

**CITY OF PANAMA CITY BEACH POLICE OFFICERS' PENSION PLAN**  
**SUMMARY PLAN DESCRIPTION**

Approved by the Board on:

March 3, 2022

**IS YOUR BENEFICIARY FORM CURRENT? IN THE EVENT YOU DIE, YOUR BENEFIT OR CONTRIBUTIONS WILL BE DISTRIBUTED TO THE PERSON OR PERSONS DESIGNATED BY NAME ON THE BENEFICIARY FORM ON FILE WITH THE PENSION PLAN. NO PROVISION IN YOUR LAST WILL AND TESTAMENT WILL CHANGE THIS SELECTION. PLEASE BE SURE THAT YOUR BENEFICIARY FORM DESIGNATES THE PERSON OR PERSONS YOU INTEND TO RECEIVE YOUR BENEFITS AND THAT YOU REVIEW THIS CHOICE IN THE EVENT OF A MAJOR LIFE CHANGE SUCH AS A DIVORCE OR THE DEATH OF YOUR BENEFICIARY.**

## TABLE OF CONTENTS

INTRODUCTION.....	3
BOARD OF TRUSTEES AND PLAN ADMINISTRATION.....	4
ELIGIBILITY FOR PLAN MEMBERS.....	4
PLAN BENEFITS.....	4
Normal Retirement Eligibility.....	4
Amount of Normal Retirement Benefit.....	4
Early Retirement.....	5
Amount of Early Retirement Benefit.....	5
Supplemental Retirement- Share Plan.....	5
Supplemental Benefits.....	5
Other Retirement Options.....	5
Deferred Retirement Option Plan (DROP).....	6
Disability Retirement.....	7
Death Before Retirement.....	8
Termination of Employment and Vesting.....	10
Reemployment After Retirement.....	11
Additional Credited Service.....	11
Contributions and Funding.....	13
Maximum Benefits.....	13
Forfeiture of Pensions.....	14
Conviction and Forfeiture.....	14
Claims Procedure Before the Board.....	14
NON-FORFEITURE OF PENSION BENEFITS.....	14
Liquidation of Plan Assets.....	14
Interest of Members in Plan.....	14
VESTING OF BENEFITS.....	14
APPLICABLE LAW.....	15
PLAN YEAR AND PLAN RECORDS.....	15
APPLICABLE PROVISION OF COLLECTIVE BARGAINING AGREEMENTS.....	15
FINANCIAL AND ACTUARIAL INFORMATION.....	15
DIVORCE OR DISSOLUTION OF MARRIAGE.....	16
EX-SPOUSE AS BENEFICIARY OR JOINT PENSIONER.....	16
EXCLUSION OF HEALTH INSURANCE PREMIUMS FROM INCOME.....	16
FEDERAL INCOME TAX CONSEQUENCES.....	17
EXHIBIT “A” BOARD OF TRUSTEES.....	18
EXHIBIT “B” FINANCIAL AND ACTUARIAL REPORT.....	19

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**INTRODUCTION**

The Board of Trustees of the City of Panama City Beach Police Officers' Pension Plan (the "Plan") is pleased to present this Summary Plan Description (SPD) which briefly explains the provisions of your Police Officers' Pension Plan. As a participant in the Plan, you are included in a program of benefits to help you meet your financial needs at retirement, or in the event of disability or death.

This SPD can assist you in preparing for your retirement and financial future. If you need further information on any of the topics presented in this SPD, please contact any member of the Board of Trustees (the "Board"). They will either answer questions you might have to help you understand your benefits or otherwise get you an answer to your questions. We urge you to read and understand this SPD in order to become familiar with the benefits of the Plan and how they contribute to your financial security and how they will enrich your retirement years.

The information presented is only a summary of the Plan as provided in the ordinances of the City of Panama City Beach. This SPD has been updated through Ordinance 1574, dated November 10, 2021. If there are any conflicts between the information in this SPD and the ordinances of the City of Panama City Beach (the "City"), the ordinances shall govern. The provisions of this Summary Plan Description shall not constitute a contract between you and the Board. The Plan shall be administered in accordance with state and federal law, notwithstanding any provisions in this SPD or ordinances to the contrary. A copy of the ordinance establishing the Plan can be obtained from the City Clerk's office, which is located at 17007 Panama City Beach Parkway, Panama City Beach, 32413.

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Chair, Board of Trustees, City of Panama City  
Beach Police Officers' Pension Plan

\_\_\_\_\_  
Date

1. **BOARD OF TRUSTEES AND PLAN ADMINISTRATION**

A. Administration. The City of Panama City Beach Police Officers' Pension Plan is a defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the Plan. The Board consists of 5 Trustees, 2 of whom shall be legal residents of the City who are appointed by the City Council, 2 of whom are members of the Plan—who are elected by a majority of the Police Officers who are members of the Plan and a fifth Trustee who is chosen by a majority of the first 4 Trustees. Each Trustee serves a four year term.

B. The names and addresses of the current Trustees are attached to this Summary Plan Description as Exhibit "A". The Chair of the Board is designated as agent for the service of legal process.

2. **ELIGIBILITY FOR PLAN MEMBERSHIP**

Each person employed by the City Police Department as a full-time Police Officer becomes a member of the Plan as a condition of his employment. All Police Officers are therefore eligible for Plan benefits as provided for in the Plan document and by applicable law.

3. **PLAN BENEFITS**

All claims for benefits under the Plan shall be made in writing to the Board.

A. Normal Retirement Eligibility. You are eligible for retirement upon the earlier of the attainment of age 50 and the completion of 20 years of credited service, the attainment of age 55 and the completion of 10 years of credited service, the completion of 25 years of credited service, regardless of age, or the completion of 20 years of credited service, regardless of age by paying an additional contribution of your salary to the Plan.

B. Amount of Normal Retirement Benefits. The amount of the normal retirement benefit is based on your credited service and average final compensation:

"Credited Service" is generally your period of employment as a Police Officer in the Police Department measured in years and parts of years. Credited Service will include credit for up to 5 years for a break in employment for military service, pursuant to conditions provided for under state or federal law, provided that you are reemployed within 1 year of discharge under honorable conditions. Additional Credited Service time may also be available (See subsection L. below).

"Average Final Compensation" is 1/12 of your average salary of the 5 best years of the last 10 years of Credited Service prior to your termination, retirement or death, or the career average as a full-time police officer, whichever is greater. A year is defined as 12 consecutive months.

"Salary" is the total compensation for services rendered to the City as a Police Officer reportable on the Member's W-2 form plus all tax deferred, tax sheltered, or tax exempt items of income derived from elective employee payroll deductions or Salary reductions, but excluding accrued amounts paid at termination of employment, auto allowance and mileage reimbursements. For service earned on or after July 1, 2011, Salary shall not include more than 300 hours of overtime per fiscal year. Provided however, in any event, payments for overtime in excess of 300 hours per year accrued as of July 1, 2011, and attributable to service earned prior to the July 1, 2011, may still be included in Salary for pension purposes even if the payment is not actually made until on or after July 1, 2011.

The normal retirement benefit is calculated by multiplying 3.5% times years of Credited Service times your Average Final Compensation:  $(3.5\% \times CS \times AFC = \text{normal retirement benefit})$ .

Normal and early retirement payments will commence on the first day of the month coincident with or next following your last day of employment. Early retirees may defer the commencement of benefits. The benefit is paid to you for your life, but you or your beneficiary shall receive at least 120 monthly benefit payments in any event.

Upon vesting you shall be entitled, at the Plan's expense, to receive two actuarial studies (one preliminary and one final) to estimate your retirement benefits. Any additional studies shall be provided only at your expense.

C. Early Retirement. You are eligible for early retirement upon the attainment of age 50 and the completion of 10 years of Credited Service.

D. Amount of Early Retirement Benefits. The amount of the early retirement benefit is calculated in the same manner as for normal retirement and is available as follows:

- (1) Beginning on the date on which you would have qualified for normal retirement; or
- (2) Beginning immediately upon retirement, but if beginning immediately, the amount of the monthly benefit is reduced by 3% for each year by which the commencement of benefits precedes the date which would have been your normal retirement date, determined based upon your actual years of Credited Service.

E. Supplemental Retirement - Share Plan. Pursuant to Florida law, there has been a separate member "share account" created for you. This supplemental benefit may or may not be funded and thus, you may or may not receive a retirement benefit from the share plan. If the share plan is funded, at retirement, termination (vested), disability or death, there shall be an additional benefit paid to you. The share plan is funded solely with state premium tax money and the funding that is received for this share plan is allocated to your share account based on a formula which gives you an allocation based on your years of Credited Service. Your share account receives its proportionate share of the income or loss on the assets in the Plan.

F. Supplemental Benefit. In addition to the benefits provided for above, all normal and early retirees (not disability retirees or terminated vested persons), retiring on or after October 12, 2017, shall receive an additional supplemental monthly benefit of \$150.00 per month payable for the life of the retiree, subject to the receipt of state monies pursuant to the Plan.

G. Other Retirement Options. At retirement, certain additional options are available as follows:

- (1) Optional Forms of Retirement. In lieu of the amount and form of retirement income payable under normal and early retirement, you may elect to receive a retirement benefit in a different form so long as the form you elect is of equal actuarial value as the normal benefit. The optional forms of benefits which are available are:

- (a) A retirement income of a monthly amount payable to you for your lifetime only.
  - (b) A retirement income of a modified monthly amount, payable to you during your lifetime and following your death, 100%, 75%, 66 2/3% or 50% of such monthly amount payable to a joint pensioner for his lifetime.
  - © If you retire prior to the time at which social security benefits are payable, you may elect to receive an increased retirement benefit until such time as social security benefits shall be assumed to commence and a reduced benefit thereafter in order to provide, to as great an extent as possible, a more level retirement allowance during the entire period of retirement.
  - (d) A retirement income as described under (a) or (b) above, or in the normal form of a life annuity with 120 monthly payments guaranteed, but with an annual increase of 3% on each January 1. The first such increase shall be effective on the January 1 following one full year of retirement. Such increases shall be exclusive of any ad hoc cost-of-living adjustment but inclusive of any automatic cost-of-living adjustments the Plan may provide, which inclusion shall be reflected in a lesser reduction when the actuarially equivalent monthly payment for this option is determined.
- (2) Deferred Retirement Option Plan (DROP).
- (a) If you become eligible for normal retirement, and are still employed by the City as a Police Officer, you have the option of "retiring" from the Plan but continuing your employment as a for an additional 5 years. An election to participate in the DROP constitutes an irrevocable election to resign from the service of the City not later than the maximum permissible DROP participation period provided for in the Plan. Participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants. You must request, in writing, to enter the DROP.
  - (b) Upon entering the DROP, your retirement benefit is immediately calculated and each monthly benefit payment is deposited into your DROP account. You may elect to either have your account credited with interest at the rate of 5% per annum or credited or debited with an investment return or loss equal to the net investment return realized by the Plan for that quarter. One change in election is permitted.
  - © At the time of termination of employment at the end of the DROP period, you will receive your account balance in a lump sum and you will also begin receiving your monthly retirement benefit.

- (d) Once you enter the DROP, you are no longer eligible for disability or pre-retirement death benefits, nor do you accrue any additional Credited Service. Your retirement benefit is fixed as of your entry date. You pay no member contributions to the Plan once you enter the DROP.
- (e) Additional information about the DROP can be obtained from the Board.

H. Disability Retirement. You are considered disabled when you become totally and permanently unable to perform useful and efficient service as a Police Officer. A written application is made to the Board for a disability pension and the Board receives evidence of the disability and decides whether or not the pension is to be granted. If the pension is granted, the benefit amount shall be:

- (1) If the injury or disease is service connected, a benefit equal to 3.5% of your Average Final Compensation multiplied by the total years of service, but in any event the minimum amount shall be 42% of your Average Final Compensation.
- (2) If the injury or disease is not service connected, a benefit equal to 3.5% of your Average Final Compensation multiplied by the total years of Credited Service. This non-service connected benefit is only available if you have at least 10 years of Credited Service.

Eligibility for disability benefits. Subject to (4) below, you must be an active member of the Plan on the date the Board determines your entitlement to a disability benefit.

- (1) Terminated persons, either vested or non-vested, are not eligible for disability benefits.
- (2) If you voluntarily terminate your employment either before or after filing an application for disability benefits, you are not eligible for disability benefits.
- (3) If you are terminated by the City for any reason other than for medical reasons, either before or after you file an application for disability benefits, you are not eligible for disability benefits.
- (4) The only exception to (1) above is:
  - (a) If you are terminated by the City for medical reasons and you have already applied for disability benefits before the medical termination; or
  - (b) If you are terminated by the City for medical reasons and you apply within 30 days after your medical termination date.

If either (4)(a), or (4)(b) above applies, your application will be processed and fully considered by the Board.

Your disability benefit terminates upon the earlier of death, with 120 payments guaranteed, or recovery. You may, however, select a "life only" or "joint and survivor" optional form of benefit as described above under "Optional Forms of Retirement".

Your benefit will be reduced if you receive workers' compensation benefits and your combined benefit exceeds 100% of your final Salary. The pension benefit will be reduced so that the total does not exceed 100%, except that the pension benefit shall not be reduced below the greater of 42% of Average Final Compensation or 2% of Average Final Compensation times years of Credited Service.

Any condition or impairment of health caused by hypertension or heart disease resulting in death or total and permanent disability is presumed to have been suffered in the line of duty unless the contrary is shown by competent evidence; provided that you have successfully passed a physical examination on entering into service and there is no evidence of the condition at that time.

For conditions diagnosed on or after January 1, 1996, if you suffer a condition or impairment of health that is caused by hepatitis, meningococcal meningitis, or tuberculosis, which results in total and permanent disability, it shall be presumed that the disability is in the line of duty, unless the contrary is shown by competent evidence as provided for in Section 112.181, Florida Statutes; provided that the statutory conditions have been met.

To receive disability benefits, you must establish to the satisfaction of the Board, that such disability was not occasioned primarily by:

- (1) Excessive or habitual use of any drugs, intoxicants or narcotics.
- (2) Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections or while committing a crime.
- (3) Injury or disease sustained while serving in any branch of the Armed Forces.
- (4) Injury or disease sustained after your employment as a Police Officer with the City Beach shall have terminated.
- (5) Injury or disease sustained while working for anyone other than the City and arising out of such employment.

As a disabled pensioner, you are subject to periodic medical examinations as directed by the Board to determine whether a disability continues. You may also be required to submit statements from your doctor, at your expense, confirming that your disability continues.

I. Death Before Retirement. If you die prior to retirement from the Police Department, your beneficiary shall receive the following benefit:

- (1) Prior to Vesting or Eligibility for Retirement. If you were not receiving monthly benefits or were not yet vested or eligible for early or normal retirement, your beneficiary shall receive a refund of 100% of your accumulated contributions.
- (2) You shall have the right to name and successively name one or more beneficiaries to receive benefits in the event of your death. You shall notify the Board in writing of any designation of or change in designation of beneficiaries. The Board shall maintain a file of all beneficiaries designated by you, which shall include the date of each designation. In the event you do not designate a beneficiary prior to your death, or if the beneficiaries designated by you predecease you,



the death benefit provided in this Section shall be paid in a lump sum to your estate.

- (3) You may direct that payment to beneficiaries be made under one of the following settlement options:
- (a) Unless otherwise specified by you, the death benefit will be paid in one lump sum. If this or no option is specified by you, the named beneficiary may, at your death, elect any of the other options specified hereinafter. You may elect to have the death proceeds paid through any of the following options and, if you do so, such election shall be binding on the named beneficiary, this Plan and any insurer.
  - (b) The death benefit may be paid as periodic payments of a specified amount until the original death benefit together with subsequently earned interest, shall be exhausted.
  - © The death benefit may be paid as a monthly annuity for life, with or without period certain guarantees, in an amount equal to the actuarial equivalent of the death benefit determined in accordance with Section 3. A., based on the beneficiary's age at the time of your death, with installments of not less than \$10.00 per month.
- (4) Additional Regulations with Spouse as Beneficiary: The spouse beneficiary of any member who dies and who, at the date of his death was vested or eligible for early or normal retirement, shall be entitled to a benefit as follows in the event that the benefits provided for in paragraphs (1), (2), and (3) are less than those provided for in this paragraph (4):
- (a) If you die prior to your normal or early retirement date and you were vested, there shall be paid to your named beneficiary an amount equal to one hundred (100) times your monthly retirement benefit based on your Average Final Compensation and Credited Service at the date of your death.
  - (b) If you die and you were vested, but not eligible for normal or early retirement, your spouse beneficiary shall receive a benefit payable for 10 years, beginning on the date that you would have been eligible for early or normal retirement, at the option of the spouse beneficiary. The benefit shall be calculated as for normal retirement based on your Credited Service and Average Final Compensation as of the date of your death and reduced as for early retirement, if applicable. The spouse beneficiary may also elect to receive an immediate benefit, payable for 10 years, which is actuarially reduced to reflect the commencement of benefits prior to the early retirement date.

- © If you die and you were eligible for normal or early retirement, your spouse beneficiary shall receive a benefit payable for 10 years, beginning on the first day of the month following your death or at the your otherwise early or normal retirement date, at the option of the spouse beneficiary. The benefit shall be calculated as for normal retirement based on your Credited Service and Average Final Compensation as of the date of your death and reduced as for early retirement, if applicable.
  - (d) A spouse beneficiary may not elect an optional form of benefit, however, the Board may elect to make a lump sum payment if the total commuted value of benefit is less than \$1,000.00.
  - (e) A spouse beneficiary may, in lieu of any benefit provided for in (a), (b) or © above, elect to receive a refund of the deceased member's accumulated contributions.
  - (f) If your spouse beneficiary commences receiving a benefit under (a), (b) or © above, but dies before all payments are made, the remaining benefit shall be paid to the estate of the spouse beneficiary.
- (5) Deceased Members Vested or Eligible for Retirement with Non-Spouse Beneficiary. If your beneficiary is not your spouse, the benefits payable to your non-spouse beneficiary are the same as those to a spouse beneficiary, however, the date of commencement of those benefits may be required to be earlier, with the resulting reduction in the amount.

J. Termination of Employment and Vesting. If your employment is terminated, either voluntarily or involuntarily, the following benefits are payable:

- (1) If you have less than 5 (five) years of Credited Service upon termination, you shall be entitled to a refund of the money you have contributed or you may leave it deposited with the Plan.
- (2) Effective November 10, 2021, if you have at least 5 years of Credited Service upon termination, you shall be entitled to a monthly retirement benefit based on the following percentages of your accrued benefit at the time you cease to be an active member of the plan:

Completed Years of Service	Vested Percentage of Accrued Benefit
Less than 5 Years...	0%
5 years...	50%
6 years...	60%
7 years...	70%
8 years...	80%

9 years	90%
10 or more years	100%

- (3) The benefit shall be determined in the same manner as for normal or early retirement and shall be based upon the vesting schedule, your Credited Service, Average Final Compensation and the benefit accrual rate as of the date of termination. The benefit shall be payable to you starting at your otherwise normal or early retirement date, determined based on your actual years of Credited Service provided you do not elect to withdraw your contributions and provided you survive to your otherwise normal or early retirement date. If you do not withdraw your accumulated contributions and do not survive to your otherwise normal or early retirement date, your designated beneficiary shall be entitled to a benefit as provided herein for a deceased member, vested or eligible for retirement under Death Before Retirement.

The Internal Revenue Code provides that certain eligible lump sum distributions from the Plan may be directly rolled over into qualified individual retirement accounts, annuities or certain other pension plans. A 20% withholding shall be required on taxable portions of such lump sum distributions not directly transferred to a new custodian.

In the event that you are a member of this Plan and you have also accumulated Credited Service in another pension maintained by the City, then such other Credited Service shall be used in determining vesting and for determining eligibility for early or normal retirement in each Plan. Such other Credited Service shall not be considered in determining benefits under the Plan, but shall be considered for determining benefits under such other Plan using the benefit accrual rate in effect in such other Plan at the time of your termination or retirement from the City. Only your Credited Service under this Plan on or after your date of membership in this Plan shall be considered for this Plan's benefit calculation. The benefit calculation for a member of this Plan who is or becomes eligible for a benefit from this Plan after he has become a member of another pension system maintained by the City, shall be based upon the vesting schedule, your Average Final Compensation and benefit accrual rate in effect on the date of your termination of employment or retirement from the City.

K. Reemployment After Retirement. Effective April 22, 2021, if you retire under normal retirement and wish to be reemployed by the City, you will be eligible to receive retirement benefits from the Plan during your period of reemployment. To receive an in-service distribution, you must have attained your normal retirement age. All in-service distributions must first be approved by the Board as having no effect on the Plan's qualified tax status.

L. Additional Credited Service. In addition to Credited Service actually earned in the employment of the Police Department, you may also receive Credited Service as follows:

- (1) "Buy-Back" for Prior Police Service. The time that you previously served as a Police Officer with the City during a period of previous employment and for which period accumulated contributions were withdrawn from the Plan shall be added to your years of Credited Service provided that within the first 90 days of your reemployment you pay into the Plan the withdrawn contributions with interest.

If, after 90 days from your reemployment you have failed to purchase Credited Service pursuant to the previous paragraph or if you served as a full-time paid for any other municipal, county or state law enforcement department in the United States, you will receive Credited Service only if:

- (a) You contribute to the Plan a sum equal to:
    - (I) the amount that you would have contributed to the Plan, based on your Salary and the member contribution rate in effect at the time that the Credited Service is requested, had you been a member of the Plan for the time for which you are requesting credit, plus
    - (ii) amounts actuarially determined such that the crediting of service does not result in any cost to the Plan, plus
    - (iii) payment of costs for all professional services rendered to the Board in connection with the purchase of years of Credited Service.
  - (b) Your request shall be made once and made on or before the later of April 11, 2004, or 6 months from the date of your employment or reemployment with the City Police Department.
  - © Payment of the required amount shall be made within 6 months of your request for credit, but not later than your retirement date, and shall be made in one lump sum payment upon receipt of which Credited Service shall be given.
  - (d) The maximum credit under this subsection for service other than with the City when combined with Credited Service purchased for military service prior to employment shall be 5 years of Credited Service and shall count for all purposes, except vesting and eligibility for not-in-line of duty disability benefits. There shall be no maximum purchase of credit for prior service with the City and such credit shall count for all purposes, including vesting.
  - (e) In no event, however, may Credited Service be purchased pursuant to this subsection for prior service with any other municipal, county, if such prior service forms or will form the basis of a retirement benefit or pension from a different employer's retirement system or plan.
- (2) "Buy-Back" of Time Lost Due to Absences Authorized by the Family and Medical Leave Act. If you are absent on unpaid leave under the Family & Medical Leave Act, you may purchase lost Credited Service by making an actuarially determined contribution to the Plan, such that there is no cost to the Plan in allowing such Credited Service, within strict time periods provided for in the Plan document.

- (3) "Buy-Back" for Military Service Prior to Employment. The time that you serve or have served on active duty in the military service of the Armed Forces of the United States, the United States Merchant Marine or the United States Coast Guard, voluntarily or involuntarily and honorably or under honorable conditions, prior to first and initial employment with the City Department shall be added to your years of Credited Service provided that:
- (a) You contribute to the Plan a sum equal to:
    - (I) the amount that you would have contributed to the plan, based on your Salary and the member contribution rate in effect at the time that the Credited Service is requested, had you been a member of the Plan for the years or fractional parts of years for which you are requesting credit, plus
    - (ii) amounts actuarially determined such that the crediting of service does not result in any cost to the Plan, plus
    - (iii) payment of costs for all professional services rendered to the Board in connection with the purchase of years of Credited Service.
  - (b) Your request shall be made one once and made on or before the later of April 11, 2004, or 6 months from the date of your employment with the City Police Department.
  - (c) Payment of the required amount shall be made within 6 months of your request for credit, but not later than your retirement date, and shall be made in one lump sum payment upon receipt of which Credited Service shall be given.
  - (d) The maximum credit under this subsection when combined with Credited Service purchased for prior police service with an employer other than the City of shall be 5 years and shall count for all purposes except vesting and eligibility for not-in-line of duty disability benefits.

M. Contributions and Funding. The City is paying the portion of the cost of the Plan over and above your contributions and all or a portion of the amounts received from the state insurance rebates pursuant to a mutual consent agreement between the City and membership. For those members of the Plan who elect normal retirement, you contribute 11% of your Salary to the Plan. For those members of the Plan who elect to retire upon completion of twenty (20) years of Credited Service regardless of age, you contribute 13% of your Salary to the Plan. Your contribution will be excluded from your gross income for withholding purposes so you will realize income tax benefits.

N. Maximum Benefits. In no event will the annual benefits paid from this Plan exceeds \$230,000.00 annually, subject to certain cost of living adjustments and actuarial reductions, under certain circumstances, prior to age 62 as set forth in Section 415 of the Internal Revenue Code.

If you began participation for the first time on and after January 1, 1980, you cannot receive a benefit in excess of 100% of your Average Final Compensation.

O. Forfeiture of Pension. If you are convicted of the certain crimes listed in the Plan document committed prior to retirement, or if your employment is terminated by reason of your admitted commission, aid or abetment of these crimes, you shall forfeit all rights and benefits under the Plan, except for the return of your contributions as of the date of your termination.

P. Conviction and Forfeiture; False, Misleading or Fraudulent Statements.

It is unlawful for you to willfully and knowingly make, or cause to be made, or to assist, conspire with, or urge another to make, or cause to be made, any false, fraudulent, or misleading oral or written statement or withhold or conceal material information to obtain any benefit from the Plan.

If you violate the previous paragraph, you commit a misdemeanor of the first degree, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

In addition to any applicable criminal penalty, upon conviction for a violation described above, you or your beneficiary may, in the discretion of the Board, be required to forfeit the right to receive any or all benefits to which you would otherwise be entitled under the Plan. For purposes of this subsection, "conviction" means a determination of guilt that is the result of a plea or trial, regardless of whether adjudication is withheld.

Q. Claims Procedure Before the Board. You may request, in writing, that the Board review any claim for benefits under the Plan. The Board will review the case and enter a decision as it deems proper.

The Board's decision on your claim will be contained in an order which will be in writing and will include:

- (1) The specific reasons for the Board's action;
- (2) A description of any additional information that the Board feels is necessary for you to perfect your claim; and
- (3) An explanation of the review procedure next open to you which includes a formal evidentiary hearing.

**4. NON-FORFEITURE OF PENSION BENEFITS**

A. Liquidation of Pension Fund Assets. In the event of repeal, or if contributions to the Plan are discontinued by the City, there will be a full vesting of benefits accrued to date of repeal.

B. Interest of Members in Pension Fund. At no time prior to the satisfaction of all liabilities under the Plan shall any assets of the Plan be used for any purpose other than for the Police Officers' exclusive benefit. In any event, your contributions to the Plan are non-forfeitable.

**5. VESTING OF BENEFITS**

The vesting of your benefits is determined by a tiered vesting schedule. Effective November 10, 2021, Plan members, with at least five (5) years of Credited Service upon termination of employment, will be entitled to a monthly retirement benefit based on the following percentages commencing at the member's otherwise normal or early retirement date.

Completed Years of Service	Vested Percentage of Accrued Benefits
Less than 5 years...	0%
5 years...	50%
6 years...	60%
7 years...	70%
8 years...	80%
9 years...	90%
10 years...	100%

**6. APPLICABLE LAW**

The Plan is governed by certain federal, state and local laws, including, but not limited to the following:

- A. Internal Revenue Code and amendments thereto.
- B. Chapter 185, Florida Statutes, "Municipal Police Officers' Retirement Trust Funds".
- C. Part VII, Chapter 112, Florida Statutes, "Actuarial Soundness of Retirement Systems".
- D. Ordinances of the City.
- E. Administrative rules and regulations adopted by the Board.
- F. Florida Statutes §112.3173, as amended.

**7. PLAN YEAR AND PLAN RECORDS**

The Plan year begins on October 1 of each year and ends on September 30 of the following year. All records of the Plan are maintained on the basis of the Plan year.

**8. APPLICABLE PROVISIONS OF COLLECTIVE BARGAINING AGREEMENTS**

There is no collective bargaining agreement between the Police Officers and the City.

**9. FINANCIAL AND ACTUARIAL INFORMATION**

- A. A report of pertinent financial and actuarial information on the solvency and actuarial soundness of the Plan has been prepared by the Plan's actuary, AON Consulting, and is attached as Exhibit "B".
- B. A copy of the detailed accounting report of the Plan's expenses for the fiscal year is available for review upon request to the Board Secretary.

- C. A copy of the administrative expense budget for the Plan, for each fiscal year is available for review upon request to the Board Secretary.

#### **10. DIVORCE OR DISSOLUTION OF MARRIAGE**

Federal and state law provides certain restrictions regarding the payment of your pension benefits in the event of your divorce or dissolution of marriage. Immediately upon your involvement in such a legal proceeding, you should provide a member of the Board with the name and address of your attorney or your name and address if you have no attorney. The Board's attorney will then provide you or your attorney with information concerning the legal restrictions regarding your pension benefits. In addition, a copy of any proposed order must be submitted to the Board prior to entry by the court. Failure to do so may require you to pay any expenses incurred by the Board in correcting an improper court order.

Effective January 1, 2019, changes in the federal tax laws have eliminated tax deductions for alimony if a marriage was dissolved or a property settlement agreement was made on or after January 1, 2019. Modifications to existing orders or agreements on or after January 1, 2019, may be tax deductible if both parties agree.

#### **11. EX-SPOUSES AS BENEFICIARY OR JOINT PENSIONER**

The Florida Legislature has adopted Section 732.703, Florida Statutes. This law nullifies the designation of your ex-spouse as a beneficiary or joint annuitant / joint pensioner on your Plan retirement benefits. This law went into effect on July 1, 2012.

After July 1, 2012, if you want your ex-spouse to be a beneficiary or joint annuitant/joint pensioner for your Plan benefit, you will have to make that designation AFTER the dissolution of marriage. If you currently have an ex-spouse as a beneficiary or joint annuitant/joint pensioner, and want to keep this designation, you will have to designate the ex-spouse again after July 1, 2012.

To reconfirm your current beneficiary, or to designate a new beneficiary, complete a new Designation of Beneficiary Form (PF-3).

To reconfirm your current joint annuitant/joint pensioner, or to designate a new joint annuitant/joint pensioner (if authorized by the current Plan provisions), indicate such change on a Change or Confirmation of Designated Joint Annuitant or Joint Pensioner Form (PF-25). If necessary, the Plan Administrator will submit the new form to the actuary of the Plan for recalculation of your benefit. There may be a charge to you to make this change.

To obtain either of the above forms, or if you have any questions, please contact your Plan Administrator.

#### **12. EXCLUSION OF HEALTH INSURANCE PREMIUMS FROM INCOME.**

When you retire because of disability or have worked to the date you are immediately eligible for normal retirement (not early retirement), you can elect to exclude from income, distributions made from your benefit that are used to pay the premiums for accident or health insurance or long-term care insurance. The premium can be for coverage for you, your spouse, or dependents. The distribution must be made directly from the Plan to the insurance provider using pension form PF-22 which authorizes the distribution. (This form may be obtained from your Plan Administrator) You can exclude from income the smaller of the amount of the insurance premiums or \$3,000.00. You can only make this election for amounts that would otherwise be included in your income.



**13. FEDERAL INCOME TAX CONSEQUENCES**

The Plan is intended to qualify under Section 401 of the Internal Revenue Code as a qualified Plan. It is important that members consult qualified experts to determine whether or not they must pay taxes on the pension benefits they receive.

**EXHIBIT "A"**

**BOARD OF TRUSTEES**

The names and addresses of the members of the Board of Trustees are:

Chair: Eusebio Talamantez  
City of Panama City Beach Police Officers' Pension Plan  
17115 Panama City Beach Parkway  
Panama City Beach, FL 32413

Secretary: VACANT  
City of Panama City Beach Police Officers' Pension Plan  
17115 Panama City Beach Parkway  
Panama City Beach, FL 32413

Member: Rich McClanahan  
City of Panama City Beach Police Officers' Pension Plan  
17115 Panama City Beach Parkway  
Panama City Beach, FL 32413

Member: Robert Clifton  
City of Panama City Beach Police Officers' Pension Plan  
17115 Panama City Beach Parkway  
Panama City Beach, FL 32413

Member: Holly J. White  
City of Panama City Beach Police Officers' Pension Plan  
17007 Panama City Beach Parkway  
Panama City Beach, FL 32413