

CITY OF SEBRING POLICE OFFICERS' RETIREMENT TRUST FUND
SUMMARY PLAN DESCRIPTION

JULY 2025

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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**CITY OF SEBRING POLICE OFFICERS' RETIREMENT TRUST FUND
SUMMARY PLAN DESCRIPTION**

INTRODUCTION

The Board of Trustees of the City of Sebring Police Officers' Retirement Trust Fund (the "Plan") is pleased to present this Summary Plan Description which briefly explains the provisions of your Police Officers' Pension Plan. As a member 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 SPD can assist you in preparing for your retirement and financial future. If you need further information on any of the topics presented in this SPD, please contact any member of the Board of Trustees (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 SPD 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 Sebring. This SPD has been updated through Ordinance 1545, adopted June 3, 2025. If there are any conflicts between the information in this SPD and the ordinances of the City of Sebring, the ordinances shall govern. The provisions of this Summary Plan Description shall not constitute a contract between you and the Board. The Plan shall be administered in accordance with state and federal law, notwithstanding any provisions in this SPD 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 368 S. Commerce Ave., Sebring, Florida 33870.



Chair, Board of Trustees, City of Sebring
Police Officers' Retirement Trust Fund

08/01/2025

Date

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

A. Administration.

- (1) The City of Sebring Police Officers' 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 Council, 2 of whom are members of the Plan who are elected by a majority of the police officers who are 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. Trustees. The names and addresses of the current Trustees and the Plan Administrator are attached to this Summary Plan Description 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 Police Department as a full-time police officer on or before January 2, 2013, became a member of the Plan as a condition of employment and is, therefore, eligible for Plan benefits as provided for in the Plan document and by applicable law. All persons hired on or after January 3, 2013, shall not become members of this Plan.

3. **PLAN BENEFITS**

All claims for benefits under the Plan shall be made in writing to the Board. 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 and Benefits. Normal retirement benefits are available as follows:

- (1) Upon attaining age 52 and the completion of 5 years of Credited Service if you became a member prior to October 1, 1998 and 10 years of service if you became a member on or after October 1, 1998, or after completing 20 years of Credited Service, regardless of age. Your benefit shall be equal to 3% of Average Final Compensation for each year of service, but shall not exceed 90% of Average Final Compensation.
- (2) If you were employed on or before November 17, 1995, and have attained age 60, you are eligible for a monthly pension equal to 60% of your Average Final Compensation.

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.

Upon vesting you shall be entitled, at the Plan's expense, to receive two actuarial studies to estimate your retirement benefits. Any additional studies shall be provided only at your expense.

"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 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" is 1/12 of your average Salary of the best 3 years of the last 10 years of Credited Service prior to your termination, retirement or death or the 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, including lump sum payments for unused sick-time and vacation-time and plus all tax deferred, tax sheltered or tax exempt items of income derived from elective employee payroll deductions or Salary reductions. For service earned after December 1, 2011, 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 December 1, 2011, and attributable to service earned prior to December 1, 2011, may still be included in Salary for pension purposes even if the payment is not actually made until on or after December 1, 2011. In any event, with respect to unused sick leave and unused annual leave accrued prior to December 1, 2011, Salary will include the lesser of the amount of sick or annual leave time accrued on December 1, 2011, 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 December 1, 2011.

B. Early Retirement. You are eligible for early retirement upon attainment of age 45 and the completion of 5 years of Credited Service if you became a member prior to October 1, 1998, and 10 years of Credited Service if you became a member on or after October 1, 1998.

C. Amount of Early Retirement Benefits. The amount of the early retirement benefit is calculated in the same manner as for normal retirement (A.1. above), provided however, that the amount is reduced by 3% for each year by which the commencement of benefits precedes age 52.

D. Supplemental Benefit. In addition to the benefits described above, if you retire under normal or early retirement, you will receive an additional supplemental monthly benefit equal to \$10 per month for each full year of Credited Service payable for your lifetime. This supplemental benefit shall not be increased by the adjustment provided in subsection E., below.

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

The monthly amount payable to retirees, including normal and early service retirees, their joint pensioners and beneficiaries, if applicable, but excluding disability retirees, who retire on or after their normal or early retirement date shall be subject to an annual cost-of-living adjustment beginning on the first October 1st following retirement. The cost-of-living adjustment shall equal 3%, except that any eligible retiree who, on the date of any adjustment has been retired less than one year, shall receive a prorated adjustment based on the number of full months of retirement as of the adjustment date.

F. Supplemental Benefit - "13th Check". In addition to the benefits provided above, each current and future retiree, DROP participant, beneficiary or joint pensioner, but excluding terminated vested persons, shall receive on or about December 1 of each year, a "13th check". The amount to be paid shall be determined on each October 1st based on the premium tax monies in excess of the 2007 base amount and based on a formula of years of Credited Service of the member. The 13th Check amount will be added to a DROP participant's account, but not paid directly until after he terminates DROP participation.

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 amount payable to a joint pensioner for their 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.
- (2) Deferred Retirement Option Plan (DROP).
 - (a) If you become eligible for normal retirement, and are still employed by the City as a police officer, you have the option of "retiring" from the Plan but continuing your employment as a police officer for an additional 8 years. An election to participate in the DROP constitutes an irrevocable election to resign from the service of the City not later than 8 years from the date you begin DROP participation. 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 applicable to the Florida Retirement System DROP Plan determined on the last day immediately preceding calendar quarter (currently 4%) **or** earnings credited or debited to the member's DROP account, with an investment return or loss equal to the net investment return realized by the Plan for that quarter. 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 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. 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.

H. Disability Retirement. You are considered disabled when you become totally and permanently unable to perform useful and efficient service as a police officer. 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, a benefit equal to 3% of your Average Final Compensation multiplied by the total years of Credited Service, but in any event the minimum amount paid shall be 42% of your Average Final Compensation.

If you are granted an in-line of duty disability after September 1, 1998, you shall be subject to a 3% annual cost-of-living adjustment beginning on the first October 1st following the date that you would have had 20 years of Credited Service had you not been disabled.

- (2) If the injury or disease is not service connected, a benefit equal to 3% of your Average Final Compensation multiplied by the total years of Credited Service, however, the amount calculated shall not exceed 50% of your Average Final Compensation. In no event, however, shall your disability benefit be less than the greater of 25% of your Average Final Compensation or 2% of your Average Final Compensation times your years of Credited Service. This non-service connected benefit is only available if you have at least 5 years of Credited Service if you became a member prior to October 1, 1998, and 10 years of Credited Service if you became a member on or after October 1, 1998.

If you return to service, you shall not receive Credited Service for periods during which disability payments were received.

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".

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 Sebring shall have terminated.

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) 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 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 elect an optional form of benefit.
 - (d) 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. Your non-spouse beneficiary may not elect an optional form of benefit

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

- (1) If you became a member prior to October 1, 1998 and have less than 5 years of Credited Service upon termination or if you became a member on or after October 1, 1998, and 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 became a member prior to October 1, 1998, and have 5 or more years of Credited Service upon termination or if you became a member on or after October 1, 1998, and 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 shall be 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 starting at your otherwise normal or early 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 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 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.

K. Reemployment After Retirement. If you retire under normal or early retirement and are reemployed by the City after a bona fide separation, upon re-employment, you are permitted to continue receipt of your benefits as an in-service distribution. Facts and circumstances will determine whether your separation was bona fide and any such separation cannot be accompanied by a pre-arranged rehire. If, upon reemployment, you are eligible to participate in the Florida Retirement System, those provisions shall govern any vesting and contribution requirements attributable to the subsequent reemployment period.

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 Prior Police Service. The years or fractional parts of years that you previously served as a police officer with the City of Sebring 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 department 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) an additional amount to be determined by the Board's actuary so that there is no cost to the Plan in giving you the additional years of Credited Service, plus
 - (iii) the amount charged by the actuary for determining the amount you must contribute.
- (b) Multiple requests to purchase Credited Service pursuant to this subsection 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 combined maximum credit under this subsection for service other than with the City of Sebring and subsection (2) below shall be 5 years and Credited Service purchased pursuant to this subsection (1) shall count for all purposes, except vesting and eligibility for not-in-line of duty disability benefits. There shall be no maximum purchases of credit for prior service with the City of Sebring 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.
- (2) "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 your first and initial employment with the City Police Department shall be added to your years of Credited Service provided that:
- (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) an additional amount to be determined by the Board's actuary so that there is no cost to the Plan in giving you the additional years of Credited Service , plus
 - (iii) the amount charged by the actuary for determining the amount you must contribute.
 - (b) Multiple requests to purchase Credited Service pursuant to this subsection 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 combined maximum credit under this subsection and subsection (1) above for service other than with the City of Sebring shall be 5 years and Credited Service purchased pursuant to this subsection (2) shall count for all purposes, except vesting and eligibility for not-in-line of duty disability benefits.

- (3) "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.
- (4) Rollovers or Transfers of Funds to Purchase Credited 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, 401(k) 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 and any amounts received from the state insurance rebates. You contribute 5% of your Salary to the Plan. Your contributions 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 annual benefits paid from this Plan exceed \$280,000.00 annually, subject to certain cost of living adjustments and actuarial reductions, under certain circumstances, prior to age 62 as set forth in Section 415 of the Internal Revenue Code.

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

O. Forfeiture of Pension. If you are convicted of the certain crimes listed in the Plan document 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 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.

4. **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 police officers' exclusive benefit. In any event, your contributions to the Plan are non-forfeitable.

5. **VESTING OF BENEFITS**

If you became a member on or after October 1, 1998, your retirement benefits are vested after 10 years of Credited Service. If you became a member prior to October 1, 1998, your retirement benefits are vested after 5 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 officer s' Retirement Trust Funds".
- C. Part VII, Chapter 112, Florida Statutes, "Actuarial Soundness of Retirement Systems".
- D. Ordinances of the City of Sebring.
- E. Administrative rules and regulations adopted by the Board.
- F. Florida Statutes §112.3173, as amended.

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 a collective bargaining agreement between the City and the police officers. Pension benefits are bargainable.

9. **FINANCIAL AND ACTUARIAL INFORMATION**

- A. A report of pertinent financial and actuarial information on the solvency and actuarial soundness of the Plan has been prepared by the Plan's actuary, Gabriel, Roeder, Smith & Company, and 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.

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. Additionally, deductions may be available to existing orders or agreements modified on or after January 1, 2019, if both parties agree.

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 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, on your income tax return, 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 may 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.

13. FEDERAL INCOME TAX CONSEQUENCES

The Plan is intended to qualify under Section 401 of the Internal Revenue Code as a qualified plan. It is important that you consult qualified experts to determine whether you must pay taxes on the pension benefits you receive.

14. FILING FOR RETIREMENT

In order to ensure that you receive your pension on time, you should file your application with the Plan Administrator at least 45 days before retirement. All forms can be obtained from the Plan Administrator at the address on Exhibit A. Penalties will be imposed for making a false or misleading statement to obtain a pension benefit. It can take up to 60 days after your date of retirement to receive your first pension check.

If an error in retirement benefits is discovered and result in any member or beneficiary receiving from the retirement plan more or less than they would have been entitled to receive had the records been correct, the board shall have the power to correct such error and, as far as possible, adjust the payments in such a manner that the actuarial equivalent of a benefit to which such member or beneficiary was correctly entitled to shall be paid.

EXHIBIT "A" - BOARD OF TRUSTEES

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

- Chair: Karl Hoglund
City of Sebring Police Department
307 N. Ridgewood Drive
Sebring, FL 33870
- Secretary: Lt. Tom Gilliard
City of Sebring Police Department
307 N. Ridgewood Drive
Sebring, FL 33870
- Member: John "Will" Swaine
City of Sebring Police Department
307 N. Ridgewood Drive
Sebring, FL 33870
- Member: Jeff Reinhart
City of Sebring Police Department
307 N. Ridgewood Drive
Sebring, FL 33870
- Member: John Shoop
City of Sebring Police Department
307 N. Ridgewood Drive
Sebring, FL 33870

PLAN ADMINISTRATOR

Russell Morris
368 S. Commerce Avenue
Sebring, Florida 33870
Administrator Phone: 863-273-3071
Police Department Phone: 863-471-5108
Email: SPORTF@sebringpolice.org

PERTINENT ACTUARIAL INFORMATION

	As of October 1st	
	2024	2023
Number of Members of the Plan		
Active Employees	7	8
Those Receiving or Due to Receive Benefits	35	34
Annual Payroll of Active Members	\$ 585,706	\$ 591,849
Annual Rate of Benefits in Pay Status	1,198,554	1,132,917
Actuarial Accrued Liability	25,117,631	23,787,991
Net Assets Available for Benefits (Actuarial Value)	22,280,870	21,580,916
Unfunded Actuarial Accrued Liability	2,836,761	2,207,075
Required Contribution to be Made to the Plan Over and Above Contributions by Members of the Plan	653,061	540,342
Required Contribution as % of Payroll of Active Members	111.50%	91.30%
Required Contribution to be Paid During Year Ending	9/30/2026	9/30/2025

Reconciliation of Plan Assets

Item	September 30	
	2024	2023
A. Market Value of Assets at Beginning of Year	\$ 20,475,437	\$ 19,205,657
B. Revenues and Expenditures		
1. Contributions		
a. Member Contributions	\$ 31,686	\$ 35,121
b. Employer Contributions	419,086	339,263
c. State Contributions	-	-
d. Purchased Service Credit	-	-
e. Total	<u>\$ 450,772</u>	<u>\$ 374,384</u>
2. Investment Income		
a. Interest, Dividends, and Other Income	\$ 487,288	\$ 479,986
b. Net Realized/Unrealized Gains/(Losses)	4,142,161	1,299,985
c. Investment Expenses	(91,390)	(94,296)
d. Net Investment Income	<u>\$ 4,538,059</u>	<u>\$ 1,685,675</u>
3. Benefits and Refunds		
a. Regular Monthly Benefits	\$ (861,160)	\$ (738,029)
b. Refunds	-	-
c. Supplemental Benefit Reserve Distributions	-	-
d. DROP Distributions	(809,458)	-
e. Total	<u>\$ (1,670,618)</u>	<u>\$ (738,029)</u>
4. Administrative and Miscellaneous Expenses	\$ (46,666)	\$ (52,250)
5. Transfers	\$ -	\$ -
C. Market Value of Assets at End of Year	\$ 23,746,984	\$ 20,475,437
D. Reserves		
1. State Contribution Reserve	\$ -	\$ -
2. DROP Accounts	(758,713)	(1,179,031)
3. Supplemental Benefit Reserve	(3,410)	(3,410)
4. Total Reserves	<u>\$ (762,123)</u>	<u>\$ (1,182,441)</u>
E. Market Value Net of Reserves	\$ 22,984,861	\$ 19,292,996