



City of Vero Beach

General Employee Retirement Plan

Summary Plan Description

Prepared August, 2019

INTRODUCTION TO YOUR PLAN

The City of Vero Beach has established a defined benefit pension plan to provide eligible employees with retirement and related benefits.

This Summary Plan Description is a brief description of that Plan and your rights, obligations, and benefits under it. This Summary Plan Description is not meant to interpret, extend, or change the provisions of the Plan in any way. The provisions of the Plan may only be determined accurately by reading the actual Plan document. This document has been developed from the Plan document, applicable provisions of Chapters 112, Florida Statutes, and rules adopted by the Pension Committee.

A copy of the Plan is on file at your Employer's office and may be read by you, your beneficiaries, or your legal representatives at any reasonable time. If you have any questions regarding either the Plan or this Summary Plan Description, you should ask the Plan's Administrator. In the event of any discrepancy between this Summary Plan Description and the actual provisions of the Plan, the Plan shall govern.



Chair, Pension Committee
City of Vero Beach
Employee Retirement Plan

8/7/19

Date

GENERAL INFORMATION ABOUT YOUR PLAN

There is certain general information you may wish to know about the Plan. This general information is summarized below:

Name of Plan

City of Vero Beach General Employee Retirement Plan

Employer

City of Vero Beach

Plan Administrator

Pension Committee of the City of Vero Beach
General Employee Retirement Plan
Human Resources Department
City of Vero Beach
1053 20th Place
Vero Beach, FL 32960

Trustee (if other than Plan Administrator)

Plan Administrator

Designated Agent for Service of Legal Process

The attorney for the Pension Committee, Glenn Thomas, is designated as agent for the service of legal process. His address and telephone number are:

Glenn Thomas
Lewis, Longman & Walker, P.A.
315 South Calhoun Street, Suite 830
Tallahassee, FL 32301
Telephone: (850) 222-5702

Type of Administration

The Pension Committee, as Plan Administrator, is responsible for the overall administration of the Plan. It has discretionary authority to construe the terms of the Plan and make determinations on questions that may affect your eligibility for benefits. The Plan

Administrator may also retain the services of attorneys, accountants, actuaries, investment advisors and other professionals.

Plan Year

The Plan Year is each 12-month period beginning on October 1 and ending on September 30.

Plan Status

The Plan is frozen, with no further benefit accruals after June 30, 2015.

Relevant Provisions of Local and State Laws

The Plan was adopted by Section 58.51 of the City Code of Ordinances and Resolution 2010-24 of the Employer.

The most recent amendment to the Plan reflected in this Summary Plan Description is set forth in Resolution 2015-19.

The Plan is also governed by certain provisions of Part VII, Chapter 112, Florida Statutes (F.S.), and various federal laws.

Custodian

The custodian of the Plan is responsible for the safekeeping of securities owned by the Pension Fund. At the direction of the Plan Administrator, the custodian also pays benefits to eligible persons and pays expenses incurred by the Plan: The custodian is:

Prudential Investment Management Services LLC

Investment Manager(s)

The investment manager is responsible for selecting the securities to be bought and sold by the Pension Fund, in accordance with guidelines established by the Plan Administrator. The investment managers is Prudential Investment Management Services.

Member

The Plan was frozen effective July 1, 2015 and currently has no active members. Former members of the plan are 100% vested in their accrued benefit in the Plan and will receive their benefit in one of the manners provided in the Plan, as summarized in this document.

You were a member of the Plan as a condition of employment if you were employed by the City as a full-time or permanent part time employee prior to July 1, 2015. If you were employed in a temporary or seasonal position or as a police officer, you were not eligible.

Beneficiary

Your Beneficiary is each person designated by you to the Plan Administrator to receive any payments that may become payable by the Plan upon your death. You designated a Beneficiary when you became a Member of the Plan. At any time prior to retirement you may change your Beneficiary designation upon written notification to the Plan Administrator.

CONTRIBUTIONS TO THE PLAN

Benefits of the Plan are financed by contributions that are paid into the pension fund and by investment earnings generated by investments of the pension fund. Contributions to the fund are made by:

You

There are no employee contributions to the Plan, effective July 1, 2015. The Member contribution rate prior to the Plan freeze was three and one quarter percent (3.25%) of Basic Monthly Salary (see later page for definition of Basic Monthly Salary). Interest is credited to your contributions at a rate of 4% per annum. Interest does not accrue after termination of employment. If you were eligible for normal retirement or if you had 25 years of credited service on September 30, 2010, your contribution rate was two and one quarter percent (2.25%).

Your Employer

The Employer continues to contribute an annual amount determined by the Plan's actuary to be sufficient to fund the accrued benefits under the Plan on a sound actuarial basis. The Employer's contribution will vary depending on the experience of the Plan.

ELIGIBILITY AND CREDITED SERVICE

Eligibility

The Plan is frozen as of July 1, 2015 and has no active Members.

Credited Service

Credited Service is used to compute the amount of pension benefit when you retire, to determine whether you are eligible for certain benefits. Your Credited Service is equal to your total length of service with the Employer prior to July 1, 2015, omitting periods when you were not eligible to participate in the Plan. Vacations and other paid leaves of absence before July 1, 2015 are included. Unpaid leaves of absence are not included. Also not included in Credited Service is any period during which you were employed as a police officer with the City, any period during which you could have but did not contribute to the Plan, any period of temporary or seasonal employment or any period of service for which you have withdrawn your contributions.

If you terminate employment with the Employer, you will not receive credit for any service for which you have received a refund of your Member contributions.

Military Service

If you took a leave of absence from the Employer for United States military service, your period of leave prior to July 1, 2015 will be included in your Credited Service if you returned to

work for the Employer within the time frame specified by the Uniformed Services Employment and Reemployment Acts of 1994.

If you had any active duty in the military prior to your date of hire with the Employer, it is not included in Credited Service unless you pay the full actuarial cost of such military service. You may purchase up to four years of military service under this provision. Credited service for military service may be purchased before completion of the sixth year of service under certain circumstances. However, no purchase of military service may be made on or after July 1, 2021.

RETIREMENT DATES

Normal Retirement Date

The Normal Retirement Date is the earliest date when unreduced retirement benefits may be paid to you. Your Normal Retirement Date is the first day of the month coincident with or next following the date when you attain age 65.

Early Retirement Date

Your Early Retirement Date is the first day of the month following the date when you reach age 55. You may retire at any time following this date with reduced benefits as described later.

RETIREMENT BENEFITS

Normal Retirement Benefit

The monthly benefit you will receive on your Normal Retirement Date is your Normal Retirement Benefit.

The amount of your Normal Retirement Benefit is based on the following factors:

1. Your Basic Monthly Salary- is the amount of regular basic monthly compensation paid to an Employee before any payroll deduction for income tax, contributions under

the Plan, Social Security, group insurance, or for any other purpose. Basic Monthly Salary does not include overtime, commissions, incentives, bonuses or premium pay.

2. Your Average Basic Monthly Salary- This is one-twelfth of the average of your Covered Salary during the highest five consecutive years out of the last ten years of Credited Service prior to July 1, 2015, based on your salary in effect on January 1. If you have fewer than five years of credited service under the Plan, your Average Basic Monthly Salary is one-twelfth of the average of your Covered Salary during all years of Credited Service, earned before July 1, 2015 while a Member of the Plan.
3. Your years of Credited Service earned before July 1, 2015.. You may be eligible for additional credited service based on your unused accrued medical leave balance earned prior to July 1, 2015.

The calculation of the Normal Retirement Benefit is as follows: 2.25% of your Average Basic Monthly Salary multiplied by your years of Credited Service earned before October 1, 2010 and 1.6% of your Average Basic Monthly Salary for each year earned between October 1, 2010 and June 30, 2015. If you were eligible for normal retirement or if you had 25 years of credited service on September 30, 2010, your benefit multiplier will be two and one quarter percent (2.25%) for all years of credited service earned before July 1, 2015.

The retirement benefit is paid to you for the rest of your life in accordance with the Normal Form of Benefit Payment as described later (however, see the sections on Survivor Benefits After Retirement and Election of Optional Forms of Benefit Payments). Your benefits from this Plan are paid in addition to any benefits you may receive from Social Security.

Accrued Benefit

The portion of your Normal Retirement Benefit that you have earned at any point in time is your Accrued Benefit. Your Accrued Benefit is computed in the same way as the Normal Retirement Benefit, except you use your present Average Final Compensation and Credited Service in the preceding calculation. The Accrued Benefit is a monthly amount beginning on your Normal Retirement Date.

Early Retirement Benefit

If you decide to retire early, you may receive an immediate Early Retirement Benefit payable for the rest of your life. The benefit is equal to your Accrued Benefit but is reduced for the number of months by which the starting date of the benefit precedes your Normal Retirement Date. The benefit is reduced to take into account your younger age and earlier commencement of benefit payments. For benefits accrued through September 30, 2010, your benefit will be reduced by 1.5% for each year by which your Early Retirement Date precedes the Normal Retirement Date. For benefits accrued beginning on October 1, 2010 your benefit will be reduced by 3% for each year by which your Early Retirement Date precedes the Normal Retirement Date. If you were eligible for normal retirement or if you had 25 years of credited service on September 30, 2010, your benefit will be reduced by 1.5% for each year by which your Early Retirement Date precedes the Normal Retirement Date.

Minimal Benefits

If the total present value of your accrued benefit is \$5,000 or less, you will receive a single cash lump sum payment upon your eligibility for early or normal retirement. If the total present value of your accrued benefit is \$10,000 or less, you have the option to receive this amount in a single cash lump sum payment upon your eligibility for early or normal retirement. In lieu of a single lump sum cash payment, an amount equal to the present value of your accrued

benefit may be rolled over into a qualified retirement plan, as provided under the terms of the Plan.

DISABILITY RETIREMENT

If you become totally and permanently disabled as provided by the Plan, you may be eligible for a disability benefit. The amount of your benefit due to a disability is equal to your accrued benefit as of June 30, 2015, but may not be less than twenty-five percent (25%) of your Average Final compensation on June 30, 2015. This benefit is payable until your normal retirement date, death or until you recover from the disability or refuse a re-examination.

SURVIVOR BENEFITS

Before Retirement

If you pass away before you terminate employment, and you have a spouse to whom you have been married for at least one full year prior to your death, your spouse is entitled to either a refund of your contributions plus interest, or a pre-retirement Spouse benefit in the form of retirement income for life, beginning on the date you would have been 55. This pre-retirement Spouse benefit is equal to the retirement income which you would have received with a 66 2/3% Joint Survivor Option in effect on the date of your death.

If you have no spouse, but have minor dependent(s) at the time of your death, these dependent(s) are also entitled to either a refund or retirement income in the amount of a 66 2/3% Joint Survivor Option beginning the month following your death and continuing for 10 years or until the youngest child reaches 18.

If you pass away before you terminate employment and you do not have a spouse or minor dependent(s), your beneficiary will receive a refund of your accumulated contributions plus interest.

After Retirement

If you were receiving a form of retirement payment that provided for a survivor's benefit to be paid after your death, your Beneficiary will receive payments following your death. A later page describes the various forms of retirement payments.

VESTED RETIREMENT BENEFIT

If you terminate employment, other than by reason of retirement, disability or death, you may be entitled to a deferred Vested Retirement Benefit. This benefit is equal to your Accrued Benefit on your termination date. The vested benefit is payable on your Normal Retirement Date. If you wish, you may receive your benefit, reduced as for Early Retirement, any time after you would have been eligible for Early Retirement.

If you terminated employment prior to July 1, 2015, with less than 5 years of Credited Service, you received a refund of your own contributions, with interest. Effective June 30, 2015, all Members who were employed on that date, regardless of their years of Credited Service, became 100% vested in their Accrued Benefit. Therefore, if you terminate employment on or after July 1, 2015 and you are not eligible for early or normal retirement, regardless of your years of credited service, you have the option to either 1) receive a refund of your own contributions plus interest, or 2) leave your contributions in the Plan and receive an early or normal retirement benefit as provided above. The taxable portion of any refund you receive is subject to an automatic 20% withholding for federal income tax purposes. This tax can be avoided, however, if you roll the taxable portion over to an Individual Retirement Account (IRA) or another qualified employer plan. This rollover will result in no tax being due until you begin withdrawing funds from the IRA or other qualified employer plan. The rollover of the

distribution, however, must be made directly by the Fund to your chosen IRA or other qualified employer plan. If you receive a refund of your own contributions, you forfeit all rights to any future benefit or payment from the Plan.

FORMS OF BENEFIT PAYMENTS

Normal Form of Benefit Payment

Unless you elect otherwise before retirement, your pension is payable as a Modified Cash Benefit. This is a series of monthly payments for your life.

Election of Optional Forms of Benefit Payments

You may choose among the options described below and revoke any such elections and make a new election at any time before your actual retirement date. You must make such an election by written request to the Plan Administrator and such an election shall be subject to the approval of the Plan Administrator. This election also applies to Participants who have terminated employment who are eligible for payment of deferred Vested Retirement Benefits. The options available are as follows:

1. Option 1 – Joint and Survivor Annuity

You may elect to receive a decreased monthly retirement benefit during your lifetime and have such decreased retirement benefit (or 2/3 thereof) continued after your death.

2. Option 2 – Life Benefit with Guaranteed Period Option

You may elect to receive a monthly retirement benefit during your lifetime with a guarantee that payments will be made for a designated period. Payments will terminate with the last payment due immediately preceding your death or at the end of the guaranteed period, whichever is later. You must specify the guaranteed period at the time the Option is elected. The guaranteed period may be for 60, 120

or 180 months. If you die during the guaranteed period, the remaining payments for the guaranteed period will be made to your designated beneficiary.

3. **Option 3 – Partial Lump Sum**

You may elect to receive an initial lump sum, not to exceed 10% of the present value of your accrued benefit. Your monthly benefit will be reduced by the actuarial equivalent of the lump sum.

In no event may the total of benefit payments to you and your Beneficiary be less than your own accumulated contributions.

AMENDMENT OR TERMINATION OF THE PLAN

The Plan may be amended or terminated at any time by the Employer. If the Plan were terminated, all of the assets of the Plan would be allocated to the Members. Only after all accrued benefits have been paid and any other liabilities have been satisfied could any remaining money be returned to the Employer.

IMPORTANT NOTICE

There are certain circumstances that may result in the disqualification, ineligibility, denial, loss, forfeiture, suspension or deferral of your benefits in this Plan. The following is a list of these circumstances:

1. No credit is allowed either for benefit accrual or vesting purposes for any period in which you are not considered an employee of the Employer, except for the credit which you purchase for prior military service.
2. Your retirement benefit will not be payable until you actually retire even if you continue to work beyond your normal retirement date.

3. Your Accrued Benefit will be forfeited if you are convicted of certain specified offenses, as provided by State law (Chapter 112.3173.F.S.).

YOUR RESPONSIBILITIES

1. Retain this Summary Plan Description with your other important papers for later reference or for replacement by updated versions and supplemental notices, if any.
2. Keep your Beneficiary designation form updated to express your wishes.
3. If you terminate employment, check to see the amount of your Vested Retirement Benefit and the date it is payable.
4. If you should terminate employment with rights to a Deferred Vested Retirement Benefit, then, shortly before the date on which the benefit is to begin, you should contact and notify the Plan Administrator to begin such payments.
5. Upon your retirement under Early or Normal Retirement, complete the form necessary to indicate which Optional Form of Benefit you desire.

CLAIMS AND RESPONSIBILITIES

Claim Procedures

Claims for benefits under the Plan must be filed in writing with Human Resources. If you are eligible for any benefits from this Plan, you will be provided with a notification form showing the amount of your benefit and options, if any, and the earliest date on which such benefit is payable.

Your request for Plan benefits shall be considered a claim for Plan benefits, and it will be subject to a full and fair review. If your claim is wholly or partially denied, you will be provided

with a written notice of this denial within a reasonable period of time after the receipt of your claim. The written notice must contain the following information:

1. The specific reason or reasons for the denial;
2. Specific reference to those Plan provisions on which the denial is based.
3. A description of any additional information or material necessary to correct your claim and an explanation of why such material or information is necessary; and
4. Appropriate information as to the steps to be taken if you or your Beneficiary wishes to submit your claim for review.

If notice of the denial of a claim is not furnished to you in accordance with the above within a reasonable period of time, your claim shall be deemed denied. You will then be permitted to proceed to the review stage described in the following paragraphs.

If your claim has been denied, and you wish to submit your claim for review, you must follow the Claims Review Procedure.

Claims Review Procedure

1. Upon the denial of your claim for benefits, you may file your claim for review, in writing, with the Plan Administrator. The form for this claim for review is available from the Plan Administrator.
2. You must file the claim for review no later than 60 days after you have received written notification of the denial of your claim for benefits.
3. You may review all pertinent documents relating to the denial of your claim and submit any issues and comments, in writing, to the Plan Administrator.
4. Your claim for review must be given a full and fair review. If your claim is denied, the Plan Administrator must provide you with written notice of this denial within 60 days after the Plan Administrator's receipt of your written claim for

review. There may be times when this 60-day period may be extended. This extension may only be made, however, where there are special circumstances that are communicated to you in writing within the 60-day period. If there is an extension, a decision shall be made as soon as possible, but no later than 120 days after receipt by the Plan Administrator of your claim for review.

5. The Plan Administrator's decision on your claim for review shall be communicated to you in writing and shall include specific references to the pertinent Plan provisions on which the decision was based.
6. If the Plan Administrator's decision on review is not furnished to you within the time limitations described above, your claim shall be deemed denied on review.

Financial and Actuarial Information

A report of pertinent financial and actuarial information on the solvency and actuarial soundness of the Plan is prepared annually by the Pension Plan's actuary, and is available on the City's website at www.covb.org or by request to the Plan Administrator.

Exhibit "A"

The names and addresses of the current Pension Committee is attached as Exhibit "A".

EXHIBIT "A"

The current Pension Committee:

Mr. Monte K. Falls, City Manager
City of Vero Beach
P. O. Box 1389
1053 20th Place
Vero Beach, FL 32961

Mr. John S. Turner, City Attorney
City of Vero Beach
P. O. Box 1389
1053 20th Place
Vero Beach, FL 32961

Ms. Tammy K. Bursick, City Clerk
City of Vero Beach
P. O. Box 1389
1053 20th Place
Vero Beach, FL 32961

Ms. Gabrielle Manus, HR Director
City of Vero Beach
P. O. Box 1389
1053 20th Place
Vero Beach, FL 32961

Ms. Cynthia D. Lawson, Finance Director
City of Vero Beach
P. O. Box 1389
1053 20th Place
Vero Beach, FL 32961