

**CITY OF OCALA GENERAL EMPLOYEES' RETIREMENT SYSTEM**

**SUMMARY PLAN DESCRIPTION**

**AUGUST 9, 2021**

**Approved by the Board on:**

August 9<sup>th</sup>, 2021

**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.**

**CITY OF OCALA GENERAL EMPLOYEES' RETIREMENT SYSTEM  
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**INTRODUCTION**

The Board of Trustees (the "Board") of the City of Ocala General Employees' Retirement System (the "Plan") is pleased to present this booklet which briefly explains the provisions of your 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. 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 Plan as provided in the ordinances of the City of Ocala. This summary has been updated through Ordinance 2020-50, dated August 20, 2020. If there are any conflicts between the information in this booklet and the ordinances of the City of Ocala, the ordinances shall govern. The provisions of this booklet shall not constitute a contract between the member and the Board. The Plan shall be administered in accordance with state and federal law, notwithstanding any provisions in this booklet or ordinances to the contrary. A copy of the ordinance establishing the Plan can be obtained from the City Clerk's office, which is located at 110 SE Watula Avenue, Ocala, Florida 34471.

  
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Chairman, Board of Trustees, City of Ocala  
General Employees' Retirement System

09-27-21  
Date

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

A. **Administration.**

(1) The City of Ocala General Employees' Retirement System 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, 3 of whom are appointed by the City Council, and 2 of whom are full-time General Employees who are elected by a majority of the members of the Plan. All terms after the initial terms shall be 3 years.

(2) DROP participants can be elected as but not vote for elected Trustees.

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

2. **ELIGIBILITY FOR PLAN MEMBERSHIP**

Each person employed by the City of Ocala as a full-time General Employee prior to October 1, 2013 becomes a member of the Plan as a condition of employment. All general employees hired on or after October 1, 2013 shall participate in a defined contribution plan established by the City, and shall not be eligible to participate in the Plan.

3. **PLAN FREEZE**

Notwithstanding any other provision of the Plan:

A. The accrued benefits of all members of the Plan who are employed and not participating in the DROP on September 30, 2013 shall be frozen on that date. All such members shall be 100% vested in their frozen accrued benefit as of September 30, 2013, regardless of their length of service on that date. The value of each member's frozen accrued benefit shall be calculated in accordance with the provisions of the Plan in effect on September 30, 2013, based on the member's credited service and Average Final Compensation on that date. The frozen accrued benefit shall be payable to the member upon attainment of age 65 with 5 years of Credited Service or upon completion of 30 years of Credited Service, whichever occurs first, and termination of City employment. Alternatively, a member may elect to receive the frozen accrued benefit, reduced for early retirement in accordance with section 4.E. below, upon attainment of age 55 with 5 years of Credited Service or upon completion of 25 years of Credited Service, whichever occurs first, and termination of City employment.

B. Any member of the Plan who is employed and not participating in the DROP on September 30, 2013 and has 5 or more years of Credited Service on that date shall earn benefits for Credited Service on and after October 1, 2013 in accordance with the variable benefit and contribution program plan set forth in section 4.C. below.

C. Any member of the Plan who is employed and not participating in the DROP on September 30, 2013, and has less than 5 years of Credited Service on that date, who elects to participate in the defined contribution plan in lieu of participating in the variable benefit and contribution program set forth in section 4.C. below, may also elect to transfer the actuarial present value of the frozen accrued benefit calculated in accordance with section A. above, or the member's accumulated contributions if greater, to the defined contribution plan, and upon such transfer shall not be eligible to receive any other benefit from the Plan.

D. Members of the Plan who are employed and not participating in the DROP on September 30, 2013 and who, on that date, have attained the normal retirement date or are within

5 years of the earliest applicable normal retirement date, shall continue to accrue benefits under the Plan in accordance with the provisions of the Plan in effect on September 29, 2013, for as long as they are employed by the City as a general employee.

4. **PLAN BENEFITS**

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

A. **Normal Retirement Eligibility.** You are eligible for retirement upon the earlier of the attainment of age 65 and the completion of 5 years of Credited Service or the completion of 30 years of Credited Service, regardless of age.

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

"Average Final Compensation" for benefits based on Credited Service **prior to October 1, 2013** is 1/12 of your average salary of the 3 highest years of the last 5 years of Credited Service prior to October 1, 2013. A year is defined as 12 consecutive months.

"Average Final Compensation" for benefits based on Credited Service **on and after October 1, 2013** is 1/12 of your average salary of the 8 highest years of the last 10 years of Credited Service prior to your termination, retirement or death. A year is defined as 12 consecutive months.

"Base Wages" is actual pay rate multiplied by annual hours up to 2,080 hours per year.

"Salary" for contributions and benefits based on Credited Service **prior to October 1, 2013** is the total compensation for services rendered to the City as a General Employee reportable on your W-2 form, but excluding accumulated sick leave and vacation pay and special bonuses, plus all tax deferred, tax sheltered or tax exempt items of income derived from elective employee payroll deductions or Salary reductions and management deferred compensation. Effective October 1, 2013, Salary is base wages, and overtime payments up to 300 hours per calendar year, including all tax deferred, tax sheltered or tax exempt items of income derived from elective employee payroll deductions or salary reductions, but excluding management deferred compensation and all other compensation.

Except as otherwise provided in sections 3. and 4.C., the normal retirement benefit is calculated by multiplying 2.55% times years of Credited Service times your Average Final Compensation:  $(2.55\% \times CS \times AFC = \text{normal retirement benefit})$ .

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. **Variable Benefit and Contribution Program.**

(1) All members of the Plan who are employed and not participating in

the DROP on September 30, 2013, who on that date have not attained the normal retirement date and are not within 5 years of the earliest applicable normal retirement date, and who have not elected to participate in the defined contribution plan, shall earn benefits for Credited Service on and after October 1, 2013 in accordance with the variable benefit and contribution program set forth in this subsection 4.C.

- (2) Benefits based on Credited Service on and after October 1, 2013 under the variable benefit and contribution program are variable and are not guaranteed before or after retirement, except for the one percent minimum benefit multiplier provided in subsection C.(7)(a), below.
- (3) Target Total Employer Contribution Percentage: For each Plan year commencing October 1, 2013 and each October 1 thereafter, the Target Total Employer Contribution Percentage for employee retirement benefits shall be determined in accordance with this section C., subject to the applicable minimum and maximum Target Total Employer Contribution Percentage set forth in the corridor table below, expressed as a percent of total covered payroll (excluding payroll of DROP participants).

	Target Total Contribution	Employer Percentage		Target Total Contribution	Employer Percentage
Contribution Year Ending September 30	Corridor Minimum	Corridor Maximum	Contribution Year Ending September 30	Corridor Minimum	Corridor Maximum
2013	42%	42%	2028	18%	31%
2014	41%	57%	2029	18%	30%
2015	40%	55%	2030	16%	28%
2016	39%	54%	2031	14%	26%
2017	38%	53%	2032	14%	25%
2018	37%	52%	2033	13%	24%
2019	37%	51%	2034	13%	23%
2020	31%	48%	2035	13%	23%
2021	23%	45%	2036	9%	22%
2022	23%	42%	2037	9%	22%
2023	21%	37%	2038	9%	22%
2024	19%	34%	2039	6%	22%
2025	18%	33%	2040	6%	22%
2026	18%	32%	2041	6%	20%
2027	18%	32%	2042	6%	20%

- (4) The Target Total Employer Contribution Percentage is the combined employer contribution percentage of payroll for both the Plan and the defined contribution plan, and is equal to the:
- (a) Sum of (1) the expected dollar amount of the defined contribution plan's employer contribution and (2) the expected dollar amount of the defined benefit Plan's minimum required employer contribution, divided by the
  - (b) Sum of (1) the expected Salary of employees expected to be eligible for an employer contribution allocation during the contribution year and (2) the expected Salary of all Plan members (excluding DROP members) expected to earn service credits.
- (5) The expected dollar amount of the defined contribution plan's employer contribution is based upon the defined contribution plan provisions and expected plan compensation of employees expected to be eligible for an employer contribution allocation during the contribution year.
- (6) The expected dollar amount of the Plan's minimum required employer contribution is the minimum required actuarially determined employer contribution to the Plan developed in accordance with the variable benefit multiplier, assumptions and methods specified below.
- (7) Variable Benefit Multiplier and Member Contribution Rates.
- (a) For benefits based on Credited Service on and after October 1, 2013, the minimum benefit multiplier shall be 1.0% and the maximum benefit multiplier shall be 2.55%. The normal form of benefit for benefits based on Credited Service on and after October 1, 2013 shall be a life annuity.
  - (b) On and after October 1, 2013, the minimum member contribution rate to the Plan shall be 3% of Salary, and the maximum member contribution rate shall be 5% of Salary.
  - (c) For benefits based on Credited Service on and after October 1, 2013, the benefit multiplier shall be subject to increase or decrease retroactively to October 1, 2013, as well as prospectively; and the member contribution rate shall be subject to adjustment; as follows:
    - (i) For Credited Service on and after October 1, 2013 through March 31, 2014, the benefit multiplier shall be 1.6%, which shall be subject to adjustment as provided in this section (7).
    - (ii) Effective October 1, 2013, the member contribution rate shall be 3% of salary, which shall be subject to adjustment as provided in this section (7).
    - (iii) Beginning April 1, 2014 and each October 1

thereafter, the benefit multiplier may remain the same or may be increased or decreased, retroactively to October 1, 2013, for all Credited Service earned on and after October 1, 2013; and beginning October 1, 2014 and each October 1 thereafter the member contribution rate may be adjusted; as necessary to maintain the final Total Employer Contribution Percentage within the corridor of the Target Total Employer Contribution Percentage specified in section (3) above, utilizing the following procedure:

- a) As of October 1, 2013 and each October 1 thereafter, an actuarial valuation of the Plan shall be performed to determine the preliminary Total Employer Contribution Percentage for the contribution year beginning on October 1, 2014 and each October 1 thereafter, based on the benefit multiplier in effect since the preceding April 1, and the member contribution rate in effect on each October 1.
- b) In the event the preliminary Total Employer Contribution Percentage for any contribution year exceeds the maximum Target Total Employer Contribution Percentage specified in section (3) above, the benefit multiplier for Credited Service on and after October 1, 2013 shall be decreased in the minimum amount necessary to bring the Total Employer Contribution Percentage down to such maximum; provided, in no event shall the benefit multiplier be decreased below 1.0%.
- c) In the event the preliminary Total Employer Contribution Percentage still exceeds the maximum Target Total Employer Contribution Percentage specified in section (3) above, even after decreasing the benefit multiplier to 1.0% for Credited Service on and after October 1, 2013, the member contribution rate to the Plan shall, subject to City Council approval, be increased by the minimum amount necessary to bring the Total Employer Contribution Percentage down to such maximum; provided, in no event shall the member contribution rate be increased to more than 5% of Salary.
- d) In the event the preliminary Total Employer Contribution Percentage still exceeds the maximum Target Total Employer Contribution Percentage specified in section (3) above, even after decreasing the benefit multiplier to 1.0% for Credited Service on and after October 1, 2013, and increasing the

member contribution rate to the Plan to 5% of salary, the preliminary Total Employer Contribution Percentage after all the foregoing adjustments shall become the final Total Employer Contribution Percentage without any further adjustment, even though it exceeds the maximum Target Total Employer Contribution Percentage specified in section (3) above.

- e) In the event the preliminary Actual Total Employer Contribution Percentage for any contribution year is below the minimum Target Total Employer Contribution Percentage specified in section (3) above, the member contribution rate to the Plan shall be decreased commencing October 1 of the same contribution year as applicable to the Total Employer Contribution Percentage, by the minimum amount necessary to bring the Total Employer Contribution Percentage up to such minimum; provided, in no event shall the member contribution rate be decreased to less than 3% of Salary .
- f) In the event the preliminary Total Employer Contribution Percentage is still below the minimum Target Total Employer Contribution Percentage specified in section (3) above, even after the member contribution rate is decreased to 3% of Salary, the benefit multiplier shall be increased, subject to City Council approval of an amendment to the Plan, for Credited Service on and after October 1, 2013, by the minimum amount necessary, to bring the preliminary Total Employer Contribution Percentage up to such minimum; provided, in no event shall the benefit multiplier be increased to more than 2.55%.
- g) In the event the preliminary Total Employer Contribution Percentage is still below the minimum Target Total Employer Contribution Percentage specified in section (3) above, even after increasing the benefit multiplier to 2.55% for Credited Service on and after October 1, 2013, and decreasing the member contribution rate to the Plan to 3% of sSalary, the preliminary Total Employer Contribution Percentage after all the foregoing adjustments shall become the final Total Employer Contribution Percentage without any further adjustment, even though it is below the minimum Target Total Employer Contribution Percentage specified in section (3) above.



- h) Notwithstanding subsections b) and f) above, upon retirement a member may elect a fixed benefit multiplier in accordance with section H.(2), and such fixed benefit multiplier shall not thereafter be subject to adjustment pursuant to subsections b) and f) above.

Each Plan member, who is within 5 years of eligibility for early or normal retirement, shall be entitled, at the Plan'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.

D. Early Retirement. You are eligible for early retirement upon the earlier of the attainment of age 55 and the completion of 5 years of Credited Service or the completion of 25 years of Credited Service, regardless of age.

E. 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) A deferred monthly retirement benefit which shall commence:
  - (a) On the date you would have completed 30 years of Credited Service if you retire on or after completing 25 years of Credited Service; or
  - (b) At age 65 if you retire prior to completing 25 years of Credited Service, and shall be continued on the first day of each month thereafter. The amount of each such deferred monthly retirement benefit shall be determined in the same manner as for retirement on your normal retirement date except that Credited Service and Average Final Compensation shall be determined as of your early retirement date; or
- (2) An immediate monthly retirement benefit which shall commence on your early retirement date and shall be continued on the first day of each month thereafter. The benefit payable shall be as determined in subparagraph (1) above, reduced by 3/12% for each month that the early retirement date precedes:
  - (a) The date you would have completed 30 years of Credited Service if you retire on or after completing 25 years of Credited Service; or
  - (b) At age 65 if you retire prior to completing 25 years of Credited Service.

F. Automatic Cost of Living Adjustment. In addition to the benefits provided above, the Plan provides for a cost of living increase as follows:

All future retirees, including normal, early, disability, DROP participants and vested terminated persons, their joint pensioners or beneficiaries (but not including pre-retirement death beneficiaries), who retire or terminate employment or enter the Deferred Retirement Option Plan on or after October 1, 2008, will receive, beginning on the first October 1st following one full year of Retirement and on each subsequent October 1st, a 3% per year cost-of-living adjustment. This Automatic Cost of Living Adjustment is not applicable to any retirees, vested terminated persons, their joint pensioners or Beneficiaries who retired, terminated employment or began DROP

participation prior to October 1, 2008 (notwithstanding any provision in the DROP to the contrary).

G. Supplemental Benefit. In addition to the benefits provided above, the Plan provides for a supplemental benefit as follows:

Effective October 1, 1998, all current and future retirees, disability retirees or beneficiaries shall receive a \$100.00 per month benefit supplement, payable for life.

H. 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 larger monthly amount, payable to you for your lifetime only.
  - (b) A retirement income of a modified monthly amount, payable to you during the joint lifetime of you and a joint pensioner designated by you and following your death, 100%, 75%, 66-2/3% or 50% of such monthly amounts payable to your joint pensioner for life.
  - (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 your entire period of retirement. The amounts payable shall be as recommended by the actuaries for the Plan, based upon the social security law in effect at the time of your retirement.
  - (d) A benefit of a 25% lump sum with the remaining 75% paid as provided in (a), (b) or (c) above.
- (2) In lieu of any variable benefit payable pursuant to section 4.C., a member, upon written request to the board prior to retirement, may elect to receive a fixed benefit. The fixed benefit multiplier shall equal four tenths of one percent (0.4%) plus two-thirds of the multiplier in effect at the time of retirement. Other optional forms of payment described section 4.H.(1) above may also be elected in connection with this fixed multiplier optional form of benefit, and after the application of the fixed multiplier determined hereunder.
- (3) Deferred Retirement Option Plan (DROP).
  - (a) If you become eligible for normal retirement, and are still employed by the City as a General Employee, prior to March 1, 2013, you have the option of "retiring" from the Plan but continuing your employment as a General Employee for an additional 8 years beginning at the time your election to participate in the DROP first becomes effective, if

participation begins prior to February 1, 2011. If participation begins on or after February 1, 2011, you have the option of "retiring" from the Plan but continuing your employment as a General Employee for an additional 5 years beginning at the time your election to participate in the DROP first becomes effective. An election to participate in the DROP constitutes an irrevocable election to resign from the service of the City not later than the maximum permissible DROP participation period provided for in the plan. Participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants. You must request, in writing, to enter the DROP.

- (b) Upon entering the DROP, your retirement benefit is immediately calculated and each monthly benefit payment is deposited into your DROP account. Your account shall be credited with an investment return equal to the net investment return realized by the Plan for the preceding Plan year, with a maximum of 3% and a minimum of 0%.
- (c) At the time of termination of employment at the end of the DROP period, you will receive your account balance in a lump sum and you will also begin receiving your monthly retirement benefit.
- (d) Once you enter the DROP, you are no longer eligible for disability or pre-retirement death benefits, nor do you accrue any additional Credited Service. Your retirement benefit is fixed as of your entry date.

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

- (1) If the injury or disease is service connected, you shall be entitled to a monthly pension equal to the sum of (a) and (b), as follows:
  - (a) \$50.00, plus
  - (b) 1% of your Average Final Compensation multiplied by the total years of Credited Service.

The minimum monthly benefit payable is \$100.00.

- (2) If the injury or disease is not service connected, you shall be entitled to a monthly pension equal to the sum of (a) and (b), as follows:
  - (a) \$50.00, plus
  - (b) 1% of your Average Final Compensation multiplied by the total years of Credited Service.

The minimum monthly benefit payable is one hundred dollars

(\$100.00). This non-service connected benefit is only available if you have at least 5 years of Credited Service.

Terminated persons, either vested or non-vested, are not eligible for disability benefits. Except, however, if you were terminated by the City for medical reasons, and if you apply within 30 days after your termination date, your application will be processed and fully considered by the Board. If you voluntarily terminate your employment after filing the application, you will not be eligible to be considered for any disability benefit.

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".

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 General Employee with the City of Ocala shall have terminated.
- (5) Willful, wanton or intentional misconduct or gross negligence.
- (6) Injury or disease sustained while working for anyone other than the City and arising out of such employment.
- (7) A condition pre-existing your membership in the Plan.

As a disabled pensioner, you are subject to periodic medical examinations as directed by the Board to determine whether a disability continues.

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

- (1) Prior to Vesting or Eligibility for Retirement. If you were not receiving monthly benefits or were not yet vested or eligible for early or normal retirement, your beneficiary shall receive no benefit.
- (2) Deceased Members Vested or Eligible for Retirement with Spouse as Beneficiary. If you die and, at the date of your death were vested or eligible for early or normal retirement, your spouse beneficiary shall be entitled to a benefit as follows:
  - (a) If you were vested, but not eligible for normal or early retirement, your spouse beneficiary shall receive a benefit payable for 10 years, beginning on the date that you would have been eligible for early or normal retirement, at the option of your spouse beneficiary. The benefit shall be calculated as for normal retirement based on your Credited Service and Average Final Compensation as of the date of your death and

reduced as for early retirement, if applicable. Your spouse beneficiary may also elect to receive an immediate benefit, payable for 10 years, which is actuarially reduced to reflect the commencement of benefits prior to your early retirement date.

- (b) If you were eligible for normal or early retirement, your spouse beneficiary shall receive a benefit payable for 10 years or if elected by the deceased member prior to death, the optional form of benefit chosen, either life, annuity or joint and survivor, beginning on the first day of the month following your death or at your otherwise normal or early retirement date, at the option of your spouse beneficiary. The benefit shall be calculated as for normal retirement based on your Credited Service and Average Final Compensation as of the date of your death and reduced as for early retirement, if applicable.
  - (c) Your spouse beneficiary may not elect an optional form of benefit, however, the Board may elect to make a lump sum payment.
  - (d) Your spouse beneficiary may, in lieu of any benefit provided for in (a) or (b) above, elect to receive a refund of your accumulated contributions.
  - (e) If your spouse beneficiary commences receiving a benefit under (a) or (b) above, but dies before all payments are made, the remaining benefit shall be paid to the estate of the spouse beneficiary.
- (3) Deceased Members Vested or Eligible for Retirement with Non-Spouse Beneficiary. If your beneficiary is not your spouse, the benefits payable to your non-spouse beneficiary are the same as those to a spouse beneficiary, however, the date of commencement of those benefits may be required to be earlier, with the resulting reduction in the amount.

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

- (1) If you have less than 5 years of Credited Service upon termination, you shall be entitled to a refund of your accumulated contributions.
- (2) If you have 5 or more years of Credited Service upon termination, you shall be entitled to a monthly retirement benefit, 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, payable to you starting at your otherwise normal or early retirement date, determined based upon your actual years of Credited Service, provided you survive to your otherwise normal or early retirement date. If you do not survive to your otherwise normal or early retirement date, your designated beneficiary shall be entitled to a benefit as provided herein for a deceased member, vested or eligible for retirement under Death Before Retirement.

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

In the event that you became a member of this Plan on or after February 22, 2000 and have also accumulated Credited Service in another pension system maintained by the City, then such other Credited Service shall be used in determining vesting as provided for in this paragraph G. above, and for determining eligibility for early or normal retirement in each system. Such other Credited Service shall not be considered in determining benefits under this Plan, but shall be considered for determining benefits under such other systems based upon your Average Final Compensation and benefit accrual rate in effect in such other system at the time of your termination of membership from such other system. Only your Credited Service under this Plan on or after your date of membership in this Plan shall be considered for this Plan's benefit calculation. If you are or become eligible for a benefit from this Plan after you have become a member of your other pension system maintained by the City, your benefit calculation shall be based upon your Average Final Compensation and benefit accrual rate in effect on the date of your termination of membership in this Plan.

If you were a member of the City of Ocala Employees' Pension Plan prior to February 22, 2000 and received Credited Service as a General Employee and other Credited Service as a Police Officer or Firefighter in such plan, you shall have the total years of Credited Service used to determine vesting as provided for in this paragraph G. above and for determining eligibility for early or normal retirement in the City of Ocala General Employees' Retirement System. If you were formerly a General Employee and became a Police Officer or Firefighter prior to February 22, 2000, only Credited Service as a General Employee shall be considered for determining benefits under the City of Ocala General Employees' Retirement System based upon your Average Final Compensation and the benefit accrual rate in effect immediately prior to February 22, 2000.

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

- (1) "Buy-Back" for Prior Government Service. Unless otherwise prohibited by law, the time that you previously served as a General Employee with the City during a period of previous employment or the time that you served as a General Employee for any other municipality, county, school board or State in the United States, shall be added to your years of Credited Service provided that:
  - (a) You contribute to the Plan a sum based on your Salary at the time that the Credited Service is requested had you been a member of this Plan for the time for which you are requesting credit, plus amounts actuarially determined such that the crediting of service does not result in any cost to the fund plus payment of costs for all professional services rendered to the Board in connection with the purchase of years of Credited Service. If your employment is terminated prior to your becoming vested in a benefit as provided for in Section 43-70, paragraph 2 of your Plan document, this contribution shall be returned without interest.
  - (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 and prior to retirement and shall be made in one lump sum payment upon receipt of which Credited Service shall be given.

- (d) The maximum credit under this subsection for service with an employer other than the City of Ocala when combined with Credited Service purchased for military service prior to employment, shall be 5 years of Credited Service and shall count for all purposes except vesting and not in line of duty disability benefits. There shall be no maximum purchase of credit for prior service with the City of Ocala 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 municipality, or county, if such prior service forms or will form the basis of a retirement benefit or pension from a different employers' retirement system or plan.
- (2) "Buy-Back" for Military Service Prior to Employment. The time that you serve or have served on active duty in the military service of the Armed Forces of the United States or the United States Merchant Marine or the United States Coast Guard, voluntarily or involuntarily and honorably or under honorable conditions, prior to first and initial employment with the City shall be added to your years of Credited Service provided that:
- (a) You contribute to the Plan a sum equal to the sum that you would have contributed based on your Salary and member contribution rate in effect at the time that the Credited Service is requested had you been a member of the Plan for the time for which you are requesting credit, plus amounts actuarially determined such that the crediting of service does not result in any cost to the Plan fund, plus payment of costs for all professional services rendered to the Board in connection with the purchase of years of Credited Service. If your employment is terminated prior to your becoming vested in a benefit as provided for in Section 43-70, paragraph 2 of your Plan document, this contribution shall be returned without interest.
  - (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 and prior to retirement and shall be made in one lump sum payment upon receipt of which Credited Service shall be given.
  - (d) The maximum credit under this paragraph when combined with Credited Service purchased for prior government service with an employer other than the City of Ocala shall be 5 years and shall count for all purposes except vesting and not-in-line of duty disability benefits.
- (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 Plan over and above your contributions. You contribute 8.18% of your salary to the Plan, until September 30, 2013. Effective October 1, 2013, you shall contribute an initial amount of 3% of salary to the Plan, which contribution shall be subject to future adjustment as provided in section C. Notwithstanding the preceding sentence, if you are employed and not participating in the DROP on September 30, 2013 and have attained the normal retirement date or are within 5 years of the earliest applicable normal retirement date, shall continue to make regular contributions to the Plan in the amount of 8.18%. Your contribution will be excluded from your gross income for withholding purposes so you will realize income tax benefits.

N. 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.

O. Maximum Benefits. In no event will the annual benefits paid from this Plan exceed \$230,000.00, 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.

You cannot receive a benefit in excess of 100% of your Average Final Compensation.

P. 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.

Q. 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.

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.

R. 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 180 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.

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

A. Liquidation of Plan 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 Plan. 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 General Employees' exclusive benefit.

6. **VESTING OF BENEFITS**

Your retirement benefits are vested after 5 years of Credited Service.

7. **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. Part VII, Chapter 112, Florida Statutes, "Actuarial Soundness of Retirement Systems".
- C. Ordinances of the City of Ocala.
- D. Administrative rules and regulations adopted by the Board.

8. **PLAN YEAR AND PLAN RECORDS**

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

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

There is no collective bargaining agreement between the General Employees and the City.

10. **FINANCIAL AND ACTUARIAL INFORMATION**

A report of pertinent financial and actuarial information on the solvency and actuarial soundness of the Plan has been prepared by the pension Plan's actuary, Foster & Foster, Inc., and is attached as Exhibit "B".

11. **DIVORCE OR DISSOLUTION OF MARRIAGE**

Federal and state law provides certain restrictions regarding the payment of your pension benefits in the event of your divorce or dissolution of marriage. Immediately upon your involvement in such a legal proceeding, you should provide a member of the Board of Trustees 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.

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

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

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

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

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.

**EXHIBIT "A"**

**BOARD OF TRUSTEES**

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

Chair: William D. Peebles  
110 SE Watula Ave. Ocala,  
Florida 34471

Member: Jared Sorensen  
110 SE Watula Ave. Ocala,  
Florida 34471

Member: Harry Lovell  
110 SE Watula Ave. Ocala,  
Florida 34471

Member: Lyn Cole  
110 SE Watula Ave. Ocala,  
Florida 34471

Member: Anthony Ortiz  
110 SE Watula Ave. Ocala,  
Florida 34471

**PLAN ADMINISTRATOR**

Ms. Alicia Gaither  
110 SE Watula Ave.  
Ocala, Florida 34471  
352-629-8372  
agaither@ocalafl.org

## EXHIBIT "B"

## CITY OF OCALA GENERAL EMPLOYEES' PENSION PLAN

## SUMMARY OF PRINCIPAL VALUATION RESULTS

A. Participant Data	New Assump 10/1/2020	Old Assump 10/1/2020	10/1/2019
Actives	157	157	171
Service Retirees	679	679	670
DROP Retirees	22	22	22
Beneficiaries	95	95	92
Disability Retirees	4	4	4
Terminated Vested	<u>274</u>	<u>274</u>	<u>284</u>
Total	1,231	1,231	1,243
Total Annual Payroll	\$10,272,252	\$10,272,252	\$10,641,278
Payroll Under Assumed Ret. Age	10,272,252	10,272,252	10,589,813
Annual Rate of Payments to:			
Service Retirees	13,131,905	13,131,905	12,604,188
DROP Retirees	911,253	911,253	1,028,960
Beneficiaries	950,122	950,122	801,096
Disability Retirees	29,547	29,547	28,932
Terminated Vested	2,129,598	2,129,598	2,218,190
B. Assets			
Actuarial Value (AVA) <sup>1</sup>	175,495,590	175,495,590	165,000,610
Market Value (MVA) <sup>1</sup>	172,555,848	172,555,848	159,587,603
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	27,635,669	27,468,448	30,204,831
Disability Benefits	1,044,901	974,855	1,022,543
Death Benefits	149,890	264,026	304,677
Vested Benefits	2,131,685	2,133,663	2,329,979
Refund of Contributions	0	0	0
Service Retirees	162,296,861	162,568,979	155,731,826
DROP Retirees <sup>1</sup>	18,259,095	18,345,764	20,759,625
Beneficiaries	9,309,106	9,485,732	8,364,808
Disability Retirees	429,073	432,017	426,974
Terminated Vested	<u>19,853,623</u>	<u>19,895,620</u>	<u>20,201,403</u>
Total	241,109,903	241,569,104	239,346,666

## EXHIBIT "B"

C. Liabilities - (Continued)	New Assump <u>10/1/2020</u>	Old Assump <u>10/1/2020</u>	<u>10/1/2019</u>
Present Value of Future Salaries	63,125,813	62,913,529	66,611,231
Present Value of Future Member Contributions	3,156,291	3,145,676	3,330,562
Normal Cost (Retirement)	455,535	449,406	517,756
Normal Cost (Disability)	40,755	38,304	40,833
Normal Cost (Death)	6,777	11,044	12,417
Normal Cost (Vesting)	173,632	173,899	180,337
Normal Cost (Refunds)	0	0	0
Total Normal Cost	<u>676,699</u>	<u>672,653</u>	<u>751,343</u>
Present Value of Future Normal Costs	3,379,709	3,348,794	3,798,906
Accrued Liability (Retirement)	25,294,866	25,162,736	27,578,367
Accrued Liability (Disability)	826,525	771,870	798,644
Accrued Liability (Death)	117,443	212,215	243,509
Accrued Liability (Vesting)	1,343,602	1,345,377	1,442,604
Accrued Liability (Refunds)	0	0	0
Accrued Liability (Inactives) <sup>1</sup>	<u>210,147,758</u>	<u>210,728,112</u>	<u>205,484,636</u>
Total Actuarial Accrued Liability (EAN AL)	237,730,194	238,220,310	235,547,760
Unfunded Actuarial Accrued Liability (UAAL)	62,234,604	62,724,720	70,547,150
Funded Ratio (AVA / EAN AL)	73.8%	73.7%	70.0%

EXHIBIT "B"

D. Actuarial Present Value of Accrued Benefits	New Assump <u>10/1/2020</u>	Old Assump <u>10/1/2020</u>	<u>10/1/2019</u>
Vested Accrued Benefits			
Inactives <sup>1</sup>	210,147,758	210,728,112	205,484,636
Actives	27,442,698	27,380,928	30,885,844
Member Contributions	5,391,454	5,391,454	5,377,768
Total	<u>242,981,910</u>	<u>243,500,494</u>	<u>241,748,248</u>
Non-vested Accrued Benefits	<u>0</u>	<u>0</u>	<u>0</u>
Total Present Value Accrued Benefits (PV AB)	242,981,910	243,500,494	241,748,248
Funded Ratio (MVA / PV AB)	71.0%	70.9%	66.0%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	(518,584)	0	
Plan Experience	0	(630,888)	
Benefits Paid	0	(14,076,564)	
Interest	0	16,429,698	
Other	0	0	
Total	<u>(518,584)</u>	<u>1,752,246</u>	

EXHIBIT "B"

Valuation Date Applicable to Fiscal Year Ending	New Assump 10/1/2020 <u>9/30/2022</u>	Old Assump 10/1/2020 <u>9/30/2022</u>	10/1/2019 <u>9/30/2021</u>
<b>E. Pension Cost</b>			
Normal Cost <sup>2</sup>	\$703,699	\$699,492	\$781,322
Administrative Expenses <sup>2</sup>	215,118	215,118	223,509
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 17 years (as of 10/1/2020) <sup>2</sup>	9,113,286	9,181,104	9,261,967
Minimum Required Contribution	10,032,103	10,095,714	10,266,798
Expected Member Contributions <sup>2</sup>	534,106	534,106	550,617
Expected City Contribution	9,497,997	9,561,608	9,716,181
<b>F. Past Contributions</b>			
Plan Years Ending:	<u>9/30/2020</u>		
City Requirement	13,389,487		
Actual Contributions Made:			
City	<u>13,389,487</u>		
Total	<u>13,389,487</u>		
G. Net Actuarial (Gain)/Loss	1,106,183		

<sup>1</sup> The asset values and liabilities include accumulated DROP Plan Balances as of 9/30/2020 and 9/30/2019.

<sup>2</sup> Contributions developed as of 10/1/2020 displayed above have been adjusted to account for assumed salary increase components.