



# **CITY OF SARASOTA**

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## **Summary Plan Description**

### **Police Officers' Pension Fund**

**September 24, 2021**

# INTRODUCTION

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The City of Sarasota Police Officers' Pension Fund is a defined benefit single-employer public employee retirement plan. As a participant in the Fund, you are included in a program of benefits to help you meet your financial needs in retirement, or in the event of disability or death.

This booklet can help you in preparing for your retirement and financial future. If you need further information on any of the topics presented in this booklet, please contact the Pension Department or the Board of Trustees. They will answer any questions to help you understand your benefits.

The information presented is a summary of the pension plan as provided in the Code of the City of Sarasota Chapter 24, Personnel, Article II, Pensions, Division 3, Police, as amended. Specific sections of the Ordinance are referenced in this booklet in parentheses. This booklet is intended as a summary only. For complete documentation of the Pension Plan, please refer to Chapter 24 of the Code. Any discrepancies between information in this booklet and the Code will be governed by the Code. A copy of Chapter 24, Article II, Division 3 of the Code can be obtained from the Pension Department, which is located at:

City of Sarasota Pension Department  
1565 First Street o Room 110  
Sarasota, FL 34236  
Phone 941-954-2600 o Fax 941-954-4113

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Board of Trustees  
City of Sarasota  
Police Officers' Pension Fund

# City of Sarasota Police Officers' Pension Fund Summary Plan Description

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# **CITY OF SARASOTA**

## **POLICE OFFICERS' PENSION FUND**

### **1. MEMBERSHIP AND PAYMENTS INTO THE PENSION PLAN (24-62 and 24-67)**

Each police officer employed by the City of Sarasota Police Department is a Pension Plan member. Police officer means an actively employed full-time person, who is certified as a Police Officer in accordance with Florida Statutes 943.14, and who was hired by the City to serve as a Police Officer. A new employee who is hired as the Chief of Police may, upon employment, elect to not be a member of the Plan. Current employees of the City who may be selected to become Chief of Police are not eligible for this opt-out.

Members are required to contribute eight percent (8%) of salary. Contributions are deducted from each paycheck and credited to the members' account. The City of Sarasota contributes an amount to make the Fund actuarially sound, but not less than eight percent (8%) of payroll. The Fund also receives a contribution from the State of Florida, Division of Retirement.

### **2. ELIGIBILITY FOR NORMAL RETIREMENT (24-70[a])**

A police officer is eligible for normal retirement after twenty-five (25) years of credited service or after age of fifty (50) with ten (10) years of credited service. An application for retirement benefits must be filed with the Pension Department.

### **3. AMOUNT OF NORMAL RETIREMENT PENSION (24-70[a])**

The amount of normal retirement pension is based on a police officer's credited service and average compensation.

Credited service is generally a member's period of employment as a police officer with the City of Sarasota, Florida. In certain circumstances, military service or service as a police officer with another city, county or state agency may be purchased and then counted as credited service. (See Section 14.)

Average compensation is one-twelfth (1/12) of the average salary of the highest three (3) years of the last ten (10) years of credited service prior to October 1, 2012, or one-twelfth (1/12) of the average salary of the highest five (5) years of the last ten (10) years of credited service prior to retirement, or the career average as a full time police officer, whichever is greater. A year is defined as twelve (12) consecutive months. Salary is the total compensation paid to a police officer, excluding clothing, firearm, car allowances, and lump sum payments made at the time of retirement or termination. Payments for overtime in excess of three hundred (300) hours in a calendar year shall be excluded.

As used herein, "issue" means the natural living or conceived children and legally adopted living children but shall not include any person who has reached his or her eighteenth

birthday or his or her twenty-third birthday if he or she is engaged in a full-time educational curriculum, it being the intent that no benefits shall be paid to or on account of issue after such ages have been attained.

Normal retirement benefit. A member retiring on or after his or her normal retirement date shall receive a monthly benefit which shall commence on the first day following his or her retirement and be continued thereafter during the member's lifetime. The monthly retirement benefit shall equal three (3) percent of his or her average compensation for each year of credited service.

- A. If a member reached age fifty (50) and completed ten (10) years of credited service, or completed twenty-five (25) years of credited service regardless of age, prior to October 1, 2012, and thereafter retires and dies before receiving retirement benefits for a period of one hundred twenty(120) months, the same monthly benefit will be paid to the beneficiary (or beneficiaries) as designated by the member for the balance of such 120-month period or, if no beneficiary is designated, to the estate of the member. Instead of the 120-month certain benefit, such member may elect for his or her surviving spouse to receive and be paid for the remainder of his or her natural life a sum equal to two-thirds (  $2/3$  ) of the amount which the decedent was receiving calculated upon the length of his or her credited service exclusive of any payments on account of issue; and the fund shall pay in addition thereto a separate monthly payment equal to five (5) percent of the deceased member's last monthly salary for each of the deceased member's issue for which the deceased member had been receiving a payment. If the two-thirds (  $2/3$  ) surviving spouse's benefit terminates and issue as defined herein are in being, then such spouse's benefit shall be divided equally among and paid to such issue and the five (5) percent benefit shall cease. Under certain circumstances you may elect that a benefit be paid to dependent parent(s).
- B. For members who reach age fifty (50) and complete ten (10) years of credited service, or complete twenty-five (25) years of credited service regardless of age on or after October 1, 2012, the normal form of benefit shall be payable for the life of the member; except that in the event that the retiree dies before receiving retirement benefits for a period of 120 months, the same monthly benefit will be paid to the beneficiary (or beneficiaries) as designated by the retiree for the balance of such 120-month period. Instead of the 120-month certain benefit, the member may select an optional form of benefit as provided in section 10, below. If no beneficiary is designated the commuted value of the remaining monthly income shall be paid in a lump sum to the member's estate.

Each vested Plan Member shall be entitled, at the Fund's expense, to receive two actuarial studies (one preliminary and one final) to estimate his or her retirement benefits. Any additional studies shall be provided only at the Member's expense.

#### **4. PAYMENT OF A PENSION**

A normal pension benefit begins the day following the retirement date, with checks dated the last working day of the month. Benefits are paid in arrears. If the retirement date is after the 15th of a month, retirement is effective the first of the following month, with the first check payable on the last day of the following month, but the first payment shall include a payment for the partial first month of retirement.

#### **5. SUPPLEMENTAL BENEFIT - SHARE PLAN (24-93)**

Pursuant to Florida law, a separate member "share account" has been created for each member and DROP participant of the plan. 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, then 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 divided equally among those persons eligible for an allocation. Your share account receives its proportionate share of the income or loss on the assets in the plan.

#### **6. DEFERRED RETIREMENT OPTION PLAN (DROP) (24-91)**

In lieu of terminating employment as a police officer, any member that is eligible for normal retirement may elect to defer receipt of retirement pension to participate in the DROP. The maximum length for participation in the DROP is sixty (60) months.

A member's pension benefit is fixed as of the date of entry into the DROP. Participants can select an investment return equal to the same rate of return earned by the Pension Fund, or a fixed rate of 2.5% per annum. The investment choice may be changed once during the period of participation. Funds are withdrawn or rolled-over within ninety (90) days after termination with the City

Entry into the DROP constitutes an irrevocable notice of termination, effective not later than sixty (60) months from the effective date of the DROP.

#### **7. DISABILITY RETIREMENT**

A. Disability in Line of Duty (24-69 [b]). A police officer is considered disabled when he or she becomes totally and permanently disabled to render useful and efficient service as a police officer. If the Board determines that the disability is directly caused by the performance of his or her duty as a police officer, the police officer will be entitled to the same monthly pension as if he or she had taken a normal retirement. If the police officer has less than twenty-five (25) years of credited service, the monthly pension will be calculated assuming twenty-five (25) years of service.

Any condition or impairment of health of a police officer caused by tuberculosis, heart disease, meningococcal meningitis or hypertension resulting in death or total

disability is presumed to have been suffered in the line of duty unless the contrary is shown by competent evidence; provided that the police officer has successfully passed a physical examination on entering into service.

In the case of meningococcal meningitis, the police officer must also affirm that there was no exposure outside the scope of employment. The police officer must have undergone standard, medically acceptable tests prior to diagnosis.

- (1) If a member who reached age fifty (50) and completed ten (10) years of credited service, or completed twenty-five (25) years of credited service regardless of age, prior to October 1, 2012, and began receiving disability benefits thereafter, should die before receiving retirement benefits for a period of one hundred twenty (120) months, the same monthly benefit will be paid to the beneficiary (or beneficiaries) as designated by the member for the balance of such 120-month period or, if no beneficiary is designated, to the estate of the member. Instead of the 120-month certain benefit, such member may elect for his or her surviving spouse to receive and be paid for the remainder of his or her natural life a sum equal to two-thirds (2/3) of the amount which the decedent was receiving calculated upon the length of his or her credited service exclusive of any payments on account of issue; and the fund shall pay in addition thereto a separate monthly payment equal to five (5) percent of the deceased member's last monthly salary for each of the deceased member's issue for which the deceased member had been receiving a payment. If the two-thirds (2/3) surviving spouse's benefit terminates and issue as defined herein are in being, then such spouse's benefit shall be divided equally among and paid to such issue and the five (5) percent benefit shall cease.
- (2) In the event a member who **did not** reach age fifty (50) and complete ten (10) years of credited service, or complete twenty-five (25) years of credited service regardless of age, prior to October 1, 2012, and begins receiving disability benefits thereafter, should die before receiving disability benefits for a period of one hundred twenty (120) months, the same monthly benefit will be paid to the beneficiary (or beneficiaries) as designated by the retiree for the balance of such 120-month period. Instead of the 120-month certain benefit, the member may select an optional form of benefit as provided in section 10, below. If no beneficiary is designated the commuted value of the remaining monthly income shall be paid in a lump sum to the member's estate.

B. Disability Not in Line of Duty (24-69 [a]). If the Board determines that a police officer is disabled from causes **not** directly attributed to the performance of his or her duties, he or she shall receive a monthly pension equal to his or her average compensation multiplied by two and one-half percent (2.5%), multiplied by the years of credited service up to a maximum of forty

(40) years of credited service. In addition, the Fund will pay a separate monthly payment equal to five percent (5%) of his or her last monthly salary for each of his or her dependent children.

- (1) If a member who reached age fifty (50) and completed ten (10) years of credited service, or completed twenty-five (25) years of credited service regardless of age, prior to October 1, 2012, and began receiving disability benefits thereafter, should die before receiving retirement benefits for a period of one hundred twenty (120) months, the same monthly benefit will be paid to the beneficiary (or beneficiaries) as designated by the member for the balance of such 120-month period or, if no beneficiary is designated, to the estate of the member. Instead of the 120-month certain benefit, such member may elect for his or her surviving spouse to receive and be paid for the remainder of his or her natural life a sum equal to two-thirds (2/3) of the amount which the decedent was receiving calculated upon the length of his or her credited service exclusive of any payments on account of issue; and the fund shall pay in addition thereto a separate monthly payment equal to five (5) percent of the deceased member's last monthly salary for each of the deceased member's issue for which the deceased member had been receiving a payment. If the two-thirds (2/3) surviving spouse's benefit terminates and issue as defined herein are in being, then such spouse's benefit shall be divided equally among and paid to such issue and the five (5) percent benefit shall cease.
- (2) In the event a member who **did not** reach age fifty (50) and complete ten (10) years of credited service, or complete twenty-five (25) years of credited service regardless of age, prior to October 1, 2012, and begins receiving disability benefits thereafter, should die before receiving disability benefits for a period of one hundred twenty (120) months, the same monthly benefit will be paid to the beneficiary (or beneficiaries) as designated by the retiree for the balance of such 120-month period. Instead of the 120-month certain benefit, the member may select an optional form of benefit as provided in section 9, below. If no beneficiary is designated the commuted value of the remaining monthly income shall be paid in a lump sum to the member's estate.

C. Conditions Disqualifying Disability Benefits (24-69[c]) Each police officer that is claiming a disability benefit must establish to the satisfaction of the Board that the disability was not caused 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 employment as a police officer with the City has terminated.

D. 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.

## **8. SURVIVOR BENEFITS - DEATH BEFORE RETIREMENT**

A. Death in Performance of Duties (24-68 [a]). If any police officer loses his or her life as a direct result of the performance of his or her duties as a police officer, the surviving spouse shall be entitled to the same monthly pension as if the deceased member had taken a normal retirement and then died. If the police officer has less than twenty-five (25) years of service, the pension will be calculated assuming twenty-five (25) years of service. If a police officer is killed in the line of duty, the spouse's benefit will not cease upon remarriage.

B. Death Not in Performance of Duties (24-68[b]). If any police officer dies of causes not directly attributed to the performance of his or her duties as a police officer, his or her spouse will be entitled to the same monthly pension as if the deceased member had taken a Not Line of Duty Disability and then died. If the deceased member was eligible for normal retirement at the time of death, the benefit accrual rate will be three percent (3%).

**9. SURVIVOR BENEFITS - DEATH AFTER RETIREMENT  
(24-70[a] and 24-78)**

Upon the death of the retired member, benefits will be paid in accordance with the option chosen by the member at the time of retirement.

**10. OPTIONAL FORMS OF BENEFITS (24-78)**

Instead of the amount and form of retirement income payable under the normal retirement provision, a member may choose to receive a retirement income of equivalent actuarial value under the following options:

A. A retirement income of a modified monthly amount, payable during his or her lifetime. Following the death of the retiree, one hundred (100%), seventy-five (75%), sixty-six and two-thirds (66 2/3%), or fifty (50%) percent of that monthly amount will be payable to the joint annuitant for his or her lifetime.

B. A retirement income of a monthly amount payable to the retiree for his or her lifetime only.

The Pension Department will provide an estimate of the amount of pension under the optional forms of payment. The option may not be changed after the date of cashing or depositing the first retirement check. However, the selection of the joint annuitant may be changed twice.

**11. VESTING AND TERMINATION OF BENEFITS**

A. Vesting and Termination (24-75). If a police officer's employment is terminated prior to retirement, either voluntarily or involuntarily, benefits are payable as stated below. The Pension Plan will not consider a termination final while any appeals are pending and no benefits will be paid until all appeals are withdrawn or exhausted.

- (1) If the member has less than ten (10) years of credited service at the time of termination, he or she will be paid the full amount of his or her contributions plus regular interest. This will be a complete discharge of all benefits under the Plan.
- (2) If the member has at least ten (10) years of credited service at the time of termination, he or she may choose to either:
  - a. Receive a refund of contributions and interest instead of any other benefits.
  - b. Receive a deferred monthly pension starting at age fifty-five (55) equal to three percent (3%) of his or her average compensation at the time of termination, multiplied by his or her years of credited service at the time of termination.

Alternatively, the member may elect to receive a reduced retirement pension at any time after age fifty (50).

- (3) In the event a member who terminates employment on or after October 1, 2012 with at least ten (10) years of credited service does not elect to withdraw contributions and dies prior to commencement of benefits, the member's designated beneficiary (or beneficiaries) shall be entitled to a pension commencing on the month the member would have first been eligible to receive benefits as provided above for a period of one hundred twenty (120) months. If no beneficiary is designated the commuted value of the monthly benefit shall be paid in a lump sum to the member's estate.

B. Direct Transfers of Eligible Rollover Distributions (24-90). Any police officer that terminates and elects to withdraw his or her accumulated contributions in a lump sum may request that the taxable portion of the withdrawal be directly transferred to another eligible retirement plan.

C. Consolidation With Another Agency (24-85 [b]). If the City of Sarasota Police Department merges or consolidates with another government agency, the Board will continue to administer the Plan in accordance with the Ordinance. As provided in Florida Statutes 112, merger or consolidation will not impair or diminish the rights of any member of the Pension Plan.

## **12. RE-EMPLOYMENT**

A. Reemployment After Separation (24-61). Any police officer who voluntarily separates from service may elect to have his or her name remain on a retention list as eligible for re-employment. Under these conditions, the police officer may permit his or her pension fund contributions to remain on deposit up to five (5) years. In the event the police officer is reemployed within this time, all pension rights will relate back to the original employment date, excluding only the period of time the police officer was separated from the City.

B. Purchase of Prior Service Time With City (24-61 and 24-77) The time that a member 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 the current service time provided that within the first 90 days of the members reemployment the member pays into the plan the withdrawn contributions with interest.

If, after 90 days from the member's reemployment the member has failed to purchase service time pursuant to the previous paragraph, the member will receive service time only if the following conditions are met:

- (1) The member contributes to the Fund the amount actuarially determined so that the crediting of service does not result in any cost to the Fund, plus payment for all professional services rendered to the Board in connection with the purchase of prior service.

- (2) The prior service time must be for at least one year and payment must be made prior to retirement.
- (3) Payment must be made within 6 months of the request for credit and must be made in one lump sum.

There is no maximum purchase of credit for prior service with the City of Sarasota and credited service purchased will count for all purposes, including vesting.

C. Reemployment After Normal Retirement (24-92). If you retire under normal or early retirement and wish to be reemployed by the city, you should be aware that your ability to continue to receive your pension benefit upon reemployment may be restricted. While the plan may be permitted to make benefit payments to you if you are reemployed, in this event you may be subject to a 10% tax penalty, which penalty may continue until you attain age 59 ½, whether or not you continue to be employed by the City.

### **13. COST OF LIVING ADJUSTMENTS (24-74)**

Monthly pension benefits are increased each February by 3.2%. If the pension payments started during the previous calendar year, the COLA is pro-rated.

Effective October 1, 2012, the 3.2% annual increase shall apply to benefits based on credited service through September 30, 2012. For benefits based on credited service on and after October 1, 2012, the annual increase shall be 1% and shall not commence until age 65. If a member retires on or after reaching age 65, the 1% increase shall commence on the last day of February following retirement, with the increase prorated as provided herein. If the member is deceased and benefit is being paid to a joint annuitant or beneficiary, the 1% increase shall begin when the member would have turned 65. However, the benefit of a member that becomes disabled or dies in the line of duty shall be increased by 3.2% annually regardless of when the service time was credited.

### **14. MILITARY SERVICE OR POLICE SERVICE WITH ANOTHER AGENCY**

A. Military Service After Employment (24-61). Time served in "Qualified Military Service" will be added to a police officer's years of credited service if:

- (1) The member returns to the City as a police officer within one (1) year from the date of military discharge or release from active service.
- (2) The member is entitled to reemployment under the provisions of the Uniformed Services Employment and Reemployment Rights Act (USERRA).
- (3) The maximum credit for military service under this section is five (5) years and will count towards vesting.

B. Military Service Prior to Employment (24-76). Time served under active duty, honorable conditions in "Qualified Military Service" prior to initial employment with the City of Sarasota Police Department will be added to years of credited service if:

- (1) The member contributes to the Fund the amount actuarially determined for the time for which he or she is requesting credit so that the crediting of service does not result in any cost to the Fund.
- (2) Multiple requests may be made by the police officer anytime prior to retirement. Payment by the police officer must be made within 6 months of his request and made in one lump sum.
- (3) The maximum credit when combined with credited service purchased for prior police service with an employer other than the City of Sarasota shall be 5 years and does not count for vesting.

C. Police Service with Another Agency (24-77) Time that a member previously served as a police officer for any other municipal, county, state, or federal law enforcement agency in the United States will be added to years of credited service if:

- (1) The member contributes to the Fund the amount actuarially determined for the time for which he or she is requesting credit so that the crediting of service does not result in any cost to the Fund.
- (2) Multiple requests may be made by the police officer anytime prior to retirement. Payment by the police officer must be made within 6 months of his request and made in one lump sum.
- (3) The maximum credit when combined with credited service purchased for military service prior to employment shall be 5 years and does not count for vesting.
- (4) The service is recognized by the Criminal Justice Standards and Training Commission with the Department of Law Enforcement as provided under F.S. ch 943.

Service with another agency may not be purchased if it is counted for a retirement benefit or pension from a different employer's retirement system.

## **15. CLAIMS PROCEDURES BEFORE THE BOARD (24-82)**

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 within not more than 270 days from the date of the receipt of such written request, or in the case of a disability claim, from receipt of a medical release and completed interrogatories. The time period may be extended if you agree to the extension.

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;
- (3) An explanation of the review procedure next open to you which includes a formal evidentiary hearing.

## **16. FILING FOR RETIREMENT**

To ensure that pension benefits are received on time, an application should be filed with the Pension Department at least sixty (60) days before retirement. All forms may be obtained from the Pension Department at the address listed on the Introduction page.

## **17. CONVICTION AND FORFEITURE**

A. False, Misleading or Fraudulent Statements (24-88). A member may forfeit his or her pension benefit, including accumulated contributions, if convicted of making a false statement, or assisting, conspiring or urging another to make a false, or misleading statement, or for withholding or concealing information to obtain a benefit from the system.

B. Forfeiture of Pension (24-89). Any police officer who is convicted of the following offenses committed prior to retirement or termination from the DROP program, or whose employment is terminated because of his or her admitted commission, aid or abetment of the following specified offenses shall forfeit all rights and benefits under this Pension Fund, except for the return of his or her contributions as of the date of his or her termination. Specified offenses are as follows:

- (1) The committing, aiding or abetting of an embezzlement of public funds;
- (2) The committing, aiding or abetting of any theft by a public officer or employee from his or her employer;
- (3) Bribery in connection with the employment of a public officer or employee;
- (4) Any felony specified in Florida Statutes, Chapter 838;
- (5) The committing of an impeachable offense;
- (6) The committing of any felony that defrauds City of Sarasota of the right to receive the faithful performance of his or her duty; obtains or attempts to obtain a profit, gain, or advantage for himself or herself or for another person with the power, rights, privileges, duties or position of his or her employment position;

- (7) The committing of a felony defined in Florida Statutes Chapter 800.04 against a victim younger than 16, or any felony defined in Chapter 794 against a victim younger than 18 by a public employee through the use or attempted use of power or rights of his or her position as a public employee.

**18. INTEREST OF MEMBERS IN PENSION FUND  
(24-83[a] and [b])**

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 exclusive benefit of members, retirees and beneficiaries.

The City Commission may not amend the Plan to reduce the vested accrued benefit of members or beneficiaries.

**19. MAXIMUM BENEFITS**

In no event will the annual benefits paid from this plan exceed \$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. If you began participation prior to this date, you are not subject to the 100% limitation.

**20. APPLICABLE LAW**

The following federal, state and local laws govern the Plan:

- A. Internal Revenue Code and amendments. The system is a qualified public pension plan under Section 401(a) of the Code.
- B. Chapter 185, Florida Statutes, "Municipal Police Officers' Retirement Trust Funds."
- C. Part VII, Chapter 112, Florida Statutes, "Actuarial Soundness of Retirement Systems."
- D. Code of the City of Sarasota, Chapter 24, Article II, Division 3 as amended.

**21. FUND YEAR AND FUND RECORDS**

The Plan Year begins on October 1 of each year and ends on September 30. All records of the Plan are maintained by the Plan Year, except for the posting of interest on a calendar year basis.

## **22. PROVISIONS OF COLLECTIVE BARGAINING AGREEMENTS**

The current collective bargaining agreement with the police officers contains no provisions that deal directly with pension benefits. However, pension benefits can be a bargainable issue.

## **23. DISSOLUTION OF MARRIAGE AND DIVISION OF PENSION**

As a governmental plan, the Police Officers' Pension Fund is not required to honor the Qualified Domestic Relations Order (QDRO) provisions of the Internal Revenue Code. Neither a QDRO nor an income deduction order for property division can be used to require the Pension Plans to make payments to a former spouse to accomplish an equitable distribution of marital assets.

Before making a settlement that involves your pension, please contact the Pension Department to receive a packet of information written by the Plan attorney to assist you in resolving the division and distribution of your pension.

## **24. FINANCIAL AND ACTUARIAL INFORMATION**

A report of pertinent financial and actuarial information on the solvency and actuarial soundness of the Plan is attached as Exhibit A.

A copy of the detailed accounting report of the plan's expenses for the fiscal year is available for review upon request to the Plan Administrator.

A copy of the administrative expense budget for the plan, for each fiscal year is available for review upon request to the Plan Administrator.

## **25. 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 pension plan retirement benefits. This law went into effect on July 1, 2012. This law contains several exceptions, including not changing the designation of your beneficiary or joint pensioner by Court Order.

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.

## **26. 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.

## **27. ADMINISTRATION OF THE FUND (24-63)**

The Pension Fund is administered by a Board of Trustees that acts as the named fiduciary and administrator of the Fund as defined by Florida law. The exclusive administration of and responsibility for the proper operation of the retirement system and for making effective the provisions of Chapter 24, Article II, Division 3 of the Code are vested in the Board of Trustees.

The Board consists of five (5) Trustees, two (2) of whom are appointed by the City Commission, two (2) of whom are full-time police officers who are elected by a majority of the police officers. The fifth Trustee is chosen by a majority of the previous four (4) Trustees. Each Trustee serves a four (4) year term.

The Chairman of the Board of Trustees is designated for the service of legal process and can be served at the address set forth below.

The Trustees of the Board are listed below with their address and type of position on the Board:

MEMBER  
ELECTED                      Demetri Konstantopoulos, Chairman  
Police Department  
2099 Adams Lane  
Sarasota, Florida 34237

MEMBER  
ELECTED                      Johnathan Todd, Vice-Chairman  
Police Department  
2099 Adams Lane  
Sarasota, Florida 34237

COMMISSION  
APPOINTED                    Shayla Griggs, Secretary / Treasurer  
1565 First Street  
Sarasota, Florida 34236

COMMISSION  
APPOINTED                    Jody Hudgins  
c/o Pension Department  
1565 First Street  
Sarasota, Florida 34236

BOARD  
APPOINTED                    Ron Baty  
c/o Pension Department  
1565 First Street  
Sarasota, Florida 34236

The address of the Board of Trustees (Administrator) is:

City of Sarasota Police Officers' Pension Fund  
1565 First Street, Room 110  
Sarasota, Florida 34236

dm/srq/pol/08-17-21.spd

# EXHIBIT A

City/District Name: Sarasota

Employee group(s) covered: Police

Current actuarial valuation date: 9/30/2019

Plan Status: Active

Date prepared: 1/14/2021

<b>Number of plan participants:</b>	390	<b>GASB 67 Reporting</b>	
<b>Actuarial Value of Plan Assets (AVA):</b>	\$245,119,844	<b>Discount Rate</b>	7.00%
<b>Actuarial Accrued Liability (AAL):</b>	\$283,893,990	<b>Total Pension Liability</b>	283,133,329
<b>Unfunded Accrued Liability (UAL):</b>	\$38,774,146	<b>Market Value of Plan Assets</b>	247,380,144
<b>Market Value of Plan Assets (MVA):</b>	\$247,380,144	<b>Net Pension Liability</b>	35,753,185
<b>MVA Funded Ratio (5-year history):</b>		<b>GASB 67 Funded Ratio</b>	87.37%
		<b>Averages for all plans with 2019 current actuarial valuation date</b>	
Current valuation	87.14%	86.62%	*
1 year prior	89.82%	88.75%	*
2 years prior	85.07%	85.83%	*
3 years prior	79.98%	82.35%	*
4 years prior	78.31%	82.16%	*
<b>Rate of Actuarial Value, Actual (2019 Plan Year)</b>	7.20%	7.12%	
<b>Return: Market Value, Actual</b>	2.50%	3.94%	
Assumed	7.00%	7.19%	
<b>Funding requirement as percentage of payroll:</b>	60.96%	59.70%	**
<b>Percentage of payroll contributed by employee:</b>	8.00%	6.47%	**
<b>Funding requirement as dollar amount:</b>	8,143,051	N/A	

**Benefit Formula Description:** 3.00% X FAC X SC

**AFC Averaging Period (years):** 5

**Employees covered by Social Security?** No

Additional actuarial disclosures required by section 112.664, Florida Statutes:

Florida Statute Chapter	Discount Rate	Pension Liability	Market Value of Plan Assets	Net Pension Liability	Years assets sustain benefit payments	Total Dollar Contribution	Total % of Pay Contribution
112.664(1)(a)	7.00%	283,133,329	247,380,144	35,753,185	28.17	8,342,436	60.93
112.664(1)(b)	5.00%	369,282,427	247,380,144	121,902,283	19.92	16,587,661	121.15
Valuation Basis	7.00%	N/A	N/A	N/A	28.17	8,342,436	60.93

Link to annual financial statements:

<https://frs.fl.gov/forms/LOC5340777PDF09302019N1.pdf>

\*Adjusted by excluding plans from average whose Funded Ratios were not within two standard deviations from the mean

\*\*Excludes plans with zero payroll

(For explanation of terms, see glossary on page 2)

## Actuarial Summary Fact Sheet – Glossary of Terms

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<b>Plan Status:</b>	Active, Closed (closed to new entrants) and Frozen (closed to new entrants and no further benefit accruals)
<b>Actuarial Value of Plan Assets (AVA):</b>	Assets calculated under an asset valuation method smoothing the effects of volatility in market value of assets. Used to determine employer contribution.
<b>Actuarial Accrued Liability (AAL):</b>	Portion of Present Value of Fully Projected Benefits attributable to service credit earned as of the current actuarial valuation date.
<b>Unfunded Accrued Liability (UAL):</b>	The difference between the actuarial accrued liability and the actuarial value of assets accumulated to finance the obligation.
<b>Market Value of Plan Assets (MVA):</b>	The fair market value of assets, including DROP accounts.
<b>MVA Funded Ratio:</b>	Market Value of Plan Assets divided by Actuarial Accrued Liability (GASB)
<b>Rate of Return (Assumed):</b>	Assumed long-term rate of return on the pension fund assets.
<b>Funding requirement as percentage of payroll:</b>	Total Required Contribution (employer and employee) divided by total payroll of active participants. No interest adjustment is included.
<b>Funding requirement as dollar amount:</b>	Total Required Contribution (employer and employee). No interest adjustment is included.
<b>AFC:</b>	Average Final Compensation or some variant of compensation (e.g., AME [Average Monthly Earnings], FAC [Final Average Compensation], FMC [Final Monthly Compensation] etc.)
<b>SC:</b>	Service Credit

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## Section 112.664 – Glossary of Terms

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<b>Florida Statute Chapter:</b>	112.664(1)(a) – uses mortality tables used in either of the two most recently published FRS valuation reports, with projection scale for mortality improvement  112.664(1)(b) – uses same mortality assumption as 112.664(1)(a) but using an assumed discount rate equal to 200 basis points (2.00%) less than plan's assumed rate of return.  Valuation Basis – uses all the assumptions in the plan's valuation as of the current actuarial valuation date.
<b>Discount Rate:</b>	Rate used to discount the liabilities. Typically the same as assumed rate of return on assets.
<b>Total Pension Liability:</b>	Actuarial Accrued Liability measured using the appropriate assumptions as specified above and the Traditional Individual Entry Age Normal Cost
<b>Net Pension Liability:</b>	Total Pension Liability minus Market Value of Plan Assets.
<b>Years assets sustain benefit payments:</b>	Assuming no future contributions from any source, the number of years the market value of assets will sustain payment of expected retirement benefits. The number of years will vary based on the Florida Statute Chapter assumption.
<b>Total Dollar Contribution:</b>	Required contribution from all sources (i.e., employee and sponsor). Contribution will vary based on the Florida Statute Chapter assumption.
<b>Total % of Pay Contribution:</b>	Total Dollar Contribution divided by total payroll of active participants
<b>Annual financial statements:</b>	A report issued which covers a local government retirement system or plan to satisfy the financial reporting requirements of section 112.664(1), F.S.