

**CITY OF NORTH PORT POLICE OFFICERS'
PENSION-LOCAL OPTION TRUST FUND**

SUMMARY PLAN DESCRIPTION

December 1, 2023

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

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INTRODUCTION

The Board of Trustees of the North Port Police Officers' Pension-Local Option Trust Fund is pleased to present this booklet which briefly explains the provisions of your Police Officers' Pension Plan. As a participant in the plan, you are included in a program of benefits to help you meet your financial needs at retirement, or in the event of disability or death.

This booklet can assist 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 any member of the Board of Trustees or the Plan Administrator. They will either answer questions you might have to help you understand your benefits or otherwise get you an answer to your questions. We urge you to read and understand this booklet in order to become familiar with the benefits of the plan and how they contribute to your financial security and how they will enrich your retirement years.

The information presented is only a summary of the pension plan ("plan") as provided in the ordinances of the City of North Port. If there are any conflicts between the information in this booklet and the ordinances of the City of North Port, the ordinances shall govern. The provisions of this Summary Plan Description shall not constitute a contract between the Member and the Board of Trustees. A copy of the ordinance establishing the plan can be obtained from the City Clerk's office, which is located at 4970 City Hall Boulevard, North Port, Florida 34286.



Chairman, Board of Trustees, North Port
Police Officers' Pension-Local Option Trust
Fund

12/11/23
Date

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

A. **Administration.**

- (1) The North Port Police Officers' Pension-Local Option Trust Fund is a defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the plan. The Board consists of 5 Trustees, 2 of whom are legal residents of the City who are appointed by the City Commission, 2 of whom are full-time Police Officers who are elected by a majority of the members of the plan and a fifth Trustee who is chosen by a majority of the first 4 Trustees. Each Trustee serves a 2 year term.
- (2) DROP participants can be elected as but not vote for elected trustees.

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

2. **ELIGIBILITY FOR PLAN MEMBERSHIP**

Each person employed by the City Police Department as a full-time Police Officer before March 1, 2016 elected to either continue to be a member of the plan or to participate in the Florida Retirement System (FRS). All Police Officers hired on or after March 1, 2016 shall be compulsory members of the FRS and shall not be eligible for membership in this system. This system shall be closed to new members effective March 1, 2016. All remaining eligible Police Officers are therefore eligible for all plan benefits as provided for in the plan document and by applicable law.

3. **PLAN BENEFITS**

All claims for benefits under the plan shall be made in writing to the Board of Trustees. It is your responsibility to contact the plan and make a written application for benefits when you are eligible to start receiving your benefit at your normal or early retirement date. You should file your application for benefits with the plan administrator at least 45 days prior to the date that benefits are to commence. Benefit payments shall begin only after a written application is filed and payments shall not be made retroactive to your original eligibility date should you delay in applying for benefits.

A. **Normal Retirement Eligibility.**

1. If you were hired before May 27, 2014, you are eligible for retirement upon the earlier of the attainment of age 55 and the completion of 10 years of credited service or the completion of 25 years of credited service, regardless of age.
2. If you were hired on or after May 27, 2014, you are eligible for retirement upon the earlier of the attainment of age 55 and the completion of 10 years of credited service or the attainment of age 52 and the completion of 25 years of credited service.

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

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

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

"Salary" is the total compensation for services rendered to the City as a Police Officer reportable on your W-2 form plus all tax deferred or tax exempt items of income derived from elective employee payroll deductions or salary reductions. For service earned after May 27, 2014 (the "effective date"), salary shall not include more than 300 hours of overtime per calendar year and shall also not include payments for accrued unused sick or annual leave. Provided however, in any event, payments for overtime in excess of 300 hours per year or accrued unused sick or annual leave accrued as of the effective date and attributable to service earned prior to the effective date, may still be included in Salary for pension purposes even if the payment is not actually made until on or after the effective date. In any event, with respect to unused sick leave and unused annual leave accrued prior to the effective date, Salary will include the lesser of the amount of sick or annual leave time accrued on the effective date or the actual amount of sick or annual leave time for which the retiree receives payment at the time of retirement, regardless of whether the amount of sick or annual leave was, at some time prior to retirement, reduced below the amount on the effective date.

If you were hired before May 27, 2014, your normal retirement benefit is calculated by multiplying 3.5% times years of credited service times your average final compensation: $(3.5\% \times CS \times AFC = \text{normal retirement benefit})$

If you were hired on or after May 27, 2014, your normal retirement benefit is calculated by multiplying 3.15% times years of credited services times your average final compensation: $(3.15\% \times CS \times AFC = \text{normal retirement benefit})$

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

C. Early Retirement. You are eligible for early retirement upon the attainment of age 45 and the completion of 10 years of credited service.

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

- (1) Beginning on the date on which you would have qualified for normal retirement, determined as if you had remained employed; or
- (2) If you were hired before May 27, 2014, beginning immediately upon retirement, but if beginning immediately, the amount of the monthly benefit is reduced by:
 - (a) 3% for each year by which the commencement of benefits precedes your normal retirement date, determined as if you had remained employed, if you have less than 15 years of credited service; or

- (b) 2% for each year by which the commencement of benefits precedes your normal retirement date, determined as if you had remained employed, if you have at least 15 years, but less than 20 years of credited service; or
 - (c) 1% for each year by which the commencement of benefits precedes your normal retirement date, determined as if you had remained employed, if you have 20 or more years of credited service; or
- (3) If you were hired on or after May 27, 2014, beginning immediately upon retirement, but if beginning immediately, the amount of the monthly benefit is reduced by 3% for each year by which the commencement of benefits precedes your normal retirement date.

E. Supplemental Benefit - Share Plan. Pursuant to Florida law, a separate member "share account" has been created for each member and DROP participant, and certain normal and early retirement retirees of the plan (not terminated vested persons). 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, or at the end of the fiscal year for certain retirees, there shall be an additional benefit paid to you. If you terminate employment with less than 10 years of credited service, you will forfeit your share plan benefits. 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 and allocated to your share account Your share account receives its proportionate share of the income or loss on the assets in the plan.

If you terminate employment and you are vested at that time, in the event you receive a distribution of your share account balance, you will no longer have the option of receiving a refund of your member contributions as you are deemed to have begun receipt of benefits from the plan by receiving share plan benefits. You will continue to have a right to begin your monthly benefit from the plan starting at your early or normal retirement date. If you terminate employment and receive a refund of your contributions, you forfeit your entitlement to your share plan account balance, whether or not you were vested.

F. Supplemental Benefit. All current and future retirees, including service retirees, disability retirees, current and future terminated vested persons, and beneficiaries shall receive a \$165 per month benefit supplement.

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

- (1) Optional Forms of Retirement. In lieu of the amount and form of retirement income payable under normal and early retirement, you may elect to receive a retirement benefit in a different form so long as the form you elect is of equal actuarial value as the normal benefit. The optional forms of benefits which are available are:
 - (a) A retirement income of a monthly amount, payable to you for your lifetime only.
 - (b) A retirement income of a modified monthly amount, payable to you during your lifetime and following your death, 100%, 75%, 66-2/3%, or 50% of such monthly amounts payable to a joint pensioner for his lifetime.

- (c) If you retire prior to the time at which social security benefits are payable, you may elect to receive an increased retirement benefit until such time as social security benefits shall be assumed to commence and a reduced benefit thereafter in order to provide, to as great an extent as possible, a more level retirement allowance during the entire period of retirement.
 - (d) If you do not participate in the DROP, you may also elect to receive an initial lump sum payment equal to 10%, 15%, 20% or 25% of your accrued benefit with the remaining 90% 85%, 80% or 75%, respectively, payable in a form selected by you and provided for in (a), (b) or (c) above or in the normal form (10 years certain and life).
- (2) Deferred Retirement Option Plan (DROP).
- (a) If you become eligible for normal retirement (age 55 with 10 years of service or 25 years of service), and are still employed by the City as a Police Officer, you have the option of "retiring" from the pension plan but continuing your employment as a Police Officers for up to an additional 5 years. An election to participate in the DROP shall constitute an irrevocable election to resign from the service of the City not later than 5 years from the commencement of DROP participation. You can participate in the DROP only once. You must request, in writing to enter the DROP.
 - (b) Upon entering the DROP, your retirement benefit is immediately calculated and each monthly benefit payment is deposited into your DROP account. You may elect to either have your account credited with interest at the rate of 6.5% per annum or credited or debited with an investment return or loss equal to the net investment return realized by the System for that quarter. One change in election is permitted.
 - (c) Once you enter the DROP, you are essentially "retired" from the pension plan's viewpoint, therefore:
 - 1. You do not accrue additional credited service in the plan - your monthly benefit is fixed as of the date you enter the DROP.
 - 2. You are not eligible for disability benefits or pre-retirement death benefits.
 - 3. You will no longer make contributions to the plan from your salary.
 - (d) If, at the end of 60 months, you do not terminate your employment as a Police Officer, you will no longer earn interest or investment returns on your account. Your monthly pension benefits will no longer be paid to your account if you do not terminate employment.
 - (e) Once you terminate employment, the amount in your DROP account will be paid to you in a lump sum and you will also begin to receive your regular monthly pension benefits.

- (f) Participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants.
- (g) Additional information about the DROP can be obtained from the Board.

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

- (1) If the injury or disease is service connected, you shall be entitled to a monthly pension equal to 2% of your average final compensation multiplied by your total years of credited service, but in any event, the minimum amount paid to you shall be 60% of your rate of pay at the time you became disabled. Notwithstanding the previous sentence, in the event you are determined by the Board to be disabled in-line of duty and the disability resulted from the perpetration of an intentional act of violence directed toward you and the Board reasonably believes the perpetrator intended to cause you great bodily harm or permanent disfigurement, the minimum amount paid to you shall be 80% of your average final compensation.
- (2) If the injury or disease is not service connected, you shall be entitled to a monthly pension equal to 2% of your average final compensation multiplied by your total years of credited service, but in any event, the minimum amount paid to you shall be 50% of your rate of pay at the time you became disabled. This non-service connected benefit is only available if you have at least 10 years of credited service.

"Rate of pay" is your current hourly rate of pay times 2080 hours plus any incentive and specialty pay.

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

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

- (b) If you are terminated by the City for medical reasons and you apply within 30 days after your medical termination date.

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

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

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

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

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

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

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

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

- (1) If you have 5 or more years of credited service and your death is not service connected, your surviving spouse, if any, shall be entitled to a monthly benefit equal to 50% of your salary at the time of your death and continuing to your spouse for life or until their remarriage. In the event that there is no surviving spouse, your pension shall be paid in equal shares to any of your surviving children who are under 18 years of age and/or who are under age 23 and pursuing a full-time education.

- (2) If your death is service connected, your surviving spouse, if any, shall be entitled to a monthly benefit equal to 60% of your salary at the time of your death and continuing to your spouse for life. In the event that there is no surviving spouse, then your pension shall be paid in equal shares to your surviving children who are under age 18 and/or who are under age 23 and pursuing a full-time education. The in-line-of-duty presumptions in Section H. above shall apply to the determination of an in-line-of-duty death.
- (3) If the total monthly income benefits paid to your surviving spouse and/or surviving children are not equal to 100% of your contributions made to the date of your death, then an amount equal to 100% of your contribution minus the total monthly income payments paid shall be paid to your beneficiary.
- (4) Notwithstanding (1), (2) or (3) above, if you have at least 10 years of credited service prior to retirement, your beneficiary is entitled to the benefits payable to you at your early or normal retirement age, less the value of any previously received benefits.
- (5) If you continue to work beyond your normal retirement date, you may select, on a form provided by the board, an optional pre-retirement death benefit to be paid to your beneficiary or joint pensioner in the event you die before your actual retirement date. If you do survive to your actual retirement date, a new or change in benefit election will be made.

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

- (1) If you have less than 10 years of credited service upon termination, you shall be entitled to a refund of the money you have contributed or you may leave it deposited with the plan.
- (2) If you have 10 or more years of credited service upon termination, you shall be entitled to a monthly retirement benefit. The benefit shall be determined in the same manner as for normal or early retirement and based upon your credited service, average final compensation and the benefit accrual rate as of the date of termination. The benefit shall be payable to you commencing at your otherwise early or normal retirement date, determined based upon your actual years of credited service, provided you do not elect to withdraw your contributions and provided you survive to your normal or early retirement date. If you do not withdraw your accumulated contributions and do not survive to your otherwise normal or early retirement date, your designated beneficiary shall be entitled to a benefit as provided herein for a deceased member, vested or eligible for retirement under Death Before Retirement.

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

K. Reemployment After Retirement. 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 59½, whether or not you continue to be employed by the City.

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

- (1) "Buy-Back" for Military Service Prior to Employment. The time that you serve or have served on active duty in the active military service of the Armed Forces of the United States, the United States Merchant Marine or the United States Coast Guard, voluntarily or involuntarily, honorably or under honorable conditions, prior to first and initial employment with the City shall be added to your years of Credited Service provided that:
 - (a) You contribute to the plan a sum of money equal to:
 - (i) the amount that you would have contributed to the plan, based on your salary and the member contribution rate in effect at the time that the credited service is requested, had you been a member of the plan for the years or fractional parts of years for which you are requesting credit, plus
 - (ii) amounts actuarially determined such that the crediting of service does not result in any cost to the plan, plus
 - (iii) payment of costs for all professional services rendered to the Board in connection with the purchase of years of credited service.
 - (b) Multiple requests may be made at any time prior to retirement.
 - (c) Payment of the required amount shall be made within 6 months of your request for credit, but not later than your retirement date, and shall be made in one lump sum payment upon receipt of which credited service shall be given or you may elect to make payments over a period of up to 60 months, by after-tax payroll deduction, with interest at the plan's actuarially assumed rate of return.
 - (d) The maximum credit under this subsection shall be 4 years.
 - (e) Credited service purchased pursuant to this subsection shall count for all purposes, except vesting and eligibility for not-in-line of duty disability benefits.
 - (f) You may not purchase credited service after the effective date of your election to participate in the DROP.

- (2) "Buy-Back" of Time Lost Due to Absences Authorized by the Family and Medical Leave Act. If you are absent on unpaid leave under the Family & Medical Leave Act, you may purchase lost credited service by making an actuarially determined contribution to the plan, such that there is no cost to the plan in allowing such credited service, within strict time periods provided for in the plan document.
- (3) "Buy-Back" for Prior Police Service. The years or fractional parts of years that you previously served as a Police Officer with the City of North Port during a period of previous employment and for which period accumulated contributions were withdrawn from the plan, shall be added to your years of credited service provided that within the first 90 days of your reemployment you pay into the plan the withdrawn contributions with interest.

If, after 90 days from your reemployment you have failed to purchase credited service pursuant to the previous paragraph or if you served as a full-time paid Police Officer for any other municipal, county or state law enforcement agency in the State of Florida, you will receive credited service only if:

- (a) You contribute to the plan a sum equal to:
 - (i) the amount that you would have contributed to the plan, based on your salary and the member contribution rate in effect at the time that the credited service is requested, had you been a member of the plan for the years or fractional parts of years for which you are requesting credit, plus
 - (ii) amounts actuarially determined such that the crediting of service does not result in any cost to the plan, plus
 - (iii) payment of costs for all professional services rendered to the Board in connection with the purchase of years of credited service.
- (b) Multiple requests to purchase credited service may be made at any time prior to retirement.
- (c) Payment of the required amount shall be made within 6 months of your request for credit, but not later than your retirement date, and shall be made in one lump sum payment upon receipt of which credited service shall be given or you may elect to make payments over a period of up to 60 months, by after-tax payroll deduction, with interest at the plan's actuarially assumed rate of return.
- (d) The maximum credit under this subsection for service other than with the City of North Port shall be five (5) years of credited service and shall count for all purposes, except vesting and eligibility for not-in-line of duty disability benefits. There shall be no maximum purchase of credit for prior service with the City of North Port and such credit shall count for all purposes, including vesting.

- (e) In no event, however, may credited service be purchased pursuant to this subsection for prior service with any other municipal, county or state law enforcement department, if such prior service forms or will form the basis of a retirement benefit or pension from a different employer's retirement system or plan.
 - (f) In addition to service as a Police Officer in this State, credit may be purchased in the same manner as provided above for federal, other state, county or municipal service if the prior service is recognized by the Criminal Justice Standards and Training Commission within the Department of Law Enforcement, as provided under Chapter 943, Florida Statutes, or you provide proof to the Board that such service is equivalent to the service required to meet the definition of a Police Officer.
 - (g) You may not purchase credited service after the effective date of your election to participate in the DROP.
- (4) Rollovers or Transfers of Funds to Purchase Service. In the event you are eligible to purchase additional credited service as provided above, you may be eligible to rollover or transfer funds from another retirement program in which you participate (traditional IRA, deferred compensation plan maintained by a government employer (457 plan), 401k plan, profit sharing plan, defined benefit plan, money purchase plan, annuity plan or tax sheltered annuity) in order to pay all or part of the cost of purchasing such additional credited service.

M. Contributions and Funding. The City is paying the portion of the cost of the pension plan over and above your contributions and all or a portion of the amounts received from the state insurance rebates pursuant to a mutual consent agreement between the City and the Union, but at least 18% of your salary. You contribute 8% of your salary to the plan. Your contribution will be excluded from your gross income for withholding purposes so you will realize income tax benefits.

N. Maximum Benefits. In no event will the benefits paid from this plan exceed \$275,000.00 annually, subject to certain cost of living adjustments and actuarial reductions, under certain circumstances, for retirement prior to age 62 as set forth in Section 415 of the Internal Revenue Code.

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

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

P. Conviction and Forfeiture; False, Misleading or Fraudulent Statements. It is unlawful for you to willfully and knowingly make, or cause to be made, or to assist, conspire with, or urge another to make, or cause to be made, any false, fraudulent, or misleading oral or written statement or withhold or conceal material information to obtain any benefit from the plan.

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

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

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

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

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

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

5. **VESTING OF BENEFITS**

Your retirement benefits are vested after 10 years of credited service.

6. **APPLICABLE LAW**

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

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

7. **PLAN YEAR AND PLAN RECORDS**

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

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

The current collective bargaining agreement between the City and the Police Officers contains some provisions which deal directly with pension benefits, including minimum funding requirements by the City. Pension benefits are a bargainable issue.

9. **FINANCIAL AND ACTUARIAL INFORMATION**

- A. A report of pertinent financial and actuarial information on the solvency and actuarial soundness of the plan is attached as Exhibit "B".
- B. A copy of the detailed accounting report of the plan's expenses for the previous fiscal year is available for review upon request to the Plan Administrator.
- C. A copy of the administrative expense budget for the plan, for each fiscal year is available for review upon request to the Plan Administrator.

10. **DIVORCE OR DISSOLUTION OF MARRIAGE**

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

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

The Florida Legislature has adopted Section 732.703, Florida Statutes. This law nullifies the designation of your ex-spouse as a Beneficiary or Joint Annuitant / Joint Pensioner on your 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.

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

When you retire because of disability or have worked to the date you are immediately eligible for normal retirement (not early retirement), you can elect to exclude from income, distributions made from your benefit that are used to pay the premiums for accident or health insurance or long-term care insurance. The premium can be for coverage for you, your spouse, or dependents. The distribution can 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 may also elect to make premium payments to the insurance provider yourself. 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.

EXHIBIT "A"

BOARD OF TRUSTEES

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

Chairman: Scott Smith
4980 City Hall Boulevard
North Port, Florida 34287

Secretary: Keith Brown
4980 City Hall Boulevard
North Port, Florida 34287

Member: Christine O'Neal
4980 City Hall Boulevard
North Port, Florida 34287

Member: Brian Chippendale
4980 City Hall Boulevard
North Port, Florida 34287

Member: Mark Harms
4980 City Hall Boulevard
North Port, Florida 34287

PLAN ADMINISTRATOR

Mr. Toby Rabelo
North Port Police Officers' Pension - Local Option Trust Fund
c/o Pension Resource Center
4100 Center Pointe Drive, Suite 108
Fort Myers, FL 33916

Phone: 239-573-4750
Fax: 239-573-4752
E-mail: Toby@resourcecenters.com