

# The City of Altamonte Springs Florida Police Officers' Pension Plan



*A Retirement Guide for City Police Officers  
2003 Edition*

## TABLE OF CONTENTS

---

Introduction.....	3
Plan Information.....	4
Board of Trustees.....	5
Membership .....	5
Contributions .....	6
Beneficiary Designation.....	6
Vesting .....	7
Terminating Employment Before Retirement.....	7
Your Retirement Benefit.....	8
Retiring from the City.....	9
Disability Benefits .....	10
Survivor Benefits .....	12
After Retirement.....	14
Forfeiture of Benefits .....	14
General Information.....	15
Financial and Actuarial Information .....	15
Glossary of Terms.....	16

## INTRODUCTION

---

The *Retirement Guide for City Police Officers* has been prepared to tell you about your retirement plan - its benefits and policies, and your rights as a member of the City of Altamonte Springs Police Officers' Pension Plan. Membership in the Pension Plan is an important fringe benefit provided to you by the City.

This guide is a basic employee handbook and is intended to be a reference for you. Inside you will find explanations of certain provisions of your Pension Plan. You are encouraged to study these provisions in order to become familiar with the benefits provided by the Plan. If you have any questions regarding any provision of the Plan, please contact the City's Human Resources Department. They will be happy to answer your questions or obtain an answer for you.

This handbook is only a brief explanation of the Plan. If there are any conflicts between this handbook and the ordinances of the City of Altamonte Springs, the ordinances will govern. A copy of the ordinances governing the Plan can be obtained from the City Clerk.

## PLAN INFORMATION

---

<b>Name of Plan</b>	The Altamonte Springs Police Officers' Pension Plan (the Plan).
<b>Type of Plan</b>	The Plan is a defined benefit plan, qualified under section 401(a) of the Internal Revenue Code.
<b>Administration</b>	The Plan is administered by the Altamonte Springs Police Officers' Pension Plan Board of Trustees.
<b>Provisions of Law</b>	The Plan was established in 1995 and is operated pursuant to Chapter 185, Florida Statutes, and certain City ordinances and resolutions.
<b>Funding</b>	The Plan is contributory; contributions are made by members and the City.
<b>Plan Year</b>	The plan year is October 1 <sup>st</sup> through September 30 <sup>th</sup> .
<b>Employment Rights Not Implied</b>	Membership in the Plan does not give you the right to be retained in the employ of the City, nor does it give you a right or claim to any benefit you have not accrued under the terms of the Plan.

## BOARD OF TRUSTEES

---

### **Administration**

The City of Altamonte Springs Police Officers' Pension Plan is a defined benefit pension plan administered by a Board of Trustees. The Board consists of five Trustees, two of whom are legal residents of the City appointed by the City Commission, two of whom are Members of the Plan (Police Officers elected by other Police Officers who are Members of the Plan), and a fifth Trustee who is chosen by a majority of the first four Trustees and appointed by the City Commission. Each Trustee serves a two year term.

## MEMBERSHIP

---

### **Membership in the Plan**

Each full-time employee hired on or after January 1, 1996, and classified as a sworn City Police Officer becomes a Plan Member as a condition of employment.

### **Social Security Coverage**

As a City employee you are automatically covered for Social Security. Although Social Security coverage is a part of your overall benefit package, you must contact the local Social Security office or call the toll-free number, 1-800-772-1213, for information concerning your Social Security account and future benefits. Your pension plan benefits provided through the Police Officers' Pension Plan are not offset (reduced) by Social Security benefits.

### **Deferred Compensation Program**

In addition to the pension benefits provided by the Pension Plan, as a City employee you have the opportunity to participate in the City's deferred compensation program operated under Section 457 of the Internal Revenue Code. This program provides you the opportunity to build a retirement savings and reduce your current taxes. You defer a portion of your compensation on a pre-tax basis through payroll deduction. This pre-tax advantage allows you to defer federal income taxes on the amount you invest, as well as earnings on your investments, until you withdraw your money from the program. The amounts you withdraw from your deferred compensation account are in addition to pension plan benefits or any other benefits you may receive. This program is completely voluntary with deposits into your deferred compensation account made solely by you. Your pension plan benefits provided through the Police Officers' Pension Plan are not affected in any way by your participation in the deferred compensation program. Further information can be obtained from the City's Human Resources Department.

## CONTRIBUTIONS

---

The Plan is an employee contributory plan. This means you are required to contribute to the Plan. One percent of your compensation is deducted from payroll and paid into the Plan. Use of these contributions is restricted for the sole purpose of funding the Plan. Other contributions come from the State and the City. The City is ultimately responsible for contributing sufficient funds to ensure that the Plan remains adequately funded.

### Refund of Contributions

You may request a refund of contributions you made to the Plan if you terminate all employment with the City. Your refund will not include contributions made by or from any source other than yourself nor will your refund include any interest.

## BENEFICIARY DESIGNATION

---

### Before You Retire

When you started work you should have filled out a form naming one or more beneficiaries to receive any pension benefits due if you die before retirement. You may name any person or persons you choose as beneficiary.

You may change the beneficiary at any time by completing a new designation of beneficiary form. This is important to remember if your designated beneficiary dies or your marital or family status changes. *A Member's divorce decree or will has **no bearing** on how Member survivor's benefits are paid.* Any benefits due upon your death are paid only to the designated beneficiaries or to your estate if you have not named a beneficiary or your designated beneficiary has died.

### When You Retire

When you retire you will be asked to rename a beneficiary and to choose a retirement option (see page 13) on your application for retirement.

- If you choose option 1 or 2 you may name a beneficiary as described above.
- If you choose option 3 or 4 you must name as your beneficiary a person who qualifies as a joint annuitant.

### After You Retire

If you retire under option 1 or 2 you may change your designated beneficiary at any time. If you choose option 3 or 4 you may change your joint annuitant only two times after your retirement benefit has started. When you change your joint annuitant, the monthly benefit you receive will be adjusted based on your current age and the age of your new joint annuitant.

## VESTING

---

Being vested means you are eligible to receive a current or future retirement benefit. You vest in the Plan upon the completion of six years of creditable service. Once you vest, you are eligible for a future benefit when you leave employment with the City and apply for your retirement benefit. Being vested does not entitle you to a disability benefit based on a disability that occurs after you terminate employment.

You will lose your vested rights if:

- You forfeit your benefits as described on page 20, or
- Upon termination you request and receive a refund of your personal retirement contributions.

## TERMINATING EMPLOYMENT BEFORE RETIREMENT

---

### **Before You Are Vested**

If you terminate your employment with the City prior to being vested, you can:

- Receive a refund of your personal contributions, or
- Leave your personal contributions on deposit with the Plan for a period of up to 5 years and retain all service credit you earned in the event you return to employment with the City as a Police Officer.

### **After You Are Vested**

If you terminate your employment with the City after you are vested, you can:

- Receive a refund of your personal contributions, or
- Leave your personal contributions on deposit with the Plan for a period of up to 5 years and retain all service credit you earned in the event you return to employment with the City as a Police Officer, or
- Retire. Depending on your age, you can take a normal or early retirement or defer your retirement until a future date of your choice. If you defer your retirement, the amount of your benefit will be calculated using your age at the time you begin receiving benefits.

If you return to employment with the City as a Police Officer within 5 years of termination and you have not received a refund of your personal contributions you will retain all of your earlier creditable service.

## YOUR RETIREMENT BENEFIT

---

### Retirement Benefit Formula

The monthly pension benefit payment you receive when you retire depends on your Average Final Compensation, age, Percentage Value, years of Creditable Service, and the benefit payment option you select. The formula for calculating the normal annual retirement benefit is as follows:

$$\begin{array}{ccccccc} \text{Average} & & \text{Years of} & & & & \text{Normal Annual} \\ \text{Final} & \text{Percentage} & \text{Creditable} & & & & \text{Retirement} \\ \text{Compensation} & \text{Value} & \text{Service} & = & & & \text{Benefit} \\ \text{X} & \text{X} & & & & & \end{array}$$

$$\text{Monthly Benefit} = \text{Normal Annual Benefit} \div 12$$

- **Average Final Compensation** is the average annual compensation of the five best of the last ten years of Creditable Service prior to retirement. Certain payments including lump sum payments for annual leave, clothing, meal, mileage or vehicle allowances cannot be included in average final compensation.
- **Percentage Value** is the value you receive for each year of your Creditable Service. This amount is 3%.
- **Creditable Service** is your total number of years and fractional parts of years of service as a City Police Officer with Member contributions, when required. You may leave your contributions in the Plan for a period of up to five years after leaving employment with the City, pending the possibility of being re-employed as a Police Officer, without losing credit for the time that you were a Member of the Plan.
- **Other Types of Creditable Service**  
In addition to the service credit you earn for current work, you may claim credit for certain other types of service to increase your benefits. To receive extra service credit, you may be required to pay additional retirement contributions. Other types of qualified creditable service include the following:
  1. **Military Leave-of-Absence Credit** - A military leave-of-absence occurs when you leave your City Police Officer position to serve in the United States military. If you return to City employment as a Police Officer within one year of release from active military service, you may receive credit for up to five years of such active military service.
  2. **Workers' Compensation Credit** - You may claim up to two years of creditable service for periods you receive temporary Workers' Compensation payments if you return to City employment as a Police Officer for at least 30 days or you retire on a disability.

3. **Leave-of-Absence Without Pay Credit** - A leave-of-absence without pay is a period when you are on an approved leave from work without pay, and plan to return to work after your leave. You may claim up to two years of such time as creditable service if you have at least 10 years of creditable service, the leave was approved, in writing, in advance, by both the City and the Board of Trustees, you return to work as a City Police Officer immediately upon termination of the leave-of-absence and remain employed for at least 30 days, and you pay into the Pension Trust Fund the full amount of both the City and employee contributions, with interest, for the period of creditable service claimed.
4. **Suspension Without Pay Credit** - If you are suspended without pay and are later reinstated, you may purchase creditable service for up to two years. You must return to active employment as a City Police Officer for at least 30 days, and pay into the Pension Trust Fund the full amount of both the City and employee contributions, with interest, for the period of creditable service claimed.

## **RETIRING FROM THE CITY**

---

### **Normal Retirement**

Normal retirement date or age is the time you are first eligible to receive a retirement benefit without a reduction of the benefits because of your age. You qualify for normal retirement at the earlier of:

- The attainment of age 55 and the completion of 6 years of Credited Service, or
- The completion of 25 years of Credited Service, regardless of age.

### **Early Retirement**

If you have at least 6 years of Credited Service but have not reached your normal retirement date or age, you can take early retirement. The amount of the retirement benefit will be reduced by one-quarter of one percent (0.25%) for each month the commencement of retirement benefits precedes your normal retirement date (age 55 with at least 6 years of creditable service, or, 25 years of creditable service, regardless of age). For example, if you decide to retire early, after say 20 years of creditable service, 5 years before your full 25 years of creditable service necessary for normal retirement, your monthly pension benefit would be reduced by 15% (60 months X 0.25% = 15%).

### **Retirement Benefit Options**

When you retire, and before you can begin receiving your pension benefits, you must choose one of the four benefit options, or methods of payment, described below. Once you cash or deposit a benefit payment your option selection cannot be changed.

Options 2, 3, and 4 are adjusted to be actuarially equal to option 1. The monthly benefit is usually lower because the total benefits are expected to be paid for a longer period of time to you and your beneficiary. The total of these benefits is actuarially equal to what you alone are expected to receive under option 1.

**Option 1** Life Plus 10 - This option provides a monthly pension benefit to you for so long as you live. If you die within 10 years after your effective retirement date, your beneficiary will receive a monthly benefit payment in the same amount as you were receiving for the balance of the 10 year period. No further benefits are then payable. This is considered the normal retirement option.

**Option 2** Life - This option provides a monthly pension benefit which is larger than the option 1 benefit but is only payable for so long as you live. Upon your death no further benefits will be paid.

**Option 3** Joint Annuitant - This option provides a reduced monthly pension benefit to you while both you and your joint annuitant are living. Upon the death of either you or your joint annuitant, the monthly pension benefit payment to the survivor will be adjusted to 100%, 75%, 66 2/3% or 50% of the amount you were receiving while you both were living. At the time you retire, you must choose the adjustment percentage. No further benefits are payable after both you and your joint annuitant are deceased.

**Option 4** Level Allowance - This option is designed to provide a more level retirement allowance throughout your retirement period. 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. Upon your death no further pension benefits are payable.

## DISABILITY BENEFITS

---

### Regular Disability Benefits

You are eligible for regular disability benefits if you have completed at least 8 years of creditable service. Your disability must be total and permanent and the injury or illness causing the disability must have occurred before you terminate employment with the City. The minimum regular disability retirement benefit paid under Option 1 is 25% of your average final compensation. Your actual earned benefit, based on your years of service, will be used if it is higher than the minimum of 25%.

### **In-Line-of-Duty Disability Benefits**

You are eligible for in-line-of-duty disability benefits beginning on your first day of covered employment, regardless of length of service. An in-line-of-duty disability must be total and permanent and caused by injury or illness that happens in the performance of duties required by your job. The minimum in-line-of-duty disability retirement benefit paid under Option 1 is 65% of your final average compensation. Your actual earned benefit, based on your years of service, will be used if it is higher than the minimum of 65%.

### **Presumptions**

You may be entitled to a presumption that the disability was incurred in the line of duty if the disability was due to tuberculosis, heart disease, hypertension, hepatitis, or, meningococcal meningitis pursuant to the provisions of sections 112.18 and 112.181, Florida Statutes.

### **Optional Disability Benefits**

In addition to the disability benefits provided by the Pension Plan, the City provides all City employees the opportunity to purchase additional disability insurance through payroll deduction at group rates. The City offers both short-term and long-term disability options. Short-term covers temporary disabilities lasting less than six months. Long-term covers long-term or permanent disabilities lasting longer than six months. These policies pay income directly to you in the event you become disabled as defined by the insurance policies. Disability benefits provided by the Pension Plan are not offset or reduced by benefits you may receive from these optional disability insurance programs. However, disability benefits provided by these optional disability insurance programs may be affected by the disability benefits provided by the Plan. Further information on these optional disability insurance programs can be obtained from the City's Human Resources Department.

### **Other Disability Benefits**

If you become disabled you may be eligible for benefits through Florida's Workers Compensation Program and/or the Federal Social Security Administration. However, these programs are administered separately from the Pension Plan. For questions relating to workers compensation please refer to the Florida Department of Labor and Employment Services, Division of Workers Compensation. For questions relating to Social Security please refer to the Social Security Administration.

## SURVIVOR BENEFITS

---

### **Regular Survivor Benefits**

If you die with less than 6 years of creditable service your beneficiary will receive a refund of your personal contributions. If death occurs after you have completed 6 years of creditable service, your beneficiary, who is your spouse, dependent child or any person receiving at least 50% of his or her support from you, may choose one of the following benefits:

- A refund of your personal contributions; or
- An immediate or deferred lifetime monthly benefit calculated as if you had retired on the date of death and chosen the 100% joint and survivor benefit option (Option 3). The benefit will be adjusted for early retirement if you were not of normal retirement age at the time of your death.

If your beneficiary does not qualify as a joint annuitant, he or she is entitled only to a refund of your personal contributions. No monthly benefit would be payable.

### **In-Line-of-Duty Survivor Benefits**

If you die in the line of duty your spouse is entitled to a lifetime monthly benefit equal to one-half of your last monthly salary or your spouse may elect to receive an immediate or deferred lifetime monthly benefit calculated as if you had retired on the date of death and chosen the 100% joint and survivor benefit option (Option 3). The benefit will be adjusted for early retirement if you had not reached normal retirement date at the time of your death. Your spouse can receive these benefits regardless of your length of service and even if you named someone else as your beneficiary. If you leave no surviving spouse or if your spouse should die, the benefit will be paid on behalf of your dependent children until the youngest child reaches 18 years of age or marries, whichever comes first. These survivor benefits supercede any other distribution that might have been provided by your designation of beneficiary.

### **Presumptions**

Your survivors may be entitled to a presumption that your death was incurred in the line of duty if the death was due to tuberculosis, heart disease, hypertension, hepatitis, or, meningococcal meningitis pursuant to the provisions of sections 112.18 and 112.181, Florida Statutes.

### **Other Survivor Benefits**

In addition to the pension benefits provided by the Plan, if you die while actively employed by the City as a Police Officer, your survivors may be entitled to other death benefits. These include:

- The City, at its expense, provides basic life and accidental death and dismemberment insurance for every full-time employee. If you die while employed by the City this policy will provide a single death benefit to survivors equal to your annual salary. If your death was the result of an accident, the benefit is two times your annual salary. In addition you may purchase, at your expense, additional insurance coverage at group rates through payroll deduction.
- In addition to the basic life and accidental death & dismemberment insurance provided to all employees, the City, at its expense, provides additional coverage for every full-time Police Officer. If you die in the line of duty this policy will provide a single death benefit to survivors in the amount of \$25,000. If your death occurs while you are in fresh pursuit, this single death benefit increases to \$50,000. If, while in the line of duty, you are unlawfully and intentionally killed or die from the result of such unlawful and intentional act, this single death benefit increases to \$75,000. This policy also provides benefits for dismemberment occurring in the line of duty, such as the loss of hand(s), feet, speech and hearing, sight and finger(s).

Further information on these City programs can be obtained from the City's Human Resources Department.

In addition to all other survivor benefits described above, the Federal government, through the Public Safety Officers' Benefits Act of 1976, provides a death benefit to eligible survivors of police officers who die as the direct and proximate result of a traumatic injury sustained in the line of duty. The amount of the benefit is adjusted on October 1<sup>st</sup> of each year to reflect the percentage change in the consumer price index. For fiscal year 2003, the benefit amount was \$262,100. Further information on this federal program can be obtained from the U.S. Department of Justice, Office of Justice Programs, and Bureau of Justice Assistance.

## AFTER RETIREMENT

---

### **Cost-of-Living Increase**

Retirees receive an annual 3% cost-of-living increase in October of each year. The first cost-of-living increase will be a prorated amount if you have been retired for less than one full year.

### **Health Insurance Coverage**

The City offers retirees, at the retirees expense, the option of continuing to participate in the City's group health insurance plan for active employees. The premium cost of health insurance offered to retirees is the same as that paid by the City for each active employee.

## FORFEITURE OF BENEFITS

---

If you are convicted of any of the following offenses committed prior to retirement, or your employment with the City is terminated because you admitted to commission, aid or abetment of the following offenses, you forfeit all rights to any pension benefits under this Plan, except for the return of your accumulated personal contributions as of the date of termination. Specific offenses are as follows:

- Committing, aiding or abetting of an embezzlement of public funds;
- Committing, aiding or abetting of any theft by a public officer or employee from employer;
- Bribery in connection with the employment of a public officer or employee;
- Any felony specified in Chapter 838, Florida Statutes;
- The committing of an impeachable offense;
- The committing of any felony by a public officer or employee who willfully, and with intent to defraud the public or public agency for which he or she acts or in which he or she is employed, of the right to receive the faithful performance of his or her duty as a public officer or employee, realizes or obtains or attempts to obtain a profit, gain, or advantage for himself or herself or for some other person through use or attempted use of the power, rights, privileges, duties or position of his or her public office of employment position;
- Commission of false, misleading or fraudulent statements to obtain public retirement benefits.

## GENERAL INFORMATION

---

### **Applicable Law**

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

- Internal Revenue Code and amendments thereto.
- The federal Employee Retirement Income Security Act (ERISA) of 1974 and amendments thereto.
- Miscellaneous other Federal laws and regulations.
- Chapter 185, Florida Statutes, "Municipal Police Officers' Retirement Trust Funds."
- Part VIII, Chapter 112, Florida Statutes, "Actuarial Soundness of Retirement Systems."
- Miscellaneous other State statutes and regulations.
- Chapter 2, Article II, Division 4 of the Code of Ordinances of the City of Altamonte Springs.
- Other ordinances, resolutions and policies of the City of Altamonte Springs.
- Administrative rules and regulations adopted by the Board of Trustees.

### **Plan Year and Plan Records**

The Plan year begins on October 1<sup>st</sup> of each year and ends on September 30<sup>th</sup> of the following year. All records of the Plan are maintained on the basis of the Plan year.

### **Assignment, Execution or Attachment**

Except as otherwise provided by law, your retirement benefits and accumulated contributions accrued under this Plan are not subject to execution, attachment, garnishment or any other legal process and are not assignable.

## FINANCIAL AND ACTUARIAL INFORMATION

---

The Plan is audited annually. An annual financial report is included in the City's Comprehensive Annual Financial Report. A separate actuarial report on the solvency and actuarial soundness of the Plan is prepared annually. Copies of either or both of these reports are available from the City's Finance Department.

## GLOSSARY OF TERMS

---

The following is a list of terms and definitions which may be helpful in understanding your pension benefits.

**Average Final Compensation** is the average annual compensation of the five best years of the last ten years of creditable service.

**Beneficiary** is the person or persons you designate to receive any benefits which may be payable upon your death.

**Creditable Service** is the aggregate number of years you work as a City Police Officer and may include other types of qualified service periods (see page 8).

**Early Retirement Age or Date** is the age or date when, after you have been vested, you choose to receive a retirement benefit which is reduced because you have not reached normal retirement age or date (see page 9).

**Joint Annuitant or Pensioner** means a person you choose to receive continuing benefits under either benefit options 3 or 4 upon your death.

**Normal Retirement Age or Date** is the age or date when you first become eligible to retire, without a reduction of benefits, by being vested and reaching age 55 or completing 25 years of creditable service regardless of age (see page 9).

**Termination** occurs when you end all employment with the City.

**Vested or Vesting** is the guarantee that you will receive future benefit after you work a certain number of years. You are vested after completing 6 years of creditable service (see page 7).