



**CITY OF OCOEE
MUNICIPAL GENERAL EMPLOYEES' RETIREMENT TRUST FUND
SUMMARY PLAN DESCRIPTION**

August 19, 2009

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 City of Ocoee Municipal General Employees' Retirement Trust Fund is pleased to present this booklet which briefly explains the provisions of your General Employees' Pension Plan. As a participant in the Fund, you are included in a program of defined benefits to help you meet your financial needs at retirement, or in the event of death, those of your beneficiaries.

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. 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 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 Ocoee. If there are any conflicts between the information in this booklet and the ordinances of the City of Ocoee, the ordinances shall govern. The provisions of this Summary Plan Description shall not constitute a contract between the Member and the Board of Trustees. 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 150 North Lakeshore Drive, Ocoee, Florida 34761.

Chairman, Board of Trustees,
City of Ocoee Municipal General
Employees' Retirement Trust Fund

August 19, 2009
Date

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

A. Administration. The City of Ocoee Municipal General Employees' Retirement 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 shall be legal residents of the city who are appointed by the City Commission, 2 of whom are vested members of the Plan who are elected by a majority of the full-time General Employees who are members of the Plan who cast votes and a fifth Trustee who is chosen by a majority of the first 4 Trustees. Each Trustee serves a four year term.

B. The names and addresses of the current Trustees 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 as a full-time General Employee becomes a member of the Plan as a condition of his employment, except that the City Manager, Assistant City Manager and Directors may elect not to be Members of the Plan. All Members are eligible for Plan benefits, as provided for in the Plan document and by applicable law. Effective October 1, 2006, current and future Mayors and Commissioners may elect to enter the System as non-contributory Members and receive Credited Service for those years, and fractional parts of year of service as an elected official with the City, determined as if they had been Members of the System on the date they took office, subject to completing nine (9) years of Credited Service.

3. **PLAN BENEFITS**

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

Normal and early retirement payments will commence on the first day of the month following your last day of employment. 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.

A. Normal Retirement Eligibility. You are eligible for retirement upon the attainment of age 60, regardless of 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:

The normal retirement benefit is calculated by multiplying 3% times years of credited service times your average final compensation, up to a maximum of 81% of Average Final Compensation: $(3\% \times CS \times AFC = \text{normal retirement benefit})$.

"Credited Service" is generally your period of employment as a General Employee with the City 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 I. 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. A year is defined as 12 consecutive months.

"Salary" is the total compensation (and Travel Stipend for Mayor and Commissioners) reported on your W-2 form plus all tax deferred, tax sheltered or tax exempt items of income derived from elective employee payroll deductions or salary reductions.

C. Early Retirement. You are eligible for early retirement upon the attainment of age 50 and the completion of 5 years of Credited Service, or anytime thereafter prior to normal retirement age.

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 at age 60; or
- (2) Beginning immediately upon your early retirement date, but if beginning immediately, the amount of the monthly benefit is actuarially reduced from the amount to which you would have been entitled had you retired on your normal retirement date and with the same number of years of credited service as at the time your benefits commence and based on your average final compensation at that date.

E. 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 dependent joint pensioner designated by you, and following the death of either of you, 100%, 75%, 66-2/3%, or 50% of such monthly amounts payable to the survivor for the lifetime of the survivor.
 - (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.
 - (d) A member may elect a percentage of benefit in a lump sum as follows:
 - (i) Five (5) percent lump sum benefit with ninety-five (95) percent paid under the normal form or as per (a), (b) or (c) above.

- (ii) Ten (10) percent lump sum benefit with ninety (90) percent paid under the normal form or as per (a), (b) or (c) above.
- (iii) Fifteen (15) percent lump sum benefit with eighty-five (85) percent paid under the normal form or as per (a), (b) or (c) above.
- (iv) Twenty (20) percent lump sum benefit with eighty (80) percent paid under the normal form or as per (a), (b) or (c) above.

(2) Deferred Retirement Option Plan (DROP).

- (a) If you become eligible for normal retirement, and are still employed by the City as a general employee, you have the option of "retiring" from the pension plan but continuing your employment as a general employee for an additional 7 years. 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. 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 approximately equal to the other assets in the Fund. One change in election is permitted.
- (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 or in another optional form and you will also begin receiving your monthly retirement benefit.
- (d) Once you enter the DROP, you are no longer eligible for pre-retirement death benefits, nor do you accrue any additional credited service. Your retirement benefit is fixed as of your entry date. You pay no member contributions to the plan once you enter the DROP.
- (e) 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.
- (f) Additional information about the DROP can be obtained from the Board.

F. 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 a refund of 100% of your accumulated contributions.
- (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, 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.

G. 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 the money you have contributed or you may leave it deposited with the Fund.
- (2) If you have 5 or more years of credited service upon termination or 9 or more years of credited service for Mayor and Commissioners, you shall be entitled to a monthly retirement benefit payable to you starting at your otherwise normal or early retirement date, provided you do not elect to withdraw your contributions and provided you survive to your otherwise 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 system 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 you have also accumulated credited service in another pension system maintained by the City, or have a period or periods of previous employment as a general employee, but are not eligible to receive credited service for these other periods for benefit calculation purposes, then such other credited service shall only be used in determining vesting and eligibility for early or normal retirement, not for determining benefits.

H. 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. Additional information regarding reemployment after retirement can be obtained from the Board.

I. 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. The years or fractional parts of years that you previously served as a General Employee with the City of Ocoee during a period of previous employment or the years or fractional parts of years that you served as a General Employee for any other municipal, county or special district department in the State of Florida or jurisdiction other than the State of Florida and for which period accumulated contributions were withdrawn from the Fund shall be added to your years of credited service provided that:
 - (a) You contribute to the Fund a sum equal to:
 - (i) the amount that you would have contributed to the Plan had you been a member of the System 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 Fund, plus
 - (iii) payment of costs for all professional services and administrative costs rendered to the Board in connection with the purchase of years of credited service.
 - (b) Multiple requests to purchase Credited Service pursuant to this section may be made at any time prior to retirement.
 - (c) Your 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.
 - (d) The maximum credit under this section for employment with a jurisdiction other than the City of Ocoee, when combined with credited service purchased for military service prior to employment shall be 5 years and shall count for all purposes, except vesting. There shall be no maximum purchase of credit for prior service with the City of Ocoee and such credit shall count for all purposes, including vesting.
 - (e) In no event, however, may credited service be purchased pursuant to this Section for prior service with any other governmental agency, if such prior service forms or will form the basis of a retirement benefit or pension from another retirement system or plan as set forth in the Maximum Pension Section of the plan document.
- (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 Military Service Prior to Employment. The years or fractional parts of years that you serve or have served on active duty in the military service of the Armed Forces of the United States, 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 Fund 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 system 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 Fund, 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 pursuant to this section 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.
 - (d) The maximum credit under this subsection when combined with credited service with a jurisdiction other than the City of Ocoee, shall be 5 years and shall count for all purposes except vesting.
- (4) “Buy-Back” for “Air Time”. If you have at least 5 years of credited service, you may purchase up to 5 additional years of credited service for periods when there was no performance of service (“air time”) provided that:
- (a) You contribute to the Fund 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 system 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 Fund, 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 pursuant to this section 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.
 - (d) The maximum credit under this subsection when combined with credited service purchased for prior City Service and Military Service Prior to Employment shall be 5 years and shall count for all purposes except vesting and eligibility for disability benefits.

- (5) 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.

J. Contributions and Funding. The City pays a majority portion of the cost of the pension plan over and above your contributions. You contribute 7.4% of your salary to the Plan and your contribution will be excluded from your gross income for withholding purposes so you will realize income tax benefits. At the point you have accumulated 27 years of Credited Service and when your accrued benefit is equal to 81% of your average final compensation, you may make a one time irrevocable election at anytime after the 81% limit is met to discontinue making member contributions to the system and have your benefit calculated and frozen at the time of the election. If no such election is made, your member contributions to the Fund shall continue.

K. Maximum Benefits. In no event will the annual benefits paid from this Plan exceed \$195,000.00 annually, subject to certain cost of living adjustments and actuarial reductions for retirement prior to age 62 as set forth in Section 415 of the Internal Revenue Code.

L. 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.

M. 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. 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 Fund 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 General Employees' exclusive benefit. In any event, your contributions to the Plan are non-forfeitable.

5. **VESTING OF BENEFITS**

Your retirement benefits are vested after 5 years of credited service except that Mayor and Commissioner members are vested after 9 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. Part VIII, Chapter 112, Florida Statutes, "Actuarial Soundness of Retirement Systems".
- C. Ordinances of the City of Ocoee.
- D. 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 of the following year. All records of the Plan are maintained on the basis of the Plan year.

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

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

9. **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".

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 a member of the Board 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.

EXHIBIT "A"

BOARD OF TRUSTEES

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

- Chairman: Russ Wagner
150 N. Lakeshore Drive
Ocoee, FL 34761
- Vice-Chair: Wendy West
150 N. Lakeshore Drive
Ocoee, FL 34761
- Secretary: Jean Grafton
452 S. Lakewood Avenue
Ocoee, FL 34761
- Member: Tom Hendrix
P.O. Box 74
Ocoee, FL 34761
- Member: David Wheeler
713 Vandergrift Drive
Ocoee, FL 34761