

Coral Gables Retirement System Summary Plan Description



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Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
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Presented to

Coral Gables Retirement System

In recognition of meeting professional standards for
plan funding and administration as
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Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

A handwritten signature in cursive script that reads "Alan H. Winkle". The signature is written in black ink and is positioned above the printed name and title.

Alan H. Winkle
Program Administrator

Introduction

Providing for yourself and your family when you retire is an important long-range goal. Should you continue to work for the City of Coral Gables (the “City”) until you retire, the benefits available from the City of Coral Gables Retirement System (the “System”) will provide you with a lifetime income when you retire. The System also provides for benefits in the event of your disability or death.

The City of Coral Gables Retirement System became effective January 1, 1957, and has since been amended. This summary explains the provisions of the System currently in effect. This summary is written in nontechnical terms of the main provisions of the Coral Gables Retirement System. Complete details can be found in the City of Coral Gables Code, Section 46. The information provided in this booklet is based on Section 46 of the City Code in existence on October 1, 2020 and is subject to modification based on changes in the Ordinance.

Highlights of the System are listed on the following pages and are followed by a description in more detail. A section near the end of this booklet contains definitions of special terms and phrases that are used to describe the System. Knowing what these terms mean will help you understand your benefits.

This summary plan description is a summary. We encourage you to read this booklet carefully and if you have any questions, please contact the Administrative Manager for the Retirement System. **If there is any conflict between the information summarized in this booklet and the official Retirement System document (the City’s Pension Ordinance, Chapter 46), the ordinance will govern.**

Plan Highlights

The System provides eligible employees with:

- * A monthly income upon retirement.
- * For General employees or Excluded employees vested by October 1, 2010: Normal retirement upon the earlier of attainment of age 65, attainment of age 52 with 10 years of Credited Service, or when your age plus your full years of Credited Service equal 70 (Rule of 70).
- * For General or Excluded employees not vested by October 1, 2010: Normal retirement upon the earlier of attainment of age 65 with 6 years of Credited Service, or age 62 with 10 years of Credited Service, or when your age plus your full years of Credited Service equal 80 (Rule of 80).
- * For Firefighters vested by October 1, 2013: Normal retirement upon the earlier of attainment of age 65, attainment of age 52 with 10 years of Credited Service, or when your age plus your full years of Credited Service equal 70 (Rule of 70).
- * For Firefighters not vested by October 1, 2013: Normal retirement upon the earlier of attainment of age 51 with 25 years of Credited Service or when your age plus full years of Credited Service equal 76 (Rule of 76).
- * For Police Officers vested by October 1, 2012: Normal retirement upon the earlier of attainment of age 65, attainment of age 52 with 10 years of Credited Service, or when your age plus your full years of Credited Service equal 70 (Rule of 70).

- * For Police Officers not vested by October 1, 2012: Normal retirement upon the earlier of attainment of age 55 with 10 years of Credited Service or 25 years of Credited Service regardless of age.
- * For General employees or Excluded employees vested by October 1, 2010: The option to participate in a Deferred Retirement Option Plan (DROP) after completing 25 years of Credited Service and Rule of 70, attainment of age 65, attainment of age 62 with 10 years of Credited Service or reaching the Rule of 80.
- * For General or Excluded employees not vested by October 1, 2010: Normal retirement upon the earlier of attainment of age 65 with 6 years of Credited Service, or age 62 with 10 years of Credited Service, or when your age plus your full years of Credited Service equal 80 (Rule of 80).
- * For all Firefighters: The option to participate in a Deferred Retirement Option Plan (DROP) after becoming eligible for normal retirement.
- * For all Police Officers: The option to participate in a Deferred Retirement Option Plan (DROP) after becoming eligible for normal retirement.
- * Benefits in the event of your death payable to your beneficiary.
- * Benefits in the event of service-connected or non-service connected disability.
- * For General employees and Excluded employees vested by October 1, 2010: the right to future retirement benefits if you leave the City after completing 10 years of Credited Service, payable to you at age 52.
- * For General employees and Excluded employees not vested by October 1, 2010: the right to future retirement benefits if you leave the City after completing 10 years of Credited Service, payable to you at age 62.
- * For Firefighters the right to future retirement benefits if you leave the City after completing 10 years of Credited Service.
- * Police Officers vested by October 1, 2012: The right to future retirement benefits if you leave the City after completing 10 years of Credited Service, payable at age 52.
- * Police Officers not vested by October 1, 2012: The right to future retirement benefits if you leave the City after completing 10 years of Credited Service, payable at age 55.

These important features are explained in more detail on the pages that follow.

Contributions to the Plan

The City contributes the required amounts to the System as mandated by State Statute and determined by an actuary.

Effective October 1, 2009, Excluded employees and effective October 1, 2010, General employees shall contribute 10% of their total earnings as defined in section 50-25 of the City Code. Such contributions shall be deducted by the City from the compensation of each employee participant each and every payroll period.

Effective October 1, 2011 for Excluded employees and General employees: additional Retirement contributions will be determined as 50% of the excess of the percentage of covered payroll as reported in the yearly Actuarial Valuation report over the percentage of covered payroll reported in the October 1, 2009 Actuarial Valuation report (cost-sharing). Such contributions shall be deducted by the City from the compensation of each employee participant each and every payroll period. For the fiscal year ending September 30, 2014, such contributions for Excluded employees shall be 15% of covered payroll, and such contributions for General employees shall be 17% of covered payroll. Effective October 1, 2014, Excluded employees shall contribute in accordance with the cost-sharing provisions above. For fiscal years ending September 30, 2015, September 30, 2016 and September 30, 2017, such contributions for General employees shall be 15% of covered payroll. From March 19, 2018 through the last full pay period before October 1, 2018 contributions for General employees will be a maximum of 14.5% of compensation and Excluded employees shall contribute at a rate equal to .5% less than the percent of compensation determined under the cost-sharing provisions. From the first pay period after October 1, 2018 through the last full pay period before October 1, 2019 contributions for General employees will be a maximum of 14% of compensation and Excluded employees shall contribute at a rate equal to 1% less than the percent of compensation determined under the cost-sharing provisions. From the first pay period after October 1, 2019 through the last full pay period before September 30, 2020 contributions for General employees will be a maximum of 13.5% of compensation and Excluded employees shall contribute at a rate equal to 1.5% less than the percent of compensation determined under the cost-sharing provisions. The contribution rate for Excluded employees will be no less than 10% of compensation. Effective the first pay period after September 30, 2020, General employees and Excluded employees shall contribute in accordance with the cost-sharing provisions. General employees will be subject to a maximum cap of 15% of compensation. From the first pay period after October 1, 2019 through the last full pay period before September 30, 2022 contributions for General employees will be 13.5% of compensation. From the first pay period following the last full pay period before September 30, 2022 through the last full pay period before September 30, 2024 contributions for General employees will be 13% of compensation. Effective the first pay period following the last full pay period before September 30, 2024 General employees shall contribute in accordance with the cost-sharing provisions subject to a maximum cap of 13.5% compensation.

Effective September 30, 2013 Firefighters shall contribute 8% of their pensionable earnings to the system. Effective September 30, 2014 Firefighters shall contribute 10% of their pensionable earnings to the system.

Effective October 1, 2009 Police Officers shall contribute 5% of their pensionable earnings to the City's retirement plan. Effective September 30, 2014 Police Officers shall contribute 10% of their pensionable earnings to the system.

Contributions are deposited and accumulated in a special Trust Fund. Money in the Trust Fund is managed by the Trustee and Investment Managers and may be used only to pay benefits, fees and expenses of the System.

Plan Participation

Employees who are employed on a regular, full-time basis with the City automatically become participants in the System on their date of employment. Persons employed on a permanent basis on a schedule of at least 32 hours each week for 52 consecutive weeks a year also participate from date of hire. Effective May 27, 2008: Members of the City Commission, regardless of whether employed full-time, shall be participants in the Florida Retirement System. Effective December 8, 2015: employees other than Police Officers and Firefighters shall have the option of either participating in the Plan or in a defined contribution plan established by the City. The option must be exercised with 30 days following the date of employment with the City. Effective July 13, 2021, Police Officers who are retired and receiving retirement benefits from another agency shall have the option of participating in the Plan or in a defined contribution plan. Retired Police Officers, following a six month break of employment, may be re-employed with mandatory participation in the defined contribution plan.

Vesting

Vesting means earning a permanent right to receive a benefit from the System. Once you are “vested,” you have a right to receive the System retirement benefit you have earned, even if you leave the City before retirement. To become vested, you must complete 10 years of Credited Service. You are automatically vested when you reach your Normal Retirement Date.

Eligibility for Benefits

Normal Retirement

For General employees and Excluded employees vested by October 1, 2010: Your Normal Retirement Date is upon the earlier attainment of the following: the date you reach age 65, the date you reach age 52 with 10 years of Credited Service, the date on which your age plus your full years of Credited Service equal 70 (Rule of 70), the date on which your age plus your full years of Credited Service equal 80 (Rule of 80), or attainment of age 62 with 10 years of Credited Service.

For General employees and Excluded employees not vested by October 1, 2010: Your Normal Retirement Date is the earlier attainment of the following: the date you reach age 65 with 6 years of Credited Service, the date you reach age 62 with 10 years of Credited Service, or the date on which your age plus your full years of Credited Service equal 80 (Rule of 80).

For Firefighters vested by October 1, 2013: Your Normal Retirement Date is the earlier attainment of the following: The date you reach the age of 65, the date you reach age 52 with 10 years of Credited Service, or the date on which your age plus your full years of Credited Service equal 70 (Rule of 70).

For Firefighters not vested by October 1, 2013: Your Normal Retirement Date is the earlier attainment of the date you reach the age of 51 with 25 years of Credited Service or the date on which your age plus full years of Credited Service equal 76 (Rule of 76).

For Firefighters who currently have Rule of 76, effective October 1, 2019, will be eligible to retire upon reaching the earlier of the Rule of 76 or 25 years of service regardless of age.

For Firefighters hired after September 30, 2013, the benefit multiplier for the 25th year of credited service will be changed to 10% so that the total benefit multiplier will be 75% after 25 years of credited service with the maximum benefit at 75%.

For Police Officers vested by October 1, 2012: Your Normal Retirement Date is upon the earlier attainment of the following: the date you reach the age of 65, the date you reach age 52 with 10 years of Credited Service, or the date on which your age plus your full years of Credited Service equal 70 (Rule of 70).

For Police Officers not vested by October 1, 2012: Your Normal Retirement Date is upon the earlier attainment of the following: the date you reach the age 55 with 10 years of Credited Service or the date you complete 25 years of Credited Service regardless of age.

For Police Officers with credited service on and after October 1, 2012: the benefit multiplier for the 25th year of credited service will be changed to 10% so that the total benefit multiplier will be 75% after 25 years of credited service with the maximum benefit at 75%.

Early Retirement

For General employees and Excluded employees, Early Retirement is available after attainment of age 47 with 25 years of Credited Service. If Early Retirement is elected, the normal retirement benefit is reduced 6.0% for each year by which the early retirement date precedes the normal retirement date.

For Firefighters who were vested and at least age 50 as of September 30, 2013, Early Retirement is available after attainment of age 50 with 10 years of Credited Service. If Early Retirement is elected, the normal retirement benefit is reduced by 3.0% for each year by which the early retirement date precedes the normal retirement date. Early Retirement is not available to any Firefighter who had not yet attained age 50 with at least 10 years of Credited Service as of September 30, 2013.

For Police Officers who were vested and at least age 50 as of September 30, 2012, Early Retirement is available after attainment of age 50 with 10 years of Credited Service. If Early Retirement is elected, the normal retirement benefit is reduced by 3.0% for each year by which the early retirement date precedes the normal retirement date. Early Retirement is not available to any Police Officer who had not yet attained age 50 with at least 10 years of Credited Service as of September 30, 2012.

Late Retirement

You can keep working past your Normal Retirement Date and continue building your retirement benefit amount. Your late retirement date would be the first day of any later month after you stop working.

Terminated Vested Benefit

If you are a General Employee or Excluded employee vested by October 1, 2010 and terminate employment with the City after you become vested, (after completing ten years of Credited Service) but before you become eligible for retirement, you will be entitled to a terminated vested benefit. Your terminated vested benefit will be payable commencing on the first day of the month following your 52nd birthday. For General Employees and Excluded employees not vested by October 1, 2010 your terminated vested benefit will be payable commencing on the first day of the month following your 62nd birthday. You may elect to receive a refund of your Employee Contributions (the contributions you made to the System, if any) instead of receiving the vested benefit.

If you are a Firefighter and terminate employment with the City after you become vested (after completing ten years of Credited Service) but before you become eligible for retirement, you will be entitled to a terminated vested benefit. Your terminated vested benefit will be payable commencing on the first day of the month that would have been the retirement date based on years of credited service at the termination date. You may elect to receive a refund of your Employee Contributions (the contributions you made to the System, if any) instead of receiving the vested benefit.

If you are a Police Officer vested by October 1, 2012 and terminate employment with the City after you become vested (after completing ten years of Credited Service) but before you become eligible for retirement, you will be entitled to a terminated vested benefit. Your terminated vested benefit will be payable commencing on the first day of the month following your 52nd birthday. For Police Officers not vested by October 1, 2012 your terminated vested benefit will be payable commencing on the first day of the month following your 55th birthday. You may elect to receive a refund of your Employee Contributions (the contributions you made to the System, if any) instead of receiving the vested benefit.

If you leave the City before you are vested (before completing ten years of Credited Service and before you become eligible for retirement), you will not be eligible for a vested benefit and you will be entitled only to the refund of your Employee Contributions, if any.

Disability Retirement

If you are an active participant and you suffer a Service-Connected Disability or a Non Service-Connected Disability, you may be eligible for Disability Retirement benefits from the System.

Death Benefit

If you die while an active participant prior to retirement due to a Service-Connected Death or a Non Service-Connected Death, your beneficiary will be entitled to a benefit from the System.

If you die after retirement, any benefit payable to your beneficiary will depend upon the form of payment you chose for receiving your benefits.

Pensionable Earnings (Compensation)

General Hourly paid employees: Pensionable earnings include hourly wages, shift differential, special assignment pay and workers' compensation benefits received by the employee. NOT pensionable earnings include all overtime, lump sum payments for accumulated compensatory time and annual

leave, annual and sick leave payouts upon termination of employment, vehicle allowance, uniform allowance, safety equipment allowances and all allowances plus all other payments which include loyalties.

General Salaried employees: Pensionable earnings include salary exclusive of all other remuneration plus any workers' compensation benefits received by the employee. Not pensionable earnings include any allowances and loyalties.

Firefighters: Pensionable earnings include regular pay, paramedic certification pay, EMT certification pay, certified assigned paramedic pay, temporary assignment pay, disability pay, holiday pay, loyalty pay, incentive pay, payments for unused compensatory time up to the amount of compensatory time accrued on June 1, 2013 and pay for approved leave and compensatory time actually taken. Not pensionable earnings include all payments for unused compensatory time in excess of the amount of compensatory time accrued on June 1, 2013, unused annual leave, unused sick leave and excess sick leave; special assignment pay except as specifically included in pensionable compensation; all payments for the sale of annual leave and compensatory time; all overtime payments; tuition reimbursement; and all other payments. Pensionable earnings shall apply to retirement benefit calculations and employee contributions of firefighters for all periods of credited service on or after October 1, 2013; provided, firefighters who are employed on September 30, 2013, and who have attained normal retirement eligibility as of that date shall continue to have their retirement benefit calculations and employee contributions based on total earnings for as long as they are employed as firefighters.

Police: Pensionable earnings include regular pay, temporary assignment pay, disability pay, holiday pay, incentive pay, loyalty pay, and pay for approved leave actually taken. Not pensionable earnings include all payments for unused compensatory time, unused annual leave, unused sick leave and excess sick leave, all special unit allowances, all payments for the sale of annual leave and compensatory time, all overtime payments, all shift differentials, tuition reimbursements, uniform allowance, and all other payments. Pensionable earnings shall apply to retirement benefit calculations and employee contributions of police officers for all periods of credited service on or after October 1, 2012; provided, police officers who are employed on September 30, 2012, and who have attained normal retirement eligibility as of that date shall continue to have their retirement benefit calculations and employee contributions based on total earnings for as long as they are employed as police officers.

How Benefits are Determined

The benefit of **General employee and Excluded employee participants** was frozen on September 30, 2010, based on 3.0% of the highest three-year average earnings as of September 29, 2010, multiplied by years of Credited Service as of September 29, 2010. Normal retirement benefits earned after September 29, 2010 are calculated as follows:

- (1) For participants who retire on or after October 1, 2010, the greater of the participant's highest five year average earnings as of the date of retirement or separation from employment or the highest three-year average as of September 29, 2010, multiplied by a percentage (see table below), multiplied by the total years of Credited Service and any fraction thereof earned on and after October 1, 2010.
- (2) The total annual retirement income shall not exceed 75 percent of average final compensation. The annual retirement income shall not be less than the participant's accrued benefit as of September 30, 2010, determined in accordance with the provisions of the system in effect on September 30, 2010.

- (3) Effective March 13, 2018 for General employees, the maximum retirement benefits in the normal annuity form shall not exceed the lesser of \$50,000 annually or 75% of final average compensation for participants with less than 10 years of credited service on March 13, 2018; and \$67,000 annually or 75% of final average compensation for participants with 10 or more years of credited service on March 13, 2018; provided in no event shall a participant's benefit be less than the accrued benefit on March 13, 2018.
- (4) Retirement benefit calculations are based on pensionable earnings and not total earnings.

	Multiplier for Credited Service before 10/1/2010	Multiplier for Credited Service on or after 10/1/2010	Minimum Multiplier for First 10 Years of Credited Service Earned on or after 10/1/2010
General			
Elected	3.00%	3.00%	n/a
Other General	3.00%	2.25%	n/a
Excludable			
Managerial	3.00%	2.25%	3.00%
Professional/Supervisory	3.00%	2.25%	2.50%
Confidential	3.00%	2.25%	n/a
Appointed	3.00%	3.00%	n/a

The retirement benefits you receive from the System when you retire are calculated using a formula that takes into consideration the credited service you have earned throughout your career with the City, your highest three-year average annual earnings as of September 30, 2010, and your average final compensation (5 year average) preceding your termination or retirement. The basic formula used to calculate Normal Retirement, Late Retirement and Vested Retirement benefits is:

3.0% of your highest three-year average as of September 30, 2010, multiplied by your credited service prior to October 1, 2010,
 plus
 2.25% of your average final compensation (5 year average), multiplied by your Credited Service after October 1, 2010

Example of Normal Retirement benefit for General Employees and Excluded Employees vested by October 1, 2010:

Let's assume you were born on July 1, 1960, you began working for the City on January 1, 1991, and you retire on January 1, 2011. Your age as of January 1, 2011 would be fifty years old and you would have 19 years and 9 months of credited service as of September 30, 2010 (at the 3% multiplier) and 3 months of credited service at the 2.25% multiplier. We will also assume that your highest three-year average as of September 30, 2010 and your average final compensation (5 year average) are both \$30,000. Your monthly benefit would be calculated as follows:

$$\begin{aligned}
 &(3.00\% \times 19.75 \times \$30,000 \div 12) \\
 &\quad + \\
 &(2.25\% \times 0.25 \times \$30,000 \div 12) \\
 &\quad = \\
 &\quad \$1,495.31
 \end{aligned}$$

Under the above example, you would receive a monthly retirement benefit of \$1,495.31 from the System payable for your lifetime under the Normal Form of Payment or No Option which is a life annuity.

For General Employees and Excluded Employees

As to all participants, with the exception of members of the bargaining units represented by the Fraternal Order of Police, Lodge No. 7, and the International Association of Firefighters, Local 1210, who retire after completing forty (40) years of Credited Service, the monthly benefit will be determined using the highest two-year average annual earnings in the formula shown above.

The benefit of **Firefighters** was changed effective September 30, 2013. At that time the annual amount of normal retirement income became the following:

- (1) For participants who retire prior to October 1, 2012, three percent of the Highest Three-year Average, multiplied by the total years of Credited Service and any fraction thereof.
- (2) for participants who retire on or after October 1, 2012 and on or before September 30, 2013, the highest three year average total earnings as of date of retirement or the highest four year average earnings, whichever is greater; multiplied by years of Credited Service and the multiplier indicated in the table below;
- (3) for participants who retire on or after October 1, 2013 and on or before September 30, 2014, the highest four year average earnings as of September 30, 2013 or the highest five year average earnings, whichever is greater; multiplied by years of Credited Service and the multiplier indicated in the table below; and
- (4) for participants who retire on or after October 1, 2014, the highest five year average earnings, multiplied by years of Credited Service and the multiplier indicated in the table below.
- (5) Retirement benefit calculations are based on pensionable earnings and not total earnings.
- (6) The total annual retirement income shall not exceed 75 percent of average final compensation.

	Multiplier for Credited Service on or after 10/1/2013	Minimum Multiplier for First 10 Years of Credited Service
Firefighter active as of 10/1/2013	3.00%	3.00%
Firefighter hired after 10/1/2013	2.50%	3.00%

The benefit of **Police Officers** was changed effective September 30, 2012. At that time the annual amount of normal retirement income became:

- (1) For participants who retire on or after October 1, 2012, and on or before September 30, 2013, the highest three-year average total earnings as of September 30, 2012, or the highest four-year average earnings, whichever is greater; multiplied by years of Credited Service and the multiplier indicated in the table below;
- (2) For participants who retire on or after October 1, 2013, and on or before September 30, 2014, the highest four-year average earnings as of September 30, 2013, or the highest five-year average earnings, whichever is greater; multiplied by years of Credited Service and the multiplier indicated in the table below; and

- (3) For participants who retire on or after October 1, 2014, the highest five-year average earnings multiplied by years of Credited Service and the multiplier indicated in the table below.
- (4) The total annual retirement income shall not exceed 75 percent of average final compensation. The annual retirement income shall not be less than the participant's accrued benefit as of September 30, 2012, determined in accordance with the provisions of the system in effect on September 29, 2010.
- (5) Retirement benefit calculations are based on pensionable earnings and not total earnings.

	Multiplier for Credited Service before 10/1/2012	Multiplier for Credited Service on or after 10/1/2012	Minimum Multiplier for First 10 Years of Credited Service
Police Officers	3.00%	2.5%	3.00%

Effective February 28, 2017, for credited service on or after October 1, 2012, 3% of average final compensation multiplied by the first 10 years of credited service, 2.5% of average final compensation multiplied by the years of credited service in excess of the first 10 years of credited service up to the completion of 24 years of credited service, and up to 10% of average final compensation for the 25th year of credited service, such that the total normal retirement benefit equals 75% of average final compensation after completion of 25 years of credited service. For bargaining until members who are not eligible for Normal Retirement as of February 28, 2017 and whose accrued benefits as of February 28, 2017 do not exceed \$95,000 per year, the total annual pension benefits will be capped at \$95,000 per year. This cap increased from \$96,900 effective September 30, 2019 to \$98,838 effective October 1, 2022.

Other payment options are also available. The section of this booklet entitled "*Payment of Your Benefits*" describes the Normal Form of Payment and the different ways you can receive your monthly payments.

Deferred Retirement Option Plan (DROP)

Participation in the Deferred Retirement Option Plan (DROP) is a way to place your retirement benefits in a separate account that can earn interest while you are still employed by the City.

For **General and Excluded employees** not vested by October 1, 2010, the following shall apply:

- 1) having reached normal retirement eligibility
- 2) having reached the age of sixty-two (62) and 10 years of service
- 3) having reached the age of sixty-five (65) and 6 years of service

For **General and Excluded Employees** vested by October 1, 2010, the following shall apply:

- 1) having reached eligibility for normal retirement applicable to General and Excluded employees not vested by October 1, 2010 (see above); or

- 2) completion of at least 25 years of Credited Service and attainment of the Rule of 70; or
- 3) having reached the age of sixty-five (65), if earlier

General and Excluded Employees must submit a written election to participate in the DROP at least 30 days prior to the DROP entry date. General and Excluded Employees have 3 years to decide to enter into the DROP after reaching the earliest DROP eligibility date. If an employee delays entry into the DROP more than 3 years beyond the earliest date, the maximum DROP period decreases by one month for every month of delayed DROP entry.

For **Firefighters** vested by October 1, 2013, the following shall apply:

- 1) having reached the Rule of 70; or
- 2) having reached age 52 with 10 years of Credited Service; or
- 3) having reached the age of sixty-five (65), if earlier

For **Firefighters** not vested by October 1, 2013, the following shall apply:

- 1) having reached the age of fifty-one (51) and 25 years of Credited Service; or
- 2) having reached the Rule of 76

For **Police Officers** vested by October 1, 2012, the following shall apply:

- 1) having reached the Rule of 70; or
- 2) the completion of at least 25 years of Credited Service; or
- 3) having reached age 52 with 10 years of Credited Service; or
- 4) having reached the age of sixty-five (65), if earlier

For **Police Officers** not vested by October 1, 2012, the following shall apply:

- 1) having reached the age of fifty-five (55) and 10 years of Credited Service; or
- 2) the completion of 25 years of Credited Service

Participation in the DROP will commence on the first day of the month after you have submitted your application. Once you are a participant, you may not go back into the System and you will remain in the DROP until your termination of service with the City, but no later than the end of the maximum period of DROP participation. The maximum period of DROP participation is 60 months (5 years) for Police Sergeants, Lieutenants and Officers and for General Employees. For Firefighters' the maximum period of DROP participation is 96 months (8 years). Effective February 28, 2017, the maximum period of DROP participation for Police Sergeants, Lieutenants and Officers is 84 months (7 years). Effective September 30, 2019, the maximum DROP participation period for Police Sergeants,

Lieutenants and Officers entering the DROP on or after September 30, 2019 shall be a fixed 60 month (5 years) period commencing on the date of entry into the DROP. Effective July 13, 2021, the maximum DROP participation period for Police Officers was extended to 96 months (8 years) for all current DROP and future DROP participants.

Your monthly retirement benefit will be calculated under the same formula as for Normal Retirement, based on your Credited Service and your Average Final Compensation as of the date you enter the DROP, and this will be your monthly benefit on the date you actually retire. Upon entry into the DROP, you will choose the form of payment for your monthly benefits to be paid.

For employees participating in the DROP, all of the monthly retirement benefits deposited into their DROP account will be credited with interest equal to the retirement investment return from a minimum of three percent (3%) to a maximum up to the assumption rate per year compounded annually. You will not receive any payment from the DROP until you actually leave the employment of the City. Also, you will not be eligible to receive disability or pre-retirement death benefits from the Retirement System after you enter the DROP.

If you become eligible but choose not to participate in the DROP, your retirement benefit will be calculated in the same manner as for Normal or Late Retirement when you retire.

Benefit Limitations

Due to maximum benefit limitations for tax-qualified plans under Section 415 of the Internal Revenue Code, your benefits under this Plan may be limited (reduced). The limitation reflects your calculated formula benefit, your annuitized DROP balance and, for members other than Police Officers and Firefighters, your age when you start receiving monthly payments.

Payment of Your Retirement Benefits

This section describes the various ways and conditions under which your retirement benefit can be paid from the System when you retire.

Normal Form of Payment (or No Option)

Under the Normal Form of Payment (No Option) for General Employees, you will receive a monthly retirement benefit when you retire for your lifetime. This is a life-time annuity and upon the death of the retiree, the benefit will cease.

Under the Normal Form of Payment (No Option) for Firefighters and Police Officers, you will receive a monthly retirement benefit when you retire that is payable for ten (10) years certain and life thereafter. This means that you are guaranteed to receive monthly payments for ten years (120 months) and in the event of your death prior to receiving payments for ten years, your beneficiary will continue to receive your monthly benefit for the remainder of the ten-year period. If you live longer than ten years, your payments will continue for the rest of your life.

Optional Forms of Payment

You may choose to receive your benefits under one of the optional forms of payment as shown below rather than under the Normal Form of Payment (No Option). If you choose an optional form of payment, your benefit will be adjusted to be an actuarial equivalent amount of the benefit payable under the Normal Form of Payment.

**** Option 1 - Ten Years Certain and Life Thereafter***

Under this option, you will receive a reduced monthly benefit payable during your lifetime. In the event of your death within ten (10) years (120 months) following your date of retirement, your beneficiary will receive your monthly benefit during the remainder of the 10-year period. **(This option does not apply to Firefighters or Police Officers.)**

**** Option 1B – Life Annuity***

Under this option, you will receive an increased monthly benefit during your lifetime, with payments stopping upon your death. **(This option only applies to Firefighters and Police Officers.)**

**** Option 2 - Joint and Survivor***

Under this option, you will receive a reduced monthly benefit, payable until the earlier of the death of you or your beneficiary. Following the death of either you or your beneficiary, the monthly benefit will be reduced by a percentage elected by you (50%, 66-2/3%, 75% or 100%) and this reduced monthly amount will continue to be payable to the survivor for the remaining lifetime of the survivor. Your monthly benefit will be based upon the percentage you choose and the ages of you and your beneficiary at the time payments begin.

**** Option 2B – Joint and Contingent***

Under this option, you will receive a reduced monthly benefit payable to you during your lifetime. **Following your death**, your monthly benefit will be reduced by a percentage elected by you (50%, 66-2/3%, 75% or 100%) and this reduced monthly benefit will continue to be paid to your beneficiary the remainder of your beneficiary's lifetime. Your monthly benefit will be based upon the percentage you choose and the ages of you and your beneficiary at the time payments begin. Should your beneficiary die first, the same benefit you were receiving will continue to be paid to you until your death.

Disability Benefits

If you become disabled prior to your Normal Retirement Date, you may apply for disability retirement benefits from the System. However, disability benefits are not applicable after you have elected the DROP. Disability retirement under the System is subject to the determination and approval of the Retirement Board that you are incapacitated due to injury or illness and cannot engage in your occupation for wage or profit.

You will be required to submit certification of your disability by a licensed physician selected by you, along with all medical records and documents (or authorizations for the release of these items) that are considered relevant by the City and/or the Retirement Board. You may be required to have a physical examination by one or more licensed physicians selected by the City, in its sole discretion, and that physician's opinion, along with any other relevant evidence, shall be submitted to the Retirement Board. You will also be required to have an examination by another licensed physician selected by the Retirement Board, in its sole discretion. The Retirement Board shall consider the reports of all examining physician(s) and any other relevant evidence, and shall make a determination as to whether

you meet the criteria for disability retirement benefits from the System. Disability benefits may not be approved if the disability results from certain conditions or actions such as from participation in the armed forces, illegal activities, drug abuse or if disability occurs while you are employed by another employer.

The Retirement Board will review your disability each year prior to your Normal Retirement Date for proof of your continued disability, and may require that you submit renewed medical opinions and documents (or authorizations for the release of these items). Should you fail to submit these items, the Retirement Board may suspend your disability benefits. You may also be required to undergo examination(s) by physicians, as was required for your initial application for disability benefits.

Eligibility for disability retirement for a Police Officer or Firefighter will be subject to the provisions of Florida Statutes Chapters 175 and 185.

Monthly disability retirement benefits from the System together with any amounts payable under State workers' compensation or similar laws cannot be greater than the monthly rate of Earnings you were receiving as of your date of termination due to disability.

Service-Connected Disability

If you become disabled due to a Service-Connected Disability, you will be entitled to a monthly benefit equal to 75% of the rate of your monthly Earnings as of your date of termination of service due to disability with a minimum monthly benefit of \$100. This benefit is subject to the following paragraph except for Police Officers and Firefighters.

During the first 24 months of receiving disability retirement benefits, you will be required to undergo rehabilitation and retraining. If after 24 months the Retirement Board determines that you are still disabled, but that you can engage in some occupation for wage or profit, your monthly benefit may be reduced to sixty-six and two thirds percent (66-2/3%) of your rate of monthly Earnings as of your date of disability. However, if after 24 months, the Board determines that you cannot engage in any occupation for wage or profit because of your disability, your monthly benefit will not be reduced. For disabilities occurring on or after October 1, 2010 you will be entitled to a monthly benefit that is 42% of your final average compensation or your accrued benefit if greater. This paragraph does not apply to Police Officers and Firefighters whose service-connected disability falls under the provisions of Florida Statutes Chapters 175 and 185.

Service-Connected Disability benefits are payable on the first day of each month after the approval of disability retirement by the Retirement Board. If the Board approval is made during the month, your first payment will be prorated for the period from the date of approval to the end of the month. The monthly disability benefit will be payable until the earlier of your death or your recovery from disability.

As of October 1, 2010, for General Employees and Excluded employees who become disabled due to a Service-Connected Disability shall receive a benefit equal to their accrued benefit but not less than 42% of the participant's average final compensation on the date of disability.

If you are still disabled when you reach your Normal Retirement Date, you will continue to receive the same benefit that you were receiving prior to your Normal Retirement Date, payable during your remaining lifetime, or you may elect to receive your benefits under an Optional Form of Payment.

In the event of your death while disabled prior to your Normal Retirement Date, or after your Normal Retirement Date without electing another form of payment for receiving your benefits, your unmarried, natural or legally adopted child or children under age 22 will receive a monthly benefit. This monthly benefit will be equal to two-thirds (2/3) of the monthly benefit you were receiving as of your date of death, payable until the last child reaches age 22 or marries. If you have no unmarried children under age 22, your spouse will be entitled to a monthly benefit equal to one-half (1/2) of your monthly benefit, payable during the lifetime of the spouse or until remarriage of the spouse. If you have no unmarried children under age 22 or spouse as of your date of death, the benefit payable to a beneficiary will be your Employee Contributions less the total amount of benefits you received from the System prior to your death.

Non Service-Connected Disability

If you become disabled due to a Non Service-Connected Disability, you may apply for disability retirement. The monthly benefit will be equal to your accrued benefit but not less than 25% of your average final compensation on the date of disability. Non Service-Connected Disability benefits are payable on the first day of each month after the approval of disability retirement by the Retirement Board. The monthly benefit will be payable to you on the first day of each month until the earlier of the date of your recovery from disability or death.

If you reach your Normal Retirement Date and are still disabled, you will continue to receive the same monthly benefit you were receiving prior to your Normal Retirement Date, payable to you during your remaining lifetime.

In the event of death while receiving Non Service-Connected Disability benefits, the benefit payable to your beneficiary, if any, will be the amount of your Employee Contributions less the total amount of retirement benefits you have received from the System prior to your death.

Recovery from Disability and Reemployment

In the event of your recovery from a disability for which you received disability retirement benefits from the System, your monthly benefits will immediately be discontinued.

If you should reenter the service of the City after your recovery from disability, you will become an active participant of the System as of your date of reemployment. However, you will not be credited with Credited Service for the period during which you received disability retirement benefits from the System. If you should recover from disability and do not reenter the service of the City, you will be treated as a terminated participant and any further benefits to which you might be entitled from the System will be reduced by the benefits you received while disabled.

Death Benefits

Death Benefits for an Active Participant Under the System Before Retirement

In the event of your death while you are an active participant under the System and before you have entered the DROP, your monthly death benefit is determined from either (1) or (2) below, whichever

applies to you. The monthly benefit is calculated actuarially based upon the age of you and your beneficiary plus interest rates and mortality assumptions used for the System.

(1) If any one of the following applies to you:

- * your date of hire with the City was on or before October 1, 1977,
- * your date of hire was after October 1, 1977, but you have completed at least twelve (12) years of Credited Service as of your date of death, or
- * your death is a service-connected death other than for a Police Officer or Firefighter, your beneficiary will be entitled to a monthly death benefit which can be provided by the greater amount calculated from (a) or (b) below:

(a) the lump sum value of your accrued benefit earned under the System as of your date of death, or

(b) your annual rate of Earnings as of the January 1st prior to your date of death multiplied by two (2).

(2) If you were hired after October 1, 1977, and have less than twelve (12) years of Credited Service as of your date of death, or if your death is non service-connected, your beneficiary will be entitled to a monthly benefit which can be provided by an amount based upon your annual rate of Earnings as of the January 1st prior to your date of death multiplied by a factor from the following table:

Years of Credited Service As of Date of Death	Factor
Less than 3	½
3 but less than 7	1
7 but less than 12	1 ½

Death Benefit for a Service-Connected Death of a Police Officer or Firefighter

In the event of a service-connected death of a Police Officer or Firefighter, the beneficiary will be entitled to a monthly benefit equal to 75% of the participant's monthly Earnings (earnings during the two full biweekly pay periods prior to the date of death).

Payment of Death Benefits for an Active Participant

Death benefits are payable to your beneficiary for five years certain and life thereafter (the Normal Form of Payment) – ten years certain and life thereafter for Police Officers and Firefighters – unless you elect otherwise before your death or your beneficiary elects to receive benefits under an Optional Form of Payment.

Death Benefits for a Terminated Vested Participant Before Retirement

In the event of your death after you leave the City, and before receiving benefits from the System, your beneficiary will be entitled to receive a refund of your Employee Contributions, if any. If you had already withdrawn your Employee Contributions prior to your death, your beneficiary will not be entitled to any benefits from the System.

Death Benefits After Retirement (Other than Disability Retirement)

If you had begun to receive monthly payments from the System under any of the methods of payment described in this booklet, whether or not any benefits are payable in the event of your death will depend on the form of payment you have chosen. For example, if you chose Option 2B, the Joint & Contingent form of payment, your beneficiary will receive payments after your death if he or she is living at that time.

Death While Receiving Disability Retirement

Death benefits for a participant receiving Service-Connected or Non Service-Connected Disability are explained under the Disability Benefits section of this booklet.

Purchase of Service

You may purchase Credited Service under the System for active United States military service, service with other public employers or prior City service, subject to the following conditions. The maximum period for purchases of military service and service with other public employers is five (5) years of combined service. You will be required to provide satisfactory proof to the Board of the service you wish to purchase. You will not receive Credited Service under the System for any periods of service with an employer from which you are entitled to receive retirement benefits, other than federal social security and military retirement benefits. Credited Service is purchased on a day-for-day basis and payments may be made in a lump sum or by payroll deduction for a period up to three years. Credited Service will be credited to you upon the completion of your payment for the purchase to the System.

Absences due to military service and credit for periods of military and other public employer service are subject to the provisions of USERRA and Florida Statutes Chapters 175 and 185.

United States Military Service

If you were in the active military service prior to your employment with the City, you may purchase up to 5 years of Credited Service, provided you apply in writing for the purchase within 180 days after you have completed five (5) years of Credited Service under the System. For General and Excluded employees the cost for the purchase is determined by the System's actuary based upon the actuarial cost.

However, a participant who is a Firefighter or Police Officer; the payment for the purchase is based upon a formula for the cost and a payment method determined by the Board.

If you leave active service with the City for voluntary or involuntary U.S. military service, you may purchase up to five (5) years of Credited Service provided you are entitled to reemployment under the

Uniformed Services Employment and Reemployment Rights Act (USERRA). You must return to the service with the City within one (1) year from your date of release.

Service With Other Public Employers

You may purchase Credited Service for service with other public employers prior to your employment with the City, subject to the Retirement Board's receipt of proof of your employment with the other public employer and your participation in the other public employer's pension plan. Your written application must be made within 180 days after the completion of five (5) years of Credited Service under the System. Payment for the purchase is based upon a formula for the cost and a payment method determined by the Board.

Prior City Employment

If you previously terminated employment with the City and received a refund of your Employee Contributions to the System, upon re-employment, you may purchase your prior Credited Service. The cost for this purchase will be the amount of Employee Contributions paid to you when you terminated employment plus interest on that amount. This type of purchase may be made only once during a participant's periods of employment with the City. The purchase of Credited Service will be on a day-for-day basis and payment for the purchase may be paid in a lump sum payment or by payroll deductions for a period up to three years.

Important Facts About the Retirement System

Name

City of Coral Gables Retirement System

Plan Year

This is the fiscal year for the System which begins on October 1st and ends the following September 30th. Records of the System are kept on this basis.

Administration of the System

The System is administered by the Retirement Board (the “Board”). The Board consists of thirteen members and has the authority to administer and interpret the provisions of the System. The Board must approve the payment of benefits and expenses from the System and has the authority to engage professionals to assist with the administration of the System.

The Retirement Board has appointed an Administrative Manager for the Retirement System to assist with the administration of the System. The address, telephone and fax number for the Administrative Manager of the Retirement System are:

Administrative Manager
Coral Gables Retirement System
147 Alhambra Circle, Suite 215
Coral Gables, FL 33134
(305) 460-5281
(305) 392-1431 - fax

Trustee

The Trustee of the Retirement System is the Finance Director of the City:

City of Coral Gables
Trustee/Finance Director
City of Coral Gables Retirement System
405 Biltmore Way
Coral Gables, FL 33134

Claims Procedure

All claims for benefits should be submitted in writing to the Administrative Manager on forms provided by the Retirement System along with all requested information necessary for processing your claim. There will be written notice given to any member or beneficiary whose claim for benefits has been denied. The notice shall indicate the reasons for denial and will clearly indicate that a review is possible and the manner in which to apply for such a review.

Relevant Local and State Laws

The System is subject to the relevant provisions of Florida Statutes Chapters 112, 175 and 185 and any other pertinent local and State laws under which it is required to operate.

Relevant Internal Revenue Service information

Internal Revenue Code Section 415 (Section 415) is a federal provision that limits the amount of annual retirement benefit an individual can receive from a qualified defined benefit pension plan such as the Coral Gables Retirement System. The annual retirement benefits payable from the retirement plan administered by the System are subject to the dollar limits imposed by Section 415(b). Please consult with a qualified tax advisor if you think you may be affected by the 415(b) limits.

Special Terms

Earnings

This is the basic salary paid to you by the City including hourly wages or base salary, shift differentials, and special assignments, but exclusive of overtime, lump sum payments for annual compensatory time and annual leave, accumulated leave time payouts upon termination of employment, and allowances such as for automobiles, uniforms, equipment, educational payments and the like.

Credited Service

This is service that is used to determine both the amount of, and the eligibility for, benefits under the System. You earn Credited Service for your service with the City measured in years and completed months, from your date of participation in the System to the date of your termination of service. Credited Service will include unpaid leaves of absence of 30 days or less and qualified leaves under the Family Leave Act up to the maximum period allowed under the Act. Credited Service will also include any period of service you have purchased up to a maximum of five (5) years. If you leave the City due to compulsory U.S. military service, the first two (2) years of your leave will be included in your Credited Service upon your return to the service of the City.

Employee Contributions

Effective October 1, 2005, employees covered under the Agreement between the City of Coral Gables Employees Association, Inc. and The City of Coral Gables shall contribute 5% of their total earnings as defined in section 50-25 of the City Code. Such contributions shall be deducted by the City from the compensation of each employee participant each and every payroll period.

Effective October 1, 2009, Excluded employees and effective October 1, 2010, General employees shall contribute 10% of their total earnings as defined in section 50-25 of the City Code. Such contributions shall be deducted by the City from the compensation of each employee participant each and every payroll period.

Effective October 1, 2011 for Excluded employees and General employees: additional Retirement contributions will be determined as 50% of the excess of the percentage of covered payroll as reported in the yearly Actuarial Valuation report over the percentage of covered payroll reported in the October

1, 2009 Actuarial Valuation report (cost-sharing). Such contributions shall be deducted by the City from the compensation of each employee participant each and every payroll period.

For the fiscal year ending September 30, 2014, total employee contributions for Excluded employees shall be 15% of covered payroll, and total employee contributions for General employees shall be 17% of covered payroll.

Effective October 1, 2014, Excluded employees shall contribute in accordance with the cost-sharing provisions.

From March 19, 2018 through the last full pay period before October 1, 2018 contributions for Excluded employees shall contribute at a rate equal to .5% less than the percent of compensation determined using the cost-sharing provisions but no less than 10% of compensation.

From the first pay period after October 1, 2018 through the last full pay period before October 1, 2019 contributions for Excluded employees shall contribute at a rate equal to 1% less than the percent of compensation determined using the cost-sharing provisions but no less than 10% of compensation.

From the first pay period after October 1, 2019 through the last full pay period before September 30, 2020, contributions for Excluded employees shall contribute at a rate equal to 1.5% less than the percent of compensation determined using the cost-sharing provisions but no less than 10% of compensation.

Effective the first pay period after September 30, 2020, Excluded employees shall contribute in accordance with the cost-sharing provisions but no less than 10% of compensation.

Effective the first pay period after September 30, 2020, General employees shall contribute in accordance with the cost-sharing provisions with a maximum cap of 15% of compensation.

For fiscal years ending September 30, 2015, September 30, 2016 and September 30, 2017, total employee contributions for General employees shall be 15% of covered payroll.

From March 19, 2018 through the last full pay period before October 1, 2018 contributions for General employees will be a maximum of 14.5% of compensation.

From the first pay period after October 1, 2018 through the last full pay period before October 1, 2019 contributions for General employees will be a maximum of 14% of compensation.

From the first pay period after October 1, 2019 through the last full pay period before September 30, 2020, contributions for General employees will be a maximum of 13.5% of compensation.

Effective the first pay period after September 30, 2020, General employees shall contribute in accordance with the cost-sharing provisions with a maximum cap of 15% of compensation.

Effective the first pay period after September 30, 2021, General employees shall contribute in accordance with the cost-sharing provisions with a maximum cap of 15% of compensation.

Effective October 1, 2005, Firefighters covered under the Agreement between the International Association of Firefighters Local 1210 and The City of Coral Gables shall contribute 5% of their gross

pay (excluding uniform allowances) to the City's retirement plan. The City agrees that the contributions will be transferred to the retirement fund within a reasonable period of time after the members receive their paychecks.

Effective September 30, 2013 Firefighters shall contribute 8% of their pensionable earnings to the system. Effective September 30, 2014 Firefighters shall contribute 10% of their pensionable earnings to the system.

Effective October 1, 2009 Police Officers shall contribute 5% of their pensionable earnings to the City's retirement plan. Effective September 30, 2014 Police Officers shall contribute 10% of their pensionable earnings to the system.

Employee Contributions will be refunded to the employee upon termination of service prior to retirement if the employee has less than ten (10) years of Credited Service. If an employee terminates service with the City prior to becoming eligible for retirement with ten (10) or more years of Credited Service, he or she may elect to receive a refund of their Employee Contributions instead of receiving a vested benefit from the System.

Highest Five-year Average Annual Earnings

This is your average annual Earnings from the City for the highest five (5) twenty-six (26) consecutive biweekly pay periods preceding actual retirement or termination of service.

Average Final Compensation

This is your average annual Earnings from the City for the highest five (5) twenty-six (26) consecutive biweekly pay periods preceding actual retirement or termination of service.

Normal Retirement Date

If you were vested as of the effective date of the recent plan changes, your Normal Retirement Date is the first day of the month following the earlier of the date you reach age 65, the date you reach age 52 with 10 years of Credited Service, or the date your age and full years of Credited Service equal seventy (70), referred to as the Rule of 70. For General and Excluded employees not vested by October 1, 2010, your Normal Retirement Date is the first day of the month following the earlier of the date you reach age 65 with 6 years of Credited Service, the date you reach age 62 with 10 years of Credited Service, or the date on which your age and full years of Credited Service equal eighty (80), referred to as the Rule of 80. For Police officers not vested by October 1, 2012, your Normal Retirement Date is the first day of the month following the earlier of the date you reach age 55 with 10 years of Credited Service or the date you reach 25 years of Credited Service. For Firefighters not vested by October 1, 2013, your Normal Retirement Date is the first day of the month following the earlier of the date you reach age 51 with 25 years of Credited Service or the date on which your age and full years of Credited Service equal seventy-six (76), referred to as the Rule of 76.