



*GENERAL EMPLOYEE'S  
RETIREMENT PLAN*

*SUMMARY PLAN  
DESCRIPTION  
2022*



**CITY OF KISSIMMEE  
GENERAL EMPLOYEES' RETIREMENT PLAN**

**SUMMARY PLAN DESCRIPTION**

**THIS PLAN ALSO COVERS EMPLOYEES  
OF THE TOHOPEKALIGA WATER AUTHORITY**

**December 1, 2022**

**NOTE TO NEW EMPLOYEES:**

**ALL FUTURE CITY EMPLOYEES MUST, WITHIN 6 MONTHS OF EMPLOYMENT, IRREVOCABLY ELECT, IN WRITING, TO BE A TIER 1 OR TIER 2 MEMBER (AS DESCRIBED IN SECTION 4 OF THIS SUMMARY PLAN DESCRIPTION). FAILURE TO FILE A TIMELY WRITTEN ELECTION WITH THE BOARD SHALL BE DEEMED AN IRREVOCABLE ELECTION TO BE A TIER 1 MEMBER.**

**IS YOUR BENEFICIARY FORM CURRENT? IN THE EVENT YOU DIE, YOUR BENEFIT OR CONTRIBUTIONS WILL BE DISTRIBUTED TO THE PERSON OR PERSONS DESIGNATED BY NAME ON THE BENEFICIARY FORM ON FILE WITH THE PENSION PLAN. NO PROVISION IN YOUR LAST WILL AND TESTAMENT WILL CHANGE THIS SELECTION. PLEASE BE SURE THAT YOUR BENEFICIARY FORM DESIGNATES THE PERSON OR PERSONS YOU INTEND TO RECEIVE YOUR BENEFITS AND THAT YOU REVIEW THIS CHOICE IN THE EVENT OF A MAJOR LIFE CHANGE SUCH AS A DIVORCE OR THE DEATH OF YOUR BENEFICIARY.**

**CITY OF KISSIMMEE  
GENERAL EMPLOYEES' RETIREMENT PLAN  
SUMMARY PLAN DESCRIPTION**

**INTRODUCTION**

The Board of Trustees of the City of Kissimmee General Employees' Retirement Plan is pleased to present this booklet which briefly explains the provisions of your Pension Plan. As a participant in the plan, you are included in a program of benefits to help you meet your financial needs at retirement, or in the event of disability or death.

This booklet can assist you in preparing for your retirement and financial future. If you need further information on any of the topics presented in this booklet, please contact any member of the Board of Trustees or the Plan Administrator. They will either answer questions you might have to help you understand your benefits or otherwise get you an answer to your questions. We urge you to read and understand this booklet in order to become familiar with the benefits of the plan and how they contribute to your financial security and how they will enrich your retirement years.

The information presented is only a summary of the pension plan ("Plan") as provided in the ordinances of the City of Kissimmee. If there are any conflicts between the information in this booklet and the ordinances of the City of Kissimmee, the ordinances shall govern. The provisions of this Summary Plan Description shall not constitute a contract between the Member and the Board of Trustees. The plan shall be administered in accordance with state and federal law, notwithstanding any provisions in this booklet or resolutions to the contrary. A copy of the ordinance establishing the plan can be obtained from the City Clerk's office, which is located at 101 Church Street, Kissimmee, Florida 34741.

Chairman, Board of Trustees, City of  
Kissimmee General Employees' Retirement  
Plan

\_\_\_\_\_  
Date

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

A. Administration. The City of Kissimmee General Employees' Retirement Plan is a defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the plan. The Board consists of 7 Trustees, 2 of whom shall be appointed by the City Manager, 2 of whom shall be members of the plan and who shall be elected by a majority of the General Employees who are employed by the City and who are Members of the plan, one of whom shall be appointed by the Tohopekalia Water Authority ("Authority") Executive Director and one of whom shall be a member of the plan and elected by a majority of the General Employees who are employed by the Authority and who are members of the plan. The seventh Trustee is chosen by a majority of the first 6 Trustees and shall be a legal resident of the City or own a business located within the City. The seventh Trustee shall not be a member of the plan, a retiree, an employee or an officer of the City or the Authority. Each Trustee serves a 2 year term.

B. DROP participants may be elected as and vote for elected trustees.

C. The names and addresses of the current Trustees and the Plan Administrator are attached to this Summary Plan Description as Exhibit "A". The Chairman of the Board of Trustees is designated as agent for the service of legal process.

2. **ELIGIBILITY FOR PLAN MEMBERSHIP**

A. Each person employed by the City as a full-time General Employee becomes a member of the plan as a condition of his employment. Authority Employees hired before October 1, 2010 and not opting to transfer to the Defined Contribution Plan are members of this plan. All City General Employees and all Authority Employees hired before October 1, 2010 and not opting to transfer to the Defined Contribution Plan are, therefore, eligible for all plan benefits, as provided for in the plan document and by applicable law, except for the Mayor, City Commissioners, Authority Board of Trustees and Authority Attorney and Assistants who shall not participate in the plan. Authority employees hired on or after October 1, 2010 are not eligible for plan membership.

B. A new employee who is hired as City Manager or City Attorney may, in the event he has elected to participate in another pension program upon employment as City Manager or City Attorney, notify the Board and the City, in writing, of his election to not be a member of the plan. Current employees of the City who are selected to become City Manager or City Attorney are not eligible for this opt-out provision. In the event of any such election, he shall be barred from future membership in the plan.

C. All future new City employees must, within 6 months of employment, irrevocably elect, in writing, to be a Tier 1 or Tier 2 Member (As described in Section 4 of this Summary Plan Description). Failure to file a timely written election with the board shall be deemed an irrevocable election to be a Tier 1 Member. If you return to employment, you shall be a member of the Tier you had previously elected during your previous employment, or if no election had been made, you shall become a Tier 1 member.

3. **DEFINITIONS**

**"Credited Service"** is generally your period of employment as a General Employee with the City or the Authority, or as an Employee of the Kissimmee Utility Authority prior to January 1, 1999, with member contributions when required, measured in years and parts of years. No credited service shall be given for employment with the Kissimmee Utility Authority subsequent to January 1, 1999. Credited service will include a break in employment for military service pursuant to conditions that are required or permitted under state or federal law, as amended from time to time, provided that you are reemployed within 1 year of discharge under honorable conditions. Additional credited service time may also be available (See subsection J. below).

A period of any absence of 31 days or more will be excluded from your credited service unless you receive regular full-time compensation from the City or the Authority during such absence and except as otherwise provided below. Workers' Compensation benefits shall not be considered regular compensation from the City or the Authority. Any absence of 30 days or less will be included. Additional credited service time may also be available (See subsection J. below).

**"Average Final Compensation"** is 1/12 of the average salary of the 5 best years of the last 10 years of credited service prior to retirement, termination or death, or your career average as a full-time General Employee, whichever is greater. A year is defined as 12 consecutive months.

**"Salary"** is:

- A. **For City employees**, the basic compensation actually paid to the member by the city for services rendered as an employee, including longevity pay, lump sum salary adjustment bonuses and used comp time and also including pay for time off for vacation, holidays, sick leave, administrative leave, authorized leave with pay, paid family medical leave, jury duty, and military reserve leave, plus all tax deferred, tax sheltered or tax exempt items of income derived from elective employee payroll deductions or salary reductions from basic compensation, but excluding overtime pay, active military leave, car allowances, stand by pay, sick leave incentive payout, education reimbursement, and other bonuses, commissions, expense allowances and all other extraordinary compensation not specifically listed above.
- B. **For Authority employees**, the basic compensation actually paid to the member by the authority for services rendered as an employee of the authority, including accrued compensation, longevity pay, merit pay, retroactive pay, and travel and training pay, and also including pay for time off for funerals, holidays, jury duty, vacation, sick leave or suspension with pay, plus all tax deferred, tax sheltered or tax exempt items of income derived from elective employee payroll deductions or salary reductions from basic compensation, but excluding overtime pay, education reimbursement, and other bonuses, commissions, expense allowances and all other extraordinary compensation not specifically listed above.
- C. **For all employees**, for service earned after July 1, 2011, Salary shall not include payments for accrued unused sick or annual leave. Provided however, in any event, payments of accrued unused sick or annual leave accrued as of July 1, 2011 and attributable to service earned prior to July 1, 2011, may still be included in Salary for pension purposes even if the payment is not actually made until on or after July 1, 2011. In any event, with respect to unused sick leave and unused annual leave accrued prior to July 1, 2011, Salary will include the lesser of the amount of sick or annual leave time accrued on July 1, 2011 or the actual amount of sick or annual leave time for which the retiree receives payment at the time of retirement, regardless of whether the amount of sick or annual leave was, at some time prior to retirement, reduced below the amount on July 1, 2011.

4. **PLAN BENEFITS**

All claims for benefits under the System shall be made in writing to the Board. It is your responsibility to contact the plan and make a written application for benefits when you are eligible to start receiving your benefit at your normal or early retirement date. You should file your application for benefits with the plan administrator at least 45 days prior to the date that benefits are to commence. Benefit payments shall begin only after a written application is filed and payments shall not be made retroactive to your original eligibility date should you delay in applying for benefits.

A. **Normal Retirement Eligibility.** You are eligible for retirement upon the attainment of age 60 and the completion of 10 years of credited service.

B. **Amount of Normal Retirement Benefits.** The amount of the normal retirement benefit is based on your credited service and average final compensation:

The normal retirement benefit for Tier 1 members is calculated by multiplying 2.8% of average final compensation for each year of credited service; (2.8% x AFC x CS = normal retirement benefit) plus \$100 per month to age 65 and \$25 per month thereafter. Cost-of-living adjustments shall not be applicable to this supplemental benefit: (2.8% x CS x AFC + \$100/mo to age 65 + \$25/mo thereafter = normal retirement benefit).

The normal retirement benefit for Tier 2 members is calculated by multiplying 3.0% of average final compensation for each year of credited service; (3.0% x AFC x CS = normal retirement benefit) plus \$100 per month to age 65 and \$25 per month thereafter. Cost-of-living adjustments shall not be applicable to this supplemental benefit: (3.0% x CS x AFC + \$100/mo to age 65 + \$25/mo thereafter = normal retirement benefit).

Normal and early retirement payments will commence on the first day of the month following your last day of employment. Early retirees may defer the commencement of benefits. The benefit is paid to you for your life, ceasing upon death.

Each vested Plan Member shall be entitled, at the Fund's expense, to receive one actuarial study to estimate his or her retirement benefits. Any additional studies shall be provided only at the Member's expense.

**Example of Normal Retirement Benefit Calculation for a Tier 1 Member**

Employee Smith is eligible for normal retirement having reached age 60 and having worked 10 years for the City or KUA (prior to 1/1/99). His average salary for his best 5 years of work is \$25,000. His normal retirement monthly benefit would be calculated as follows:

$$\frac{2.8\% \times 10 \text{ years} \times \$25,000}{12} = \$583.33 + \$100/\text{month to age 65 and } \$25/\text{month thereafter}$$

**Example of Normal Retirement Benefit Calculation for a Tier 2 Member**

Employee Smith is eligible for normal retirement having reached age 60 and having worked 10 years for the City or KUA (prior to 1/1/99). His average salary for his best 5 years of work is \$25,000. His normal retirement monthly benefit would be calculated as follows:

$$\frac{3.0\% \times 10 \text{ years} \times \$25,000}{12} = \$625.00 + \$100/\text{month to age 65 and } \$25/\text{month thereafter}$$

**NOTE: The \$100/ \$25 monthly supplement is only paid to members who actually work to their early or normal retirement date.**

C. Early Retirement. You are eligible for early retirement upon the attainment of age 55 and completion of 10 years of credited service.

D. Amount of Early Retirement Benefits. The amount of the early retirement benefit is calculated in the same manner as for normal retirement (Tier 1 or Tier 2) and is available as follows:

- (1) Beginning on the date on which you would have qualified for normal retirement; or
- (2) Beginning immediately upon retirement, but if beginning immediately, the amount of the monthly benefit is reduced by 2% for each year by which the commencement of benefits precedes the date which would have been your normal retirement date had you continued employment as a general employee. (See table below.)

<u>Age of Member</u>	<u>Reduction Factor</u>
55	.90
56	.92
57	.94
58	.96
59	.98
60	1.00

**Example of Early Retirement Benefit Calculation**

Assume the same example as for normal retirement above, but assume General Employee Smith is in Tier 1 and is age 55 with 10 years of employment instead of age 60 and 10 years of employment. His early retirement monthly benefit would be calculated as follows, using the appropriate age and reduction factor:

$$\frac{0.90 (2.8\% \times 10 \text{ years} \times \$25,000)}{12} = \$525.00 + \$100/\text{month to age 65 and } \$25/\text{month thereafter}$$

**NOTE: The \$100/ \$25 monthly supplement is only paid to members who actually work to their early or normal retirement date.**

E. Other Retirement Options. At retirement, certain additional options are available as follows:

- (1) Optional Forms of Retirement. In lieu of the amount and form of retirement income payable under normal and early retirement, you may elect to receive a retirement benefit in a different form so long as the form you elect is of equal actuarial value as the normal benefit. The optional forms of benefits which are available are:

- (a) A retirement income of a monthly amount payable to you for your lifetime only, ceasing upon death, but with 120 monthly payments guaranteed in any event.
- (b) A retirement income of a modified monthly amount, payable to you during your lifetime and following your death, 100%, 66 2/3%, 75% or 50% of such monthly amount payable to a joint pensioner for his lifetime.
- (c) If you retire prior to the time at which social security benefits are payable, you may elect to receive an increased retirement benefit until such time as social security benefits shall be assumed to commence and a reduced benefit thereafter in order to provide, to as great an extent as possible, a more level retirement allowance during the entire period of retirement.
- (d) If you retire under normal retirement and do not participate in the DROP, you may also elect to receive an initial lump sum payment equal to 10%, 15%, 20% or 25% of your accrued benefit with the remaining 90% 85%, 80% or 75%, respectively, payable in a form selected by you and provided for in (a), (b) or (c) above or in the normal form (life annuity).

(2) Deferred Retirement Option Plan (DROP).

- (a) If you become eligible for normal retirement, or if you are a City employee who has attained age 55 and completed 30 years of credited service and are still employed by the City or the Authority as a General Employee, you have the option of "retiring (with an early retirement reduction if applicable)" from the pension plan but continuing your employment as a General Employee for a period not to exceed 60 months beginning at the time your election to participate in the DROP first becomes effective. In no event, however, may you participate more than 5 years from the date you first became eligible for normal retirement. An election to participate in the DROP constitutes an irrevocable election to resign from the service of the City or the Authority not later than 5 years from the date you first became eligible for normal retirement. You must request, in writing, to enter the DROP.
- (b) Upon entering the DROP, your retirement benefit is immediately calculated and each monthly benefit payment is deposited into your DROP account. You may elect to either have your account credited with interest at the rate of 3.5% per annum or credited or debited with an investment return or loss equal to the net investment return realized by the system for that quarter. One change in election is permitted.
- (c) At the time of termination of employment at the end of the DROP period, you will receive your account balance in a lump sum and you will also begin receiving your monthly retirement benefit.
- (d) Once you enter the DROP, you are no longer eligible for disability or pre-retirement death benefits, nor do you accrue any additional credited service. Your retirement benefit is



fixed as of your entry date. You pay no member contributions to the plan once you enter the DROP, unless you enter the DROP as a City employee upon the completion of 30 years of credited service and are at least age 55, in which case, you shall continue to make member contributions until you reach age 60 or end your DROP participation and terminate employment.

- (e) Participation in the DROP is not a guarantee of employment and you shall be subject to the same employment standards and policies that are applicable to those employees who are not DROP participants.
- (f) Additional information about the DROP can be obtained from the Board.

F. Disability Retirement. If you have 2 years or more credited service and you become totally and permanently disabled to the extent that you are unable to engage in any reasonable occupation, you shall be entitled to a disability benefit. “Reasonable Occupation” means any occupation which other individuals who have an educational background similar to you, are in good health, and are actually engaged in as their principal means of financial support.

A written application is made to the Board of Trustees for a disability pension and the Board of Trustees receives evidence of the disability and decides whether or not the pension is to be granted. If the pension is granted, the benefit amount shall be 2.8% (3% for Tier 2 members) of your average final compensation multiplied by your years of credited service, not to exceed 30 years of credited service, but in any event, the minimum amount paid to you shall be 25% of your average final compensation. In the event your disability is directly caused by the performance of your duties as a general employee, the minimum amount paid to you shall be 42% of your average final compensation.

Eligibility for disability benefits. Subject to (4) below, you must be an active member of the plan on the date the Board determines your entitlement to a disability benefit.

- (1) Terminated persons, either vested or non-vested, are not eligible for disability benefits.
- (2) If you voluntarily terminate your employment either before or after filing an application for disability benefits, you are not eligible for disability benefits.
- (3) If you are terminated by the City or Authority for any reason other than for medical reasons, either before or after you file an application for disability benefits, you are not eligible for disability benefits.
- (4) The only exception to (1) above is:
  - (a) If you are terminated by the City or Authority for medical reasons and you have already applied for disability benefits before the medical termination, or;
  - (b) If you are terminated by the City or Authority for medical reasons and you apply within 30 days after your medical termination date.

If either (4)(a), or (4)(b) above applies, your application will be processed and fully considered by the board.

Your benefit will be reduced if you receive worker's compensation and/or social security disability benefits and your combined benefit exceeds 100% of your average monthly wage. The pension benefit will be reduced so that the total does not exceed 100%.

Your disability benefits will cease upon:

- (1) recovery from your disability; or
- (2) death, unless you have selected a permissible optional form of benefit, in which event, the option shall control.

To receive disability benefits, you must establish to the satisfaction of the Board, that such disability was not occasioned primarily by:

- (1) Excessive or habitual use of any drugs, intoxicants or narcotics.
- (2) Injury or disease sustained while willfully and illegally participating in fights, riots, civil insurrections or while committing a felony.
- (3) Injury or disease sustained while serving in any branch of the Armed Forces.
- (4) Injury or disease sustained, diagnosed or discovered subsequent to the date your employment has terminated.
- (5) Injury or disease sustained while working for anyone other than the City or the Authority and arising out of such employment.
- (6) Injury or disease sustained as a result of an act of war, whether or not such act arises from a formally declared state of war.
- (7) Willful, wanton or intentional misconduct or gross negligence.
- (8) A condition pre-existing your membership in the plan.

As a disabled pensioner, you are subject to periodic medical examinations as directed by the Board to determine whether a disability continues. You may also be required to submit statements from your doctor, at your expense, confirming that your disability continues. The Board or any member of the Board may also authorize the surveillance of disability applicants or disability retirees to assist in determining disability status. The Board may suspend your benefit if you fail to provide the completed sworn statement within 90 days from the date the sworn statement is requested, in writing, by the Board.

G. Death Before Retirement.

- (1) If you have less than 5 years of credited service and die prior to retirement from the City or the Authority, your beneficiary shall receive a return of your accumulated contributions, with interest if applicable.
- (2) Benefit Payable in the Event of Death While in Service on or Prior to Normal Retirement Date. If you die and have at least 5 years of credited service, and your death is prior to your early or normal retirement date, your beneficiary shall receive a monthly income which can be provided by (a) or (b), whichever is greater, where:

- (a) is the single-sum value of your accrued benefit which you have accrued to the date of your death; provided, however, if you had met the requirements for early retirement, the single-sum value as used in this section shall not be less than the single-sum value of the early retirement benefit, which would have been payable if you had retired early on the date of your death; and
  - (b) is (i) or (ii), whichever is smaller, where (i) is 24 times the average final compensation preceding the date of death, and (ii) is 100 times your anticipated monthly retirement income at the normal retirement date.
- (3) Benefit Payable in Event of Death While in Service After Normal Retirement Date. If you are actively employed and you die after reaching your normal retirement date, there shall be payable to your designated beneficiary, a monthly income which can be provided by (a) or (b), whichever is greater, where:
- (a) is the single-sum value of your monthly retirement income, assuming you had retired on your date of death, and
  - (b) is (i) or (ii), whichever is smaller, where (i) 24 times your rate of final monthly compensation at the date of your death, and (ii) is 100 times your monthly retirement income, assuming you had retired on your date of death.

Notwithstanding the above, you may select, on a form provided by the board, an optional pre-retirement death benefit to be paid to your beneficiary or joint pensioner in the event you die before your actual retirement date. If you do survive to your actual retirement date, a new or change in benefit election will be made.

- (4) Manner of Payment of Death Benefits. The normal form of payment of the death benefit is a monthly income payable for 10 years certain and life thereafter. Certain optional forms of benefits shall also be available.

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

- (1) If you have less than 5 years of credited service upon termination, you shall be entitled to a refund of any money you have contributed or you may leave it deposited with the plan.
- (2) If you have 5 or more years of credited service upon termination, you shall be entitled to a monthly retirement benefit, payable for life. The benefit shall be determined in the same manner as for normal or early retirement and shall be based upon your credited service, average final compensation and the benefit accrual rate as of the date of termination. The benefit shall be payable to you commencing on the date that would have been your normal retirement date had you continued employment, provided your accumulated contributions remain in the plan and provided you survive to your otherwise normal or early retirement date. If you do not withdraw your accumulated contributions and do not survive to your otherwise normal or early retirement date, your designated beneficiary shall be entitled to a

benefit as provided herein for a deceased member, vested or eligible for retirement under Death Before Retirement.

- (3) Except as otherwise provided herein, if you are not otherwise fully vested you shall have a minimum vested interest in the amount of your accrued benefit equal to the percentage thereof, as hereinafter indicated, applicable to the number of your years of credited service:

Full Years of Credited Service as of Date of Termination of Service	Vested Percentage of Accrued Deferred Retirement Income
Less than 5 years	0%
5 years but less than 6	25%
6 years but less than 7	40%
7 years but less than 8	55%
8 years but less than 9	70%
9 years but less than 10	85%
10 or more years	100%

Provided, however, if you meet the early retirement provisions or the normal retirement provisions you shall be 100% vested regardless of the above schedule.

- (4) In the event that you die prior to the date as of which retirement income payments are to commence as described above, your beneficiary will receive the monthly retirement income, payable for 10 years certain and life thereafter, which can be provided by the single-sum value of the benefit as of the date of your death. Optional forms of benefits are also available.

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

I. Reemployment After Retirement.

If you retire under normal or early retirement and wish to be reemployed by the City or the Authority, you should be aware that your ability to continue to receive your pension benefit upon reemployment may be restricted. While the plan may be permitted to make benefit payments to you if you are reemployed, in this event you may be subject to a 10% tax penalty, which penalty may continue until you attain age 59 ½, whether or not you continue to be employed by the City or the Authority.

J. Additional Credited Service. In addition to credited service actually earned in the employment of the City or the Authority or KUA, you may also receive credited service as follows:

- (1) Buy-Back for Military Service Prior to Employment. The years or fractional parts of years that you serve or have served in the active military service of the Armed Forces of the United States, the United States Merchant Marine or the United States Coast Guard, voluntarily or involuntarily, honorably or under honorable conditions, prior to first and initial employment with the City or the Authority shall be added to your years of credited service provided that:

- (a) You contribute to the plan a sum of money equal to:
  - (i) the amount that you would have contributed to the plan, based on your salary and the member contribution rate in effect at the time that the credited service is requested, had you been a member of the plan for the years or fractional parts of years for which you are requesting credit, plus
  - (ii) amounts actuarially determined such that the crediting of service does not result in any cost to the plan, plus
  - (iii) the amount charged by the actuary for determining the amount you must contribute.
- (b) Multiple requests to purchase credited service may be made at any time prior to retirement.
- (c) Payment of the required amount shall be made within 6 months of your request for credit, but not later than your retirement date, and shall be made in one lump sum payment upon receipt of which credited service shall be given.
- (d) The maximum credit under this section shall be 4 years, but such credited service shall not count toward vesting or eligibility for disability retirement.
- (e) You may not purchase credited service after the effective date of your election to participate in the DROP.
- (2) Family and Medical Leave Act. Any period of time that you are on leave without pay from the City or the Authority pursuant to the Family and Medical Leave Act shall be included as credited service.
- (3) Buy-Back for Prior Government Service. Unless otherwise prohibited by law, the years or fractional parts of years that you previously served as a General Employee with the City or the Authority during a period of previous employment, or as an Employee of Kissimmee Utility Authority, or the years or fractional parts of years that you previously served as an employee for any governmental agency in the United States, including but not limited to federal, state or local government service, and for which you do not otherwise qualify for and receive credit under this plan, shall be added to your years of credited service provided that:
  - (a) You contribute to the plan a sum of money equal to:
    - (i) the amount that you would have contributed to the plan, based on your salary and the member contribution rate in effect at the time that the credited service is requested, had you been a member of the plan for the years or fractional parts of years for which you are requesting credit, plus
    - (ii) amounts actuarially determined such that the crediting of service does not result in any cost to the plan, plus

- (iii) payment of costs for all professional services rendered to the Board in connection with the purchase of years of credited service.
  - (b) The request shall be made only once at any time prior to retirement.
  - (c) Payment of the required amount shall be made within 6 months of your request for credit, but not later than your retirement date in any event, and shall be made in one lump sum payment upon receipt of which credited service shall be given.
  - (d) There shall be no maximum credit under this section and credited service purchased shall count for all purposes, including vesting subject to the 30 year limitation, except that credited service purchased for prior government service other than with the City or the Authority shall not count toward vesting or eligibility for disability retirement.
  - (e) In no event, however, may credited service be purchased pursuant to this section for prior service with the Kissimmee Utility Authority or other governmental agency, if such prior service forms or will form the basis of a retirement benefit or pension from a different employer's retirement system or plan.
  - (f) You may not purchase credited service after the effective date of your election to participate in the DROP.
- (4) Rollovers or Transfers of Funds to Purchase Service. In the event you are eligible to purchase additional credited service as provided above, you may be eligible to rollover or transfer funds from another retirement program in which you participate (traditional IRA, deferred compensation plan maintained by a government employer (457 plan), 401k plan, profit sharing plan, defined benefit plan, money purchase plan, annuity plan or tax sheltered annuity) in order to pay all or part of the cost of purchasing such additional credited service.

K. Contributions and Funding. The City and the Authority are paying the portion of the cost of the pension plan over and above your contributions. You contribute 3.69% of your salary to the plan if you are a Tier 1 member and 7.50% of your salary if you are a Tier 2 member. If you are an Authority member and have completed 30 years of credited service, you shall no longer be required to make member contributions. Your contribution will be excluded from your gross income for withholding purposes so you will realize income tax benefits.

The contribution rate for Tier 2 members shall not be increased above 7.5%, except to fund additional benefits, and shall be reevaluated every 3 years and adjusted if the current contribution rate is less than or greater than the required funding for the increased benefits being received by Tier 2 members. The rate may be increased to an amount not to exceed 7.5%.

L. Maximum Benefits. In no event will the benefits paid from this plan exceed ~~\$230,000.00~~ \$265,000.00 annually, subject to certain cost of living adjustments and actuarial reductions, under certain circumstances, for retirement prior to age 62 as set forth in Section 415 of the Internal Revenue Code.

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

M. Forfeiture of Pension. If you are convicted of certain crimes listed in the plan, or if your employment is terminated by reason of your admitted commission, aid or abetment of these crimes, you shall forfeit all rights and benefits under the plan, except for the return of your contributions as of the date of your termination.

N. Claims Procedure Before the Board. You may request, in writing, that the Board review any claim for benefits under the plan. The Board will review the case and enter a decision as it deems proper within not more than 270 days from the date of the receipt of such written request, or in the case of a disability claim, from receipt of a medical release and completed interrogatories. The time period may be extended if you agree to the extension.

The Board's decision on your claim will be contained in an order which will be in writing and will include:

- (1) The specific reasons for the Board's action;
- (2) A description of any additional information that the Board feels is necessary for you to perfect your claim;
- (3) An explanation of the review procedure next open to you which includes a formal evidentiary hearing.

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

A. Liquidation of Pension Fund Assets. In the event of repeal, or if contributions to the plan are discontinued by the City or the Authority, there will be a full vesting of benefits accrued to date of repeal.

B. Interest of Members in Pension Fund. At no time prior to the satisfaction of all liabilities under the plan shall any assets of the plan be used for any purpose other than for the General Employees' exclusive benefit. In any event, your contributions to the plan are non-forfeitable.

#### 6. VESTING OF BENEFITS

Your retirement benefits are fully vested after 10 years of credited service and partially vested between 5 and 10 years of service.

#### 7. APPLICABLE LAW

The plan is governed by certain federal, state and local laws including, but not limited to the following:

- A. Internal Revenue Code and amendments thereto.
- B. Part VII, Chapter 112, Florida Statutes, "Actuarial Soundness of Retirement Systems".
- C. Ordinances of the City of Kissimmee.
- D. Administrative rules and regulations adopted by the Board of Trustees.

#### 8. PLAN YEAR AND PLAN RECORDS

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

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

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

10. **FINANCIAL AND ACTUARIAL INFORMATION**

A report of pertinent financial and actuarial information on the solvency and actuarial soundness of the plan is attached as Exhibit "B".

11. **DIVORCE OR DISSOLUTION OF MARRIAGE**

Federal and state law provides certain restrictions regarding the payment of your pension benefits in the event of your divorce or dissolution of marriage. Immediately upon your involvement in such a legal proceeding, you should provide ~~a member of the Board~~ the Plan Administrator with the name and address of your attorney or your name and address if you have no attorney. The Board's attorney will then provide you or your attorney with information concerning the legal restrictions regarding your pension benefits. In addition, a copy of any proposed order must be submitted to the Board prior to entry by the court. Failure to do so may require you to pay any expenses incurred by the Board in correcting an improper court order.

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

The Florida Legislature has adopted Section 732.703, Florida Statutes. This law nullifies the designation of your ex-spouse as a Beneficiary or Joint Annuitant / Joint Pensioner on your pension plan retirement benefits. This law went into effect on July 1, 2012. This law contains several exceptions, including not changing the designation of your beneficiary or joint pensioner by Court Order.

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

To reconfirm your current beneficiary, or to designate a new beneficiary, complete a new Designation of Beneficiary Form (PF-3).

To reconfirm your current joint annuitant/joint pensioner, or to designate a new joint annuitant/joint pensioner (if authorized by the current plan provisions), indicate such change on a Change or Confirmation of Designated Joint Annuitant or Joint Pensioner Form (PF-25). If necessary, the plan administrator will submit the new form to the actuary of the plan for recalculation of your benefit. There may be a charge to you to make this change.

To obtain either of the above forms, or if you have any questions, please contact your plan administrator.



**EXHIBIT "A"**

**BOARD OF TRUSTEES**

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

Chairman: Chris Wilson  
City of Kissimmee  
101 Church Street  
Kissimmee, Florida 34741

Vice:  
Chairman Tony Curtis  
City of Kissimmee  
101 Church Street  
Kissimmee, Florida 34741

Secretary: Craig Holland  
City of Kissimmee  
101 Church Street  
Kissimmee, Florida 34741

Member: Beth Stefek  
City of Kissimmee  
101 Church Street  
Kissimmee, Florida 34741

Member: Janin Butler  
City of Kissimmee  
101 Church Street  
Kissimmee, Florida 34741

Member: Rodney Henderson  
City of Kissimmee  
101 Church Street  
Kissimmee, Florida 34741

Member: Joe Walk  
City of Kissimmee  
101 Church Street  
Kissimmee, Florida 34741

**PLAN ADMINISTRATOR**

Ms. Linda Gomez  
Kissimmee General Employees' Retirement Plan  
101 Church Street  
Kissimmee, FL 34741

Business: 407-518-2115  
[Linda.Gomez@kissimmee.gov](mailto:Linda.Gomez@kissimmee.gov)

# EXHIBIT B

2021 Florida Local Government Retirement Systems Actuarial Fact Sheet

<b>City/District Name:</b> Kissimmee		<b>Employee group(s) covered:</b> General	
<b>Current actuarial valuation date:</b> 10/1/2020		<b>Plan Status:</b> Active	<b>Date prepared:</b> 1/13/2022
<b>Number of plan participants:</b> 889		<b>GASB 67 Reporting</b>	
<b>Actuarial Value of Plan Assets (AVA):</b>	\$133,785,211	<b>Discount Rate</b>	7.30%
<b>Actuarial Accrued Liability (AAL):</b>	\$153,874,665	<b>Total Pension Liability</b>	152,677,632
<b>Unfunded Accrued Liability (UAL):</b>	\$20,089,454	<b>Market Value of Plan Assets</b>	128,512,558
<b>Market Value of Plan Assets (MVA):</b>	\$133,328,986	<b>Net Pension Liability</b>	24,165,074
<b>MVA Funded Ratio (5-year history):</b>		<b>GASB 67 Funded Ratio</b>	84.17%
		<b>Averages for all plans with 2020 current actuarial valuation date</b>	
Current valuation	86.65%	90.52%	*
1 year prior	84.89%	86.77%	*
2 years prior	88.24%	89.02%	*
3 years prior	87.45%	86.31%	*
4 years prior	82.85%	82.76%	*
<b>Rate of Return:</b> Actuarial Value, Actual (2020 Plan Year)	7.21%	8.10%	
Market Value, Actual	8.76%	8.39%	
Assumed	7.00%	7.10%	
<b>Funding requirement as percentage of payroll:</b>	25.15%	60.19%	**
<b>Percentage of payroll contributed by employee:</b>	4.00%	6.48%	**
<b>Funding requirement as dollar amount:</b>	6,044,329	N/A	

**Benefit Formula Description:** (2.8% tier 1, 3.0% tier 2) x AFC x SC; MAX 30CS  
**AFC Averaging Period (years):** 5  
**Employees covered by Social Security?** Yes

**Additional actuarial disclosures required by section 112.664, Florida Statutes:**

Florida Statute Chapter	Discount Rate	Pension Liability	Market Value of Plan Assets	Net Pension Liability	Years assets sustain benefit payments	Total Dollar Contribution	Total % of Pay Contribution
112.664(1)(a)	7.30%	149,578,678	128,512,558	21,066,120	40.17	6,295,533	25.47
112.664(1)(b)	5.30%	187,757,426	128,512,558	59,244,868	20.83	12,202,386	49.38
Valuation Basis	7.30%	N/A	N/A	N/A	40.17	6,295,533	25.47

Link to annual financial statements: <https://frs.fl.gov/forms/LOC5340370PDF10012020N1.pdf>

\*Adjusted by excluding plans from average whose Funded Ratios were not within two standard deviations from the mean  
 \*\*Excludes plans with zero payroll

(For explanation of terms, see glossary on page 2)

## Actuarial Summary Fact Sheet – Glossary of Terms

<b>Plan Status:</b>	Active, Closed (closed to new entrants) and Frozen (closed to new entrants and no further benefit accruals)
<b>Actuarial Value of Plan Assets (AVA):</b>	Assets calculated under an asset valuation method smoothing the effects of volatility in market value of assets. Used to determine employer contribution.
<b>Actuarial Accrued Liability (AAL):</b>	Portion of Present Value of Fully Projected Benefits attributable to service credit earned as of the current actuarial valuation date.
<b>Unfunded Accrued Liability (UAL):</b>	The difference between the actuarial accrued liability and the actuarial value of assets accumulated to finance the obligation.
<b>Market Value of Plan Assets (MVA):</b>	The fair market value of assets, including DROP accounts.
<b>MVA Funded Ratio:</b>	Market Value of Plan Assets divided by Actuarial Accrued Liability (GASB)
<b>Rate of Return (Assumed):</b>	Assumed long-term rate of return on the pension fund assets.
<b>Funding requirement as percentage of payroll:</b>	Total Required Contribution (employer and employee) divided by total payroll of active participants. No interest adjustment is included.
<b>Funding requirement as dollar amount:</b>	Total Required Contribution (employer and employee). No interest adjustment is included.
<b>AFC:</b>	Average Final Compensation or some variant of compensation (e.g., AME [Average Monthly Earnings], FAC [Final Average Compensation], FMC [Final Monthly Compensation] etc.)
<b>SC:</b>	Service Credit

## Section 112.664 – Glossary of Terms

<b>Florida Statute Chapter:</b>	112.664(1)(a) – uses mortality tables used in either of the two most recently published FRS valuation reports, with projection scale for mortality improvement  112.664(1)(b) – uses same mortality assumption as 112.664(1)(a) but using an assumed discount rate equal to 200 basis points (2.00%) less than plan’s assumed rate of return.  Valuation Basis – uses all the assumptions in the plan's valuation as of the current actuarial valuation date.
<b>Discount Rate:</b>	Rate used to discount the liabilities. Typically the same as assumed rate of return on assets.
<b>Total Pension Liability:</b>	Actuarial Accrued Liability measured using the appropriate assumptions as specified above and the Traditional Individual Entry Age Normal Cost method.
<b>Net Pension Liability:</b>	Total Pension Liability minus Market Value of Plan Assets.
<b>Years assets sustain benefit payments:</b>	Assuming no future contributions from any source, the number of years the market value of assets will sustain payment of expected retirement benefits. The number of years will vary based on the Florida Statute Chapter assumption.
<b>Total Dollar Contribution:</b>	Required contribution from all sources (i.e., employee and sponsor). Contribution will vary based on the Florida Statute Chapter assumption.
<b>Total % of Pay Contribution:</b>	Total Dollar Contribution divided by total payroll of active participants
<b>Annual financial statements:</b>	A report issued which covers a local government retirement system or plan to satisfy the financial reporting requirements of section 112.664(1), F.S.