



PFPF

CITY OF JACKSONVILLE
POLICE AND FIRE PENSION FUND

RETIREMENT & DROP WORKSHOP

Stephen Lundy, Deputy Director | SLundy@coj.net | 904.255.8956

INTRODUCTION: THINGS TO KNOW BEFORE YOU RETIRE



PFPF

CITY OF JACKSONVILLE
POLICE AND FIRE PENSION FUND

BEFORE YOU RETIRE / DROP: MAXIMIZING YOUR SERVICE

Time Service Connections (Purchasing Time)

You can purchase time to increase your pension service credit. Apply to purchase time as early as possible to save money.

- Prior Service (up to 5 years) as a Florida State Certified Police Officer or Firefighter: 20% of your current monthly pensionable salary;
- Prior Wartime Military Service (up to 2 years): 20% of your current monthly pensionable salary;
- Prior City of Jacksonville Service: at your current pension contribution rate (10%).
- You may pay for the time via pre-tax payroll deduction (max. 130 pay periods), rollover, or personal check.

THE SHARE PLAN

Share Plan Distribution

Accounts of all active members are credited with premium tax revenues and investment returns.

- The Police and Fire unions may or may not credit accounts with premium tax revenues annually.
- Accounts earn the investment rate of return of the PFPF annually.
- If you retire with 10+ years of service or enter DROP, this is distributed to you as a lump sum or rollover.
- As of January 1, 2026, the maximum Share Plan account balance is \$9,872.52.

CALCULATING YOUR PENSION: UNDERSTANDING THE MATH BEHIND YOUR BENEFIT

Your pension is calculated as a function of your Pension Multiplier and Average Salary.

- Pension Multiplier (Percentage of Salary)
 - Years 1-20: Earn 3% per year.
 - Years 21-30: Earn 2% per year.
 - Maximum: 80% benefit at 30 years of service.
- Average Salary
 - Calculated using the average of your total Pensionable Salary over the last 2 years (52 pay periods) prior to retirement/DROP.
- Cost of Living Adjustment (COLA)
 - 3% compounding annually, starting the first January after retirement/DROP.
- Retirement Supplement
 - All retirees earn an extra \$5 per month for every year of credited service (Min: \$25/mo, Max: \$150/mo).



PENSIONABLE SALARY: WHAT COUNTS TOWARDS YOUR PENSION

Your pension is calculated based on earnings from specified income elements, such as the ones listed below (not exhaustive):

JSO & JFRD

- Salary Earning
- Salary Adjustment
- Retro Pay
- City Education Pay
- Out of Class Pay

JSO

- Field Training Officer Pay
- Job Differential
- Shift Pay

JFRD

- EMT Certification
- Fire Inspector Certification
- Hazardous Duty Pay
- JFRD Fire or Rescue Officer
- Paramedic Certification
- Special Assignment Pay
- Special Operations Pay



Early Retirement – You may retire with between 5-20 years of service, and begin receiving a benefit beginning on your 20th employment date anniversary.

- **Pension Multiplier (Percentage of Salary)**
 - 3% per year.
- **COLA**
 - 3% compounding annually, starting the first January after your 20th employment date anniversary.
- **If you die following employment termination but before the date of benefit commencement, your spouse (and children) will be ineligible to receive any survivor's pension, nor a refund of your contributions.**

VESTED RETIREMENT

Normal Retirement – Retirement after at least 20 years of service with immediate pension benefits.

- **Pension Multiplier (Percentage of Salary)**
 - Years 1-20: Earn 3% per year.
 - Years 21-30: Earn 2% per year.
 - Maximum: 80% benefit at 30 years of service.
- **Average Salary**
 - Calculated using the average of your total Pensionable Salary over the last 2 years (52 pay periods) prior to retirement.
- **Cost of Living Adjustment (COLA)**
 - 3% compounding annually, starting the first January after retirement.

TIME-SERVICE RETIREMENT

DEFERRED RETIREMENT OPTION PROGRAM (DROP)



PFPF

CITY OF JACKSONVILLE
POLICE AND FIRE PENSION FUND

DROP RETIREMENT: THE BASICS

The DROP is an additional retirement benefit that began in 1999.

- **The DROP:** A Time-Service retirement that allows you to defer your official retirement for a period of up to five years.
- **During DROP:** Your pension checks are paid into your DROP account as if you already retired. Your account accrues interest, and COLAs.
- **At the End of DROP:** You receive your regular pension checks, and you also receive disbursement of your accumulated DROP account balance.



WHEN WILL I BE ELIGIBLE TO ENTER DROP?

- To Participate in the DROP, you must be a contributing member of the Police and Fire Pension Fund (hired before 10/01/2017) with between 20-32 years of service.

Years of Service at Commencement	Maximum DROP Participation
20-29	5 Years
30	3 Years*
31	2 Years
32+	Ineligible

*To participate in the DROP for 5 years and with 30 years of service, you must enroll before hitting 30 years of service, but you must reach that 30-year milestone before your participation starts.

DROP PROCESS

- **ENROLLMENT**
Members enroll during a specified quarterly schedule.
- **COMMENCEMENT**
Upon DROP commencement, your pension is calculated.
- **ACCUMULATION**
Your DROP account grows through deposits and interest.
- **DISTRIBUTION**
You have multiple options to access your DROP account.



You must enroll during specific quarterly windows, two months prior to commencement.

- Enroll: **November** / Commence: **January**
- Enroll: **February** / Commence: **April**
- Enroll: **May** / Commence: **July**
- Enroll: **August** / Commence: **October**

Important Restrictions:

- **Withdrawal:** After submitting your application, you may withdraw your application up until the date of application approval by the Pension Board of Trustees.
- **Irrevocable:** Once approved by the Pension Board of Trustees, you cannot back out unless you become appointed after enrollment.
- **No Raises Count:** Future salary increases do not increase your pension benefit (except for retro pay adjustments).
- **Disability:** You waive your right to a disability pension. If you become incapacitated and separate employment, you must leave DROP.

DROP ENROLLMENT



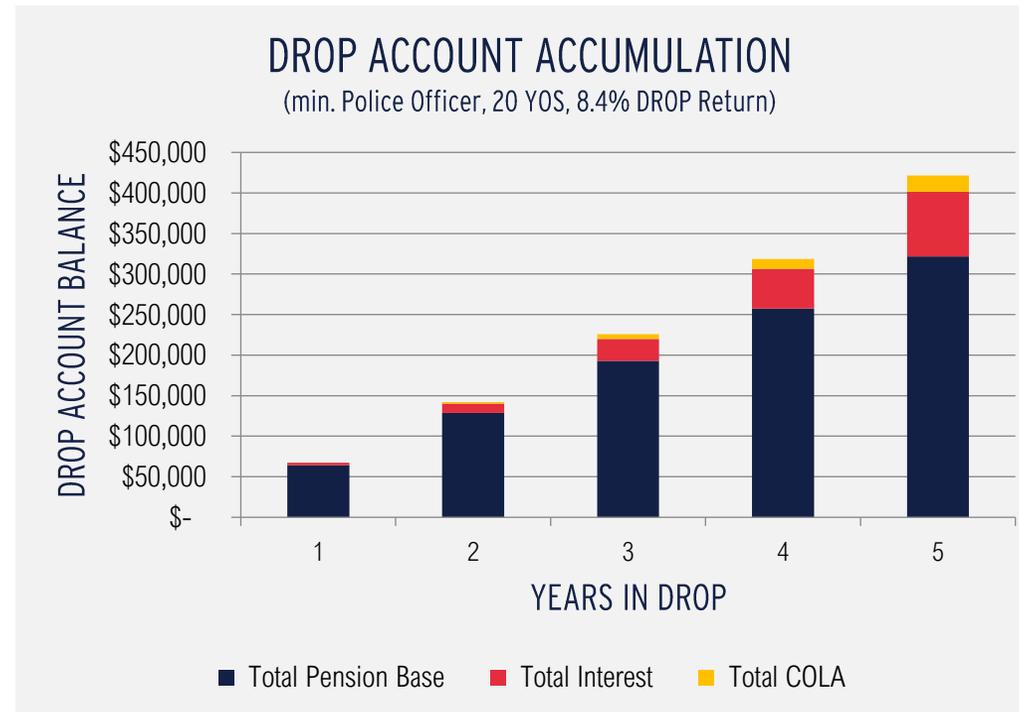
- After enrollment and DROP commencement, your pension contributions from your salary will decrease from 10% to 2%. No other changes are made to your pay due to DROP participation.
- You will effectively pay 8% less in pension contributions. Many members use this savings to contribute to the deferred compensation plan.



DROP COMMENCEMENT

DROP ACCUMULATION: HOW YOUR ACCOUNT GROWS

- After DROP commencement, deposits of your pension base are made bi-weekly into your account.
- DROP Interest is deposited monthly at an effective annual rate of 8.4%.
- COLA: 3% compounding annually, starting the first January after DROP commencement.



DROP DISTRIBUTION

You may access your DROP account upon retirement in the following ways:

- **Bi-weekly Distribution**
 - You will select a period of years to amortize your DROP account upon retirement.
 - Your bi-weekly direct deposit includes your DROP payment, pension base, COLA, and supplement.
- Lump Sum, or Partial Lump Sum
- Direct Rollover into a qualified plan

Or any combination of the above

BI-WEEKLY DISTRIBUTION: IRC SECTION 72(T) LIFE EXPECTANCY

- If you are **under 50** at the end of the year you exit the DROP:
 - Consider IRS guidelines to avoid 10% penalty.
 - One-time option to modify distribution at age 59½.
- If you are **over 50** at the end of the year you exit the DROP:
 - You may not modify your original distribution period. Your only option is to withdraw entire account.

Age (at CYE)	Minimum Life Expectancy	Maximum Life Expectancy
45	38.8	51.5
46	37.9	50.5
47	37	49.5
48	36	48.8
49	35.1	47.5
50	N/A	46.5
51	N/A	45.5
52	N/A	44.6
53	N/A	43.6
54	N/A	42.6
55	N/A	41.6
56	N/A	40.7
57	N/A	39.7
58	N/A	38.7
59	N/A	37.8
60	N/A	36.8
61	N/A	35.8
62 and over	N/A	34.9



LUMP SUM & DIRECT ROLLOVER DISTRIBUTIONS

Lump Sum Distribution:

- 20% will be deducted from the amount you withdraw for taxes regardless of your age.
- An additional 10% penalty will be deducted if you are under 50 at the end of the year that you exit the DROP.

Direct Rollover Distribution:

- You may transfer your DROP balance partially or entirely into another qualified plan upon retirement, such as an IRA or your Empower account, without taxes or penalties.

DROP RETIREMENT EXAMPLE: WHAT TO EXPECT

- A 20-year police officer enrolling in the DROP can expect after 5 years of DROP participation (figures approx.):
 - \$420,043 final DROP account balance
 - \$1,547.17 bi-weekly DROP payment (if taken over 25 years at 8.4% interest).

Pension Summary		
Pension Base	\$	2,475.14
COLA	\$	394.23
Supplement	\$	46.15
DROP	\$	1,547.17
Bi-Weekly Total	\$	4,462.69
Annual Total	\$	116,029.93



SURVIVING SPOUSE & CHILD BENEFITS

The Plan provides for surviving spouse and child benefits. The Plan does not provide for designated beneficiaries (regarding pension or DROP).

Eligible Spouse: A Member's spouse "living with" such Member at time of death (not estranged).

If you die:

- **As an Active Employee:**
Your spouse will receive 75% of 60% (or more, if you have 20+ years of service) of your average salary as their survivor pension.
- **As a retiree:**
Your spouse will receive 75% of your Pension Base and COLA. DROP and Supplement are unchanged.
- **With a DROP benefit:**
Your spouse is entitled to 100% of your DROP money and there are no required changes to the program.
- **With a spouse and surviving children:**
Each child will receive a benefit of \$200 per child per month until the child reaches 18 years of age, or 22 years of age if they are a full-time student.
- **Without a spouse but with a DROP benefit:**
Your remaining DROP balance will be cashed out and written as a check "To the estate of the deceased". Where the DROP money goes subsequently will be determined by your will.
- **Without a spouse but with surviving children:**
Each child will receive the proportionate share of the surviving spouse's benefit until the child reaches 18 years of age.
- **Without a spouse but with surviving disabled children:**
Each child will receive the proportionate share of the surviving spouse's benefit until the child reaches 18 years of age. After 18, each disabled child will receive 50% of the surviving spouse's benefit for life.
- **Without a spouse or children:**
As an active employee: 100% of your pension contributions will be paid to your estate.





PFPF

CITY OF JACKSONVILLE
POLICE AND FIRE PENSION FUND

JAXPFPF.COJ.NET | PFPF@coj.net | 904.255.7373