

ORDINANCE NO. 2025-O-01

AN ORDINANCE OF THE CITY COUNCIL OF EDGEWATER, FLORIDA, REPEALING ORDINANCE 2016-O-34, IN ITS ENTIRETY AND AMENDING, RESTATING AND ADOPTING THE CITY OF EDGEWATER, FLORIDA, POLICE OFFICERS PENSION PLAN; PROVIDING FOR FILING WITH THE DIVISION OF RETIREMENT OF THE FLORIDA DEPARTMENT OF MANAGEMENT SERVICES PROVIDING FOR CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY AND APPLICABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, City Council adopted Ordinances 2016-O-34 on November 14, 2016, which amended and restated the Edgewater Police Officer's Pension Plan, and

WHEREAS, City Council adopted Ordinances 2017-O-21; 2020-O-33, 2022-O-18, 2023-O-10; 2023-O-23. and 2024-O-35; amending various sections of the Police Officers' Pension Plan and are hereby incorporated into the Plan restatement; and

WHEREAS, the Board of Trustees of the City of Edgewater Police Officers' Pension Plan recommend adoption of this amendment and restatement of the Plan; and

WHEREAS, the City Council has received, reviewed, and considered an actuarial impact statement describing the actual impact of the amendments provided for herein;

NOW THEREFORE, BE IT ENACTED by the City Council of the City of Edgewater, Florida:

PART A. REPEAL ORDINANCE NO. 2016-O-34 IN IT'S ENTIRETY

Ordinance No. 2016-O-34 is hereby repealed.

PART B. RESTATEMENT OF CITY OF EDGEWATER, FLORIDA, POLICE OFFICERS PENSION PLAN

~~Struck through~~ passages are deleted.
Underlined passages are added.

The restatement of City of Edgewater, Florida, Police Officers Pension Plan, attached hereto and incorporated herein by reference as Exhibit “A” is hereby adopted.

PART C. CONFLICTING PROVISIONS

All conflicting ordinances and resolutions, or parts thereof in conflict with this ordinance are hereby superseded by this ordinance to the extent of such conflict.

PART D. SEVERABILITY AND APPLICABILITY

If any portion of this ordinance is for any reason held or declared to be unconstitutional, inoperative, or void, such holding shall not affect the remaining portions of this ordinance. If this ordinance or any provisions thereof shall be held to be inapplicable to any person, property, or circumstances, such holding shall not affect its applicability to any other person, property or circumstance.

PART E. EFFECTIVE DATE

This ordinance shall take effect upon adoption.

PASSED AND DULY ADOPTED this ____ day of _____, 2025.

Diezel DePew, Mayor

ATTEST:

Bonnie Zlotnik, CMC, City Clerk

Passed on first reading on the ____ day of _____, 2025

REVIEWED AND APPROVED: _____
Aaron R. Wolfe, City Attorney

~~Struck through~~ passages are deleted.
Underlined passages are added.

**EXHIBIT “A”
CITY OF EDGEWATER, FLORIDA POLICE OFFICERS’ PENSION PLAN**

~~Struck through~~ passages are deleted.
Underlined passages are added.

CITY OF EDGEWATER, FLORIDA POLICE OFFICERS' PENSION PLAN

Restated effective October 1, 2024

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ADOPTION OF PLAN (Signature Page)

INTRODUCTION

The Employer City of Edgewater ("City") previously established on February 1, 1978, a defined benefit retirement plan known as the City of Edgewater, Florida Police Officers' Pension Plan ("Plan") for the City's sworn police officers on February 1, 1978. The City previously restated the Plan On on September 13, 1999 the Employer restated the plan in ordinance 99-O-08. The present is a restatement of the Plan, effective upon enactment and shall constitute a continuation of the Plan. Except as specifically provided herein, the provisions of Chapter 185, Florida Statutes shall apply to the Plan, and the Plan shall at all times be operated in compliance therewith. The Employer has since passed several substantial amendments to the plan restatement.

~~———— The Employer is of the opinion that the plan should be again restated to promote clarity and the efficient operation of the plan. This restatement removes several anachronisms that no longer apply to any current or future plan participants and corrects various scrivener's errors. It incorporates all amendments that the City Council passed after the 1999 restatement, including amendments that implemented the provisions of Chapter 185, Florida Statutes, created a DROP benefit, allowed for the purchase of credited service for certain past military and police service, updated Section 415 limitation language, among others. This restatement also incorporates recent changes to state law, such as the limitation on the definition of compensation.~~

~~———— The restated plan continues to exist for the exclusive benefit of employees of the Employer. All persons covered under the plan on the effective date of the restatement shall continue to be covered under the restated plan with no loss of benefits.~~

The provisions of the present restatement shall apply only to Police Officers in active service on or after the effective date hereof. Any Retiree receiving benefits prior to the effective date of this restatement, and any former Police Officer who terminated service with the City before said date, shall have his or her rights to benefits determined under the Plan in effect when his or her service with the City terminated, and shall not be entitled to any additional benefits under this Restatement, unless specifically provided otherwise by ordinance of the City.

It is intended that the plan, as restated, shall continue to meet the requirements for a qualified governmental retirement plan under section 414(d) and 401(a) of the Internal Revenue Code of 1986, including any later amendments to the Code.

ARTICLE I

FORMAT AND DEFINITIONS

SECTION 1.01—FORMAT

Words and phrases defined in the DEFINITIONS SECTION of Article I shall have that defined meaning when used in this Plan, unless the context clearly indicates otherwise.

~~These words and phrases will have an initial capital letter to aid in identifying them as defined terms.~~

SECTION 1.02—DEFINITIONS

~~The provisions of Chapter 185, Florida Statutes, shall be effective and constitute the City of Edgewater, Florida Police Officers' Pension Fund except as specifically set forth herein. Accordingly, Chapter 185, Florida Statutes (1997) are attached hereto and incorporated by reference. This Pension Fund may be amended at any time by the city council enacting an appropriate ordinance, provided that such amendment complies with the Internal Revenue Code, Florida Statutes, and other applicable laws. The Board of Trustees may make recommendations by a majority vote to the city council concerning proposed pension plan amendments.~~

~~**ACCRUAL SERVICE** means the total of an Employee's Continuous Service as a Law Enforcement Officer, expressed as whole years and fractional parts of a year (to two decimal places) on the basis that 365 days equal one year. Such total shall equal one year. Such total shall be equal to the period from the Employee's Employment Commencement Date to the date of determination.~~

~~However, Accrual Service is modified as follows:~~

~~Period of Military Duty (as defined below) included:~~

~~A Period of Military Duty shall be included as service with the Employer to the extent it has not already been credited.~~

~~Prior service purchase:~~

~~A police officer may purchase up to a combined total of five (5) years of Accrual Service for service in the Armed Forces of the United States or service as a police officer for some other employer, prior to employment with the Employer, provided:~~

- ~~(i) the Police Officer is not entitled to receive a retirement benefit for such other prior service in another governmental pension plan, and~~
- ~~(i) the Police Officer purchases such prior military or prior other police officer service at the full actuarial cost of such Accrual Service.~~

~~Voluntary nonparticipation service excluded: Service when a Police Officer elected not to participate in the Plan is excluded.~~

ACCRUED BENEFIT means the amount of monthly retirement benefit ~~on the Normal Form~~ accrued by an Active Participant as of any date. See the ACCRUED BENEFIT SECTION.

ACTIVE PARTICIPANT means an ~~Eligible Employee~~ individual who is actively participating in the Plan employed as a Police Officer according to the provisions of the ACTIVE PARTICIPANT SECTION.

ACTUARIAL EQUIVALENT means a benefit or amount of equal value, based upon the ~~RP2000 Combined Healthy Mortality Table and an interest rate equal to the investment return assumption adopted by the Board of Trustees with the latest approved actuarial valuation~~ the mortality assumptions set forth in the actuarial valuation report applicable to the relevant period, and either the interest rate(s) specified in the applicable actuarial valuation or the Code Section 417 interest rate(s), whichever produces the greater benefit.

ANNUITY STARTING DATE means, for a Participant, the first day of the first period for which an amount is paid as an annuity or any other form.

QUALIFIED AUTOMATIC JOINT AND SURVIVOR FORM means, for a Participant who has designated a beneficiary, an immediate survivorship life annuity, where the survivorship percentage is 50% of the accrued benefit of the Participant. ~~If a Participant does not have a designated beneficiary or a contingent beneficiary, the Qualified Joint and Survivor Form shall become part of the Participant's estate.~~

~~This Qualified Joint and Survivor Form shall be at least the Actuarial Equivalent of any form of benefit offered under the Plan.~~

AVERAGE COMPENSATION means, on any given date, the average of an Employee's a Police Officer's Monthly Compensation for those three

Compensation Years (all Compensation Years, if less than three) which give the highest average out of the five latest Compensation Years (all Compensation Years, if less than five) before the earlier of such given date, or his Normal Retirement Date.

In computing Average Compensation on any given date before the first Yearly Date in 1994, the Plan will include only Compensation Years ending before such given date. In computing Average Compensation on any given date on or after the first Yearly Date in 1994, the Plan will exclude Compensation Years in which the ~~Employee~~ Police Officer terminates employment with the Employer.

BENEFICIARY means the person or persons named by a Participant to receive any benefits under the Plan upon the Participant's death. See the BENEFICIARY SECTION.

CITY means the City of Edgewater, Florida.

CODE means the Internal Revenue Code of 1986, as amended.

COMPENSATION means, except as modified in this definition, the total earnings paid or made available to an ~~Employee~~ a Police Officer by the Employer during any specified period. For service earned on or after July 1, 2011, Salary Compensation shall not include more than three hundred (300) hours of overtime per calendar year. Provided however, in any event, payments for overtime in excess of three hundred (300) hours per year accrued as of October 1, 2012 and attributable to service earned prior to the October 1, 2012, may still be included in Salary Compensation for pension purposes even if the payment is not actually made until on or after October 1, 2012. In any event, with respect to unused sick leave and unused annual leave accrued prior to October 1, 2012, Salary Compensation will include the lesser of the amount of sick or annual leave time accrued on October 1, 2012 or the actual amount of sick or annual leave time for which the retiree receives payment at the time of retirement, but in no case may such time be replenished for purposes of pensionable salary if the time was reduced below the level as determined on October 1, 2012.

Except as otherwise provided herein, "earnings" in this definition means all wages as reported in the wages, tips and other compensation box on form W-2 for Federal income tax withholding purposes, as defined under Code Section 3401(a) (for purposes of income tax withholding at the source), disregarding any rules limiting the remuneration included as wages based on the nature or location of the employment or the services performed. Earnings also include all other payments to an ~~Employee~~ a Police Officer in the course of the Employer's trade or business,

for which the Employer must furnish the Police Officer a written statement under Code Sections 6041(d) and 6051(a)(3).

For purposes of Section 415 of the Code, Compensation shall also include elective contributions. Elective contributions are amounts excludable from the ~~Employee's~~ Police Officer's gross income under Code Sections 125, 402(a)(8), 402(h), or 403(b), and contributed by the Employer, at the ~~Employee's~~ Police Officer's election, to a Code Section 401(k) arrangement, a simplified employee pension, cafeteria plan or tax-sheltered annuity. Elective contributions also include Compensation deferred under a Code Section 457 plan maintained by the Employer and Employee contributions "picked up" by a governmental entity and, pursuant to Code Section 414(h)(2), treated as Employer contributions.

COMPENSATION YEAR means a ~~consecutive~~ continuous one-year (twelve-month) period. Before the first Yearly Date in 1994, Compensation Year means a one-year period ending on the June 30 immediately ~~before~~ after an ~~Employee's~~ Police Officer's Entry Date and ending on the same date of each following year on which he is an Active Participant. After 1994, Compensation Year means a ~~consecutive~~ continuous one-year (twelve-month) period immediately preceding a Participant's Retirement Date.

~~**CONTINGENT ANNUITANT** means an individual named by the Participant to receive a lifetime benefit after the Participant's death according to a survivorship life annuity form of distribution.~~

~~**CONTINUOUS SERVICE** means, for a Participant, any period of uninterrupted service with the Employer.~~

CONTRIBUTIONS means each of the different types of contributions set forth

- ~~_____ Employer Contributions~~
- ~~_____ Required Contributions by Participants~~
- ~~_____ State Contributions~~
- ~~_____ Other Contributions~~

~~As set out in Article III, unless the context clearly indicates otherwise.~~

~~**CREDITABLE SERVICE** means, for a Participant, any period of uninterrupted service with the Employer as a Police Officer.~~ the aggregate number of years of service and fractional parts of years of service (expressed as whole years and fractional parts of a year to two decimal places on the basis that 365 days equal one year) as a Police Officer of the City of Edgewater, with Required contributions, when required, omitting intervening years or fractional parts of years when such

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Participant was not employed by the City as a Police Officer. A Participant may voluntarily leave his Required Contributions in the fund for a period of five (5) years after leaving the employ of the City pending the possibility of being reemployed as a Police Officer, without losing credit for the time that he was a Participant of the Plan. If a vested Participant leaves the employ of the City, his Required Contributions will be returned only upon his written request. If a Participant who is not vested is not reemployed as a Police Officer with the City within five (5) years, his Required Contributions, if more than one thousand dollars (\$1,000.00), will be returned only upon the written request of the Participant and upon completion of a written election to receive a cash lump sum or to rollover the lump sum amount on forms designated by the Board. Upon return of a Participant's Required Contributions, all of his rights and benefits under the Plan are forfeited and terminated, except that, with respect to a non-vested participant who leaves his Required Contributions in the Plan and is not reemployed as a police officer with the city within five (5) years, all rights to benefits other than a refund of Required Contributions are forfeited and terminated as of the date of termination of his or her employment.

The years or parts of a year that a Participant performs "Qualified Military Service" consisting of voluntary or involuntary "service in the uniformed services" as defined in the Uniformed Services Employment and Reemployment Rights Act (USERRA) (P.L. 103-353), after separation from employment as a Police Officer to perform training or service, shall be added to his Creditable Service for all purposes, including vesting, provided that:

- (a) The Participant is entitled to reemployment under the provisions of USERRA.
- (b) The Participant returns to his employment as a Police Officer within one (1) year following the earlier of the date of his military discharge or his release from service, unless otherwise required by USERRA.
- (c) The Participant deposits into the fund the same sum that the Participant would have contributed, if any, if he had remained a police officer during his absence. The maximum credit for military service pursuant to this subdivision shall be five (5) years. The Participant must deposit all missed contributions within a period equal to three times the period of military service, but not more than five (5) years, following re-employment or he will forfeit the right to receive service for his military service pursuant to this paragraph.
- (d) This paragraph is intended to satisfy the minimum requirements of USERRA. To the extent that this paragraph does not meet the

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minimum standards of USERRA, as it may be amended from time to time, the minimum standards shall apply.

In the event a Participant dies on or after January 1, 2007, while performing USERRA Qualified Military Service, the beneficiaries of the Participant are entitled to any benefits (other than benefit accruals relating to the period of qualified military service) as if the Participant had resumed employment and then died while employed.

Beginning January 1, 2009, to the extent required by section 414(u)(12) of the Code, an individual receiving differential wage payments (as defined under section 3401(h)(2) of the Code) from an employer shall be treated as employed by that employer, and the differential wage payment shall be treated as compensation for purposes of applying the limits on annual additions under section 415(c) of the Code. This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.

Creditable Service shall also include prior service purchased by a police officer in accordance with the following:

A Police Officer may purchase up to a combined total of five (5) years of Creditable Service for service in the Armed Forces of the United States or service as a Police Officer for some other employer, prior to employment with the Employer, provided:

- (i) the Police Officer is not entitled to receive a retirement benefit for such other prior service in another governmental pension plan, and
- (ii) the Police Officer purchases such prior military or prior other Police Officer service at the full actuarial cost of such Creditable Service.

Payment for such purchase of prior service shall be made, at the option of the police officer, as a lump sum payment or installments that shall be paid over a period of time up to retirement. Installment payments shall be subject to interest in an amount to be established by the Board of Trustees, not to exceed the annual actuarial assumption rate for the Plan. Full payment for such prior service purchase shall be made before crediting the service.

Service when a Police Officer elected not to participate in the Plan is excluded.

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For purposes of this definition, no interruption in service will occur because of approved periods of absence from the Employer due to temporary layoff, leave of absence (not to exceed one year), or a temporary absence due to illness or injury.

DIRECT ROLLOVER means a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

~~**DISTRIBUTE** means the Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternative payee under a qualified domestic relations order, as defined in Code Section 414(p) an Income Deduction Order, are Distributees with regard to the interest of the spouse or former spouse.~~

~~**DROP** (Deferred Retirement Option Program) means that a police officer may retire for all purposes of the plan and defer receipt of retirement benefits into a DROP account while continuing employment with the City.~~

~~**EARLY RETIREMENT DATE** means the earliest first day of the month on or after coincident with or next following the date on which the Participant reaches the age of fifty (50) and attains five (5) years of Creditable service with the Employer.~~

~~**ELIGIBLE RETIREMENT PLAN** means an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), an annuity plan described in Code Section 403(a) or a qualified trust as described in Code Section 401(a) that accepts the Distributee's Eligible Rollover Distribution.~~

~~However, in the case of an Eligible Rollover Distribution to the surviving spouse, an Eligible Retirement Plan is an individual retirement account or individual retirement annuity.~~

~~**ELIGIBLE ROLLOVER DISTRIBUTION** means any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include:~~

- ~~(a) Any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary, or for a specified period of ten years or more.~~

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~~(b) Any distribution to the extent such distribution is required under Code Section 401(a)(9).~~

EMPLOYER means the ~~City Council of the~~ City of Edgewater, Florida.

FUND means the trust fund created as part of this Plan which shall receive, hold, and invest all contributions and assets attributable to the Plan, and from which benefits and expenses shall be paid.

~~JOINT~~ CONTINGENT ANNUITANT means an individual named by the Participant to receive a lifetime benefit after the Participant's death according to a survivorship life annuity form of distribution.

MONTHLY DATE means each Yearly Date and the same day of each following month during the Plan Year beginning on such Yearly Date.

NORMAL FORM means a ten (10) year certain and life annuity.

NORMAL RETIREMENT DATE means the ~~earliest~~ first day of the month ~~on or after the date~~ coincident with or next following the date on which the Participant reaches the earlier of (i) age 55 and ~~the date he completes~~ with 5 years of ~~credited service~~ Creditable Service with the Employer, ~~or and~~ (ii) ~~the date he completes~~ 20 years of ~~credited service~~ Creditable Service with the Employer. Unless otherwise provided in this Plan, a Participant's retirement benefits shall begin on his Normal Retirement Date if he has ceased to be a Police Officer on such date. See the WHEN BENEFITS START SECTION. ~~of Article VI.~~

OTHER CONTRIBUTIONS means ~~contributions from persons or entities other than the State of Florida, City of Edgewater, or Plan Participants~~ Other Contributions as set forth in Article III.

PARTICIPANT means either an Active Participant or an Inactive Participant.

~~PARTICIPANT CONTRIBUTIONS~~ means ~~Required Contributions by Participants~~ as set out in Article III.

~~PERIOD OF MILITARY DUTY~~ means, for an Employee,

- ~~(a) who served as a member of the armed forces of the United States, and~~
- ~~(b) who was reemployed by the Employer at the time when the Police Officer Employee had a right to reemployment in accordance with rights as protected under the Uniformed Services Employment and~~

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~~Reemployment Act (USERRA) Section 4301 through 4333 of Title 38 of the U.S. Code and Chapter 185 of the Florida Statutes.~~

~~the period of time from the date the Police Officer was first absent from active work for the Employer because of such military duty to the date the Police Officer was reemployed.~~

~~A police officer may purchase Accrual Service for service with the Armed Forces of the United States or prior service as a police officer for some other employer prior to employment provided: (i) the police officer is not entitled to receive a retirement benefit for such other prior service as a police officer, and (ii) the police officer purchases such prior military or prior other police officer service at the full actuarial cost of such Accrual Service. Payment for such purchase of prior service shall be made, at the option of the police officer, as a lump sum payment or installments that shall be paid over a period of time up to retirement. Installment payments shall be subject to interest in an amount to be established by the Board of Trustees, not to exceed the annual actuarial assumption rate for the Plan. Full payment for such prior service purchase shall be made before crediting the service.~~

PLAN means the defined benefit retirement plan of the Employer set forth in this document, including any later amendments to it hereto.

PLAN ADMINISTRATOR means the ~~person or persons who administer the Plan.~~

~~The Plan Administrator is the City of Edgewater, Florida Police Officers' Pension Fund Board of Trustees constituted in accordance with Article VIII hereof and Section 185.05, Florida Statutes, which shall be solely responsible for administering the Plan. See the BOARD OF TRUSTEES SECTION of Article.~~

PLAN PARTICIPATION means the period of time during which a Participant has been an Active Participant.

PLAN YEAR means a period beginning on a Yearly Date and ending on the day before the next Yearly Date.

QUALIFIED PRERETIREMENT SURVIVOR ANNUITY means a straight life annuity payable to the surviving beneficiary of a Participant who dies before his Annuity Starting Date. Benefits shall be determined as if the Participant had ceased to be an ~~Employee~~ a Police Officer on the date of his death (date he last ceased to be a Police Officer, if earlier) and survived to the date benefits become payable to the beneficiary and retired on that date. The monthly benefit payable to the beneficiary shall be equal to the survivorship percentage of the retirement

benefit that would have been payable to the Participant if his Retirement Date had occurred on the date benefits start to the beneficiary and he had retired under the Qualified ~~Automatic~~ Joint and Survivor Form. ~~If the Participant elects a survivorship annuity (where the survivorship percentage is at least 50% and the Contingent Annuitant is the Participant's beneficiary) and which is at least the Actuarial Equivalent of the Qualified Joint and Survivor Form for purposes of determining the Qualified Preretirement Survivor Annuity.~~

POLICE OFFICER means an individual serving the City of Edgewater as a police officer, within the meaning of Section 185.02(16).

PRESENT VALUE means the current value of a benefit payable ~~on~~ in a specified form and on a specified date. ~~The Present Value of any benefit under the terms of this Plan will be the actuarial equivalent of the benefit payable on in the Normal Form. Actuarial equivalence shall be determined on the basis of the mortality rates specified in the definition of Actuarial Equivalent, and either the interest rate(s) specified in the definition of Actuarial Equivalent or the Code Section 417 interest rate(s), whichever produces the greater benefit.~~

~~In addition, the amount of any distribution under the terms of this Plan will be determined in accordance with the preceding paragraph.~~

~~The two preceding paragraphs shall not apply to the extent they would cause the Plan to fail to satisfy the requirements of the BENEFIT LIMITATION SECTION of Article IV.~~

~~The Code Section 417 interest rate(s) are:~~

- ~~(a) — the applicable interest rate if the Present Value of the benefit (using such rate(s)) is not in excess of \$25,000; or~~
- ~~(b) — 120 percent of the applicable interest rate if the Present Value of the benefit exceeds \$25,000 (as determined under (a) above). In no event shall the Present Value determined under this (b) be less than \$25,000.~~

~~The applicable interest rate is the interest rate(s) which would be used (as of the Annuity Starting Date) by the Pension Benefit Guaranty Corporation for a trusted single employer plan to value a benefit upon termination of an insufficient trusted single employer plan.~~

REENTRY DATE means the date a former Active Participant reenters the Plan. See the ACTIVE PARTICIPANT SECTION of Article.

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REQUIRED CONTRIBUTIONS means ~~nondeductible contributions required from a Participant in order to participant in this Plan. See the REQUIRED CONTRIBUTIONS BY PARTICIPANTS as set forth in SECTION of Article III.~~

REQUIRED CONTRIBUTION ACCOUNT means, on any date, the total of a Participant's Required Contributions. A Participant's Required Contribution Account shall be reduced by the amount of any distribution of his Required Contribution Account.

RETIREMENT DATE means the date a retirement benefit will begin and is a Participant's Early, Normal or Late Retirement Date, as the case may be.

~~SOCIAL SECURITY RETIREMENT AGE~~ means ~~age 65 in the case of a Participant attaining age 62 before January 1, 2000, age 66 for a Participant attaining age 62 after December 31, 1991, and before January 1, 2017.~~

STATE CONTRIBUTIONS means ~~the net proceeds as mutually agreed by the City of Edgewater and the Police Officers' employee organization of the excise tax imposed by the City of Edgewater, Florida upon certain casualty insurance companies on their gross receipts of premiums from holders of policies, which policies cover property within the corporate limits of the City of Edgewater, Florida~~ State Contributions as set forth in Article III.

TEFRA means ~~the Tax Equity and Fiscal Responsibility Act of 1982.~~

TEFRA COMPLIANCE DATE means ~~the date a plan is to comply with the provisions of TEFRA. The TEFRA Compliance Date as used in this Plan is,~~

- ~~(a) — for purposes of benefit limitations, Code Section 415,
 - ~~(1) — if the plan was in effect on July 1, 1982, the first day of the first limitation year which begins after December 31, 1982, or~~
 - ~~(2) — if the plan was not in effect on July 1, 1982, the first day of the first limitations year which ends after December 31, 1982, or~~~~
- ~~(b) — for all other purposes, the first Yearly Date after December 31, 1983.~~

TOTALLY AND PERMANENTLY DISABLED means that a Police Officer that is totally and permanently unable to perform useful and efficient service as a Police Officer. A written application is made to the Board of Trustees for a Disability Pension and the Board decides whether or not the pension is to be granted.

ARTICLE I

VESTING PERCENTAGE means the percentage used to determine that portion of a Participant's Accrued Benefit resulting from Employer Contributions which is nonforfeitable (cannot be lost since it is vested).

A Participant's Vesting Percentage is shown in the following schedule opposite the number of whole years of his Plan Participation.

PLAN PARTICIPATION (whole years)	VESTING PERCENTAGE
Less than 5	0
5 or more	100

However, the Vesting Percentage for a Participant who is ~~an Employee~~ a Police Officer on or after the earlier of (i) the date he reaches his Normal Retirement Date or (ii) the date he meets the requirement(s) for an Early Retirement Date, shall be 100% on such date.

VOLUNTARY DISCONTINUANCE DATE means the date a Participant fails or refuses to make a Required Contribution.

YEARLY DATE means February 1, 1978, and each following October 1.

~~**YEARS OF SERVICE** means the total number of years and fractional parts of years of service as a police officer with Participant contributions, when required, omitting intervening years or fractional parts of years when such Participant was not employed by the city as a police officer. A Participant may voluntarily leave his accumulated contributions in the fund for a period of five (5) years after leaving the employ of the city pending the possibility of being reemployed as a police officer, without losing credit for the time that he was a Participant of the Plan. If a vested Participant leaves the employ of the city, his accumulated contributions will be returned only upon his written request. If a Participant who is not vested is not reemployed as a police officer with the city within five (5) years, his accumulated contributions, if more than one thousand dollars (\$1,000.00), will be returned only upon the written request of the Participant and upon completion of a written election to receive a cash lump sum or to rollover the lump sum amount on forms designated by the Board. Upon return of a Participant's accumulated contributions, all of his rights and benefits under the Plan are forfeited and terminated.~~

~~The years or parts of a year that a Participant performs "Qualified Military Service" consisting of voluntary or involuntary "service in the uniformed services" as defined in the Uniformed Services Employment and Reemployment Rights Act (USERRA) (P.L. 103-353), after separation from employment as a police officer to perform~~

training or service, shall be added to his years of service for all purposes, including vesting, provided that:

- ~~(e) The Participant is entitled to reemployment under the provisions of USERRA.~~
- ~~(f) The Participant returns to his employment as a police officer within one (1) year following the earlier of the date of his military discharge or his release from service, unless otherwise required by USERRA.~~
- ~~(g) The Participant deposits into the fund the same sum that the Participant would have contributed, if any, if he had remained a police officer during his absence. The maximum credit for military service pursuant to this subdivision shall be five (5) years. The Participant must deposit all missed contributions within a period equal to three times the period of military service, but not more than five (5) years, following re-employment or he will forfeit the right to receive service for his military service pursuant to this paragraph.~~
- ~~(h) This paragraph is intended to satisfy the minimum requirements of USERRA. To the extent that this paragraph does not meet the minimum standards of USERRA, as it may be amended from time to time, the minimum standards shall apply.~~

~~In the event a Participant dies on or after January 1, 2007, while performing USERRA Qualified Military Service, the beneficiaries of the Participant are entitled to any benefits (other than benefit accruals relating to the period of qualified military service) as if the Participant had resumed employment and then died while employed.~~

~~Beginning January 1, 2009, to the extent required by section 414(u)(12) of the Code, an individual receiving differential wage payments (as defined under section 3401(h)(2) of the Code) from an employer shall be treated as employed by that employer, and the differential wage payment shall be treated as compensation for purposes of applying the limits on annual additions under section 415(c) of the Code. This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.~~

ARTICLE II

PARTICIPATION

SECTION 2.01—ACTIVE PARTICIPANT

(a) ~~An Employee~~A Police Officer shall first become an Active Participant (begin active participation in the Plan) on the earliest Monthly Date on or after October 1, 1989, on which he becomes ~~an Employee~~ a Police Officer of the City (~~becomes an Eligible Employee~~). This date is his Entry Date.

Each Employee who was an Active Participant under the Plan on September 30, 1989, shall continue to be an Active Participant if he is still ~~an Eligible Employee~~ a Police Officer on October 1, 1989, and his Entry Date will not change.

(b) An Inactive Participant shall again become an Active Participant (resume active participation in the Plan) on the date he again becomes ~~an Eligible Employee~~ a Police Officer. This date is his Reentry Date.

Upon again becoming an Active Participant, he shall cease to be an Inactive Participant.

(c) A former Participant shall again become an Active Participant (resume active participation in the Plan) on the date he again becomes ~~an Eligible Employee~~ a Police Officer. This date is his Reentry Date.

An Active Participant ~~or an Eligible Employee~~ who is promoted to or employed by the Employer as police chief may elect not to be an Active Participant in the event he/she has elected to participate in another pension program offered by the Employer. The election shall be irrevocable and ~~must be made within the first 365 days of employment as police chief; the election shall be submitted to the Employer and Plan Administrator specifying that he/she will not be an Active Participant in this plan and therefore shall not be entitled to any benefits afforded therein. Provided that the police chief at the time of enactment of this provision shall have up to 365 days from enactment of this provision to execute such decision.~~

There shall be no duplication of benefits for a Participant under this Plan because of more than one period as an Active Participant.

SECTION 2.02—INACTIVE PARTICIPANT

ARTICLE II

An Active Participant shall become an Inactive Participant (stop accruing benefits under the Plan) on the earliest of the following:

- (a) The date on which he ceases to be ~~an Eligible Employee~~ a Police Officer (on his Retirement Date if he ceases to be ~~an Eligible Employee~~ a Police Officer within one month of his Retirement Date).
- (b) The effective date of complete termination of the Plan.

~~An Employee~~ A Police Officer or former ~~Police Officer Employee~~ who was an Inactive Participant under the Plan on September 30, 1989, shall continue to be an Inactive Participant on October 1, 1989. Eligibility for any benefits payable to him or on his behalf and the amount of the benefits shall be determined according to the provisions of the prior document, unless otherwise stated in this Plan.

SECTION 2.03—CESSATION OF PARTICIPATION

A Participant, whether active or inactive, shall cease to be a Participant on the earliest of the following:

- (a) The date of his death.
- (b) His Voluntary Discontinuance Date.
- (c) The date he receives a single sum distribution which is in lieu of all his benefits under the Plan if his Vesting Percentage is 100%.
- (d) The date all benefits to which he or she is entitled have been paid.

~~An Inactive Participant shall also cease to be a Participant on the earliest date on which he is not entitled to a deferred monthly income under the VESTED BENEFITS SECTION of Article V.~~

ARTICLE III

CONTRIBUTIONS

SECTION 3.01—EMPLOYER CONTRIBUTIONS

The amount and time of Employer Contributions shall be determined based on actuarial valuations and applicable law as to the amounts required to fund benefits under this Plan.

A portion of the Plan assets resulting from Employer Contributions (but not more than the original amount of those Contributions) may be returned if the Employer Contributions are made because of a mistake of fact. The amount involved must be returned to the Employer within one year after the date the Employer Contributions are made by mistake of fact. Except as provided under this paragraph and in Article VII, the assets of the Plan shall never be used for the benefit of the Employer and are held for the exclusive purpose of providing benefits to Participants and their Beneficiaries and for defraying reasonable expenses of administering the Plan.

SECTION 3.01A—REQUIRED CONTRIBUTIONS BY PARTICIPANTS

Each ~~Eligible Employee~~ Police Officer shall make Required Contributions as of the date he enters the Plan. These Contributions shall be made for each pay period in which he is an ~~Eligible Employee~~ Police Officer.

The amount of each Contribution shall be equal to 6% of his Compensation for the pay period.

A Participant shall not make Required Contributions during any period he is receiving disability payments under the DISABILITY BENEFITS SECTION—~~of Article V~~—or, on or after his Normal Retirement Date.

The Participant's Required Contribution Account is fully (100%) vested and nonforfeitable at all times.

SECTION 3.01B—STATE CONTRIBUTIONS.

Any monies received or receivable by reason of laws of the State of Florida, for the express purpose of funding and paying for retirement benefits for Police Officers of the City of Edgewater shall be deposited in the Fund comprising part of this Plan immediately and under no circumstances more than five (5) days after receipt by the City.

SECTION 3.01C—OTHER CONTRIBUTIONS

Private donations, gifts and contributions may be deposited to the Fund, but such deposits must be accounted for separately and kept on a segregated bookkeeping basis. Funds arising from these sources may be used only for additional benefits for Participants, as determined by the Board and may not be used to reduce what would have otherwise been required City contributions.

SECTION 3.02—INVESTMENT OF CONTRIBUTIONS

A. As part of the Plan, there is hereby established the Fund, into which shall be deposited all of the contributions and assets whatsoever attributable to the Plan.

B. The actual custody and supervisions of the Fund (and assets thereof) shall be vested in the Board of Trustees. Payment of benefits and disbursements from the Fund shall be made by the disbursing agent but only upon written authorization from the Board.

C. All funds and securities of the Plan may be deposited by the Board with the Plan's custodian.

D. In order to fulfill its investment responsibilities as set forth herein, the Board may retain the services of a custodian bank, an investment advisor registered under the Investment Advisors Act of 1940 or otherwise exempt from such required registration, an insurance company, or a combination of these, for the purposes of investment decisions and management. Such investment manager shall have discretion, subject to any guidelines as prescribed by the Board, in the investment of all Fund assets.

E. All funds and securities of the Plan may be commingled in the Fund, provided that accurate records are maintained at all times reflecting the financial composition of the Fund, including accurate current accounts and entries as regards the following:

1. Current amounts of Accumulated Contributions of Participants on both an individual and aggregate account basis, and
2. Receipts and disbursements, and
3. Benefit payments, and

4. Current amounts clearly reflecting all monies, funds and assets whatsoever attributable to contributions and deposits from the City, and
5. All interest, dividends and gains (or losses) whatsoever, and
6. Such other entries as may be properly required so as to reflect a clear and complete financial report of the Fund.

F. The Board shall be vested with full legal title to said Fund, subject however, and in an event to the authority and power of the City of Edgewater City Council to amend or terminate this Fund, provided that no amendment or Fund termination shall ever result in the use of any assets of this Fund except for the payment of regular expenses and benefits under this Plan, except as otherwise provided herein. All contributions from time to time paid into the Fund, and the income thereof, without distinction between principal and income, shall be held and administered by the Board or its agent in the Fund and the Board shall not be required to segregate or invest separately any portion of the Fund.

G. All monies paid into or held in the Fund shall be invested and reinvested by the Board in accordance with the Board's duly adopted Investment Policy, which shall comply with the provisions of Sections 112.661 and 185.06 of the Florida Statutes.

H. The Board may retain in cash and keep unproductive of income such amounts of the Fund as it may deem advisable, having regard for the cash requirements of the Plan.

I. The Board may cause any investment in securities held by it to be registered in or transferred into its name as Trustee or into the name of such nominee as it may direct, or it may retain them unregistered and in a form permitting transferability, but the books and records shall at all times show that all investments are part of the Fund.

J. The Board is empowered to exercise any of the powers of an owner with respect to stocks, bonds, or other investments comprising the fund which it may deem to be in the best interest of the Fund to exercise.

K. The Board shall not be required to make any inventory or appraisal or report to any court, nor to secure any order of a court for the exercise of any power contained herein.

ARTICLE IV

RETIREMENT BENEFITS

SECTION 4.01—ACCRUED BENEFIT

An Active Participant's monthly Accrued Benefit as of any date, subject to the modifications below, will be equal to the product of (a) and (b) below:

- (a) 2% of average compensation multiplied by accrued service up to 10/01/1987.
- (b) 3% of average compensation multiplied by accrued service after 10/01/1987.

Adjusted Accrued Benefit:

An Active Participant's monthly Accrued Benefit shall be reduced by the amount of deferred monthly retirement benefit on the Normal Form beginning on his Normal Retirement Date in lieu of which he has received a single sum payment under the Plan or prior plan.

Police Officers shall have the option to purchase up to five (5) years of additional Accrued Benefits which shall be calculated in the form of an enhanced benefit multiplier. Eligible Participants shall have the option to purchase an additional three (3%) percent benefit multiplier resulting in a maximum total benefit multiplier of six (6%) percent for each completed year of service. In order to qualify for this benefit, the Participant must be vested under the terms of the Plan. Participants electing this additional Accrued Benefit option shall contribute to the Plan the full actuarial cost, as calculated by the Plan's actuary, of applying such enhanced multiplier benefit. All required additional contributions shall be paid prior to retirement and may be made through either lump sum, qualified rollover, automatic payroll deductions or any combination thereof. Participants shall only receive Accrued Benefits as described in this section commensurate with the contribution amounts actually paid to the Plan. Accrued Benefits purchased under this section shall not be counted for vesting or benefit eligibility purposes and there shall be no refunds of any such additional contributions made unless a member has requested a refund of all member contributions in lieu of retirement benefits.

SECTION 4.02—BENEFIT LIMITATION

(a) Basic Limitation.

~~Notwithstanding any other provisions of this Plan to the contrary, the Participant contributions paid to, and retirement benefits paid from, the Plan shall be limited to such extent as may be necessary to conform to the requirements of Code Section 415 for a qualified retirement plan. Before January 1, 1995, a Plan Participant may not receive an annual benefit that exceeds the limits specified in Code Section 415(b), subject to the applicable adjustments in that section. On and after January 1, 1995, a Plan Participant may not receive an annual benefit that exceeds the dollar amount specified in Code Section 415(b)(1)(A) (\$160,000), subject to the applicable adjustments in Code Section 415(b) and subject to additional limits that may be specified in this Plan. For purposes of this Section, "limitation year" shall be the calendar year.~~

~~For purposes of Code Section 415(b), the "annual benefit" means a benefit payable annually in the form of a straight life annuity (with no ancillary benefits) without regard to the benefit attributable to after-tax employee contributions (except pursuant to Code Section 415(n) and to rollover contributions (as defined in Code Section 415(b)(2)(A)). The "benefit attributable" shall be determined in accordance with Treasury Regulations.~~

~~(b) Adjustments to Basic Limitation for Form of Benefit.~~

~~If the benefit under the plan is other than the annual benefit described in subsection (a), then the benefit shall be adjusted so that it is the equivalent of the annual benefit, using factors prescribed in Treasury Regulations. If the form of the benefit without regard to any automatic benefit increase feature is not a straight life annuity or a qualified joint and survivor annuity, then the preceding sentence is applied by either reducing the Code Section 415(b) limit applicable at the annuity starting date or adjusting the form of benefit to an actuarially equivalent amount (determined using the assumptions specified in Treasury Regulation Section 1.415(b)-1(c)(2)(ii)) that takes into account the additional benefits under the form of benefit as follows:~~

- ~~(1) For a benefit paid in a form to which Section 417(e)(3) of the Code does not apply (generally, a monthly benefit), the actuarially equivalent straight life annuity benefit that is the greater of:
 - ~~(i) The annual amount of the straight life annuity (if any) payable to the Participant under the Plan commencing at the same annuity starting date as the form of benefit to the Participant, or~~~~

- ~~(ii) The annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Participant, computed using a five percent (5%) interest assumption (or the applicable statutory interest assumption) and (i) for years prior to January 1, 2009, the applicable mortality tables described in Treasury Regulation Section 1.417(e)-1(d)(2) (Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Ruling 2001-62), and (ii) for years after December 31, 2008, the applicable mortality tables described in Section 417(e)(3)(B) of the Code (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing Section 417(e)(3)(B) of the Code); or~~
- ~~(2) For a benefit paid in a form to which Section 417(e)(#) of the Code applies (generally, a lump sum benefit), the actuarially equivalent straight life annuity benefit that is the greatest of:~~

 - ~~(i) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using the interest rate and mortality table, or tabular factor, specified in the Plan for actuarial experience;~~
 - ~~(ii) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using a five and one half percent (5.5%) interest assumption (or the applicable statutory interest assumption) and (i) for years prior to January 1, 2009, the applicable mortality tables for the distribution under Treasury Regulation Section 1.417(e)-1(d)(2) (the mortality table specified in Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Ruling 2001-62), and (ii) for years after December 31, 2008, the applicable mortality tables described in Section 417(e)(3)(B) of the Code (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing section 417(e)(3)(B) of the Code); or~~

~~(iii) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable (computed using the applicable interest rate for the distribution under Treasury Regulation Section 1.417(e)-1(d)(3) (the 30-year Treasury rate (prior to January 1, 2007, using the rate in effect for the month prior to retirement, and on and after January 1, 2007, using the rate in effect for the first day of the Plan Year with a one-year stabilization period)) and (i) for years prior to January 1, 2009, the applicable mortality tables for the distribution under Treasury Regulation Section 1.417(e)-1(d)(2) (the mortality table specified in Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Ruling 2001-62), and (ii) for years after December 31, 2008, the applicable mortality tables described in Section 417(e)(3)(B) of the Code (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing Section 417(e)(3)(B) of the Code), divided by 1.05.~~

~~(3) The actuary may adjust the 415(b) limit at the annuity starting date in accordance with subsections (1) and (2) above.~~

~~(c) Benefits Not Taken into Account.~~

~~For purposes of this Section, the following benefits shall not be taken into account in applying these limits:~~

- ~~(1) Any ancillary benefit which is not directly related to retirement income benefits;~~
- ~~(2) Any other benefit not required under Section 415(b)(2) of the Code and Regulations thereunder to be taken into account for purposes of the limitation of Code Section 415(b)(1); and~~
- ~~(3) That portion of any joint and survivor annuity that constitutes a qualified joint and survivor annuity.~~

~~(d) COLA Effect.~~

~~Effective on and after January 1, 2003, for purposes of applying the limits under Code Section 415(b) (the "Limit"), the following will apply:~~

- ~~(1) A Participant's applicable limit will be applied to the Participant's annual benefit in the Participant's first limitation year of benefit payments without regard to any automatic cost of living adjustments;~~
- ~~(2) thereafter, in any subsequent limitation year, a Participant's annual benefit, including any automatic cost of living increases, shall be tested under the then applicable benefit limit including any adjustment to the Code Section 415(b)(1)(A) dollar limit under Code Section 415(d), and the regulations thereunder; but~~
- ~~(3) in no event shall a Participant's benefit payable under the Plan in any limitation year be greater than the limit applicable at the annuity starting date, as increased in subsequent years pursuant to Code Section 415(d) and the regulations thereunder.~~

~~Unless otherwise specified in the Plan, for purposes of applying the limits under Code Section 415(b), a Participant's applicable limit will be applied taking into consideration cost of living increases as required by Section 415(b) of the Internal Revenue Code and applicable Treasury Regulations.~~

~~(e) Other Adjustments in Limitations.~~

- ~~(1) In the event the Participant's retirement benefits become payable before age sixty-two (62), the limit prescribed by this Section shall be reduced in accordance with regulations issued by the Secretary of the Treasury pursuant to the provisions of Code Section 415(b) of the Code, so that such limit (as so reduced) equals an annual straight life benefit (when such retirement income benefit begins) which is equivalent to a one hundred sixty thousand dollar (\$160,000) annual benefit beginning at age sixty-two (62).~~
- ~~(2) In the event the Participant's benefit is based on at least fifteen (15) years of Service as a full time employee of the police or fire department of the City, the adjustments provided for in (e)(1) above shall not apply.~~

~~(3) The reductions provided for in (e)(1) above shall not be applicable to disability benefits pursuant to Section 5.03, or pre-retirement death benefits paid pursuant to Section 5.01.~~

~~(4) In the event the Participant's retirement benefit becomes payable after age sixty-five (65), for purposes of determining whether this benefit meets the limit set forth in subsection (a) herein, such benefit shall be adjusted so that it is actuarially equivalent to the benefit beginning at age sixty-five (65). This adjustment shall be made in accordance with regulations promulgated by the Secretary of the Treasury or his delegate.~~

~~(f) Less than Ten (10) Years of Participation or Service.~~

~~— The maximum retirement benefits payable under this Section to any Participant who has completed less than ten (10) years of Service with the City shall be the amount determined under subsection (a) of this Section multiplied by a fraction, the numerator of which is the number of the Participant's years of Service and the denominator of which is ten (10). The reduction provided by this subsection cannot reduce the maximum benefit below 10% of the limit determined without regard to this subsection. The reduction provided for in this subsection shall not be applicable to pre-retirement disability benefits paid pursuant to Section 5.03, or pre-retirement death benefits paid pursuant to Section 5.01.~~

~~(g) Participation in Other Defined Benefit Plans.~~

~~— The limit of this Section with respect to any Participant who at any time has been a participant in any other defined benefit plan as defined in Code Section 414(j) maintained by the City shall apply as if the total benefits payable under all City defined benefit plans in which the Participant has been a participant were payable from one plan.~~

~~(h) Ten Thousand Dollar (\$10,000) Limit; Less Than Ten Years of Service.~~

~~— Notwithstanding anything in this Section 4.02, the retirement benefit payable with respect to a Participant shall be deemed not to exceed the limit set forth in this subsection (h) of Section 4.02 if the benefits payable, with respect to such Participant under this Plan and under all other qualified defined benefit pension plans to which the City contributes, do not exceed ten thousand dollars (\$10,000) for the applicable limitation year and for any prior limitation year and the City has not any time maintained a qualified defined contribution plan in which the Participant participated; provided, however, that if the Participant has completed less than ten (10) years of Service with the City, the limit under this subsection (h)~~

ARTICLE IV

~~of Section 4.02 shall be a reduced limit equal to ten thousand dollars (\$10,000) multiplied by a fraction, the numerator of which is the number of the Participant's years of Service and the denominator of which is ten (10).~~

~~(i) Reduction of Benefits.~~

~~Reduction of benefits and/or contributions to all plans, where required, shall be accomplished by first reducing the Participant's benefit under any defined benefit plans in which the Participant participated, such reduction to be made first with respect to the plan in which Participant most recently accrued benefits and thereafter in such priority as shall be determined by the Board and the plan administrator of such other plans, and next, by reducing or allocating excess forfeitures for defined contribution plans in which the Participant participated, such reduction to be made first with respect to the plan in which Participant most recently accrued benefits and thereafter in such priority as shall be established by the Board and the plan administrator for such other plans provided, however, that necessary reductions may be made in a different manner and priority pursuant to the agreement of the Board and the plan administrator of all other plans covering such Participant.~~

~~(i) Service Credit Purchase Limits.~~

~~(1) Effective for permissive service credit contributions made in limitation years beginning after December 31, 1997, if a Participant makes one or more contributions to purchase permissive service credit under the Plan, then the requirements of this Section will be treated as met only if:~~

~~(i) the requirements of Code Section 415(b) are met, determined by treating the accrued benefit derived from all such contributions as an annual benefit for purposes of Code Section 415(b), or~~

~~(ii) the requirements of Code Section 415(c) are met, determined by treating all such contributions as annual additions for purposes of Code Section 415(c).~~

~~For purposes of applying subparagraph (j)(1)(i), the Plan will not fail to meet the reduced limit under Code Section 415(b)(2)(c) solely by reason of this subparagraph, and for purposes of applying subparagraph (j)(1)(ii) the Plan will not fail to meet the percentage limitation under Section 415(c)(1)(B) of the Internal Revenue Code solely by reason of this subparagraph.~~

- ~~(2) For purposes of this subsection the term “permissive service credit” means service credit—~~
- ~~(i) recognized by the Plan for purposes of calculating a Participant’s benefit under the Plan,~~
 - ~~(ii) which such Participant has not received under the Plan, and~~
 - ~~(iii) which such Participant may receive only by making a voluntary additional contribution, in an amount determined under the Plan, which does not exceed the amount necessary to fund the benefit attributable to such service credit.~~

~~Effective for permissive service credit contributions made in limitation years beginning after December 31, 1997, such term may, if otherwise provided by the Plan, include service credit for periods for which there is no performance of service, and, notwithstanding clause (j)(2)(ii), may include service credited in order to provide an increased benefit for service credit which a Participant is receiving under the Plan.~~

~~(k)~~ Contribution Limits.

- ~~(1)~~ ~~For purposes of applying the Code Section 415(c) limits which are incorporated by reference and for purposes of this subsection (k), only and for no other purpose, the definition of compensation where applicable will be compensation actually paid or made available during a limitation year, except as noted below and as permitted by Treasury Regulations Section 1.415(c)-2, or successor regulations. Unless another definition of compensation that is permitted by Treasury Regulations Section 1.415(c)-2, or successor regulation, is specified by the Plan, compensation will be defined as wages within the meaning of Code Section 3401(a) and all other payments of compensation to an employee by an employer for which the employer is required to furnish the employee a written statement under Code Sections 6041(d), 6051(a)(3), and 6052 and will be determined without regard to any rules under Code Section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2).~~

- ~~(i) — However, for limitation years beginning after December 31, 1997, compensation will also include amounts that would otherwise be included in compensation but for an election under Code Sections 125(a), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b). For limitation years beginning after December 31, 2000, compensation will also include any elective amounts that are not includible in the gross income of the employee by reason of Code Section 132(f)(4).~~
 - ~~(ii) — For limitation years beginning on or after January 1, 2007, compensation for the limitation year will also include compensation paid by the later of 2 1/2 months after an employee's severance from employment or the end of the limitation year that includes the date of the employee's severance from employment if:~~

 - ~~A. — the payment is regular compensation for services during the employee's regular working hours, or compensation for services outside the employee's regular working hours (such as qualifying overtime or shift differential), commissions, bonuses or other similar payments, and, absent a severance from employment, the payments would have been paid to the employee while the employee continued in employment with the employer; or~~
 - ~~B. — the payment is for qualified unused accrued bona fide sick, vacation or other leave that the employee would have been able to use if employment had continued.~~
 - ~~(iii) — Back pay, within the meaning of Treasury Regulations Section 1.415(c)-2(g)(8), shall be treated as compensation for the limitation year to which the back pay relates to the extent the back pay represents wages and compensation that would otherwise be included under this definition.~~
- ~~(2) — Notwithstanding any other provision of law to the contrary, the Board may modify a request by a Participant to make a contribution to the Plan if the amount of the contribution would~~

~~exceed the limits provided in Code Section 415 by using the following methods:~~

- ~~(i) If the law requires a lump sum payment for the purchase of service credit, the Board may establish a periodic payment deduction plan for the Participant to avoid a contribution in excess of the limits under Code Section 415(c) or 415(n).~~
- ~~(ii) If payment pursuant to subparagraph (k)(2)(i) will not avoid a contribution in excess of the limits imposed by Code Section 415(c), the Board may either reduce the Participant's contribution to an amount within the limits of that section or refuse the Participant's contribution.~~
- ~~(3) If the annual additions for any Participant for a limitation year exceed the limitation under Section 415(c) of the Code, the excess annual addition will be corrected as permitted under the Employee Plans Compliance Resolution System (or similar IRS correction program).~~
- ~~(4) For limitation years beginning on or after January 1, 2009, a Participant's compensation for purposes of this subsection (k) shall not exceed the annual limit under Section 401(a)(17) of the Code.~~

SECTION 4.032—AMOUNT OF BENEFIT AT RETIREMENT

The amount of retirement benefit to be provided on the Normal Form for an Active Participant on his Retirement Date shall be determined according to the provisions of this section. The monthly retirement benefit shall not decrease after the Participant's Retirement Date due to any increase in social security benefits that occurs after he ceased to be an Employee.

An Active Participant's retirement benefit on his Early Retirement Date shall be equal to his Accrued Benefit on his Early Retirement Date, actuarially reduced by no more than three percent (3%) each year prior to his NORMAL RETIREMENT DATE.

An Active Participant's retirement benefit on his Normal Retirement Date will be equal to his Accrued Benefit on such date.

~~An Active Participant's retirement benefit on his Retirement Date shall be equal to his Accrued Benefit on such specified date.~~

An Active Participant's retirement benefit on his Late Retirement Date shall be equal to the greater of (a) or (b) below:

- (a) His Accrued Benefit on his Late Retirement Date.
- (b) His Accrued Benefit on his Normal Retirement Date, multiplied by the factor shown below corresponding to the number of years his Late Retirement Date follows his Normal Retirement Date.

NUMBER OF YEARS LATE RETIREMENT DATE PRECEDES NORMAL RETIREMENT DATE	FACTOR
1	1.0600
2	1.1200
3	1.1900
4	1.2600
5	1.3400
6	1.4200
7	1.5000
8	1.5900
9	1.6900
10	1.7900

The above factors shall be prorated for a partial year (counting a partial month as a complete month). Factors for numbers of years beyond ten shall be determined using a consistently applied reasonable actuarially equivalent method.

An Active Participant's retirement benefit on the Normal Form shall not be less than the greatest amount of benefit that would have been provided for him had he retired on any earlier Retirement Date after his Normal Retirement Date.

In any event, an Active Participant's retirement benefit on the Normal Form on his Retirement Date will not be less than the monthly benefit on the Normal Form which is the Actuarial Equivalent of his Required Contribution Account on such date.

The Participant's retirement benefits shall be distributed to the Participant according to the distribution of benefits provisions of Article ~~VI~~ and the small amounts provision of the SMALL AMOUNTS SECTION of Article ~~IX~~. The amount of payment under any form (other than the Normal Form) shall be determined as

provided under the OPTIONAL FORMS OF DISTRIBUTION AND DISTRIBUTIONS RETIREMENTS SECTION of Article VI.

~~SECTION 4.04—TEMPORARY LIMITATION OF BENEFITS~~

~~(a) For Plan Years beginning before January 1, 1994, the limitations set forth in this (a) apply.~~

~~(1) The amount of Employer contributions used to provide a Participant's retirement benefit on the Normal Form shall be limited as provided in (2) below if the Participant is one of the Employer's 25 most highly paid Employees on the original effective date of the Plan, the retirement benefit is over \$125 (\$1,500 annually), and one of the following conditions occurs:~~

~~(i) The Plan is terminated within ten years of the effective date of the Plan,~~

~~(ii) The monthly retirement benefit of such highly paid Participant becomes payable within ten years of the effective date of the Plan, or~~

~~(iii) If Code Section 412 (without regard to Code Section 412(h)(2)) does not apply to this Plan, the monthly retirement benefit of such highly paid Participant becomes payable more than ten years after the effective date of the Plan, and the full current costs of the Plan for the first ten years have not been met.~~

~~(2) If one of the conditions in (1) above does occur, the amount of Employer contributions used to provide retirement benefits on the Normal Form for such a highly paid Participant shall not exceed the amount provided by the greater of (i) or (ii) below:~~

~~(i) \$20,000~~

~~(ii) 20% of the first \$50,000 of the average of his annual compensation for the five latest Compensation Years multiplied by the number of years between the effective date of the Plan and the earlier of (A) the date the benefit becomes payable, or (B) the date the Plan terminates. If on the earlier of (A) or (B) the full current costs have not been met, then the date on which the~~

ARTICLE IV

~~full current costs have not been met shall be substituted for such earlier date.~~

- ~~(3) If the Plan is amended to increase the retirement benefits on the Normal Form provided by Employer Contributions, the amount of such Contributions used to provide that benefit may be limited. Such amounts shall be limited if the Participant is one of the employer's 25 most highly paid employees on the effective date of the amendment and the retirement benefit provided by Employer Contributions made before the effective date of the amendment and during the following ten years (Assuming his rate of pay remains unchanged) is over \$125 (\$1,500 annually).~~

~~—The provisions of (1) and (2) above shall continue to apply to the original group of Participants who are highly paid Employees as if the Plan had not been amended. The amount of Employer Contributions which may be used for the benefit of the new group of Participants who are highly paid Employees shall be limited as provided in (2) above, except that, in lieu of (2)(i) and (ii), the following (i) and (ii) shall be substituted:~~

- ~~(i) The amount of Employer Contributions which would have been applied to provide benefits for the Participant if the Plan had continued without change or \$20,000, if greater.~~
- ~~(ii) The sum of (A) the amount of Employer Contributions which would have been applied to provide benefits for the Participant if the Plan had terminated on the day before the effective date of the amendment, and (B) the product of the number of years for which the current costs of the Plan after the effective date of the amendment are met multiplied by the lesser of (a) 20 percent of the average of his annual pay for the five latest Compensation Years, or (b) \$10,000.~~
- ~~(4) The limitations described above may be exceeded for the purpose of making current monthly retirement benefit payments to retired Participants who would otherwise be subject to such limitations. The limitations may be exceeded only if all of the following conditions are met:~~
- ~~(i) The Employer Contributions which may be used for such retired Participant according to the preceding~~

ARTICLE IV

~~provisions of this section are applied to provide either a level amount of monthly retirement benefit on the Normal Form or a level amount of monthly retirement benefit on an optional form of retirement benefit not greater in amount than the amount of monthly benefit on the Normal Form.~~

- ~~(ii) The monthly retirement benefit provided is supplemented by monthly payments to the extent necessary to provide the full monthly retirement benefit on the Normal Form.~~
- ~~(iii) The full current costs of the Plan have been met or the total of such supplemental payments for all such retired Participants does not exceed the total Employer Contributions already made under the Plan in the year then current.~~

~~—— A highly paid Participant may receive a single sum distribution only if he enters into an agreement to repay to the Plan all amounts he receives in excess of the limitations of this section. The requirement of repayment shall apply if the Plan terminates, if the full current costs of the Plan are not met during a period when the limitations of this section are in effect, or benefits are paid when the Plan is less than ten years old. In order to guarantee the repayment, the Participant must deposit the amount which would be repayable in a guaranteed account or with an acceptable depository property having a fair market value equal to 125 percent of the amount which would be repayable had the Plan terminated on the date of the single sum distribution. If the market value of the property held by the depository falls below 110 percent of the amount which would be repayable if the Plan were then to terminate, additional property necessary to bring the value of the property held by the depository up to 125 percent of such amount will be deposited.~~

~~(b) For Plan Years beginning on or after January 1, 1994, the limitations set forth in this (b) apply.~~

~~—— In the event of Plan termination, the benefit of any active or former Highly Compensated Employee is limited to a benefit that is nondiscriminatory under Code Section 401(a)(4).~~

~~—— For Plan Years beginning on or after January 1, 1999, benefits distributed to any of the 25 most highly compensated active and former Highly Compensated Employees are restricted such that the annual payments are no greater than an amount equal to the payment that would be made on behalf of the Employee under~~

~~a single life annuity that is the Actuarial Equivalent of the sum of the Employee's Accrued Benefit and the Employee's other benefits under the Plan.~~

~~—The preceding paragraph shall not apply if:~~

- ~~(1) after payment of the benefit to an Employee described in the preceding paragraph, the value of plan assets equals or exceeds 110 percent of the value of current liabilities, as defined in Code Section 412(1)(7), or~~
- ~~(2) the value of the benefits for an Employee described above is less than one percent of the value of current liabilities.~~

~~—For purposes of this (b), benefit includes loans in excess of the amount set forth in Code Section 72(p)(2)(A), any periodic income, any withdrawal values payable to a living Employee, and any death benefits not provided by insurance on the Employee's life.~~

SECTION 4.053—BENEFITS UPON REEMPLOYMENT AFTER RETIREMENT DATE

If the Employer rehires a Participant after his Retirement Date, any monthly retirement benefit he is receiving shall ~~continue stopped~~. If he also becomes an Active Participant, there shall be no duplication of benefits for him under this Plan. Any death benefit from the Accrued Benefit he accrued during this latest period of participation shall be determined as provided in the DEATH BENEFITS SECTION of Article V. The retirement benefit from such Accrued Benefit shall be payable according to the provisions of Article IV and Article VI.

SECTION 4.064—SUPPLEMENTAL BENEFIT

Supplemental Retirement Benefit: In addition to all other benefits provided in this section, there is hereby provided for eligible ~~police officers~~ Police Officers an annual supplemental retirement benefit. For purposes of this subsection only, “eligible ~~police officer~~ Police Officer” shall be defined as an ~~active~~ Police Officer ~~police officer~~ that has attained ~~Credited~~ Creditable Service of five (5) or more years and that terminates service or retires under the Pension Plan. Entitlement to such supplemental retirement benefit shall be determined annually based upon the receipt by the Fund of any “additional premium tax revenues,” as defined in subsection 185.02(1), Florida Statutes. Payment of such supplemental retirement benefit shall be made annually to each eligible ~~police officer~~ Police Officer no later than the 1st of December after receipt of the “additional premium tax revenues” from the state, provided that it has been confirmed in writing that the eligible ~~police officer~~ Police Officer was alive on September 30th of such year, beginning with

fiscal year 2007. The amount of such supplemental retirement benefit shall be equal to the ~~quotient~~ product of: the total amount of all "additional premium tax revenues" received by the Fund during that calendar year (regardless of the year to which the revenues relate), multiplied by each eligible ~~police officer's~~ Police Officer's percentage of the total number of combined years of Creditable service for all eligible police officers. Such supplemental benefit for each eligible Police Officer shall be credited to an account to be maintained by the Pension Plan, which shall be credited or debited with the actual rate of investment return (less expenses) of the Pension Plan and, on retirement or termination (or in the event of death prior to a retirement paid to a designated beneficiary), shall at the election of the Police Officer either be (A) rolled over to a designated qualified plan or (B) paid directly as a lump sum distribution to the Police Officers subject to a 20% tax withholding or (C) as a combination of (A) and (B). ~~shall be rolled over to a designated qualified Plan on retirement or termination or in the event of death prior to retirement paid to a designated beneficiary.~~

ARTICLE V

OTHER BENEFITS

SECTION 5.01—DEATH BENEFITS

If a Participant dies before his Annuity Starting Date, death benefits shall be determined under subsections (a) and (b) below.

(a) ~~Qualified~~ Preretirement Survivor Annuity:

A ~~qualified~~ Preretirement Survivor Annuity shall be payable if the following requirements are met:

- (1) The Participant is survived by a designated beneficiary on the date he dies.
- (2) The Participant's Vesting Percentage or Required Contribution Account on the date of his death was greater than zero.

If the requirements above are met on the date the Participant dies, a ~~Qualified~~ Preretirement Survivor Annuity shall be payable. ~~The designated beneficiary may elect to start benefits on any first day of the month on or after the earliest date retirement benefits could have been paid to the Participant if he had ceased to be an Employee on the date of his death and survived to retire. Benefits must start by the date of the Participant would have been age 70 ½ attained his or her required beginning date, as set forth in Section required under Section 401(a)(9) of the Code. If the designated beneficiary dies before the Qualified Preretirement Survivor Annuity starts, the only death benefit payable from his Accrued Benefit is that provided in (b) below.~~

If a single-sum death benefit would otherwise be payable in (b) below, the monthly benefit payable to the designated beneficiary under the ~~Qualified~~ Preretirement Survivor Annuity shall not be less than the monthly benefit which is the Actuarial Equivalent of the single-sum death benefit at the date benefits start.

If the Participant elects to have the single-sum death benefit in (b) below paid to his Designated Beneficiary after the requirements above are met or if the designated beneficiary waives the ~~Qualified~~ Preretirement Survivor Annuity by electing to have the single-sum death benefit in (b) below paid to himself as Beneficiary after the requirements above are met,

the ~~Qualified~~ Preretirement Survivor Annuity shall be reduced. The amount of the reduction shall be equal to the monthly benefit which is the Actuarial Equivalent of what would have been the single-sum death benefit at the date benefits start.

(b) Single sum death benefit:

If the requirements of subsection (a) above have not been met on the date a Participant dies, a single-sum death benefit equal to his ~~Requirement~~ Required Contribution Account on the date he died shall be payable to the Participant's Designated Beneficiary. If the requirements of subsection (a) above have been met on the date such Participant dies and the ~~Qualified~~ Preretirement Survivor Annuity has not been waived, but the Participant's designated beneficiary dies before the Qualified Preretirement Survivor Annuity starts, this single-sum death benefit, determined as of the date of the designated beneficiary's death, shall be paid to the spouse's Designated Beneficiary.

Before a single-sum death benefit will be paid on account of the death of a Participant who would have met all the requirements in (a) above if he had had a designated beneficiary on the date of his death, it must be established to the satisfaction of a plan representative that there is no designated beneficiary.

If a Participant dies on or after his Normal Retirement Date and before his Annuity Starting Date and such Participant is survived by a designated beneficiary on the date of his death, the death benefit shall be payable in like manner as provided under (a) and (b) above.

If a Participant dies on or after his Normal Retirement Date and before his Annuity Starting Date and such Participant is not survived by a designated beneficiary on the date of his death, the provisions of subsections (a) and (b) shall not apply. Instead, the death benefit shall be the preservation of retirement option death benefit payable to the Participants estate. This death benefit is the death benefit which would have been payable to the Participant's Beneficiary or ~~Contingent~~ Joint Annuitant if the Participant's Retirement ~~would have~~ had been payable to the Participant's Beneficiary or ~~Contingent~~ Joint Annuitant if the Participant's Retirement Date had occurred on the date he died. The optional form of distribution elected according to the provisions of the ELECTION PROCEDURES SECTION of Article VI before the Participant's death is the form in effect for determining the death benefit. For purposes of this death benefit only, an election of an optional form of distribution shall be a qualified election even if it is not made within 90 days of the date retirement benefits would have begun if it meets all of the other requirements for a qualified election. The automatic form of

distribution for retirement benefits under the AUTOMATIC FORMS OF DISTRIBUTION SECTION of Article VI shall be in effect if an election has not been made or an election is revoked without a subsequent election according to the provisions of the ELECTION PROCEDURES SECTION of Article VI. Any death benefit payable shall be subject to the distribution limitations of the OPTIONAL FORMS OF DISTRIBUTIONS AND DISTRIBUTION REQUIREMENTS SECTION of Article VI.

If, after any death benefit above is distributed in a single sum, the Present Value of the remaining Qualified Preretirement Survivor Annuity payable under (a) above is ~~\$5,000~~ \$7,500 or less, the designated beneficiary may receive such Present Value in a single-sum payment in lieu of the Qualified Preretirement Survivor Annuity. It will be distributed only if the designated beneficiary so elects.

Any death benefit after Annuity Starting Date will be determined by the form of retirement benefit in effect on a Participant's Annuity Starting Date.

SECTION 5.02—VESTED BENEFITS

A Participant who becomes an Inactive Participant before retirement or death (and, if applicable, before the date a disability payment begins under the DISABILITY BENEFITS SECTION of Article V) will be entitled to one of the following vested benefits whichever is applicable. Any distribution of vested benefits shall be a retirement benefit and shall be a retirement benefit and shall be subject to the distribution of benefits provisions of Article VI and the provisions of the SMALL AMOUNTS SECTION of Article X.

- (a) A deferred monthly retirement benefit on the Normal Form to begin on his Normal Retirement Date. The deferred retirement benefit will be equal to the product of (1) and (2);
 - (1) The Participant's Accrued Benefit on the day before he became an Inactive Participant.
 - (2) The Participant's Vesting Percentage on the date he ceases to be an Employee.
- (b) A deferred monthly retirement benefit on the Normal Form to begin on his Early Retirement Date. The deferred retirement benefit shall be equal to the amount under (a) above multiplied by the applicable early retirement factor in the AMOUNT OF BENEFIT AT RETIREMENT SECTION of Article IV.

- (c) A deferred monthly retirement benefit on the Normal Form to begin on his Late Retirement Date. The deferred retirement benefit shall be determined as follows:
 - (1) For a Participant who became an Inactive Participant on or before his Normal Retirement Date, an amount equal to the amount under (a) above multiplied by the late retirement factor in the AMOUNT OF BENEFIT AT RETIREMENT SECTION of Article IV which corresponds to the number of years his Late Retirement Date follows his Normal Retirement Date.
 - (2) For a Participant who became an Inactive Participant after his Normal Retirement Date, an amount equal to the greater of (i) or (ii) below:
 - (i) The Participant's Accrued Benefit on the day before the date he became an Inactive Participant.
 - (ii) His Accrued Benefit on his Normal Retirement Date multiplied by the late retirement factor in the AMOUNT OF BENEFIT AT RETIREMENT SECTION of Article IV which corresponds to the number of years his Late Retirement Date follows his Normal Retirement Date.

The deferred retirement benefit for the Participant on his Retirement Date shall not be less than the monthly benefit which is the Actuarial Equivalent of his Required Contribution Account on such date.

The amount of payment under any form (other than the Normal Form) shall be determined as provided under the OPTIONAL FORMS OF DISTRIBUTION AND DISTRIBUTION REQUIREMENTS SECTION of Article VI. After the Participant ceases to be an Employee, the deferred retirement benefit shall not decrease because of any post-separation social security benefit increases. If he again becomes ~~nan~~ an Active Participant, such a decrease shall also not apply to any deferred retirement benefit to which he was entitled before his Reentry Date.

The Participant may receive his Required Contribution Account in a single-sum payment at any time after he ceases to be an Employee and before his Retirement Date, provided he has not again become an Employee. If such amount is not payable under the provisions of the SMALL AMOUNTS SECTION of Article X, it will be distributed only if the Participant so elects. Such payment shall result in all or a portion of his Accrued Benefit being disregarded.

If, after any single-sum distribution above which occurs before a Participant's Retirement Date, the Present Value of the Participant's remaining vested Accrued Benefit payable at Norma Retirement Date is ~~\$5,000~~ \$7,500 or less, the Participant may receive the entire Present Value in a single-sum payment, provided he has not again become an Employee. Such amount will be distributed only if the Participant so elects. Such payment shall result in all of the Participant's Accrued Benefit being disregarded and shall be in full settlement of all benefits otherwise payable.

SECTION 5.03—DISABILITY BENEFITS

A Police Officer is considered Disabled when he or she becomes totally and permanently unable to perform useful and efficient service as a Police Officer. Members are covered for service incurred Disability from date of hire. Members are covered for non-service incurred disability following the completion of five (5) years of Accrual service.

A written application is made to the Board of Trustees for a Disability Pension and the Board of Trustees decides whether or not the pension is to be granted. The Board of Trustees shall require Petitioner to submit to an evaluation by a medical doctor, all expenses being paid by the Board of Trustees.

If the Pension is granted and it is determined the Disability is Service Incurred, the benefit amount will be the Accrued Benefit as of the Date of Determination, but not less than 42% of the Police Officer's average final compensation, for ten (10) years certain and life thereafter. If it is determined the Disability is non-service incurred, the benefit will be the Accrued Benefit as of the Date of Determination, but not less than 25% of the Police Officer's average final compensation, for ten (10) years certain and life thereafter.

Any condition or impairment of a Police Officer caused by Heart Disease resulting in death or Total Disability is presumed to have been suffered in the line of duty unless the contrary is shown by competent evidence.

Each Police Officer who is claiming disability benefits will establish, to the satisfaction of the Board, that such disability was not the result of:

- A. Excess or habitual use of drugs, intoxicants, alcohol, or tobacco products
- B. Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections;
- C. Injury or disease while committing a crime;
- D. Injury or disease while serving in the Armed Forces;

- E. Injury or disease after his employment as a Police Officer with the City of Edgewater has terminated or while working for an employer other than the City of Edgewater.
- F. Failure to maintain minimum physical standard conditions

A Retired Disabled Police Officer is subject to periodic medical examinations as directed by the Board to determine whether a disability continues.

SECTION 5.04 — Line-of-Duty Injury Health Insurance Benefit.

(a) *Eligibility.* The City of Edgewater shall continue health insurance coverage for any Police Officer who has five or more years of credited service under the City of Edgewater Police Officers' Pension Fund, and who, on or after January 1, 1995, suffers an injury in the line of duty that would qualify him or her for a Service Incurred Disability within the meaning of section 5.03 of this Plan. A Police Officer who suffers a catastrophic injury while in fresh pursuit within the meaning of section 112.19(h), Florida Statutes, shall not be entitled to the benefit described in this section 5.04 but instead shall be entitled to the benefit described in section 112.19(h), Florida Statutes. This benefit shall apply only to an injury that occurred while on duty and while the Police Officer is acting within the scope of employment. The Police Officer shall not be eligible for this benefit for an injury sustained in connection with any unlawful acts or any activities not related to a law enforcement assignment. Eligibility for this benefit shall be determined by the Board of Trustees. Eligibility shall cease if the Board of Trustees finds that the Police Officer receiving a disability retirement is no longer disabled, in which event the Board of Trustees shall notify the City. Eligibility shall cease when a disabled Police Officer reaches age 65. If after reaching age 65 a disabled Police Officer is not eligible for Social Security benefits under 42 U.S.C. § 402 or 423, the City shall provide supplemental insurance or premium reimbursements in a manner equivalent to those benefits that the Police Officer would have received if he or she were eligible for Social Security benefits. Any fact or circumstance that would disqualify a Police Officer from receiving a benefit under section 5.03 of the Plan shall likewise disqualify the Police Officer from receiving a benefit under this section 5.04. Effective February 7, 2023, the City of Edgewater shall no longer provide the benefits afforded in this section for continuation of health insurance coverage for line-of-duty injuries sustained by Police Officers. Notwithstanding, any Participant who is currently receiving such benefits or having claims paid in connection with receipt of the benefits

afforded herein prior to the adoption of this language shall continue to receive such benefit coverage without interruption.

(b) *Amount.* The health insurance provided under this section 5.04 shall be equal to that coverage as provided to the City's current active employees and may only be amended if such plan is amended for all current employees or as otherwise amendable in accordance with this section.

(c) *Offsets.* Health insurance benefits or reimbursements payable from any policy, plan, settlement, judgment, private or public benefit, worker's compensation, or any other source shall reduce the benefits payable under this section.

(d) *Fraud.* It is unlawful for a person 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 to obtain this health insurance coverage. In addition to any applicable criminal penalty, upon conviction for a violation as described in this subsection (d), a Police Officer or other beneficiary who receives or seeks to receive health insurance benefits under this section shall forfeit the right to receive such health insurance benefits and shall reimburse the City for all benefits paid due to the fraud or other prohibited activity. For purposes of this subsection, "conviction" means a determination of guilt that is the result of a plea or trial, regardless whether adjudication is withheld.

ARTICLE VI

WHEN BENEFITS START AND DISTRIBUTION OF BENEFITS

SECTION 6.01—WHEN BENEFITS START

Benefits under the Plan begin when a Participant retires, dies, ceases to be an ~~Employee~~ a Police Officer, or becomes Totally and Permanently Disabled, ~~whoever~~ whichever applies, as provided in Article IV and Article V. Benefits may begin on an earlier date to the extent necessary to avoid a violation of Code Section 415 or 411(b).

~~Benefits shall begin by the Participant's Required Beginning Date, as defined in the OPTIONAL FORMS OF DISTRIBUTION AND DISTRIBUTION REQUIREMENTS SECTION of Article VI.~~

SECTION 6.02—AUTOMATIC FORMS OF DISTRIBUTION

The automatic form of retirement benefit for a Participant who does not die before his Annuity Starting Date shall be the ~~Qualified Joint and Survivor Form~~. The amount of payment under the ~~Qualified Joint and Survivor Form~~ shall be determined as provided in the OPTIONAL FORMS OF DISTRIBUTION AND DISTRIBUTION REQUIREMENTS SECTION of Article VI.

The automatic form of death benefit for a Participant who dies before his Annuity Starting Date is determined according to the provisions of the DEATH BENEFITS SECTION of Article VI.

SECTION 6.03—OPTIONAL FORMS OF DISTRIBUTION AND DISTRIBUTION REQUIREMENTS

(a) ~~For purposes of this section, the following terms are defined:~~

~~*Designated Beneficiary* means the individual who is designated as the beneficiary under the Plan in accordance with Code Section 401(a)(9) and the proposed regulations thereunder.~~

~~*Distribution Calendar Year* means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first Distribution Calendar~~

~~Year is the calendar year in which distributions are required to begin pursuant to (h) below.~~

~~Joint and Last Survivor Expectancy means the joint and last survivor expectancy calculated using the attained age of the Participant (or Designated Beneficiary) as of the Participant's (or Designated Beneficiary's) birthday in the applicable calendar year. If annuity payments commence before the Required Beginning Date, the applicable calendar year is the year such payments commence. Joint and Last Survivor Expectancy is computed by use of the expected return multiples in Table VI of section 1.72-9 of the Income Tax Regulations.~~

~~Life Expectancy means the life expectancy calculated using the attained age of the Participant (or Designated Beneficiary) as of the Participant's (or Designated Beneficiary's) birthday in the applicable calendar year. The applicable calendar year shall be the Distribution Calendar Year. If annuity payments commence before the Required Beginning Date, the applicable calendar year is the year such payments commence. Life Expectancy is computed by use of the expected return multiples in Table V of section 1.72-9 of the Income Tax Regulations.~~

~~Required Beginning Date means, for a Participant, the later of the April 1 following the calendar year in which a Participant attains age 70 1/2 or the April 1 of the year following the calendar year in which retirement occurs.~~

~~(a)~~

~~(b) The optional forms of retirement benefit shall be the following: a straight life annuity; single life annuities with certain periods of five, ten or fifteen years; and survivorship life annuities with survivorship percentages of 50, 66 2/3, 75 or 100 and a Deferred Retirement Option Program (DROP), described herein. The benefit payable on any optional annuity form available above (other than the Normal Form) shall be the Actuarial Equivalent of the benefit that would otherwise be payable on the Normal Form.~~

Election of an optional form is subject to the qualified election provisions of Article VI.

Any annuity contract distributed shall be nontransferable. The terms of any annuity contract purchased and distributed by the Plan to a Participant or spouse shall comply with the requirements of this Plan.

The DROP shall be as follows: a police officer may retire for all purposes of the Plan and defer receipt of retirement benefits into a DROP account while continuing employment with the City as follows:

1. Eligibility. An “eligible police officer” of the City of Edgewater, Florida Police Officers’ Pension Fund, defined as a police officer in Section 185.02(11) of the Florida Statutes, who has attained age fifty-five (55) and completed five (5) years of Accrual Service or who has completed twenty (20) years of Accrual Service shall have a five (5) year period to elect participation in the DROP. On such election, participation in the DROP shall commence on the first day of the month coincident with or next following such election, ~~which date shall constitute the “initial date of eligibility”.~~
2. Written Election. An eligible police officer electing to participate in DROP must complete and execute such forms as may be required by the Board of Trustees not less than thirty (30) days prior to entering into the DROP. The forms shall include, but not be limited to, an irrevocable letter of resignation effective no later than the conclusion of the maximum period of DROP participation. Election into DROP is irrevocable provided, however, there is no minimum period of participation.
3. Limitation/Disqualification for Other Benefits. An eligible police officer may elect to participate in the DROP only once. After commencement of participation in DROP, a police officer shall no longer earn, accrue, or purchase additional Accrual Service toward retirement benefits and shall not be eligible for pre-retirement death benefits or later enhancements to the City of Edgewater Police Officers’ Pension Plan, however shall remain eligible for disability benefits provided herein.

On election to participate in the DROP, an eligible police officer shall be given a thirty (30) day period to elect one of the following options concerning the liquidation of accrued leave:

- (i) Convert total accrued leave to compensation;
- (ii) Convert part of accrued leave to compensation and retain an accrued leave balance;
- (iii) Maintain total accrued leave balances.

4. Cessation or Reduction of Contributions. Upon the effective date of an eligible police officers' participation in DROP, all contributions by and on behalf of the police officer to the Plan shall be discontinued.
5. Benefit Calculation. For all plan purposes, service and vesting credits of an eligible police officer electing DROP shall be fixed as of the effective date of commencement of DROP participation. Any service as a police officer after entry into DROP shall not be used for calculation or determination of benefits payable by the Plan. The average final compensation of a participant, as defined in this Plan, shall be determined as of the effective date of commencement of DROP participation and any subsequent earnings shall not be used for calculation or determination of benefits payable by the Plan.
6. Benefit Credits to DROP Account.
 - (a) Upon entry into DROP, the monthly retirement benefit which would have been payable had the police officer ceased employment and commenced receiving a normal retirement benefit shall be credited to the police officer's DROP account on a monthly basis. No benefit credits from the Plan shall be made to a DROP account for more than the maximum period of DROP participation.
 - (b) No police officer shall receive a credit to the police officer's DROP account until the required DROP forms have been submitted including the police officer's irrevocable letter of resignation and the City has actually discontinued the police officer's contributions to the plan.
7. DROP Account Earnings. Each DROP account shall be eligible to earn interest in accordance with the following method, which may be amended by the Board of Trustees periodically:

The DROP Account shall earn interest equal to the actual earnings of the investments of the City of Edgewater Police Officers' Pension Plan, net of fees as determined by the actuary using the standard IRS formula for purposes of reporting the annual investment return on Schedule B (Form 5500), whether or not such form is actually required for this plan and less an administrative fee, (not to exceed one-quarter of one percent (.25%)) to be established annually on October 1st of each fiscal year by the Board of Trustees.

8. **Maximum Period of Participation.** An eligible police officer may elect to participate in DROP for a maximum of sixty (60) months. At the conclusion of the maximum period of DROP participation, retirement benefit payments to the DROP account shall cease and the police officer's termination from employment with the City shall become effective pursuant to the irrevocable letter of resignation.
9. **Administrative Fee for DROP Account.** An annual administrative fee, of not more than one-quarter of one percent (.25%), shall be charged on each October 1st for the administration and operation of a police officer's DROP account at a rate established by the Board of Trustees. In the case of a participant who separates from service after October 1st, the administrative fee shall be paid on a prorated basis for the partial year of participation.
10. **Distribution of DROP Account**
 - a. Upon termination of a police officer's City employment, whether by retirement, resignation, discharge or death, no further benefit credits shall be made to the DROP account.
 - b. All retirement benefits paid after termination of employment shall be made directly to the police officer, or in the case of death, in accordance with any survivorship option which the police officer elected.
 - c. Within sixty (60) days following the end of the month in which the police officer terminated employment, the balance of the police officer's DROP account shall be paid to the police officer as a lump sum or by rollover to another qualified retirement plan. The police officer must elect the method of payment within thirty (30) days following the end of DROP participation and the election shall be irrevocable. Failure to elect a payment within the prescribed time shall be deemed an election to receive payment of the entire DRPO account balance in cash, less required income tax withholding.
 - d. Notwithstanding the option selected by the police officer, the Board of Trustees reserves the right to accelerate payments to comply with the minimum distribution provisions of the Internal Revenue Code or to defer payments to comply with the maximum benefit provisions of the Internal Revenue Code.

11. Disability of a DROP Participant. If the City determines as provided under the worker compensation statutes of the State of Florida and the current collective bargaining agreement, that a police officer has become unable to perform the duties of an Edgewater police officer due to service or non-service related disability and terminates the employment of the police officer for this reason, the police officer shall be deemed to have retired on a disability retirement and shall be entitled to benefits provided in the Disability Benefits of this plan, DROP participation shall end effective on the date of such determination by the City. Distribution of the DROP account balance shall be made in accordance with the provisions and requirements of this section in the manner elected by the police officer.
12. Death of a DROP Participant. If a DROP participant dies, the police officer shall be deemed to have retired upon entry into DROP and the balance in the DROP account shall be distributed in accordance with the distribution methodology (Paragraph 10 above) elected by the police officer, or if no such election has been made, the police officer's designated beneficiary may elect the method of payment in accordance with the time and election requirements of Paragraph 10 above. Survivorship benefits, if any, shall be paid in accordance with the police officer's benefit elections upon entry into DROP.
13. Forms. All forms and notices used in the administration of the DROP shall be prepared through joint cooperation between the City of Edgewater and the Board of Trustees.

Back DROP

1. Eligibility; Duration of Back-DROP Election. The Back-DROP shall be defined as a partial lump sum distribution with a forward annuity for the remainder of the lifetime of the participant available only to participants who have passed the initial DROP eligibility date as of the effective date of this ordinance. This subsection sets forth rights for participation in the Back-DROP.
2. Participation in Back-DROP. Participants who have attained Normal Retirement Date, as of the effective date of the ordinance shall be eligible to elect to participate in the Back-DROP. Back-DROP benefits shall be up to twenty-four (24) months of accumulated pension payments utilizing service accrued and average final compensation based on what would have been the participant's

selected date of eligibility then in existence. Any contributions paid by the eligible participant during the Back-DROP period, not to exceed twenty-four (24) months, shall be transferred to the participant's Back-DROP account. The Back-DROP account shall be credited with interest equal to actual earnings of the investments of the City of Edgewater Police Officers' Pension Plan from the selected date of Back-DROP initiation to the date of the participant's retirement or resignation from employment with the City. In the case of a partial year's participation, interest shall be prorated to achieve that applicable rate of interest set forth in this section on an annualized basis. Interest shall be compounded annually. As part of the application process for Back-DROP, participants shall submit an irrevocable letter of retirement or resignation to take effect immediately upon completion of the Back-DROP application process. Participants electing the Back-DROP shall also elect a distribution methodology of the Back-DROP account on the same basis as a DROP participant as provided in section (d)(1) herein

(c) The optional forms of death benefit are any annuity that is an optional form of retirement benefit.

~~(d) Subject to the AUTOMATIC FORMS OF DISTRIBUTION SECTION of Article VI, joint and survivor annuity requirements, the requirements of this section shall apply to any distribution of a Participant's interest and will take precedence over any inconsistent provisions of this Plan. Unless otherwise specified, the provisions of this section apply to calendar years beginning after December 31, 1984.~~

~~All distributions required under this section shall be determined and made in accordance with the proposed regulations under Code Section 401(a)(9), including the minimum distribution incidental benefit requirement of section 1.401(a)(9)-2 of the proposed regulations.~~

~~(e) Required Beginning Date. The entire interest of a Participant must be distributed or begin to be distributed no later than the Participant's Required Beginning Date.~~

~~(f) Limits on Distribution Periods. As of the first Distribution Calendar Year, distributions, if not made in a single sum, may only be made over one of the following periods (or combination thereof):~~

~~(1) the life of the Participant,~~

- ~~(2) the life of the Participant and a Designated Beneficiary~~
- ~~(3) a period certain not extending beyond the Life Expectancy of the Participant, or~~
- ~~(4) a period certain not extending beyond the Joint and Last Survivor Expectancy of the Participant and a Designated Beneficiary.~~
- ~~(g) Determination of amount to be distributed each year.~~
- ~~(1) If the Participant's interest is to be paid in the form of annuity distributions under the Plan, payment under the annuity shall satisfy the following requirements:~~
 - ~~(i) the annuity distributions must be paid in periodic payments made at intervals not longer than one year;~~
 - ~~(ii) the distribution period must be over a life (or lives) or over a period certain not longer than a Life Expectancy (or Joint and Last Survivor Expectancy) described in Code Section 401(a)(9)(A)(ii) or Code Section 401(a)(9)(A)(iii), whichever is applicable;~~
 - ~~(iii) the Life Expectancy (or Joint and Last Survivor Expectancy) for purposes of determining the period certain shall be determined without recalculation of Life Expectancy;~~
 - ~~(iv) once payments have begun over a period certain, the period certain may not be lengthened even if the period certain is shorter than the maximum permitted;~~
 - ~~(v) payments must either be nonincreasing or increase only as follows:~~
 - ~~(a) with any percentage increase in a specified and generally recognized cost of living index;~~
 - ~~(b) to the extent of the reduction to the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the Beneficiary whose life was being used to~~

~~determine the distribution period described in (f) above dies and the payments continue otherwise in accordance with (f) above over the life of the Participant;~~

~~(c) to provide cash refunds of employees contributions upon the Participant's death; or~~

~~(d) because of an increase in benefits under the Plan.~~

~~(vi) If the annuity is a life annuity (or a life annuity with a period certain not exceeding 20 years), the amount which must be distributed on or before the Participant's Required Beginning Date (or, in the case of distributions after the death of the Participant, the date distributions are required to begin pursuant to (h) below) shall be the payment which is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the period for which payments are received, e.g., bimonthly, monthly, semi-annually, or annually.~~

~~—— If the annuity is a period certain annuity without a life contingency (or if a life annuity with a period certain exceeding 20 years) periodic payments for each Distribution Calendar Year shall be combined and treated as an annual amount. The amount which must be distributed by the Participant's Required Beginning Date (or, in the case of distributions after the death of the Participant, the date distributions are required to begin pursuant to (h) below) is the annual amount for the first Distribution Calendar Year. The annual amount for other Distribution Calendar Years, including the annual amount for the calendar year in which the Participant's Required Beginning Date (or the date distributions are required to begin pursuant to (h) below) occurs, must be distributed on or before December 31 of the calendar year for which the distribution is required.~~

~~(2) Annuities purchased after December 31, 1988, are subject to the following additional conditions:~~

- ~~(i) Unless the Participant's spouse is the Designated Beneficiary, if the Participant's interest is being distributed in the form of a period certain annuity without a life contingency, the period certain as of the beginning of the first Distribution Calendar Year may not exceed the applicable period determined using the table set forth in Q&A A-5 of section 1.401(a)(9)-2 of the Treasury Regulations.~~
- ~~(ii) If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a nonspouse Beneficiary, annuity payments to be made on or after the Participant's Required Beginning Date to the Designated Beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Q&A A-6 of section 4.01(a)(9)-2 of the proposed regulations.~~
- ~~(iii) Transitional rules. If payment under an annuity which complies with (1) above begins prior to January 1, 1989, the minimum distribution requirements in effect as of July 27, 1987, shall apply to distributions from this Plan, regardless of whether the annuity form of payment is irrevocable. This transitional rule also applies to deferred annuity contracts distributed to or owned by the employee prior to January 1, 1989, unless additional contributions are made under the Plan by the Employer with respect to such contract.~~
- ~~(iv) If the form of distribution is an annuity made in accordance with this (g), any additional benefits accruing to the Participant after his Required Beginning Date shall be distributed as a separate and identifiable component of the annuity beginning with the first payment interval ending in the calendar year in which such amount accrues.~~

~~(v) Any part of the Participant's interest which is in the form of an individual account shall be distributed in a manner satisfying the requirements of Code Section 401(a)(9) and the proposed regulations thereunder.~~

~~(h) Death Distribution Provisions.~~

~~(1) Distribution beginning before death. If the Participant dies after distribution of his interest has begun, the remaining portion of such interest will continue to be distributed at least as rapidly as under the method of distribution being used prior to the Participant's death.~~

~~(2) Distribution beginning after death. If the Participant dies before the distribution of his interest begins, distribution of the Participant's entire interest shall be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death except to the extent that an election is made to receive distributions in accordance with (i) or (ii) below:~~

~~(i) If any portion of the Participant's interest is payable to a Designated Beneficiary, distributions may be made over the life or over a period certain not greater than the Life Expectancy of the Designated Beneficiary commencing on or before December 31 of the calendar year immediately following the calendar year in which the Participant died;~~

~~(ii) If the Designated Beneficiary is the Participant's surviving spouse, the date distributions are required to begin in accordance with (i) above shall not be earlier than the later of (a) December 31 of the calendar year immediately following the calendar year in which the Participant died and (b) December 31 of the calendar year in which the Participant would have attained age 70 1/2.~~

~~— If the Participant has not made an election pursuant to this (2) by the time of his death, the Participant's Designated Beneficiary must elect the method of distribution no later than the earlier of (a) December 31 of the calendar year in which distributions would be~~

~~required to begin under this (h), or (b) December 31 of the calendar year which contains the fifth anniversary of the date of death of the Participant. If the Participant has no Designated Beneficiary, or if the Designated Beneficiary does not elect a method of distribution, distribution of the Participant's entire interest must be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.~~

- ~~(3) For purposes of (2) above, if the surviving spouse dies after the Participant, but before payments to such spouse begin, the provisions of (2) above, with the exception of (ii) therein, shall be applied as if the surviving spouse were the Participant.~~
- ~~(4) For purposes of this (h), any amount paid to a child of the Participant will be treated as if it had been paid to the surviving spouse if the amount becomes payable to the surviving spouse when the child reaches the age of majority.~~
- ~~(5) For the purpose of this (h), distribution of a Participant's interest is considered to begin on the Participant's Required Beginning Date (or, if (3) above is applicable, the date distribution is required to begin to the surviving spouse pursuant to (s) above). If distribution in the form of an annuity described in (g) above irrevocably commences to the Participant before the Required Beginning Date, the date distribution is considered to begin is the date distribution actually commences.~~

SECTION 6.04—ELECTION PROCEDURES

The Participant, Beneficiary, or spouse shall make any election under this section in writing. The Plan Administrator may require such individual to complete and sign any necessary documents as to the provisions to be made.

- (a) Retirement Benefits. A Participant may elect his Beneficiary or Contingent Joint Annuitant and may elect to have retirement benefits distributed under any of the optional forms of retirement benefit described in the OPTIONAL FORMS OF DISTRIBUTION AND DISTRIBUTION REQUIREMENTS SECTION of Article VI.

- (b) **Death Benefits.** A Participant may elect his Beneficiary for any single-sum death benefits and may elect to have such death benefits distributed under any of the optional forms of death benefit described in the OPTIONAL FORMS OF DISTRIBUTION AND DISTRIBUTION REQUIREMENTS SECTION of Article VI.

The Participant may waive the Qualified Preretirement Survivor Annuity by electing not to have the single-sum death benefit used to provide a minimum Qualified Preretirement Survivor Annuity as described in the DEATH BENEFITS SECTION of Article V. If the Participant makes this election, the single-sum death benefit shall be paid as if the requirements of subsection (a) of the DEATH BENEFITS SECTION of Article V have not been met.

If the Participant has not elected an optional form of distribution for the death benefit payable to his Beneficiary, the Beneficiary may, for his own benefit, elect the form of distribution, in like manner as a Participant.

The spouse may waive the Qualified Preretirement Survivor Annuity by electing not to have the single-sum death benefit use to provide a minimum Qualified Preretirement Survivor Annuity as described in the DEATH BENEFITS SECTION of Article V. If the spouse makes this election, the single-sum death benefit shall be paid as if the requirements of subsection (a) of the DEATH BENEFITS SECTION of Article V had not been met and the Participant had named his spouse as Beneficiary.

In lieu of the Qualified Preretirement Survivor Annuity described in the DEATH BENEFITS SECTION of Article V, the spouse may, for his own benefit, waive the Qualified Preretirement Survivor Annuity by electing to have the benefit distributed under any of the optional forms of death benefit described in the OPTIONAL FORMS OF DISTRIBUTION AND DISTRIBUTION REQUIREMENTS SECTION of Article VI.

- (c) **Qualified Election.** The Participant, Beneficiary, or spouse may make an election at any time during the election period. The Participant, Beneficiary, or spouse may revoke the election made (or make a new election) at any time and any number of times during the election period.

ARTICLE VI

The Participant may make an election as to death benefits at any time before he dies. The spouse's election period begins on the date the Participant dies and ends on the date benefits begin. The Beneficiary's election period begins on the date the Participant dies and ends on the date benefits begin.

ARTICLE VII

TERMINATION OF PLAN

The Employer expects to continue the Plan indefinitely but reserves the right to terminate the Plan in whole or in part at any time upon giving written notice to all parties concerned and in compliance with the requirements of Section 185.361 of the Florida Statutes.

A Participant shall be fully (100%) vested in his Accrued Benefit upon termination of the Plan. Upon complete termination of Plan, no further Employees shall become Participants, and no further Contributions shall be made except as may be required by any governmental agency to which the Plan's termination is subject.

This Plan is not subject to Title IV of the Employee Retirement Income Security Act of 1974 (ERISA), benefits are not insured by the Pension Benefit Guaranty Corporation, and the Participant's recourse will be limited to plan assets. However, the assets of the Plan that are available to provide benefits shall be allocated and applied as of the effective date of termination of Plan according to any rules, regulations, interpretations, or opinions implementing said Title IV or any other equitable method as determined by the Plan Administrator and agreed upon by the Insurer.

No part of the Plan assets shall be paid to the employer at any time, except that, after the satisfaction of all liabilities under the Plan, any assets remaining will be paid to the Employer. The payment may not be made if it would contravene any provision of law.

ARTICLE VIII

ADMINISTRATION OF PLAN

SECTION 8.01—BOARD OF TRUSTEES

A. The sole and exclusive administration of and the responsibility for the proper operation of the Plan and for making effective the provisions of this resolution are hereby vested in a Board of Trustees. The Board of Trustees is hereby designated as the Plan Administrator.

B. The Board of Trustees shall consist of five (5) Trustees, two of whom, unless otherwise prohibited by law, shall be legal residents of the City, who shall be appointed by The City of Edgewater City Council and two of whom shall be Members of the City of Edgewater Police Department who shall be elected by a majority of the Police Officers who are Participants of the Plan. The fifth Trustee, ~~who shall also be a legal resident of the City of Edgewater,~~ shall be chosen by a majority of the previous four Trustees as provided for herein and such person's name shall be submitted to the City of Edgewater City Council. Upon receipt of the fifth person's name, the City of Edgewater City Council shall, as a ministerial duty, appoint such person to the Board of Trustees as its fifth Trustee. The fifth Trustee shall have the same rights as each of the other four Trustees appointed or elected as herein provided and shall serve a two (2) year term unless he sooner vacates the office. Each City Council appointed Trustee shall serve as Trustee for a period of two (2) years unless he sooner vacates the office or is sooner replaced by the City of Edgewater City Council at whose pleasure he shall service. Each Police Officer Trustee shall serve as Trustee for a period of two (2) years, unless he sooner leaves the employment of the City as a Police Officer or otherwise vacates his office as Trustee, whereupon a successor shall be chosen in the same manner as the departing Police Officer Trustee. Each Trustee may succeed himself in office. The Board shall establish and administer the nominating and election procedures for electing the fifth Trustee and Officers of the Board of Trustee.

C. The Board shall meet at least quarterly each year.

D. The Board shall be a legal entity with, in addition to other powers and responsibilities contained herein, the power to bring and defend lawsuits of every kind, nature, and disposition.

E. The City Attorney shall give advice to said Board of Trustees in all matters pertaining to their duties in the administration of the Plan

whenever requested; and shall represent and defend said board as its attorney in all suits and actions at law or in equity that may be brought against it and bring all suits and actions in its behalf that may be required or determined upon by said Board. However, if the Board of Trustees so elects, it may employ independent legal counsel at the pension fund's expense for the purposes contained herein, together with such other professional, technical, or other advisers as the Board deems necessary.

F. The Trustees shall annually, by a majority vote, elect a Chairman and a Secretary from among their members. The Secretary of the Board shall keep a complete minute book of the actions, proceedings, or hearings of the Board and shall comply with all Secretary duties provided in Section 185.06(3) of the Florida Statutes.

G. The Trustees shall not receive any compensation as such, but may receive expenses and per diem as provided by Florida law.

H. Each Trustee shall be entitled to one vote on the Board. Three (3) affirmative votes shall be necessary for any decision by the Trustees at any meeting of the Board. A Trustee shall have the right to abstain from voting as the result of a conflict of interest provided that Trustee complies with the provisions of Section 112.3143, Florida Statutes.

I. The Board of Trustees shall engage such actuarial, accounting, legal, and other services as shall be required to transact the business of the Plan. The compensation of all persons engaged by the Board and all other expenses of the Board necessary for the operation of the Plan shall be paid from the Pension Fund at such rates and in such amounts as the Board shall agree.

J. The duties and responsibilities of the Board shall include, but not necessarily be limited to the following:

1. To construe the provisions of the Plan and determine all questions arising thereunder.
2. To determine all questions relating to eligibility and participation.
3. To determine and certify the amount of all retirement allowances and other benefits hereunder.

4. To establish uniform rules and procedures to be followed for administrative purposes, benefit applications and all matters required to administer the Plan.
5. To distribute to Participants, at regular intervals, information concerning the Plan.
6. To receive and process all applications for benefits.
7. To authorize all payments whatsoever from the Plan, and to notify the disbursing agent, in writing, of approved benefit payments and other expenditures arising through operation of the Plan.
8. To have performed actuarial duties, independent consultant duties (as found in Section 185.06 of the Florida Statutes) and valuations, at least as often as required by law, and make recommendations regarding any and all changes in the provisions of the Plan.
9. Annually on or before March 15th the Trustees must submit the following information on the State of Florida Division of Retirement:
 - (a) A certified copy of each and every instrument constituting or evidencing the Plan.
 - (b) An independent audit by a Certified Public Accountant for the most recent fiscal year of the City of Edgewater showing a detailed listing of the assets and a statement of all income and disbursements during the year. Such income and disbursements must be reconciled with the assets at the beginning and end of the year.
 - (c) A certified statement listing the investments of the plan and a description of the methods used in valuing the instruments.
 - (d) A statistical exhibit showing the total number of policemen, the number included in the plan, and the number of ineligible classified according to the reasons for their being ineligible.

- (e) A statement of the amount the municipality and other income sources have contributed toward the plan or will contributed toward the plan for the current calendar year.

When any of these items would be identical with the corresponding item submitted for a previous year, it is not necessary for the Trustees to submit duplicate information if they make reference to the item in such previous year's report.

These duties and responsibilities shall not be interpreted to authorize the Board to amend the Plan. The Plan shall only be amended upon approval of the City Council.

K. Where any action which the Board is required to take or any duty or function which it is required to perform either under the terms herein or under the general law applicable to it as Trustee under this resolution can reasonably be taken or performed only after receipt by it from a Participant, the City, or any other entity, of specific information, certification, direction or instructions, the Board shall be free of liability in failing to take such action or perform such duty or function until such information, certification, direction or instruction has been received by it.

L. The Board shall sustain no liability whatsoever for the sufficiency of the Fund to meet the payments and benefits herein provided for.

M. In any application to or proceeding or action in the courts, only the Board shall be a necessary party, and no Participant or other person having an interest in the Fund shall be entitled to any notice or service of process. Any judgment entered in such a proceeding or action shall be conclusive upon all persons.

N. Any of the foregoing powers and functions reposed in the Board may be performed or carried out by the Board through duly authorized agents provided that the Board at all times maintains continuous supervision over the acts of any such agent; provided further, that legal title to said Fund shall always remain in the Board.

SECTION 8.02—RECORDS

All acts and determinations of the Plan Administrator shall be duly recorded. All these records, together with other documents necessary for the administration of the Plan, shall be preserved in the Plan Administrator's custody and remain in compliance with Florida State Statute 119.

Writing (handwriting, typing, and printing) Photostatting, photographing, microfilming, magnetic impulse, mechanical or electoral recording or other forms of data compilation shall be acceptable means of keeping records.

SECTION 8.03—INFORMATION AVAILABLE

Any Participant in the Plan or any Beneficiary may examine copies of the Plan description, latest annual report, any bargaining agreement, this Plan, or any other instrument under which the Plan was established or is operated. The Plan Administrator shall maintain all of the items listed in this section in its office, or in such other place or places as it may designate in order to comply with governmental regulations and remain in compliance with Florida State Statute 119. These items may be examined during reasonable business hours. Upon the written request of a Participant or Beneficiary receiving benefits under the Plan, the Plan Administrator will furnish him with a copy of any of these items. The Plan Administrator may make a reasonable charge to the requesting person for the copy.

SECTION 8.04—DELEGATION OF AUTHORITY

All or any part of the administrative duties and responsibilities under this article may be delegated by the Plan Administrator to a retirement committee. The duties and responsibilities of the retirement committee shall be set out in a separate written agreement.

ARTICLE IX

INTERNAL REVENUE CODE COMPLIANCE

(a) Maximum amount of retirement income:

- (1) The limitations of this subsection (a) shall apply in limitation years beginning on or after July 1, 2007, except as otherwise provided herein, and are intended to comply with the requirements of the Pension Protection Act of 2006 and shall be construed in accordance with said Act and guidance issued thereunder. The provisions of this subsection (a) shall supersede any provision of the plan to the extent such provision is inconsistent with this subsection.

The annual pension as defined in paragraph (2) below otherwise payable to a member at any time shall not exceed the dollar limitation for the member multiplied by a fraction whose value cannot exceed one (1), the numerator of which is the member's number of years (or part thereof, but not less than one (1) year) of service with the city and the denominator of which is ten (10). For this purpose, no more than one (1) year of service may be credited for any plan year. If the benefit the member would otherwise accrue in a limitation year would produce an annual pension in excess of the dollar limitation, the benefit shall be limited (or the rate of accrual reduced) to a benefit that does not exceed the dollar limitation.

- (2) "Annual pension" means the sum of all annual benefits, payable in the form of a straight life annuity. Benefits payable in any other form shall be adjusted to the larger of:

a. For limitation years beginning on or after July 1, 2007:

- (I) the straight life annuity (if any) payable to the member under the plan commencing at the same annuity starting date as the member's form of benefit; or
- (II) the actuarially equivalent straight life annuity commencing at the same annuity starting date, computed using a five (5.00) percent interest rate and the mortality basis prescribed in Code section 415(b)(2)(E)(v).

b. For limitation years beginning before July 1, 2007:

- (I) the actuarially equivalent straight life annuity commencing at the same annuity starting date, computed using the interest rate and mortality basis specified by the board of trustees for determining actuarial equivalence under the plan for the particular form of payment; or
- (II) the actuarially equivalent straight life annuity commencing at the same annuity starting date, computed using a five (5.00) percent interest rate and the mortality basis prescribed in Code section 415(b)(2)(E)(v).

No actuarial adjustment to the benefit shall be made for benefits that are not directly related to retirement benefits (such as a qualified disability benefit, preretirement incidental death benefits, and postretirement medical benefits); or the inclusion in the form of benefit of an automatic benefit increase feature, provided the form of benefit is not subject to section 417(e)(3) of the Internal Revenue Code and would otherwise satisfy the limitations of this subsection (a), and the amount payable under the form of benefit in any limitation year shall not exceed the limits of this subsection (a) applicable at the annuity starting date, as increased in subsequent years pursuant to section 415(d) of the Code. For this purpose, an automatic benefit increase feature is included in a form of benefit if the form of benefit provides for automatic, periodic increases to the benefits paid in that form.

- (3) "Dollar limitation" means, effective for the first limitation year beginning after January 1, 2001, one hundred sixty thousand dollars (\$160,000.00), automatically adjusted under Code section 415(d), effective January 1 of each year, as published in the Internal Revenue Bulletin, and payable in the form of a straight life annuity. The new limitation shall apply to limitation years ending with or within the calendar year of the date of the adjustment, but a member's benefits shall not reflect the adjusted limit prior to January 1 of that calendar year. The dollar limitation shall be further adjusted based on the age of the member when the benefit begins as follows:
 - a. For Annuity Starting Dates in limitation years beginning on or after July 1, 2007:

(l) If the annuity starting date for the member's benefit is after age sixty-five (65):

(i) If the plan does not have an immediately commencing straight life annuity payable at both age sixty-five (65) and the age of benefit commencement: The dollar limitation at the member's annuity starting date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the member's annuity starting date that is the actuarial equivalent of the dollar limitation with actuarial equivalence computed using a five (5.00) percent interest rate assumption and the mortality basis prescribed in Code section 415(b)(2)(E)(v) for that annuity starting date (and expressing the member's age based on completed calendar months as of the annuity starting date).

(ii) If the plan does have an immediately commencing straight life annuity payable at both age sixty-five (65) and the age of benefit commencement: The dollar limitation at the member's annuity starting date is the lesser of (aa) the dollar limitation multiplied by the ratio of the annual amount of the adjusted immediately commencing straight life annuity under the plan at the member's annuity starting date to the annual amount of the adjusted immediately commencing straight life annuity under the plan at age sixty-five (65), both determined without applying the limitations of this subsection (a), and (bb) the limitation determined under subparagraph (3)a.(l)(i) of this subsection (a). For this purpose, the adjusted immediately commencing straight life annuity under the plan at the member's annuity starting date is the annual amount of such annuity payable to the member, computed disregarding the member's accruals after age sixty-five (65) but including actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the

adjusted immediately commencing straight life annuity under the plan at age sixty-five (65) is the annual amount of such annuity that would be payable under the plan to a hypothetical member who is age sixty-five (65) and has the same accrued benefit as the member.

(II) Except with respect to a member who is a "qualified member" as defined in section 415(b)(2)(H) of the Code, for benefits (except survivor and disability benefits as defined in section 415(b)(2)(I) of the Code), if the annuity starting date for the member's benefit is before age sixty-two (62):

(i) If the plan does not have an immediately commencing straight life annuity payable at both age sixty-two (62) and the age of benefit commencement: The dollar limitation at the member's annuity starting date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the member's annuity starting date that is the actuarial equivalent of the dollar limitation with actuarial equivalence computed using a five (5.00) percent interest rate assumption and the mortality basis prescribed in Code section 415(b)(2)(E)(v) for that annuity starting date (and expressing the member's age based on completed calendar months as of the annuity starting date).

(ii) If the plan does have an immediately commencing straight life annuity payable at both age sixty-two (62) and the age of benefit commencement: The dollar limitation at the member's annuity starting date is the lesser of (aa) the dollar limitation multiplied by the ratio of the annual amount of the adjusted immediately commencing straight life annuity under the plan at the member's annuity starting date to the annual amount of the adjusted immediately commencing straight life annuity under the plan at age sixty-two (62), both determined without

applying the limitations of this subsection (a), and (bb) the limitation determined under subparagraph (3)a.(II)(i) of this subsection (a).

b. For annuity starting dates in limitation years beginning before July 1, 2007:

<u>Age as of Annuity Starting Date:</u>	<u>Adjustment of Dollar Limitation:</u>
<u>Over 65</u>	<u>The smaller of:</u>
	<u>(a) The actuarial equivalent of the limitation for age 65, computed using the interest rate and mortality basis specified by the board of trustees for determining actuarial equivalence under the plan; or</u>
	<u>(b) The actuarial equivalent of the limitation for age 65, computed using a 5.00 percent interest rate and the mortality basis prescribed in Code section 415(b)(2)(E)(v).</u>
	<u>Any increase in the Dollar Limitation determined in accordance with this paragraph shall not reflect a mortality decrement between age 65 and the age at which benefits commence if benefits are not forfeited upon the death of the member. If any benefits are forfeited upon death, the full mortality decrement is taken into account.</u>
<u>62 to 65</u>	<u>No adjustment.</u>
<u>Less than 62</u>	<u>The smaller of:</u>
	<u>(a) The actuarial equivalent of the limitation for age 62, computed using the interest rate and mortality basis specified by the board of trustees for determining actuarial equivalence under the plan; or</u>
	<u>(b) The actuarial equivalent of the limitation for age 62, computed using a 5.00 percent interest rate and the mortality basis prescribed in Code section 415(b)(2)(E)(v).</u>
	<u>This adjustment shall not apply to any "qualified member" as defined in section 415(b)(2)(H), nor to survivor and disability benefits as defined in section 415(b)(2)(I) of the code.</u>

(4) With respect to clause (3)a.(I)(i), clause (3)a.(II)(i) and paragraph (3)b. above, no adjustment shall be made to the dollar limitation to reflect the probability of a member's death between the annuity

starting date and age sixty-two (62), or between age sixty-five (65) and the annuity starting date, as applicable, if benefits are not forfeited upon the death of the member prior to the annuity starting date. To the extent benefits are forfeited upon death before the annuity starting date, such an adjustment shall be made. For this purpose, no forfeiture shall be treated as occurring upon the member's death if the plan does not charge members for providing a qualified preretirement survivor annuity, as defined in Code section 417(c), upon the member's death.

- (5) The term "limitation year" is the 12-month period which is used for application of the limitations under Code section 415 and shall be the calendar year.
- (6) The limitations set forth in this subsection (a) shall not apply if the annual pension does not exceed ten thousand dollars (\$10,000.00) provided the member has never participated in a defined contribution plan maintained by the city.
- (7) Cost-of-living adjustments in the dollar limitation for benefits shall be limited to scheduled annual increases determined by the Secretary of the Treasury under subsection 415(d) of the Code.
- (8) In the case of a member who has fewer than ten years of participation in the plan, the dollar limitation set forth in paragraph (3) of this subsection (a) shall be multiplied by a fraction - (i) the numerator of which is the number of years (or part thereof) of participation in the plan, and (ii) the denominator of which is ten (10).
- (9) Any portion of a member's benefit that is attributable to mandatory member contributions (unless picked-up by the city) or rollover contributions, shall be taken into account in the manner prescribed in the regulations under section 415 of the Code.
- (10) Should any member participate in more than one (1) defined benefit plan maintained by the city, in any case in which the member's benefits under all such defined benefit plans (determined as of the same age) would exceed the dollar limitation applicable at that age, the accrual of the member's benefit under this plan shall be reduced so that the member's combined benefits will equal the dollar limitation.
- (11) For a member who has or will have distributions commencing at more than one (1) annuity starting date, the annual benefit shall be

determined as of each such annuity starting date (and shall satisfy the limitations of this section as of each such date), actuarially adjusting for past and future distributions of benefits commencing at the other annuity starting dates. For this purpose, the determination of whether a new starting date has occurred shall be made without regard to §1.401(a)-20, Q&A 10(d), and with regard to §1.415(b)1(b)(1)(iii)(B) and (C) of the Income Tax Regulations.

- (12) The determination of the annual pension under paragraph a.(1) of this subsection (a) shall take into account (in the manner prescribed by the regulations under section 415 of the Code) social security supplements described in section 411(a)(9) of the Internal Revenue Code and benefits transferred from another defined benefit plan, other than transfers of distributable benefits pursuant §1.411(d)-4, Q&A-3(c) of the Income Tax Regulations.
- (13) The above limitations are intended to comply with the provisions of section 415 of the Code, as amended, so that the maximum benefits provided by plans of the city shall be exactly equal to the maximum amounts allowed under section 415 of the Code and regulations thereunder. If there is any discrepancy between the provisions of this subsection (a) and the provisions of section 415 of the Code and regulations thereunder, such discrepancy shall be resolved in such a way as to give full effect to the provisions of section 415 of the Code. The value of any benefits forfeited as a result of the application of this subsection (a) shall be used to decrease future employer contributions.
- (14) For the purpose of applying the limitations set forth in sections 401(a)(17) and 415 of the Internal Revenue Code, compensation shall include any elective deferral (as defined in Code section 402(g)(3) of the Internal Revenue Code), and any amount which is contributed or deferred by the employer at the election of the member and which is not includible in the gross income of the member by reason of section 125 or 457 of the Internal Revenue Code. For limitation years beginning on and after January 1, 2001, for the purposes of applying the limitations described in this subsection (a), compensation paid or made available during such limitation years shall include elective amounts that are not includible in the gross income of the member by reason of section 132(f)(4) of the Internal Revenue Code. For limitation years on or after July 1, 2007, compensation shall include payments that otherwise qualify as compensation and that are made by the later of: (a) two and one-half

(2½) months after severance from employment with the employer, and (b) the end of the limitation year that includes the date of severance.

(b) *Required beginning date:* Notwithstanding any other provision of the plan, payment of a participant's retirement benefits under the plan shall commence not later than the participant's required beginning date, which effective January 1, 2023, is defined as the earlier of (1) and (2):

(1) With regard to a participant who reached age 70 ½ prior to January 1, 2020, April 1 of the calendar year that next follows the calendar year in which the participant attained the age of 70 ½ years; or

With regard to a participant who attained age 70 ½ on or after January 1, 2020, and age 72 prior to January 1, 2023, April 1 of the calendar year that next follows the calendar year in which the participant attained the age of 72 years; or

With regard to a participant who attains age 72 on or after January 1, 2023, in accordance with the SECURE 2.0 Act and any technical corrections thereto; or

(2) April 1 of the calendar year that next follows the calendar year in which the participant retires.

(c) *Required minimum distributions.*

(1) *Required beginning date.* The participant's entire interest will be distributed, or begin to be distributed, to the participant no later than the participant's required beginning date as defined in subsection (b) of this section 58-104.

(2) *Death of participant before distributions begin.*

a. If the participant dies before distributions begin, the participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(i) If the participant's surviving spouse is the participant's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the participant died, or by December 31 of the

calendar year in which the participant would have attained his or her required beginning date.

(ii) If the participant's surviving spouse is not the participant's sole designated beneficiary, then distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the participant died.

(iii) If there is no designated beneficiary as of September 30 of the year following the year of the participant's death, the participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the participant's death.

b. The participant's entire interest shall be distributed as follows:

(i) *Participant survived by designated beneficiary.* If the participant dies before the date distribution of his or her interest begins and there is a designated beneficiary, the participant's entire interest will be distributed, beginning no later than the time described in subparagraph (2)(A) above, over the life of the designated beneficiary or over a period certain not exceeding:

(I) Unless the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the participant's death; or

(II) If the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.

- (ii) No designated beneficiary. If the participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the participant's death, distribution of the participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the participant's death.
 - c. Death of surviving spouse before distributions to surviving spouse begin. In any case in which (i) the participant dies before the date distribution of his or her interest begins, (ii) the participant's surviving spouse is the participant's sole designated beneficiary, and (iii) the surviving spouse dies before distributions to the surviving spouse begin, Subparagraphs (2)(A) and 2(B) above shall apply as though the surviving spouse were the participant.
- (3) Requirements for annuity distributions that commence during participant's lifetime.
 - a. Joint life annuities where the beneficiary is not the participant's spouse. If the participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the participant and a nonspousal beneficiary, annuity payments to be made on or after the participant's required beginning date to the designated beneficiary after the participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the participant using the table set forth in Q&A-2 of section 1.401(a)(9)-6 of the Treasury regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the participant and a nonspousal beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain.
 - b. Period certain annuities. Unless the participant's spouse is the sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the participant's lifetime may not exceed the applicable distribution period for the participant under the Uniform Lifetime Table set forth in

section 1.401(a)(9)-9 of the Treasury regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the participant reaches age seventy (70), the applicable distribution period for the participant is the distribution period for age seventy (70) under the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury regulations plus the excess of seventy (70) over the age of the participant as of the participant's birthday in the year that contains the annuity starting date. If the participant's spouse is the participant's sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the participant's applicable distribution period, as determined under this subparagraph (3)(B), or the joint life and last survivor expectancy of the participant and the participant's spouse as determined under the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9 of the Treasury regulations, using the participant's and spouse's attained ages as of the participant's and spouse's birthdays in the calendar year that contains the annuity starting date.

- (4) *Form of distribution.* Unless the participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with subparagraphs (4)(A), (4)(B) and (4)(C) below. If the participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of section 401(a)(9) of the Code and the Treasury regulations. Any part of the participant's interest which is in the form of an individual account described in section 414(k) of the Code will be distributed in a manner satisfying the requirements of section 401(a)(9) of the Code and the Treasury regulations that apply to individual accounts.

- a. *General annuity requirements.* If the participant's interest is paid in the form of annuity distributions under the plan, payments under the annuity will satisfy the following requirements:

- (i) The annuity distributions will be paid in periodic payments made at intervals not longer than one (1) year;

- (ii) The distribution period will be over a life (or lives) or over a period certain, not longer than the distribution period described in paragraphs (2) or (3) above, whichever is applicable, of this subsection (c);
- (iii) Once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;
- (iv) Payments will either be non-increasing or increase only as follows:
 - (I) By an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;
 - (II) To the extent of the reduction in the amount of the participant's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period dies or is no longer the participant's beneficiary pursuant to a qualified domestic relations order within the meaning of section 414(p) of the Code;
 - (III) To provide cash refunds of employee contributions upon the participant's death; or
 - (IV) To pay increased benefits that result from a plan amendment.

- b. Amount required to be distributed by required beginning date.

The amount that must be distributed on or before the participant's required beginning date (or, if the participant dies before distributions begin, the date distributions are required to begin under subparagraph (2)(A)(i) or (2)(A)(ii), whichever is applicable) is the payment that is required for one (1) payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the participant's

benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the participant's required beginning date.

c. *Additional accruals after first distribution calendar year.* Any additional benefits accruing to the participant in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

(5) For purposes of this subsection (c), distributions are considered to begin on the participant's required beginning date. If annuity payments irrevocably commence to the participant (or to the participant's surviving spouse) before the participant's required beginning date (or, if to the participant's surviving spouse, before the date distributions are required to begin in accordance with subparagraph (2)(A) above), the date distributions are considered to begin is the date distributions actually commence.

(6) *Definitions.*

a. *Designated beneficiary.* The individual who is designated as the beneficiary under the plan and is the designated beneficiary under section 401(a)(9) of the Code and section 1.401(a)(9)-4, of the Treasury regulations.

b. *Distribution calendar year.* A calendar year for which a minimum distribution is required. For distributions beginning before the participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the participant's required beginning date. For distributions beginning after the participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to paragraph (2) of this subsection (c).

c. *Life expectancy.* Life expectancy as computed by use of the Single Life Table in section 1.401(a)(9)-9 of the Treasury regulations.

(d) *Eligible rollover distributions:*

(1) Notwithstanding any provision of the plan to the contrary that would otherwise limit a distributee's election under this section, a distributee may elect, at the time and in the manner prescribed by the administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(2) Definitions. The following definitions apply to this section:

a. *Eligible rollover distribution:* An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include:

(i) any distribution that is one (1) of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten (10) years or more;

(ii) any distribution to the extent such distribution is required under section 401(a)(9) of the Code;

(iii) the portion of any distribution which is made upon hardship of the member; and

(iv) the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities), provided that a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross

income and the portion of such distribution which is not so includible.

- b. *Eligible retirement plan:* An eligible retirement plan is an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan described in section 403(a) of the Code, an annuity contract described in section 403(b) of the Code, a qualified trust described in section 401(a) of the Code, an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan, or, with respect to distributions on or after January 1, 2008, a Roth IRA (subject to the limitations of Code section 408A(c)(3)) that accepts the distributee's eligible rollover distribution.
- c. *Distributee:* A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse. Furthermore, effective January 1, 2007, a surviving designated beneficiary as defined in section 401(a)(9)(E) of the Code who is not the surviving spouse and who elects a direct rollover to an individual retirement account described in section 408(a) of the Code or an individual retirement annuity described in section 408(b) of the Code shall be considered a distributee.
- d. *Direct rollover:* A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.
- (e) Notwithstanding any other provision of this plan, the maximum amount of any mandatory distribution, as defined in section 401(a)(31) of the Code, payable under the plan shall be one thousand dollars (\$1,000.00).
- (f) *Compensation limitations under 401(a)(17):* In addition to other applicable limitations set forth in the plan, and notwithstanding any other provision of the plan to the contrary, the annual compensation of each participant taken

into account under the plan shall not exceed the EGTRRA annual compensation limit for limitation years beginning after December 31, 2001. The EGTRRA annual compensation limit is two hundred thousand dollars (\$200,000.00), as adjusted by the commissioner for increases in the cost of living in accordance with section 401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding twelve (12) months, over which compensation is determined (determination period) beginning in such calendar year. If a determination period consists of fewer than twelve (12) months, the EGTRRA annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is twelve (12).

Any reference in the plan to the limitation under section 401(a)(17) of the Code shall mean the EGTRRA annual compensation limit set forth in this provision.

(g) At no time prior to the satisfaction of all liabilities under the plan with respect to members and their spouses or beneficiaries, shall any part of the corpus or income of the fund be used for or diverted to any purpose other than for their exclusive benefit.

ARTICLE X

GENERAL PROVISIONS

SECTION 10.01—AMENDMENTS

The City-Council may amend this Plan at any time, including any remedial retroactive changes (within the specified period of time as may be determined by Internal Revenue Service regulations) to comply with the requirements of any law or regulation issued by any governmental agency to which the Plan is subject. An amendment (including a change in the actuarial basis for determining optional retirement benefits) may not diminish or adversely affect any accrued interest or benefit of Participants or their beneficiaries nor allow reversion or diversion of Plan assets to the Employer at any time, except ~~as~~ may be necessary to comply with the requirements of any law or regulation issued by any governmental agency to which the Plan is subject.

~~If the Group Contract is terminated, any benefit payable on or after the effective date of such amendment which is attributable to a Participant's Accrued Benefit as of such effective date, shall not be less than the amount of benefit the Participant would have received if the actuarial basis had not been changed.~~

SECTION 10.02—DIRECT ROLLOVERS

~~—This section applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this section, a Distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan, specified by the Distributee, in a Direct Rollover.~~

SECTION 10.03—PROVISIONS RELATING TO THE INSURER

~~—The obligations of the Insurer shall be governed solely by the provisions of this Article.~~

~~—Until notice of any amendment or termination of this Plan has been received by the Insurer at its home office, the Insurer is and shall be fully protected in assuming that the Plan has not been amended or terminated according to the latest information which it has received at its home office.~~

SECTION 10.04—EMPLOYMENT STATUS

Nothing contained in this Plan gives an Employee the right to be retained in the Employer's employ or to interfere with the Employer's right to discharge any Employee.

SECTION 10.05—RIGHTS TO PLAN ASSETS

No Employee shall have any right to or interest in any assets of the Plan upon termination of his employment or otherwise except as specifically provided under this Plan, and then only to the extent of the benefits payable to such Employee in accordance with Plan provisions.

Any final payment or distribution to a Participant or his legal representative or to any Beneficiaries, spouse or ~~Contingent~~ Joint Annuitant of such Participant under the Plan provisions shall be in full satisfaction of all claims against the Plan, the Plan Administrator, the Insurer, and the Employer arising under or by virtue of the Plan.

SECTION 10.06—BENEFICIARY

Each Participant may name a Beneficiary to receive any death benefit (other than any income payable to a ~~Contingent~~ Joint Annuitant) that may arise out of his participation in the Plan. The Participant may change his Beneficiary from time to time. Unless an election has been made, for purposes of distributing any death benefits before Retirement Date, the Beneficiary of a Participant who has a spouse who is entitled to a Qualified Preretirement Survivor Annuity shall be the Participant's spouse. ~~¶~~The Participant's Beneficiary designation and any change of Beneficiary shall be subject to the provisions of the ELECTION PROCEDURES SECTION of Article VI. It is the responsibility of the Participant to give written notice to the Insurer of the name of the Beneficiary on a form furnished for that purpose.

With the Employer's consent, the Plan Administrator may maintain records of Beneficiary designations for Participants before their Retirement Dates. In that event, the written designations made by Participants shall certify to the Insurer the Beneficiary designation on its records for the Participant.

If, at the death of a Participant, there is no Beneficiary named or surviving, any death benefit shall be paid under the applicable provisions of this Article.

SECTION 10.07—NONALIENATION OF BENEFITS

Benefits payable under the Plan are not subject to the claims of any creditor of any Participant, Beneficiary, spouse or ~~Contingent~~ Joint Annuitant. A Participant,

Beneficiary, spouse or ~~Contingent~~ Joint Annuitant does not have any rights to alienate, anticipate, commute, pledge, encumber or assign any of such benefits.

SECTION 10.08—CONSTRUCTION

The validity of the Plan or any of its provisions is determined under and construed according to Florida state law. In case any provision of this Plan is held illegal or invalid for any reason, such determination shall not affect the remaining provisions of this Plan, and the Plan shall be construed and enforced as if the illegal or invalid provisions had never been included.

In the event of any conflict between the provisions of the Plan and the terms of any contract or policy issued hereunder, the provisions of the Plan control the operation and administration of the Plan.

SECTION 10.09—LEGAL ACTIONS

The Plan and the Plan Administrator are the necessary parties to any action or proceeding involving the assets held with respect to the Plan or administration of the Plan. No person employed by the Employer, no Participant, former Participant or their Beneficiaries or any other person having or claiming to have an interest in the Plan is entitled to any notice of process. A final judgment entered in any such action or proceeding shall be binding and conclusive on all persons having or claiming to have an interest in the Plan.

SECTION 10.10—SMALL AMOUNTS

If the monthly retirement income payable to a Participant is less than \$100.00 or if the Present Value of the Participant's vested Accrued Benefit ~~\$5,000~~ \$7500, such Present Value shall be payable in a single sum as of the Participant's Retirement Date or the date he ceases to be an Employee for any reason other than death. If the Participant's vested Accrued Benefit is zero on the date he ceases to be an Employee for any reason other than death, he shall be deemed to have received a single sum payment of the Present Value of his vested Accrued Benefit on such date. This is a small amounts payment. Such small amounts payment shall be made to the Participant or the Participant's designated beneficiary. Such small amounts payment shall result in all of a Participant's Accrued Benefit being disregarded and is in full settlement of all benefits otherwise payable. If the Present Value of the Qualified Preretirement Survivor Annuity derived from the Participant's Accrued Benefit and the Participant's Account has never exceeded ~~\$5,000~~ \$7500, the Present Value of any death benefit shall be payable in a single sum as of the date the Participant dies if such Present Value is not more than ~~\$5,000~~ \$7,500. This is a small amounts payment. Such small

amounts payment shall be made to the Participant's Beneficiary (spouse if the death benefit is payable to the spouse). Such small amounts payment is in full settlement of the death benefit otherwise payable.

No other small amounts payments shall be made.

SECTION 10.11—WORD USAGE

The masculine gender, where used in this Plan, shall include the feminine gender and the singular words as used in this Plan may include the plural, unless the context indicates otherwise.

ADOPTION OF PLAN

By executing this Plan, the Employer acknowledges having counseled to the extent necessary with selected legal and tax advisors regarding the Plan’s legal and tax implications.

Executed this _____ day of _____, 2024.

ATTEST:

CITY OF EDGEWATER, FLORIDA

By: _____
CITY CLERK

MAYOR

**APPROVED FOR FORM AND
CORRECTNESS:**

AARON R. WOLFE
CITY ATTORNEY