58	0.9592	0.9609	0.9626	0.9643	0.9660	0.9677	0.9694	0.9711	0.9728	0.9745	0.9762	0.9779
59	0.9796	0.9813	0.9830	0.9847	0.9864	0.9881	0.9898	0.9915	0.9932	0.9949	0.9966	0.9983
60	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Benefit Factor Table II

RETIREMENT AGE (YEARS & MONTHS)

For Members on or after October 1, 2003 (Plan B) and all members hired after February 25, 2012 and members who have elected to transition to Plan C pursuant to section 23.1

AGE	MONTHS											
	0	1	2	3	4	5	6	7	8	9	10	11
42	0.0000	0.0042	0.0083	0.0125	0.0167	0.0208	0.0250	0.0292	0.0333	0.0375	0.0417	0.0458
43	0.0500	0.0542	0.0583	0.0625	0.0667	0.0708	0.0750	0.0792	0.0833	0.0875	0.0917	0.0958
44	0.1000	0.1042	0.1083	0.1125	0.1167	0.1208	0.1250	0.1292	0.1333	0.1375	0.1417	0.1458
45	0.1500	0.1542	0.1583	0.1625	0.1667	0.1708	0.1750	0.1792	0.1833	0.1875	0.1917	0.1958
46	0.2000	0.2042	0.2083	0.2125	0.2167	0.2208	0.2250	0.2292	0.2333	0.2375	0.2417	0.2458
47	0.2500	0.2542	0.2583	0.2625	0.2667	0.2708	0.2750	0.2792	0.2833	0.2875	0.2917	0.2958
48	0.3000	0.3042	0.3083	0.3125	0.3167	0.3208	0.3250	0.3292	0.3333	0.3375	0.3417	0.3458
49	0.3500	0.3542	0.3583	0.3625	0.3667	0.3708	0.3750	0.3792	0.3833	0.3875	0.3917	0.3958
50	0.4000	0.4042	0.4083	0.4125	0.4167	0.4208	0.4250	0.4292	0.4333	0.4375	0.4417	0.4458
51	0.4500	0.4542	0.4583	0.4625	0.4667	0.4708	0.4750	0.4792	0.4833	0.4875	0.4917	0.4958
52	0.5000	0.5042	0.5083	0.5125	0.5167	0.5208	0.5250	0.5292	0.5333	0.5375	0.5417	0.5458
53	0.5500	0.5542	0.5583	0.5625	0.5667	0.5708	0.5750	0.5792	0.5833	0.5875	0.5917	0.5958
54	0.6000	0.6042	0.6083	0.6125	0.6167	0.6208	0.6250	0.6292	0.6333	0.6375	0.6417	0.6458

55	0.6500	0.6542	0.6583	0.6625	0.6667	0.6708	0.6750	0.6792	0.6833	0.6875	0.6917	0.6958
56	0.7000	0.7042	0.7083	0.7125	0.7167	0.7208	0.7250	0.7292	0.7333	0.7375	0.7417	0.7458
57	0.7500	0.7542	0.7583	0.7625	0.7667	0.7708	0.7750	0.7792	0.7833	0.7875	0.7917	0.7958
58	0.8000	0.8042	0.8083	0.8125	0.8167	0.8208	0.8250	0.8292	0.8333	0.8375	0.8417	0.8458
59	0.8500	0.8542	0.8583	0.8625	0.8667	0.8708	0.8750	0.8792	0.8833	0.8875	0.8917	0.8958
60	0.9000	0.9042	0.9083	0.9125	0.9167	0.9208	0.9250	0.9292	0.9333	0.9375	0.9417	0.9458
61	0.9500	0.9542	0.9583	0.9625	0.9667	0.9708	0.9750	0.9792	0.9833	0.9875	0.9917	0.9958
62	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

**\* 23.4.3. Terminated vested. An inactive member who reaches his early retirement eligibility date may elect to begin benefits.**

- (a) Terminated vested members benefits shall be calculated as in section 23.4.1. above, provided that the benefit calculation be based upon benefits which existed at the time of termination of employment. When a member has elected to leave his contributions in the fund upon separation from service and is entitled to a vested deferred pension pursuant to section 26.1(b), his monthly pension income shall be adjusted to reflect any increase in benefits pursuant to section 25 of this section which becomes effective after his date of separation from service.
- (b) A terminated vested member may request an optional payment form as provided, in section 23.4.4, in lieu of the normal form.
- (c) Except as indicated in (d), should a terminated vested member die prior to the date benefits begin, all benefit obligations of the plan to the member shall cease.

**\* 23.4.4. Optional benefit payment forms. The following actuarial equivalent forms of benefits payment, when requested in writing, may be granted by the board:**

- (a) Option 1: Alternate benefit form. In lieu of retirement benefits payable in a normal form, a member may elect benefits in an alternative form having the actuarial equivalent value. Such alternate pension benefits shall be in lieu of all of the benefits under the plan and shall be either:
  - (1) A reduced income payable during the lifetime of the member, together with a continuation of the same reduced income (100 percent) or an income in a lesser amount (fifty (50) percent, sixty-six and two-thirds (66 2/3) percent or seventy-five (75) percent of such reduced income) to the member's spouse or joint pensioner.

- (2) A reduced income payable during the lifetime of the member, together with the continuation upon the death of the member of the same reduced income (100 percent) or an income in a lesser amount (fifty (50) percent, sixty-six and two-thirds (66 2/3) percent or seventy-five (75) percent of such reduced income) to the member's spouse or, joint pensioner or beneficiary (or beneficiaries), provided that the reduced income under this paragraph shall be lower than that provided under paragraph (1) with the reduction calculated on an actuarial equivalent basis which provides for the cessation of reduction in benefits to the member at the date of death of the member's spouse or joint pensioner, if the spouse or joint pensioner predeceases such member or, if applicable, at the date of emancipation, removal of, disability or death of his eligible dependent(s) when such emancipation, removal of, disability or death occurs prior to member's death. In the event the spouse or joint pensioner predeceases the member, or the emancipation, removal of, disability or death of the eligible dependent(s) precedes the member's death, the election shall be canceled and the normal form and amount of benefits described in subsection (a) shall thereafter be paid.
- (3) The member electing any option of this section will designate the joint pensioner or beneficiary (or beneficiaries) to receive the benefit, if any, payable under the plan in the event of death, and will have the power to change such designation from time to time but any such change shall be deemed a new election and will be subject to approval by the board of trustees. Such designation will name a joint pensioner or one or more primary beneficiaries where applicable. If a member has elected an option with a joint pensioner or beneficiary and his or her retirement income benefits have commenced, he or she may thereafter change the designated joint pensioner or beneficiary but only if the board of trustees consents to such change and if the joint pensioner last previously designated by the member is alive when he or she files with the board of trustees a request for such change. The consent of a member's joint pensioner or beneficiary to any such change shall not be required. The board of trustees may request such evidence of the good health of the joint pensioner that is being removed as it may require and the amount of the retirement income payable to the member upon the designation of a new joint pensioner shall be actuarially redetermined taking into account the ages and sex of the former joint pensioner, the new joint pensioner, and the member. Each such designation will be made in writing and on completion will be filed with the board of trustees. A retired member may change the designation of joint pensioner or beneficiary only twice. In the event that no designated beneficiary survives the member, such benefits as are payable in the event of the death of the member subsequent to his or her retirement shall be paid as provided in paragraph (4).
- (4) Beneficiary (Beneficiaries). Each member may, on a form filed with the board of trustees, designate a choice of one or more persons, named sequentially or jointly, as his or her beneficiary (or beneficiaries) to receive the benefit, if any, which may be payable in the event of the member's death, and each designation may be revoked by such member by signing and filing with the board of trustees a new designation or beneficiary form. If no beneficiary is named or if no beneficiary designated by the member survives him or her, the

death benefit, if any, which may be payable under the plan with respect to such deceased member shall be paid by the board of trustees to the estate of such deceased member, provided that in any of such cases the board of trustees, in its discretion, may direct that the commuted value of the remaining monthly income payments be paid in a lump sum. Any payment made to any person pursuant to this subsection shall operate as a complete discharge of all obligations under the plan with regard to such deceased member and shall not be subject to review by anyone, but shall be final, binding and conclusive on all persons ever interested hereunder.

- (b) Option 2: Refund of contributions. In lieu of option 1, a member may elect to receive a refund of all sums said member contributed to the fund in full satisfaction of all claims he may have against this Plan.
- (c) Option 3: Lump Sum Payment.
  - (1) A member who attains normal retirement status or attains thirty (30) years of credited service may elect to terminate membership in the Plan and apply for a lump sum payment.
  - (2) In lieu of any other benefits under the Plan, the Board may grant a request for an actuarial equivalent, one time, lump sum payment based upon the present value of the retirement benefit. The present value discount rate used to determine the lump sum amount available to the member shall be the actuarial assumed rate of return plus one (1) percent.
  - (3) Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this section, 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 to an eligible retirement Plan specified by the distributee in a direct rollover.
- (d) Option 4: Termination from Plan with vested benefit. A member who attains normal retirement status, or attains thirty (30) years of credited service, or who is eligible to retire and has accrued a vested benefit equal to thirty (30) percent or more of average final compensation calculated after any percentage reductions associated with early retirement, may elect to terminate membership in the Plan, defer receipt of benefits until a later date and commence participation in the City of Lakeland Defined Contribution Plan or roll-over the benefit provided in (c) above to the Defined Contribution Plan and continue participation in the Defined Contribution Plan and relinquish any further rights in the Plan. Upon termination of employment from the City, the member may elect to begin receiving benefits under the Plan.
  - (1) Retirement benefits under this Plan with respect to a member who elects this option shall be calculated as in section 23.4.1. above, provided that the benefit calculation be based upon benefits which existed at the time of the member's termination of active participation in the Plan. The benefit shall be adjusted to reflect any increase in benefits pursuant to section 25 of this section which becomes effective after date of termination from the Plan.
  - (2) A member under this option may request an alternate payment form as provided in section 23.4.4(a) in lieu of the normal form.

- (3) Should a member exercising this option die prior to the date benefits payments from this Plan begin, all benefit obligations of the Plan to the member shall cease unless the member requested an alternate payment form as provided in section 23.4.4(a) at the time of exercising this option or one year prior to final termination of employment from the City.
- (e) Option 5: Guaranteed annual benefit increase. An actuarially reduced income payable during the lifetime of the member with a guaranteed annual increase in the member's, or to the extent an optional form of benefits has been elected pursuant to 23.4.4(a) to the member's spouse or, joint pensioner or beneficiary (or beneficiaries), retirement benefit of one (1), two (2) or three (3) percent. The amount of the guaranteed annual increase is to be effective on the anniversary of the first benefit check payable to the member, or to the member's DROP account in conjunction with an election pursuant to section 23.4.5, in any calendar year.
- (f) Actuarial Assumptions. The Actuarial Assumptions used in determining members' benefits are stated in the annual actuarial report and shall be maintained by the secretary of the Board.

23.4.5 Deferred Retirement Option Program (DROP). A Member who attains normal retirement age or attains thirty (30) years of credited service may elect to retire and enter the DROP. Notwithstanding the preceding sentence, effective December 31, 2011 for non-bargaining unit members who are employed and not participating in the DROP on such date, and commencing the end of the first pay period following ratification of a collective bargaining agreement for bargaining unit members who are employed and not participating in the DROP on such date, members may elect to retire and enter the DROP on or after the date on which the member is: (a) eligible to receive benefits pursuant to normal or early retirement as defined in the respective version of the plan (A, B or C) in which the member is enrolled as of the date of this election; or (b) the sum of the member's years of credited service and age equals at least seventy-five (75). For purposes of computing eligibility for this option, any accrued sick leave at date of retirement shall not be considered as additional time of credited service:

- (a) The decision to enter the DROP is irrevocable once the DROP period commences. Upon entry into the DROP, a member shall be considered a retired member of the Plan. The member's benefits shall be calculated as if the member had actually separated from service and no further credited service, salary increases, or Plan changes shall apply to a member in the DROP plan for purposes of determining the member's benefit under the Plan. In all other respects, however, the member shall remain an active employee of the City and otherwise eligible for all other contractual and job benefits.
- (b) The monthly pension benefit payable during the DROP period shall be credited in semi-monthly installments to a DROP account for the Member and shall remain an asset of the fund in accordance with procedures established by the Board of Trustees. Such retirement benefit, including any retiree benefit increases pursuant to an optional form of benefits elected pursuant to section 23.4.4(e) shall accrue semi-monthly. Interest on the DROP account balances of members who enter the DROP prior to December 31, 2011 and for bargaining unit members who enter the DROP prior to ratification of a collective bargaining agreement shall accrue at a nominal annualized rate of 6.5 percent compounded semi-monthly, on the prior

installment's accumulated ending balance, up to the 120th payment or the last payment made prior to final separation from service or death, whichever occurs first. The deposited funds will be unavailable for distribution to the Member until participation in the DROP and service with the City terminates. Thereafter, the benefit shall be paid to the Member in accordance with the provisions of this section and procedures payments adopted by the Board of Trustees, which may require up to thirty (30) days advance notice from the Member of the payment method and option elected by the Member. Effective upon adoption, each current and future Member of the DROP may elect on an annual basis to have their DROP account credited and compounded semi-monthly at a variable interest rate, not to exceed three percent (3%) per annum. The Board of Trustees shall review and set the variable interest rate once each year. Within 60 days of announcing the variable interest rate, each Member of the DROP may elect to transfer all, some, or none of their existing DROP account balance and future DROP account accruals to the City of Lakeland Defined Contribution Plan, subject to Board approval, via a plan to plan transfer; provided, that all such transfers made to the City of Lakeland Defined Contribution Plan are irrevocable and shall not be transferred back to the member's DROP account at any point thereafter. A failure to make such an initial election means that the Member's DROP balance will remain in the Fund and earn said variable interest rate. Each year thereafter, within 60 days of the Board of Trustees setting the variable interest rate, each Member in the DROP shall elect whether any amounts remaining in the Fund and whether future DROP account accruals will either: i) be credited at a variable interest rate, compounded semi-monthly on the prior installment's accumulated ending balance until such time as the earlier of either: the 120th payment; or the last payment made prior to final separation from service; or death; or be irrevocably transferred to the City of Lakeland Defined Contribution Plan, as above. Any member of the DROP who fails to make such a written annual election within the prescribed time shall continue with the option, as described herein in which the Member was then currently participating.

- (c) Effective with the date of DROP participation, the member's initial normal monthly benefit, optional form of payment, and average final compensation, and the effective date of retirement shall be fixed. The Member may designate a beneficiary to receive the balance in the Member's DROP account if the DROP member dies prior to the DROP payout to the Member. If such beneficiary is not designated or is not living at the time of the Member's death, then the beneficiary established under the Plan shall receive the balance in the Member's DROP account; or if no such beneficiary is designated or living at the time of death, then the joint annuitant, if any, shall receive the balance in the Member's DROP account. The Member may also name a beneficiary to receive the accumulated DROP benefits payable if the joint annuitant predeceases the Member. In the event that no beneficiary has been named by the Member, the DROP account balance shall be paid to the Member's estate.
- (d) The effective date of DROP participation and the effective date of retirement of a DROP member shall be the first day of any City payroll period selected by the Member to begin participation in the DROP, provided such date is properly established, with the written confirmation of the city, and the approval of the

Retirement Services Department, on forms required by the Retirement Services Department.

- (e) Upon entry into the DROP, a member shall no longer be eligible for pre-retirement death benefits.
- (f) In the event that a member in the DROP shall die, the member shall be treated the same as any other retired member who dies and any survivorship option which the member may have elected shall be paid to the Member's joint annuitant in accordance with the provisions of the Plan.
- (g) By entering into the DROP plan, a member agrees to terminate active service with the City not later than sixty (60) months following the date of entry into the DROP. Nothing shall prohibit a member who has entered the DROP or the City from terminating service prior to the expiration of the sixty (60) months.
- (h) A member's DROP Account shall only be credited or debited with earnings or interest and monthly benefits while the Member is employed by the City as a Member of the Plan. If a member remains employed by the City after participating in the DROP for five (5) years, then beginning with Member's 61st month of DROP participation the member's DROP Account will no longer be credited or debited with earnings or interest, nor will semi-monthly benefits be credited to the DROP Account. All such earnings, interest and benefits shall be forfeited and continue to be forfeited while the member is employed by the City. A member employed by the City after five (5) years of DROP participation will still not be eligible for pre-retirement death or disability benefits nor will the Member accrue additional Credited Service.
- (i) The accrued benefits of any DROP member, and any contributions, earnings or interest accumulated under such program, shall not be subject to assignment, execution, attachment, or to any legal process whatsoever. Upon the death of a DROP member, the accrued benefits shall be paid in accordance with subsection (c), above.
- (j) Eligibility to participate in the DROP terminates upon death of the member. If the member dies on or after the effective date of enrollment in the DROP, but prior to the first monthly benefit being credited to the DROP, Plan benefits shall be paid in accordance with provisions contained in the Plan as though the Member retired on the effective date of the DROP enrollment and died thereafter.
- (k) Upon satisfying the definition of termination of employment, DROP members shall be subject to the same reemployment limitations as other retirees. Nothing in this section shall be construed to remove DROP members from the scope of s. 8(d), Art. II of the State Constitution, s. 112.3173, and paragraph (5)(f).
- (l) DROP members who commit a specified felony offense while employed will be subject to forfeiture of all retirement benefits, including DROP benefits, pursuant to those provisions of the law.
- (m) Upon separation from service a member shall be eligible for distribution of the DROP account. The DROP account may be distributed in a lump sum, may be rolled over to another qualified retirement system, a combination of both, or any other form approved by the Board. In no instance shall the method of distribution



result in the payment of any amount which exceeds the balance in the DROP account.

- (n) At the conclusion of the member's DROP, the Retirement Services Department shall distribute the member's total accumulated DROP benefits, subject to the following provisions:
- (1) Retirement Services Department shall receive verification by the member's department head that such member has terminated employment.
  - (2) The discharged DROP member or, if deceased, such member's named beneficiary or joint annuitant, shall elect on forms provided by the Retirement Services Department to receive payment of the DROP benefits in accordance with one of the options listed below. For a member or beneficiary who fails to elect a method of payment within 60 days of termination of employment, the Retirement Services Department will authorize a lump sum payment as provided below:
    - (I) Lump sum — All accrued DROP benefits, plus interest, less withholding taxes remitted to the Internal Revenue Service, shall be paid to the DROP member or surviving beneficiary.
    - (II) Direct rollover — All accrued DROP benefits, plus interest, shall be paid from the DROP directly to the custodian of an eligible retirement plan as defined in s. 402(c)(8)(B) of the Internal Revenue Code. However, in the case of an eligible rollover distribution to the surviving spouse of a deceased member, an eligible retirement plan is an individual retirement account or an individual retirement annuity as described in s. 402(c)(9) of the Internal Revenue Code.
    - (III) Partial lump sum — A portion of the accrued DROP benefits shall be paid to the DROP member or surviving spouse, less withholding taxes remitted to the Internal Revenue Service, and the remaining DROP benefits shall be transferred directly to the custodian of an eligible retirement plan as defined in s. 402(c)(8)(B) of the Internal Revenue Code. However, in the case of an eligible rollover distribution to the surviving spouse of a deceased member, an eligible retirement plan is an individual retirement account or an individual retirement annuity as described in s. 402(c)(9) of the Internal Revenue Code. The proportions shall be specified by the DROP member or surviving beneficiary.
  - (3) The form of payment selected by the DROP member or surviving beneficiary complies with the minimum distribution requirements of the Internal Revenue Code.
- (o) The Board of Trustees shall make such rules as are necessary for the effective and efficient administration of this subsection. Neither the Retirement Services Department nor the Board of Trustees shall advise members of the federal tax consequences of an election related to the DROP but may advise members to seek independent advice.

\* **23.4.8 Purchase of Prior Service.**

Notwithstanding any other provision of this plan, a Member may purchase up to five (5) years of credited service at any time prior to separation from city employment for a like period of previous employment in the active service of the U.S. armed forces; provided the Member shall pay into the plan the full actuarial cost of such service as determined by the plan actuary. Such service credit shall be counted as continuous service for purposes of vesting, benefit eligibility and benefit calculations. No additional service credit will be allowed if the Member has received, is receiving or will receive any other retirement benefit based on that same prior armed forces service; provided, a Member may make a direct transfer of eligible rollover distributions of all or any portion of the balance in another eligible retirement plan that is attributable to service with the armed forces to purchase additional service under this paragraph.

Payment for the benefits provided in this section may be made in one or more of the following manners:

- a) Cash lump sum payment.
- b) Direct transfer or rollover of an eligible rollover distribution from a qualified or eligible plan, in accordance with section 23.4.6, Direct transfers of eligible rollover distributions, herein.

\* **Sec. 24. - Maximum pension.**

- (a) Notwithstanding any provision of this Plan to the contrary, the Annual Pension that is accrued by or paid to a Member shall not exceed the Dollar Limitation set forth below. If the benefit the Member would otherwise accrue in a Limitation Year would produce an Annual Pension in excess of the Dollar Limitation, the benefit shall be limited to a benefit that does not exceed the Dollar Limitation.

(1) Definitions Used in this Section.

- (A) "Annual Pension" means the benefits received by a Member under this Plan expressed in the form of a straight life annuity. In determining whether benefits payable exceed the Dollar Limitation set forth below, benefits payable in any form other than a straight life annuity shall be adjusted to the larger of:

- (i) The annual amount of the straight life annuity (if any) payable to the Member under the plan commencing at the same annuity starting date as the form of benefit payable to the Member; or
- (ii) The annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member, computed using a 5 percent interest assumption and the applicable mortality table described in § 1.417(e)-1(d)(2) for that annuity starting date.

No actuarial adjustment to the benefit shall be made for benefits that are not directly related to retirement benefits (such as a qualified disability benefit, preretirement incidental death benefits, and postretirement medical benefits); or the inclusion in the form of benefit of an automatic benefit

increase feature, provided the form of benefit is not subject to § 417(e)(3) of the Internal Revenue Code and would otherwise satisfy the limitations of this Section, and the amount payable under the form of benefit in any Limitation Year shall not exceed the limits of this Section 24 applicable at the annuity starting date, as increased in subsequent years pursuant to § 415(d) of the Code. For this purpose, an automatic benefit increase feature is included in a form of benefit if the form of benefit provides for automatic, periodic increases to the benefits paid in that form.

- (B) "Dollar Limitation" means \$160,000.00 (subject to the annual adjustments provided under Section 415(d) of the IRC). Said amount shall be adjusted based on the age of the Member when benefits begin, as follows:
- (i) Except with respect to a Member who is a "Qualified Participant" as defined in Section 415(b)(2)(H) of the Code, for benefits (except survivor and disability benefits as defined in Section 415(b)(2)(I) of the Code) beginning before age 62 the Age-Adjusted Dollar Limitation is equal to the lesser of:
    - (I) The actuarial equivalent of the annual amount of a straight life annuity commencing at the annuity starting date that has the same actuarial present value as a deferred straight life annuity commencing at age 62, where annual payments under the straight life annuity commencing at age 62 are equal to the Dollar Limitation (as adjusted pursuant to section 415(d) for the limitation year), and where the actuarially equivalent straight life annuity is computed using a 5 percent interest rate and the applicable mortality table under § 1.417(e)-1(d)(2) that is effective for that annuity starting date (and expressing the Member's age based on completed calendar months as of the annuity starting date); and
    - (II) The Dollar Limitation (as adjusted pursuant to section 415(d)) multiplied by the ratio of the annual amount of the straight life annuity under the plan to the annual amount of the straight life annuity under the plan commencing at age 62, with both annual amounts determined without applying the rules of section 415.
  - (ii) For benefits beginning after the age of 65, the age-adjusted Dollar Limitation is equal to the lesser of:
    - (I) The actuarial equivalent of the annual amount of a straight life annuity commencing at the annuity starting date that has the same actuarial present value as a straight life annuity commencing at age 65, where annual payments under the straight life annuity commencing at age 65 are equal to the dollar limitation of section 415(b)(1)(A) (as adjusted pursuant to section 415(d) for the limitation year), and where the actuarially equivalent straight life annuity is computed using a 5 percent interest rate and the applicable mortality table under § 1.417(e)-1(d)(2) that is effective for that annuity starting date (and expressing the Member's age

based on completed calendar months as of the annuity starting date); and

- (II) The section 415(b)(1)(A) Dollar limitation (as adjusted pursuant to section 415(d) and § 1.415(d)-1 for the limitation year) multiplied by the ratio of the annual amount of the adjusted immediately commencing straight life annuity under the plan to the adjusted age 65 straight life annuity. The adjusted immediately commencing straight life annuity means the annual amount of the immediately commencing straight life annuity payable to the Member, computed disregarding the Member's accruals after age 65 but including actuarial adjustments even if those actuarial adjustments are applied to offset accruals. For this purpose, the annual amount of the immediately commencing straight life annuity is determined without applying the rules of section 415. The adjusted age 65 straight life annuity means the annual amount of the straight life annuity that would be payable under the plan to a hypothetical Member who is 65 years old and has the same accrued benefit (with no actuarial increases for commencement after age 65) as the Member receiving the distribution (determined disregarding the Member's accruals after age 65 and without applying the rules of section 415).
  - (iii) There shall be no age adjustment of the Dollar Limitation with respect to benefits beginning between the ages of 62 and 65.
- (2) The limitations set forth in this Section 24 shall not apply if the Annual Pension does not exceed \$10,000.00, provided the Member has never participated in a Defined Contribution Plan maintained by the City.
  - (3) Cost-of-living adjustments in the Dollar Limitation for benefits shall be limited to scheduled annual increases determined by the Secretary of the Treasury under Section Subsection 415(d) of the Code.
  - (4) In the case of a Member who has fewer than 10 years of participation in the Plan, the Dollar Limitation set forth in Paragraph (1)(B) of this Section (b) shall be multiplied by a fraction: (i) the numerator of which is the number of years (or part thereof) of participation in the Plan; and (ii) the denominator of which is 10.
  - (5) Any portion of a Member's benefit that is attributable to mandatory employee contributions (unless picked-up by the City) or rollover contributions, shall be taken into account in the manner prescribed in the regulations under Section 415 of the Code.
  - (6) Should any Member participate in more than one defined benefit plan maintained by the City, in any case in which the Member's benefits under all such defined benefit plans (determined as of the same age) would exceed the Dollar Limitation applicable at that age, the accrual of the Member's benefit under this Plan shall be reduced so that the Member's combined benefits will equal the Dollar Limitation.
  - (7) For a Member who has or will have distributions commencing at more than one annuity starting date, the Annual Benefit shall be determined as of each such

annuity starting date (and shall satisfy the limitations of this Section as of each such date), actuarially adjusting for past and future distributions of benefits commencing at the other annuity starting dates. For this purpose, the determination of whether a new starting date has occurred shall be made without regard to § 1.401(a)-20, Q&A 10(d), and with regard to §§ 1.415(b)1(b)(1)(iii)(B) and (C) of the Income Tax Regulations.

- (8) The determination of the Annual Pension under Paragraph (a)(1) of this Section 24 shall take into account (in the manner prescribed by the regulations under Section 415 of the Code) Social Security supplements described in § 411(a)(9) of the Internal Revenue Code and benefits transferred from another defined benefit plan, other than transfers of distributable benefits pursuant § 1.411(d)-4, Q&A-3(c) of the Income Tax Regulations.
- (9) The above limitations are intended to comply with the provisions of Section 415 of the Code, as amended, so that the maximum benefits provided by plans of the City shall be exactly equal to the maximum amounts allowed under Section 415 of the Code and regulations thereunder. If there is any discrepancy between the provisions of this Section 24 of the Plan and the provisions of Section 415 of the Code and regulations thereunder, such discrepancy shall be resolved in such a way as to give full effect to the provisions of Section 415 of the Code. The value of any benefits forfeited as a result of the application of this Section 24 shall be used to decrease future employer contributions.

\* **Sec. 24.1. - Certain transfers; vested rights on transfer.**

For employees who served in more than one (1) of the City's employee classifications and participated in more than one (1) City pension plan:

A member shall be credited with service for purposes of participation, vesting and breaks in service (but not for benefit purposes) based upon service in non-covered employment for the City, provided that the person worked for the City in covered employment immediately before or immediately after the non-covered employment, and further provided that no resignation, discharge or retirement occurred between the covered employment and the non-covered employment. Years of service, solely for purposes of vesting and benefit eligibility, shall be computed from the date upon which the employee was initially hired by the city, without consideration of the transfer. The pension benefit from this plan shall be payable to those employees who are not covered by this plan at the time of retirement upon the employee reaching this pension plan's Early or Normal Retirement Age as defined herein. The amount shall be calculated by multiplying the vesting credits earned while an employee by the benefit level of this pension plan and the employee's average final compensation which are in effect at the time of the employee's retirement. The benefit payable from this plan shall be only for the employee's service under this plan and the benefit for the employee's service in classifications covered by other city pension plans shall be paid by the other pension plans, which cover those other classifications. Notwithstanding, the total of all such benefit payments shall be subject to limitations established by F.S. § 112.65.

\* **Sec. 25. - Increased benefits to retired members.**

The award of any benefit will comply with F.S. ch. 112. Accordingly, the present value of the benefit award shall not exceed the net actuarial experience accumulated from all sources of gains and losses to the plan.

Members who retire from the plan on or after December 31, 2011 shall be entitled to a guaranteed annual increase in benefits accordance with any irrevocable election made pursuant to section 23.4.4(e).

\* **Sec. 26.1. - Separation from service.**

- (a) Refund to member. In the event a member with less than ten (10) years of contribution resigns, is discharged, or becomes disabled, or separates from the service of the city, without leave of absence from the civil service board of said city, he shall, pursuant to written request, receive a refund of all sums said member has contributed to this fund, subject to section 23.4.6. Such payment thereof to said member shall be in full satisfaction of all claims he may have against this plan. A Member who resigns, is discharged, or becomes disabled, or separates from the service of the city, without leave of absence from the civil service board of said city, and elects to leave contributions in the fund, shall receive prior service credit upon reemployment. Such prior service credit shall be counted towards their original plan benefits as stated herein prior to separation. All service credit earned upon reemployment shall be accrued as per the terms of the plan and pensionable as of their new hire date.
- (b) Members who are discharged from service of the city and elect to leave contributions in the fund and are then reemployed by the City within twelve (12) calendar months, shall be eligible for the pension benefits provided for in section 23.4 herein based on that Member's original hire date.
- (c) Death of member.
  - (1) In the event of the death of an active employee of the city who at the time of death has ten (10) years of continuous contributions to the plan, the surviving spouse or, where there is no spouse, the eligible dependent(s) of such employee shall receive a monthly retirement benefit which would be the actuarial equivalent to one-half ( $\frac{1}{2}$ ) of the retirement benefit the employee would have received upon retirement on the date of death. The benefit factor shall be one (1) for purpose of computing the retirement benefit. However, in the event of the death of an active employee who has attained age fifty (50), and has ten (10) or more continuous years of contribution to this plan, the surviving spouse or, where there is no spouse, the eligible dependent(s) of such employee shall receive a monthly retirement benefit which would be the actuarial equivalent to seventy-five (75) percent of the retirement benefit the employee would have received upon retirement on the date of death unless the member had filed a certificate with the civil service department prior to death electing an alternative reduced benefit at retirement of fifty (50) percent or sixty-six and two-thirds ( $\frac{66}{3}$ ) percent in which case the lesser percentage rate would be utilized in computing the benefit. The benefit factor shall be one (1) for purpose of computing the retirement benefit. In the event there is no spouse or

eligible dependent(s) of the member, all sums contributed by such member to the plan shall be refunded to his designated beneficiary, if any, or, if none, to the deceased's estate. A surviving spouse or eligible dependent(s) may elect to waive the benefit provided in the preceding paragraphs and in lieu thereof, receive a refund of all sums contributed by such employee.

- (2) Should any member, who has less than ten (10) continuous years of contributions to the plan, die while employed by the city, all sums contributed by such member shall be refunded to his designated beneficiary, if any; or if none, to his surviving spouse, if any; or if none, to the deceased's estate.
- (d) Contributions by member while on leave. Any member hereunder, who is entitled to a leave and is granted a leave under the rules and policies of the civil service board of the city, may leave his contributions in the fund, and upon return from leave he shall be entitled to benefits as if he had remained actively employed, provided such member and the city contributed to the fund for the period on leave at the same rate as during the last full month of contribution prior to the commencement of such leave.

\* **Sec. 26.2. - Interrupted service of employees**

Any person who was, is presently or hereafter employed by the city who during his term of employment, has contributed or shall contribute the required amounts into the fund, and has or shall hereafter terminate his employment with the city and has or will be refunded the amount of the contribution made by the employee to such fund, thus losing all credited service toward a pension benefit, may, upon reemployment by the city, have all past credited service for pension purposes reinstated to the same extent as existed prior to termination, if such employee shall be absent for a period of not more than five (5) years, and shall, within two (2) years following such reemployment, repay in lump sum into the fund the entire amount refunded at the time of termination (the principal), together with interest on such amount. The interest shall be calculated from the date of return of contribution to the final date of repayment, and shall be compounded. The interest rate used in the computation shall be computed in a such a manner so as to incur no cost to the fund. Should an employee, who has recaptured all or part of any such past credited service, again terminate employment prior to retirement, the return of contribution shall be limited to the return of principal.

\* **Sec. 27. - Commencement, distribution and termination of benefits.**

- (a) Except as otherwise provided in this Act, all employees of the city, shall be entitled to a pension from the city, and to retirement compensation according to the schedules herein set forth under the provisions of this Act. A request for pension benefits must be made by the active or inactive member, on a form approved by the board. Computed benefit amounts shall be approved by the board.
- (b) Benefits payments shall be effective on the first of the month following application for retirement, subject to approval of the board of the request for benefits.
- (c) Benefits will be mailed to the address indicated by the member. It shall be the member's responsibility to provide the board with a correct address.

- (d) Benefits payments shall be payable in equal semimonthly installments. The monthly benefit payment shall be paid on or about the first day and the fifteenth day of each month.
- (e) For the purpose of this Act, neither elective officers nor temporary/part time employees shall be classed as employees of said city.
- (f) In the event the said retirement fund herein established shall be insufficient to make full payment of the amounts provided in this Act, the said fund shall be prorated on a monthly basis among those entitled to receive such funds, in full satisfaction of their respective claims.

\* **Sec. 28. - Reports to the State of Florida.**

Each year and no later than March 15th, the chairman of the board shall file a report with the State of Florida containing the following:

- (a) Status of compliance with the provisions of Florida Statutes.
- (b) A certified statement of accounting for the most recent fiscal year of the city or an independent audit by a certified public accountant if required by the state showing a detailed listing of assets and methods used to value them and a statement of all income and disbursements during the year. Such income and disbursements shall be reconciled with the assets at the beginning and end of the year.
- (c) A statistical exhibit showing the number of employees included in the plan receiving pension payment and the amounts of annual retirement income or pension payments being received by them.
- (d) A statement of the amount the city has contributed to the fund for the preceding plan year, and the amount the city will contribute to the fund for the current plan year.
- (e) [Reserved.]
- (f) An actuarial valuation of the plan prepared by the board's actuary.
- (g) Such other reports as may be required by the State of Florida.

\* **Sec. 29. - Roster of members.**

The secretary of the board shall keep a record of all persons receiving a benefit under the provisions of this Act in which it shall be noted the time when the pension is allowed and when the same shall cease to be paid. Additionally, the secretary shall keep a record of all plan members employed by the city in such a manner as to show the name, address, date of employment and date such employment is terminated.

\* **Sec. 30. - Board attorney and professionals.**

The city attorney, or his designee, shall give advice to the board in all matters pertaining to their duties in the administration of the plan whenever requested, represent and defend the board as its attorney in all suits and actions at law or in equity that may be brought against it, and bring all suits and actions on behalf of the board that may be



required or authorized by the board; provided, however, the board may employ independent legal counsel at the fund's expense for the purposes contained herein, together with such other professional, technical, or other advisors as the board deems necessary.

**\* Sec. 31. - Miscellaneous provision.**

- (a) At no time prior to the satisfaction of all liabilities under the plan with respect to members and their spouses or beneficiaries, shall any part of the corpus or income of the fund be used for or diverted to any purpose other than for their exclusive benefit.
- (b) Required Beginning Date. Notwithstanding any other provision of the Plan, payment of a Member's retirement benefits under the Plan shall commence not later than the Member's Required Beginning Date, which is defined as the later of:
  - April 1 of the calendar year that next follows the calendar year in which the Member attains or will attain the age of 70½ years; or
  - April 1 of the calendar year that next follows the calendar year in which the Member retires.
- (c) Required Minimum Distributions.
  - (1) Required Beginning Date. The Member's entire interest will be distributed, or begin to be distributed, to the Member no later than the Member's Required Beginning Date as defined in Subsection (b) of this Section 24.
  - (2) Death of Member Before Distributions Begin.
    - (A) If the Member dies before distributions begin, the Member's entire interest will be distributed, or begin to be distributed, no later than as follows:
      - (i) If the Member's surviving spouse is the Member's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Member died, or by December 31 of the calendar year in which the Member would have attained age 70½, if later.
      - (ii) If the Member's surviving spouse is not the Member's sole designated beneficiary, then distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Member died.
      - (iii) If there is no designated beneficiary as of September 30 of the year following the year of the Member's death, the Member's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Member's death.
    - (B) The Member's entire interest shall be distributed as follows:
      - (i) Member Survived by Designated Beneficiary. If the Member dies before the date distribution of his or her interest begins and there is a designated beneficiary, the Member's entire interest will be distributed, beginning no later than the time described in Subparagraph (2)(A)

above, over the life of the designated beneficiary or over a period certain not exceeding:

- (I) unless the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the Member's death; or
  - (II) if the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.
- (ii) No Designated Beneficiary. If the Member dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Member's death, distribution of the Member's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Member's death.
- (C) Death of Surviving Spouse Before Distributions to Surviving Spouse Begin. In any case in which: (i) the Member dies before the date distribution of his or her interest begins; (ii) the Member's surviving spouse is the Member's sole designated beneficiary; and (iii) the surviving spouse dies before distributions to the surviving spouse begin, Subparagraphs (2)(A) and 2(B) above shall apply as though the surviving spouse were the Member.
- (3) Requirements For Annuity Distributions That Commence During Member's Lifetime.
- (A) Joint Life Annuities Where the Beneficiary Is Not the Member's Spouse. If the Member's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Member and a nonspousal beneficiary, annuity payments to be made on or after the Member's Required Beginning Date to the designated beneficiary after the Member's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Member using the table set forth in Q&A-2 of Section 1.401(a)(9)-6T of the Treasury regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the Member and a nonspousal beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain.
  - (B) Period Certain Annuities. Unless the Member's spouse is the sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Member's lifetime may not exceed the applicable distribution period for the Member under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Member reaches age 70, the applicable distribution period for the

Member is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations plus the excess of 70 over the age of the Member as of the Member's birthday in the year that contains the annuity starting date. If the Member's spouse is the Member's sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Member's applicable distribution period, as determined under this Subparagraph (3)(B), or the joint life and last survivor expectancy of the Member and the Member's spouse as determined under the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations, using the Member's and spouse's attained ages as of the Member's and spouse's birthdays in the calendar year that contains the annuity starting date.

- (4) Form of Distribution. Unless the Member's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first distribution calendar year distributions will be made in accordance with Subparagraphs (4)(A), (4)(B) and (4)(C) below. If the Member's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the Treasury regulations. Any part of the Member's interest which is in the form of an individual account described in Section 414(k) of the Code will be distributed in a manner satisfying the requirements of Section 401(a)(9) of the Code and the Treasury regulations that apply to individual accounts.
- (A) General Annuity Requirements. If the Member's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:
- (i) The annuity distributions will be paid in periodic payments made at intervals not longer than one year;
  - (ii) The distribution period will be over a life (or lives) or over a period certain, not longer than the distribution period described in Paragraphs (2) or (3) above, whichever is applicable, of this Subsection (c);
  - (iii) Once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;
  - (iv) Payments will either be non-increasing or increase only as follows:
    - (I) By an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;
    - (II) To the extent of the reduction in the amount of the Member's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period dies or is no longer the Member's beneficiary pursuant to a qualified domestic relations order within the meaning of Section 414(p) of the Code;

- (III) To provide cash refunds of employee contributions upon the Member's death; or
  - (IV) To pay increased benefits that result from a Plan amendment.
- (B) Amount Required to be Distributed by Required Beginning Date. The amount that must be distributed on or before the Member's Required Beginning Date (or, if the Member dies before distributions begin, the date distributions are required to begin under Subparagraphs (2)(A)(i) or (2)(A)(ii), whichever is applicable) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Member's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Member's Required Beginning Date.
- (C) Additional Accruals After First Distribution Calendar Year. Any additional benefits accruing to the Member in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.
- (5) For purposes of this Subsection (c), distributions are considered to begin on the Member's Required Beginning Date. If annuity payments irrevocably commence to the Member (or to the Member's Surviving Spouse) before the Member's Required Beginning Date (or, if to the Member's Surviving Spouse, before the date distributions are required to begin in accordance with Subparagraph (2)(A) above), the date distributions are considered to begin is the date distributions actually commence.
- (6) Definitions.
- (A) Designated beneficiary. The individual who is designated as the beneficiary under the Plan and is the designated beneficiary under Section 401(a)(9) of the Code and Section 1.401(a)(9)-1, Q&A-4, of the Treasury regulations.
  - (B) Distribution calendar year. A calendar year for which a minimum distribution is required. For distributions beginning before the Member's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Member's Required Beginning Date. For distributions beginning after the Member's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to Paragraph (2) of this Subsection (c).
  - (C) Life expectancy. Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury regulations.
- (d) Eligible rollover distributions.
- (1) Notwithstanding any provision of the plan to the contrary that would otherwise limit a distributee's election under this subsection, a distributee may elect, at the

time and in the manner prescribed by the board of trustees, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(2) Definitions:

- A. Eligible rollover distribution: An eligible rollover distribution is 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 that is one (1) of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period often (10) years or more; 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 includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).
  - B. Eligible retirement plan: An eligible retirement plan is an individual retirement account described in section 408(a) of the Internal Revenue 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. An eligible retirement plan shall also mean, with respect to distributions made after December 31, 2001, an annuity contract described in Section 403(b) of the Code and an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a domestic relation order, as defined in Section 414(p) of the Code.
  - C. Distributee: A distributee includes an Member or former Member.
  - D. Direct rollover: A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.
- (e) Notwithstanding any other provision of this Plan, the maximum amount of any mandatory distribution, as defined in Section 401(a)(31) of the Code, payable under the Plan shall be \$1,000.00.

\* **Sec. 32. - Effect of military service; reinstatement after separating from service.**

- (a) For the purpose of this Act, any employee of the city who shall have left the employ of the city for the purpose of entering the armed forces of the United States and shall have served in military service, and shall subsequently return to and become again employed by the city within twelve (12) months after being discharged from such military service, then such time as such employee was in military service shall be considered the same as if he or she should have continued constantly in the employment of the city, except that such employee in military service shall not be required to contribute to the fund herein provided for.
- (b) For the purpose of this Act, any employee who shall leave the employ of the city and shall, before separating from such service, procure permission of or leave of absence from the civil service board of the city, may be reinstated upon again entering the service of the city and all time previously served by such employee shall be allowed as continuous service for the determination of the pension to which such employee may be entitled, provided that such employee shall not be required to contribute to the fund during the period of his absence from service. The mandates in Title 38, United States Code, Chapter 43—Uniformed Services Reemployment Act, with regard to past service credit under a defined benefit plan, are hereby incorporated as provisions of the employees' pension fund.

The mandates in Title 38, United States Code, Chapter 43—Uniformed Services Reemployment Act, with regard to past service credit under a defined benefit plan, are hereby incorporated as provisions of the employees' pension fund.

\* **Sec. 33. - Pension validity.**

The board shall have the power to examine into the facts upon which any pension shall heretofore have been granted under any prior to existing law, or shall hereafter be granted or obtained erroneously, fraudulently or illegally for any reason. Said board is empowered to purge the pension rolls of any person heretofore granted a pension under prior or existing law or heretofore granted under this chapter if the same is found to be erroneous, fraudulent or illegal for any reason; and to reclassify any person who has heretofore under any prior or existing law been or who shall hereafter under this act be erroneously, improperly or illegally classified.

\* **Sec. 34. - Indemnification**

- (a) To the extent not covered by insurance contracts in force from time to time, the city shall indemnify and hold harmless members of the board from all personal liability for damages and costs, including court costs and attorneys' fees, arising out of claims, suits, litigation, or threat of same, herein referred to as "claims," against these individuals because of acts or circumstances connected with or arising out of their official duty as members of the board. The city reserves the right, in its sole discretion, to settle or not settle the claim at any time, and to appeal or to not appeal from any adverse judgment or ruling, and in either event will indemnify and hold harmless any members of the board from the judgment, execution, or levy thereon.

- (b) This section shall not be construed so as to relieve any insurance company or other entity liable to defend the claim or liable for payment of the judgment or claim, from any liability, nor does this section waive any provision of law affording the city immunity from any suit in whole or part, or waive any other substantive or procedural rights the city may have.
- (c) This section shall not apply nor shall the city be responsible in any manner to defend or pay for claims arising out of acts or omissions of members of the board which constitute felonies or gross malfeasance or gross misfeasance in office.

\* **Sec. 35. - Optional exclusion of employees.**

- (a) Selection of alternate plan authorized. At the discretion of the City Commission, employees newly hired into those positions as shall be determined to be Executive Positions in a resolution of the Lakeland City Commission which may be amended from time to time may elect to be excluded from the Plan and the provisions hereof, in which event the employee shall participate in the City of Lakeland Defined Contribution Plan.
- (b) In addition, employees hired into regular, full-time status who have attained at least fifty-two (52) years of age as of the date they are hired or first enter regular, full-time status shall be granted the option of being excluded from mandatory participation in the Plan and the provisions hereof, in which event the employee shall participate in the City of Lakeland Defined Contribution Plan.
- (c) A member who has satisfied the requirements to receive benefits under Section 23.4 of this Plan may elect to terminate membership in this Plan in which event the employee shall participate prospectively in the City of Lakeland Defined Contribution Plan. Except as provided for in 23.4.4(b) and 23.4.4(d), a member who enters the alternate plan shall not begin receiving a benefit from this Plan until full-time employment with the City has terminated.
- (d) During the forty-five day period commencing January 1, 2012, all regular, full-time employees who are excluded from the Plan by virtue of an election made pursuant to this section may make a one-time irrevocable election to transition to the alternate defined benefit pension plan (Plan C). Employees who make this election shall, effective February 25, 2012, cease future participation in the City of Lakeland Defined Contribution Plan as specifically provided for within this section. Such employees shall retain all rights associated with amounts accumulated within the City of Lakeland Defined Contribution Plan as of February 25, 2012, and shall be eligible for all opportunities for future investment earnings and other benefits associated with future participation the City of Lakeland Defined Contribution Plan as defined therein for members of Plan C.

\* **Sec. 36. - Amendment.**

The provisions of this article may be amended by the city commission by the adoption of a nonemergency ordinance except that nothing contained herein shall be construed to permit a charter amendment solely by the enactment of an ordinance of the city for the following:

- (a) Any change in the composition or selection of the board or its power to administer the plan and invest pension funds; or
- (b) Any change in the authorized investment of pension funds, except upon recommendation of the board; or
- (c) Any change which would have the effect of terminating the plan and causing a reversion of pension funds.

\* **Sec. 37. - Adoption of rules.**

The board shall have the authority to adopt such rules and regulations not inconsistent with the provisions of this Act or other acts for the governing and administering of this plan.

\* **Sec. 38. - Preserving vested interest.**

- (a) Conflicting laws repealed. All laws and parts of laws in conflict with provisions of this Act are hereby repealed, excepting therefrom such provisions of Special Acts of Florida, 1955, Chapter 30917, and amendments thereto, as shall remain in full force and effect, as herein preserved for members contributing under such act as provided herein, and preserving any vested benefits or rights which might have accrued to any member by virtue of any prior pension acts.
- (b) Limitation on members' rights. Nothing in this Act shall give any member the right to be retained as an employee of the city, and all employees shall remain subject to discharge, suspension, layoff or discipline according to the civil service rules and policies in effect.

\* **Sec. 39. - Repeal or termination of system.**

- (a) This article establishing the system and fund, and subsequent ordinances pertaining to the system and fund, may be modified, terminated, or amended, in whole or in part; provided that if this article or any subsequent ordinance shall be amended or repealed in its application to any person benefiting under this article, the amount of benefits which at the time of any such alteration, amendment, or repeal shall have accrued to the member or beneficiary shall not be affected thereby.
- (b) If this article shall be repealed, or if contributions to the system are discontinued, the board shall continue to administer the system in accordance with the provisions of this article, for the sole benefit of the then members, any beneficiaries then receiving retirement allowances, and any future persons entitled to receive benefits under one of the options provided for in this article who are designated by any of such members. Upon such repeal, or if contributions to the system are discontinued, there shall be full vesting (one hundred (100) percent) of



nonforfeitable benefits accrued to the date of repeal. The board shall determine the date of distribution and the asset value required to fund all of the nonforfeitable benefits after taking into account the expenses of such distribution. The board shall inform the city, or then current plan sponsor, if additional assets are required, in which event the city, or then current Plan sponsor, shall continue to financially support the system until all nonforfeitable benefits have been funded.

- (c) Upon termination of the plan because of a transfer, merger, or consolidation of governmental units, services, or functions as provided in F.S. ch. 121, or upon written notice to the board of trustees by the municipality that contributions under the plan are being permanently discontinued, the rights of all employees to benefits accrued to the date of such termination or discontinuance and the amounts credited to the employees' accounts are nonforfeitable.

## DIVISION I

- \* **Sec. 1. - Present municipality abolished.**

### Existing Text

The present municipal government existing under the name of the City of Lakeland, Polk County, Florida, be and the same is hereby abolished. (It is intended that this provision of the charter of 1959 be preserved in the amended charter of the City of Lakeland, 1976, and the amended charter of the City of Lakeland adopted without having the effect of abolishing the government which exists on the date of adoption of such amended charter.)

- \* **Sec. 2. - Title, rights reserved; contracts binding; officers continue to serve; ordinances continue in effect.**

### Existing Text

The title, rights and ownership of property, uncollected taxes, dues and claims, judgments, decrees and choses in action held or owned by the City of Lakeland, Polk County, Florida, shall pass to and be vested in the municipal corporation organized under this charter to succeed the municipality abolished, and no obligation or contract of the ~~said~~ City of Lakeland, including bonds heretofore issued, shall be impaired or void, but shall pass to and be binding upon the new municipality which is hereby organized and created, and all assessments heretofore made are hereby declared to be valid and binding, and all bonds heretofore issued are hereby declared to be valid and binding obligations of the City of Lakeland, ~~and all~~ officers now holding office shall continue to hold their respective office[s] until their successors are elected and qualified under the provisions of this charter; and all existing ordinances not in conflict with the charter shall continue in effect and be unimpaired until repealed, amended or modified by the municipality which is hereby organized and created.

- \* **Sec. 3. - Municipal government created with perpetual succession.**

## Existing Text

The ~~said~~ municipality, and all the inhabitants comprehended within the territorial limits ~~hereinbefore described~~, shall be, and are hereby created and constituted a body corporate and politic under and by the name of the City of Lakeland, and by that name ~~shall~~~~may~~ have perpetual succession, may hold real estate, personal and mixed property, and dispose of the same for the benefit of the city; and may purchase, lease, receive, acquire by eminent domain and hold property, real and personal, within or beyond the limits of the city to be used for the burial or cremation of the dead, the erection and maintenance of electrical generating facilities, power lines, waterworks, water lines, pumps and water systems, airports, neutralizing or otherwise destroying of sewage, garbage and refuse, to extend sewer and drainage pipes and water mains, and for any public municipal purpose that the city commission may deem proper; and may sell, lease or dispose of said property for the benefit of the city to the same ~~ex~~~~ist~~ent that natural persons might do.

## Next Meeting

## Adjourn