

**CITY OF LYNN HAVEN GENERAL EMPLOYEES' RETIREMENT SYSTEM
SUMMARY PLAN DESCRIPTION**

June 11, 2021

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

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INTRODUCTION

The Board of Trustees (the "Board") of the City of Lynn Haven General Employees' Retirement System (the "Plan") is pleased to present this Summary Plan Description (SPD) which briefly explains the provisions of your General Employees' 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 SPD can assist you in preparing for your retirement and financial future. If you need further information on any of the topics presented in this SPD, please contact any member of the Board. They will either answer questions you might have to help you understand your benefits or otherwise get you an answer to your questions. We urge you to read and understand this SPD in order to become familiar with the benefits of the Plan and how they contribute to your financial security and how they will enrich your retirement years.

The information presented is only a summary of the Plan as provided in the ordinances of the City of Lynn Haven (the "City"). This SPD has been updated through Ordinance 1089, dated March 10, 2020. If there are any conflicts between the information in this SPD and the ordinances of the City, the ordinances shall govern. The provisions of this SPD shall not constitute a contract between you and the Board. The Plan shall be administered in accordance with state and federal law, notwithstanding any provisions in this booklet or ordinances to the contrary. A copy of the ordinance establishing the Plan can be obtained from the City Clerk's office, which is located at 825 Ohio Avenue, Lynn Haven, Florida 32444.



Chair, Board of Trustees, City of Lynn Haven
General Employees' Retirement System

6/22/21

Date

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

A. Administration. The City of Lynn Haven General Employees' Retirement System is a defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the Plan. The Board consists of 5 Trustees, 2 of whom are legal residents of the City and appointed by the City Commission, 2 of whom are members of the Plan who are elected by a majority of the General Employees who are members of the Plan and a fifth Trustee who is chosen by a majority of the first 4 Trustees. Each Trustee serves a four year term.

B. The names and addresses of the current Trustees are attached to this SPD as Exhibit "A". The Chair of the Board is designated as agent for the service of legal process.

2. **ELIGIBILITY FOR PLAN MEMBERSHIP**

All General Employees who are members of the Plan as of April 27, 1993, and all future new General Employees are members as a condition of employment. The City manager may opt-out within 60 days of employment.

3. **PLAN BENEFITS**

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

A. Normal Retirement Eligibility. Prior to October 1, 2000, you are eligible for retirement upon the attainment of age 60 and the completion of 10 years of Credited Service. On or after October 1, 2000, you are eligible for retirement upon the attainment of age 55 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:

"Credited Service" is generally your period of employment as a General Employee for the City and membership in the Plan measured in years and parts of years. Credited Service will include credit for up to 5 years for a break in employment for military service, pursuant to conditions provided for under state or federal law, provided that you are reemployed within 1 year of discharge under honorable conditions. Additional Credited Service time may also be available (See subsection J. below).

"Average Final Compensation" is 1/12 of the average salary of the best 5 years of the last 10 years of Credited Service prior to your termination, retirement or death, or your career average as a full time general employee, whichever is greater. A year is defined as 12 consecutive months.

"Salary" means the total compensation reported on your W-2 form plus all tax deferred or tax exempt items of income. For service earned on or after July 1, 2011, Salary shall not include more than 300 hours of overtime per fiscal year. Provided however, in any event, payments for overtime in excess of 300 hours per year accrued as of July 1, 2011, and attributable to service earned prior to the 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.

Prior to October 1, 2000, your normal retirement benefit is calculated by multiplying 2.25% times years of Credited Service times your Average Final Compensation ($2.25\% \times \text{CS} \times \text{AFC} = \text{normal retirement benefit}$). On or after October 1, 2000, your normal benefit is calculated by multiplying 2.5% times years of Credited Service times your Average Final Compensation ($2.5\% \times \text{CS} \times \text{AFC} = \text{normal retirement benefit}$). On or after October 1, 2002, your normal retirement benefit is calculated by multiplying 3% times years of Credited Service times your Average Final Compensation ($3\% \times \text{CS} \times \text{AFC} = \text{normal retirement benefit}$).

Normal and early retirement payments will commence on the first day of the month coincident with or next following your last day of employment. Early retirees may defer the commencement of benefits. The benefit is paid to you for your life, but you or your beneficiary shall receive at least 120 monthly benefit payments under the normal form of benefit. Alternate optional forms are available as provided for in paragraph E.

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

C. Early Retirement. You are eligible for early retirement upon the attainment of age 50 and the 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 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 1/15th for each of the first 5 years and 1/30th for each of the next 5 years by which the commencement of benefits precedes the 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.
 - (b) A retirement income of a modified monthly amount, payable to you during your lifetime and following your death, 100%, 75%, 66-2/3% or 50% of such monthly amounts payable to a joint pensioner for their lifetime.

- (c) If you retire prior to the time at which Social Security benefits are payable, you may elect to receive an increased retirement benefit until such time as social security benefits shall be assumed to commence and a reduced benefit thereafter in order to provide, to as great an extent as possible, a more level retirement allowance during the entire period of retirement.
 - (d) You may also elect to receive an initial lump sum payment equal to 5%, 10%, 15%, or 20% of your accrued benefit with the remaining 95%, 90%, 85%, or 80%, respectively, payable in a form selected by you and provided for in (a), (b), or (c) above or in the normal form (10 years certain and life).
- (2) Deferred Retirement Option Plan (DROP).
- (a) If you become eligible for normal retirement, and are still employed by the City as a General Employee, you have the option of "retiring" from the Plan but continuing your employment as a General Employee for an additional 5 years. An election to participate in the DROP constitutes an irrevocable election to resign from the service of the City not later than the maximum permissible DROP participation period provided for in the Plan. You must request, in writing, to enter the DROP.
 - (b) Upon entering the DROP, your retirement benefit is immediately calculated and each monthly benefit payment is deposited into your DROP account. Your account earns an investment return approximately equal to the other assets of the Plan. You could experience losses as well as gains.
 - (c) At the time of termination of employment at the end of the DROP period, you will receive your account balance in a lump sum or in another optional form and you will also begin receiving your monthly retirement benefit.
 - (d) Once you enter the DROP, you are no longer eligible for disability or pre-retirement death benefits, nor do you accrue any additional Credited Service. Your retirement benefit is fixed as of your entry date. You pay no member contributions to the Plan once you enter the DROP.
 - (e) Participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants
 - (f) Additional information about the DROP can be obtained from the Board.

F. Disability Retirement. You are considered disabled when you become totally and permanently unable to perform useful and efficient service as a General Employee. A written application is made to the Board for a disability pension and the Board receives evidence of the disability and decides whether or not the pension is to be granted. If the pension is granted, the benefit amount shall be:

- (1) Prior to October 1, 2000, if the injury or disease is service connected, your benefit will be, 2.25% of your Average Final Compensation multiplied by your number of years of Credited Service, actuarially reduced to reflect the number of years by which the disability retirement date precedes your otherwise normal retirement date. On or after October 1, 2000, if the injury or diseases is service connected, your benefit will be, 2.5% of your Average Final Compensation multiplied by your number of years of Credited Service, actuarially reduced to reflect the number of years by which the disability retirement date precedes your otherwise normal retirement date. On or after October 1, 2002, if the injury or diseases is service connected, your benefit will be, 3% of your Average Final Compensation multiplied by your number of years of Credited Service, actuarially reduced to reflect the number of years by which the disability retirement date precedes your otherwise normal retirement date.
- (2) Prior to October 1, 2000, if the injury or disease is not service connected, 2.25% of your Average Final Compensation multiplied by your total years of Credited Service, actuarially reduced to reflect the number of years by which the disability retirement date precedes the otherwise normal retirement date. On or after October 1, 2000, if the injury or disease is not service connected, your benefit will be 2.5% of your Average Final Compensation multiplied by your total years of Credited Service, actuarially reduced to reflect the number of years by which the disability retirement date precedes your otherwise normal retirement date. On or after October 1, 2002, if the injury or disease is not service connected, your benefit will be 3% of your Average Final Compensation multiplied by your total years of Credited Service, actuarially reduced to reflect the number of years by which the disability retirement date precedes your otherwise normal retirement date. This non-service connected benefit is only available if you have 10 years of Credited Service.

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 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 for medical reasons and you have already applied for disability benefits before the medical termination; or
 - (b) If you are terminated by the City 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 disability benefit terminates upon the earlier of death, with 120 payments guaranteed, or recovery. You may, however, select a "life only" or "joint and survivor" optional form of benefit as described above under "Optional Forms of Retirement".

Your benefit may be reduced if you receive worker's compensation benefits or Social Security disability benefits and your combined benefit exceeds 100% of your final Salary. The pension benefit will be reduced so that the total does not exceed 100%.

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

- (1) Excessive or habitual use of any drugs, intoxicants or narcotics.
- (2) Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections.
- (3) Injury or disease sustained while committing a crime.
- (4) Injury or disease sustained while serving in any branch of the Armed Forces.
- (5) Injury or disease sustained after your employment as a General Employee with the City shall have terminated.
- (6) Willful, wanton or intentional misconduct or gross negligence.
- (7) Injury or disease sustained by you while working for anyone other than the City and arising out of such employment.
- (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.

G. Death Before Retirement. If you die prior to retirement from the City, your beneficiary shall receive the following benefit:

(1) Prior to Vesting or Eligibility for Retirement.

If you were not vested or eligible for early or normal retirement, your beneficiary shall receive a refund of 100% of your accumulated contributions.

(2) Deceased Members Vested or Eligible for Retirement with Spouse as Beneficiary. If you die and, at the date of your death were vested or eligible for early or normal retirement, your spouse beneficiary shall be entitled to a benefit as follows:

(a) If you were vested, but not eligible for normal or early retirement, your spouse beneficiary shall receive a benefit payable for 10 years, beginning on the date that you would have been eligible for early or normal retirement, at the option of the spouse beneficiary. The benefit shall be calculated as for normal retirement based on your Credited Service and Average Final Compensation as of the date of your death and reduced as for early retirement, if applicable. Your spouse beneficiary may also elect to receive an immediate benefit, payable for 10 years, which is actuarially reduced to reflect the commencement of benefits prior to the early retirement date.

(b) If you were eligible for normal or early retirement, your spouse beneficiary shall receive a benefit payable for 10 years, beginning on the first day of the month following your death or at your otherwise normal retirement date, at the option of the spouse beneficiary. The benefit shall be calculated as for normal retirement based on your Credited Service and Average Final Compensation as of the date of your death and reduced as for early retirement, if applicable.

(c) Your spouse beneficiary may not elect an optional form of benefit. However, the Board may elect to make a lump sum payment.

(d) Your spouse beneficiary may, in lieu of any benefit provided for in (a) or (b) above, elect to receive a refund of your accumulated contributions.

(e) If your spouse beneficiary commences receiving a benefit under (a) or (b) above, but dies before all payments are made, the remaining benefit shall be paid to the estate of the spouse beneficiary.

(3) Deceased Members Vested or Eligible for Retirement with Non-Spouse Beneficiary. If your beneficiary is not your spouse, the benefits payable to your non-spouse beneficiary are the same as those to a spouse beneficiary, however, the date of commencement of those

benefits may be required to be earlier, with the resulting reduction in the amount.

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 10 years of Credited Service upon termination, or less than 5 years if you hold the position of City Manager, you shall be entitled to a refund of the money you have contributed or you may leave it deposited with the Plan.
- (2) If you have 10 or more years of Credited Service upon termination, or more than 5 years if you hold the position of City Manager, you shall be entitled to a monthly retirement benefit payable to you starting at your otherwise normal or early retirement date, provided you do not elect to withdraw your contributions and provided you survive to your otherwise normal or early retirement date. If you do not withdraw your accumulated contributions and do not survive to your otherwise normal or early retirement date, your designated beneficiary shall be entitled to a benefit as provided herein for a deceased member, vested or eligible for retirement under Death Before Retirement.

The Internal Revenue Code provides that certain eligible lump sum distributions from the 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. Any retiree under this Plan except for disability retirement as previously provided for, may be reemployed by any public or private employer, except the City, and may receive compensation from that employment without limiting or restricting in any way the retirement benefits payable under the Plan. Reemployment by the City shall be subject to the limitations set forth in this section.

- (1) After normal retirement. Any retiree who is retired under normal retirement pursuant to the Plan and who is reemployed after 1 year of retirement from the Plan and, by virtue of that reemployment, is eligible to participate in the Plan, shall upon being reemployed, discontinue receipt of benefits. Upon reemployment, you shall be deemed to be fully vested and the additional Credited Service accrued during the subsequent employment period shall be used in computing a second benefit amount attributable to the subsequent employment period, which benefit amount shall be added to the benefit determined upon the initial retirement to determine the total benefit payable upon final retirement. Calculations of benefits upon retirement shall be based upon the benefit accrual rate, Average Final Compensation, and Credited Service as of that date and the retirement benefit amount for any subsequent employment period shall be based upon the benefit accrual rate, Average Final Compensation (based only on the subsequent employment period and not including any period of DROP participation), and Credited Service as of the date of subsequent retirement. Upon reemployment, your contribution rate for the reemployed retiree shall be 5% for the entire subsequent employment period. The amount of any death or disability benefit received during a subsequent period of employment shall be reduced by the amount of

accrued benefit eligible to be paid for a prior period of employment. The optional form of benefit and any joint pensioner selected upon initial retirement shall not be subject to change upon subsequent retirement except as otherwise provided herein, but the retiree may select a different optional form and joint pensioner applicable only to the subsequent retirement benefit. Any retiree who is retired under normal retirement shall not be reemployed prior to 1-year after retirement.

- (2) After early retirement. Any retiree who is retired under early retirement pursuant to this system and who subsequently becomes an employee of the City in any capacity, shall discontinue receipt of benefits from the Plan until the earlier of termination of employment or such time as the reemployed retiree reaches age 62. If the reemployed person, by virtue of their reemployment, is eligible to participate in this Plan, that person shall accrue a second benefit as provided for in subsection (1) above and benefit payments shall remain suspended during any such subsequent employment period. If the reemployed person is not eligible to participate in this Plan, that person's pension benefit payments shall be suspended until termination of employment. Any retiree who is retired under early retirement shall not be reemployed prior to 1 year after retirement.
- (3) Reemployment of terminated vested persons. Reemployed terminated vested persons shall not be subject to the provisions of this section until such time as they begin to actually receive benefits. Upon receipt of benefits, terminated vested persons shall be treated as normal or early retirees for purposes of applying the provisions of this section and their status as an early or normal retiree shall be determined by the date they elect to begin to receive their benefit.
- (4) DROP participants. Retirees who are or were in the DROP shall, following termination or continuation of employment after DROP participation, be subject to the provisions of this section for reemployment after retirement.

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

- (1) Buy-Back for Prior City Service. The years or fractional parts of years that you serve or have served as an employee for any government agency in the United States, prior to first and initial employment with the City, shall be added to your years of Credited Service provided that:
 - (a) You contribute to the Plan a sum of money equal to an actuarially determined amount so that the crediting of the purchased service does not result in any cost to the Plan plus payment of costs for all professional services rendered to the Board in connection with the purchase of years of Credited Service.
 - (b) Multiple requests to purchase Credited Service pursuant to this section may be made at any time prior to retirement.

- (c) Payment by you of the required amount shall be made within 6 months of your request for credit 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 for service with the City and all years of Credited Service added pursuant to this section shall count for all purposes, including vesting, but shall not count for eligibility for not-in-line of duty disability benefits.
 - (e) The maximum credit under this section for service other than with the City when combined with Credited Service purchased for military service prior to employment shall be 5 years and shall count for all purposes except vesting and eligibility for not-in-line of duty disability benefits.
 - (f) In no event, however, may Credited Service be purchased pursuant to this section for prior service with any other municipality or county, if such prior service forms or will form the basis of a retirement benefit or pension from another retirement system or plan as set forth in the maximum pension section of your Plan document.
- (2) "Buy-Back" for Military Service Prior to Employment. The years or fractional parts of years that you serve or have served on active duty in the military service of the Armed Forces of the United States or the United States Merchant Marine, voluntarily or involuntarily and honorably or under honorable conditions, prior to first and initial employment with the City shall be added to your years of Credited Service provided that:
- (a) You contribute to the Plan a sum equal to an actuarially determined amount so that the crediting of the purchased service does not result in any cost to the fund plus payment of costs for all professional services rendered to the Board in connection with the purchased years of Credited Service.
 - (b) Multiple requests to purchase Credited Service pursuant to this section may be made at any time prior to retirement.
 - (c) Payment of the required amount shall be made within 6 months of your request for credit, but not later than your retirement date, and shall be made in one lump sum payment upon receipt of which Credited Service shall be given.
 - (d) The maximum credit under this subsection when combined with service purchased for an employer other than the City shall be 5 years and shall count for all purposes except vesting and eligibility for not-in-line of duty disability benefits.
- (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 is paying the portion of the cost of the Plan over and above your contributions and any amounts received from the state insurance rebates. You contribute 5% of your Salary to the Plan. Your contribution will be excluded from your gross income for withholding purposes so you will realize income tax benefits.

L. Maximum Benefits. In no event will the benefits paid from this Plan exceed \$230,000 annually, subject to certain cost of living adjustments and actuarial reductions for retirement prior to age 62 as set forth in Section 415 of the Internal Revenue Code.

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 the certain crimes listed in the Plan committed prior to retirement, or if your employment is terminated by reason of your admitted commission, aid or abetment of these crimes, you shall forfeit all rights and benefits under the Plan, except for the return of your contributions as of the date of your termination.

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 180 days from the date of the receipt of such written request, or in the case of a disability claim, from receipt of a medical release and completed interrogatories. The time period may be extended if you agree to continue.

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; and
- (3) An explanation of the review procedure next open to you which includes a formal evidentiary hearing.

4. NON-FORFEITURE OF PENSION BENEFITS

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

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

5. **VESTING OF BENEFITS**

Your retirement benefits are fully vested after 10 years of Credited Service. Effective March 10, 2020, the vesting period for the City Manager retained by the City Commission on January 14, 2020, will be upon the completion of 5 years of Credited Service.

6. **APPLICABLE LAW**

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

- A. Internal Revenue Code and amendments thereto.
- B. Part VII, Chapter 112, Florida Statutes, "Actuarial Soundness of Retirement Systems".
- C. Ordinances of the City.
- D. Administrative rules and regulations adopted by the Board.
- F. Section 112.3173, Florida Statutes, as amended.

7. **PLAN YEAR AND PLAN RECORDS**

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

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

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

9. **FINANCIAL AND ACTUARIAL INFORMATION**

A report of pertinent financial and actuarial information on the solvency and actuarial soundness of the Plan has been prepared by the Plan's actuary, Foster & Foster, Inc., and is attached as Exhibit "B".

10. **DIVORCE OR DISSOLUTION OF MARRIAGE**

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

Effective January 1, 2019, changes in the federal tax laws have eliminated tax deductions for alimony if a marriage was dissolved or a property settlement agreement was made on or after January 1, 2019. Modifications to existing orders or agreements on or after January 1, 2019, may be tax deductible if both parties agree.

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

The Florida Legislature has adopted Section 732.703, Florida Statutes. This law nullifies the designation of your ex-spouse as a beneficiary or joint annuitant/joint pensioner on your Plan retirement benefits. This law went into effect on July 1, 2012.

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

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

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

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

12. **FEDERAL INCOME TAX CONSEQUENCES**

The Plan is intended to qualify under Section 401 of the Internal Revenue Code as a qualified Plan. It is important that you consult qualified experts to determine whether or not you must pay taxes on the pension benefits you receive.

EXHIBIT "A"

BOARD OF TRUSTEES

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

Chair: Bernd Janke
825 Ohio Avenue
Lynn Haven, Florida 32444

Secretary: Flora (Kay) Carter
825 Ohio Avenue
Lynn Haven, Florida 32444

Member: Steve Summers
825 Ohio Avenue
Lynn Haven, Florida 32444

Member: Tracy Johnson
825 Ohio Avenue
Lynn Haven, Florida 32444

Member: Frank Hall
825 Ohio Avenue
Lynn Haven, Florida 32444

Exhibit "B"

CITY OF LYNN HAVEN GENERAL EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF PRINCIPAL VALUATION RESULTS

A. Participant Data	New Assump <u>10/1/2020</u>	Old Assump <u>10/1/2020</u>	<u>10/1/2019</u>
Actives	110	110	92
Service Retirees	36	36	33
DROP Retirees	4	4	9
Beneficiaries	5	5	4
Disability Retirees	1	1	1
Terminated Vested	<u>43</u>	<u>43</u>	<u>40</u>
Total	199	199	179
Total Annual Payroll	\$4,957,753	\$4,957,753	\$4,041,656
Payroll Under Assumed Ret. Age	4,809,067	4,809,067	3,989,174
Annual Rate of Payments to:			
Service Retirees	958,635	958,635	870,154
DROP Retirees	56,010	56,010	185,066
Beneficiaries	43,504	43,504	36,406
Disability Retirees	8,674	8,674	8,674
Terminated Vested	96,119	96,119	41,023
B. Assets			
Actuarial Value (AVA) ¹	19,802,564	19,802,564	19,178,649
Market Value (MVA) ¹	19,454,203	19,454,203	18,551,151
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	12,603,964	12,584,417	11,245,295
Disability Benefits	209,541	198,555	173,856
Death Benefits	91,435	127,742	116,205
Vested Benefits	516,575	518,893	416,968
Refund of Contributions	258,893	258,426	163,347
Service Retirees	10,742,898	10,780,713	9,725,971
DROP Retirees ¹	885,368	887,767	2,726,119
Beneficiaries	264,123	265,938	201,591
Disability Retirees	93,625	88,362	90,276
Terminated Vested	<u>781,241</u>	<u>788,104</u>	<u>363,065</u>
Total	26,447,663	26,498,917	25,222,693

Exhibit "B"

C. Liabilities - (Continued)	New Assump <u>10/1/2020</u>	Old Assump <u>10/1/2020</u>	<u>10/1/2019</u>
Present Value of Future Salaries	33,447,906	33,379,855	26,905,213
Present Value of Future Member Contributions	1,672,395	1,668,993	1,345,261
Normal Cost (Retirement)	635,335	632,781	535,037
Normal Cost (Disability)	16,407	15,555	12,230
Normal Cost (Death)	6,362	9,201	7,403
Normal Cost (Vesting)	41,883	42,103	32,238
Normal Cost (Refunds)	47,235	47,206	30,866
Total Normal Cost	<u>747,222</u>	<u>746,846</u>	<u>617,774</u>
Present Value of Future Normal Costs	4,911,379	4,901,724	3,984,756
Accrued Liability (Retirement)	8,374,333	8,377,401	7,750,139
Accrued Liability (Disability)	104,932	100,176	97,270
Accrued Liability (Death)	49,249	67,688	69,099
Accrued Liability (Vesting)	206,361	206,900	191,385
Accrued Liability (Refunds)	34,154	34,144	23,022
Accrued Liability (Inactives) ¹	<u>12,767,255</u>	<u>12,810,884</u>	<u>13,107,022</u>
Total Actuarial Accrued Liability (EAN AL)	<u>21,536,284</u>	<u>21,597,193</u>	<u>21,237,937</u>
Unfunded Actuarial Accrued Liability (UAAL)	1,733,720	1,794,629	2,059,288
Funded Ratio (AVA / EAN AL)	91.9%	91.7%	90.3%

Exhibit "B"

D. Actuarial Present Value of Accrued Benefits	New Assump <u>10/1/2020</u>	Old Assump <u>10/1/2020</u>	<u>10/1/2019</u>
Vested Accrued Benefits			
Inactives ¹	12,767,255	12,810,884	13,107,022
Actives	4,343,695	4,356,110	3,699,600
Member Contributions	<u>1,148,612</u>	<u>1,148,612</u>	<u>1,059,485</u>
Total	18,259,562	18,315,606	17,866,107
Non-vested Accrued Benefits	<u>972,987</u>	<u>972,760</u>	<u>1,026,400</u>
Total Present Value Accrued Benefits (PVAB)	19,232,549	19,288,366	18,892,507
Funded Ratio (MVA / PVAB)	101.2%	100.9%	98.2%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	(55,817)	0	
Plan Experience	0	614,606	
Benefits Paid	0	(1,576,564)	
Interest	0	1,357,817	
Other	<u>0</u>	<u>0</u>	
Total	(55,817)	395,859	

Exhibit "B"

	New Assump	Old Assump	
Valuation Date	10/1/2020	10/1/2020	10/1/2019
Applicable to Fiscal Year Ending	<u>9/30/2022</u>	<u>9/30/2022</u>	<u>9/30/2021</u>
 E. Pension Cost			
Normal Cost ²	\$820,827	\$820,414	\$677,538
Administrative Expenses ²	41,603	41,603	52,596
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 15 years (as of 10/1/2020) ²	218,338	225,389	246,173
Minimum Required Contribution	1,080,768	1,087,406	976,307
Expected Member Contributions ²	264,139	264,139	218,755
Expected City Contribution	816,629	823,267	757,552
 F. Past Contributions			
Plan Years Ending:	<u>9/30/2020</u>		
City Requirement	774,891		
 Actual Contributions Made:			
Members (excluding buyback)	221,497		
City	<u>774,891</u>		
Total	996,388		
 G. Net Actuarial (Gain)/Loss	 (113,379)		

¹ The asset values and liabilities include accumulated DROP Plan Balances as of 9/30/2020 and 9/30/2019.

² Contributions developed as of 10/1/2020 displayed above have been adjusted to account for assumed salary increase and interest components.