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POLICE AND FIRE PENSION FUND  
SUMMARY PLAN DESCRIPTION  
JANUARY, 2021

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1 WEST ADAMS STREET SUITE 100  
JACKSONVILLE, FL 32202

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# POLICE AND FIRE PENSION FUND

One West Adams Street, Suite 100  
Jacksonville, Florida 32202-3616

Phone Number (904) 255-7373  
Fax Number (904) 353-8837



Dear Pension Fund Member:

The Jacksonville Police and Fire Pension Fund is a defined benefit plan that is designed to provide a lifetime source of income to you during your retirement years. The plan also provides disability benefits and in the event of your death, it provides benefits to your surviving spouse and minor children, if any.

Whether your retirement is 20 years from now, or just a few months away, you will want to consider your financial security when you reach retirement. As an aid in your understanding of the provisions of your pension plan, the Pension Board of Trustees has authorized the preparation of a Summary Plan Description for distribution to all members of our Pension Fund. This document has been prepared in summary format with the goal of providing a broad, but abbreviated, overview of the primary features and aspects of the plan. Accordingly, it is important for all users of this document to understand that the detailed plan documents governing the administration of the Plan will supersede this summary description, and therefore any conflicts that may arise will be settled by referring to the actual Plan documents rather than to the Summary Plan Description.

If you have any questions about your pension plan or should you desire more detailed information, we would invite you to contact our office at 904-255-7373. In addition, we encourage you to visit our website at [jaxpfpf.coj.net](http://jaxpfpf.coj.net) frequently. There you will have access to many detailed reports from our money managers, our investment returns, written summaries of all meetings.

Best regards,

Timothy H. Johnson  
Executive Director – Plan Administrator

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## **Name of Plan**

Jacksonville Police and Fire Pension Fund.

## **Introduction**

This document is referred to as the "Summary Plan Description" (hereinafter referred to as the "SPD") and it is generally revised and redistributed to members of the Jacksonville Police and Fire Pension Fund every two plan years in accordance with the provisions of Section 112.66, Florida Statutes. The plan year runs from October 1 through September 30 and records are generally maintained on a plan year basis, with the exception of tax records of plan beneficiaries which are maintained on a calendar year basis. The SPD is compiled and distributed in order to provide the membership with a document that describes a general outline of the plan in a summary format. Inasmuch as this booklet is a summary only, it is not intended to describe all of the detailed provisions of the Plan nor is it intended to address all of the possible situations and complexities that may occur. In addition, since the SPD is only published once every two years, various plan provisions may be changed between printings which could cause discrepancies between the current plan provisions and this booklet. ***In case of any conflict in language between this summary and the authoritative provisions of the Plan as reflected in Governing Laws (as outlined below) or regulations enacted thereto, or in the case of an omission or a lack of clarification in this booklet of any Plan provisions, the authoritative provisions of the Plan will always supersede the wording in this document. Please be advised that this document does not constitute a contract or promise of benefits.***

## **Governing Laws**

The "Jacksonville Police and Fire Pension Fund" as created by Chapter 18615, Laws of Florida, Acts of 1937 (hereinafter referred to as the "Fund" or the "Plan") is administered in accordance with applicable state laws and statutes as well as local Ordinances and Charter provisions. The City Council and the State Legislature have the responsibility for establishing benefit levels and in providing the statutory guidance for the administration of the Fund. The governing provisions enacted by these bodies are generally represented by Chapter 18615, Laws of Florida, Acts of 1937, as amended, together with Chapter 121 of the City of Jacksonville Ordinance Code, Article 22 of the City Charter, and various provisions reflected in Chapters 112, 175 and 185 of the Florida Statutes. These laws collectively form the basis of a governmental retirement program designed to provide an integral part of the financial security for police officers and firefighters of the City of Jacksonville when they reach retirement. The Board of Trustees is additionally authorized under Charter provisions to develop Rules and Regulations for the administration of the pension plan which are not inconsistent with the terms and provisions of law. Benefits paid from the Plan are also subject to various provisions of the Internal Revenue Code and the corresponding Treasury Regulations.

## **Changes from Previous Versions**

In accordance with the provisions of Ordinance 2015-304-E, the City and the Board entered into an agreement which governs various aspects of the relationship between the City and the Fund, including the use of Chapter Funds, Reserve Accounts, Actuarial Assumptions, and dispute resolutions among others. Future benefit changes will be accomplished through collective bargaining between the City and the respective labor unions for firefighters and police officers. Retirees, beneficiaries, and managerial personnel are not participants in the collective

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bargaining process.

Effective October 1, 2017, the following plan changes occurred in accordance with the provisions of Ordinances 2017-257 and 2017-259:

- **The Jacksonville Police and Fire Pension Fund is closed to new entrants.**
- For all members of the Fund, the member contribution rate is changed to 10% of pay.
- All members of the Fund will be eligible for the benefits which were in place prior to the adoption of Ordinance 2015-304-E.

### **Type of Plan**

Your retirement program is referred to as a contributory "defined benefit" public employee retirement plan. The Plan is maintained in compliance with Section 401(a) of the Internal Revenue Code and has been designated as a qualified plan by the Internal Revenue Service. Members make mandatory contributions to the Plan by payroll deduction on a pre-tax basis and the retirement benefit is calculated by a predetermined formula that produces a "defined benefit" over the life of the member and the surviving spouse of the member. The formula utilizes the number of years of service and takes into account the salary earned by the member. Since the benefits are determined by a formula, no individual member accounts are maintained for the payment of regular pension benefits and no amount is specifically set aside for each member except to maintain an accounting of required member contributions and for the management of DROP accounts in the case of DROP participants.

### **Contacting the Fund**

When you write to the Fund, the Board of Trustees, or to the Executive Director – Plan Administrator of the Fund, please include your full name, your employee id #, your return address and daytime telephone or cell number. Address your correspondence to:

Jacksonville Police and Fire Pension Fund  
One West Adams Street, Suite 100  
Jacksonville, Florida 32202-3616

In the alternative, you may call us with your questions or you may forward your questions or comments to our fax number:

Phone: (904) 255-7373  
Fax: (904) 353-8837

Additional information is available on the Fund's web site:

[jaxpfpf.coj.net](http://jaxpfpf.coj.net)

**Florida has a very broad public records law. While certain personal information of participants is protected from public disclosure by law, persons contacting the Fund in writing or by email should be aware that the information conveyed might become a public document.**

### ***Plan Administration***

A five member Board of Trustees is responsible for the overall administration of the Plan and the investment of the assets of the Fund. The Jacksonville City Council has authority to amend the Plan and provide benefit enhancements and is additionally responsible for appointing two trustees. The Police Trustee is an active Police Officer elected by active Police members, and the Fire Trustee is an active Firefighter elected by active Fire members. These four Trustees select a fifth member who is then confirmed by the City Council, as a ministerial act. The current members of the Board of Trustees are summarized as follows:

#### ***The Board of Trustees***

**Assistant Chief Christopher M. "Chris" Brown**, Police Trustee  
**Captain Michael E. Lynch**, Fire/Rescue Trustee  
**Nawal B. McDaniel**, Trustee  
**Richard G. Patsy, CFA**, Trustee  
**Terry Wood**, Trustee

#### ***The Advisory Committee***

**James Holderfield**, Police Officer  
**Thomas Lumpkin**, Retired Police Officer  
**Jean F. Paravisini**, Fire/Rescue Lieutenant  
**Michael Pelletier**, Police Officer  
**Richard Reichard**, Fire/Rescue Assistant Chief  
**Michael Shell**, Police Lieutenant  
**Christopher Stover**, Fire/Rescue Captain

#### ***The Financial Investment and Advisory Committee***

The Financial Investment and Advisory Committee (hereinafter referred to as the "FIAC") was created in 2015 to work with the Board of Trustees on improving investment performance and to assist in setting investment policy, financial matters, and selecting investment/actuarial professionals for the Fund. The Committee is comprised of financially sophisticated individuals with knowledge and experience in managing institutional investments. The members of the Committee, who serve as volunteers, are nominated by the Board of Trustees and confirmed by the City Council. The current Committee members are:

**Erwin Lax**  
**Kendall Park**  
**Eric "Brian" Smith Jr.**  
**Arlie "Rodney" Van Pelt**

#### ***The Administrative Staff***

**Timothy H. Johnson, Executive Director – Plan Administrator**, was appointed by the Board of Trustees effective August 1, 2016. Mr. Johnson has worked in government positions since 2004 including Administrative Services Director for the County of Allegheny. From 2006-2011, he served as a member of the Retirement Board of Allegheny County. In 2012, he was appointed Executive Director of the Allegheny County Employees' Retirement System. Prior to his

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government experience, Tim worked as a banker in Pittsburgh, PA.

Tim has been active in the Pittsburgh area serving on the University Of Pittsburgh Institute Of Politics Pension Sub-Committee, and the Pennsylvania Association of Public Retirement Systems Board of Trustees. He received a BS in Business Administration from Duquesne University and a Master of Science in Organizational Development from Robert Morris University.

The designated agent for the service of legal process is the Executive Director – Plan Administrator of the Fund.

**Stephen Lundy, Deputy Director** joined the Administrative Staff in January 2012. Stephen was a senior economics major at Jacksonville University. He was a member of the Phi Kappa Phi and Beta Gamma Sigma honor societies, in addition to being a member of the Brumos Circle of Excellence in JU's Davis College of Business leadership program. He received his Bachelor of Business Administration in Economics in May of 2012, Summa Cum Laude, and in December of 2013, he graduated from JU with his Master of Business Administration in Business Management. He was promoted to his current position in July 2019 in which he is responsible for administrative and supervisory work relating to the administration of the Pension Fund. He serves on the City of Jacksonville's Ethics Coordination Council as the Police and Fire Pension Fund Ethics Officer. He also is the Editor of the Pension Fund Newsletter and maintains the Pension Fund website.

**Maria Young, Administrative Specialist** was hired by the Board of Trustees as Administrative Specialist in October 2018. Maria is responsible for administrative work relating to accounting and administration of the Police and Fire Pension Fund. She is also the Custodian for Public Records. Prior to joining the Administrative Staff, Maria was employed at the Jacksonville Housing Authority for 12 years as an Accountant. She has experience in Accounting & Finance, Business Administration and Payroll processing.

**Kevin B. Grant, Finance Manager** was hired by the Board of Trustees in November 2017. In this position, he is responsible for administrative and supervisory work relating to the accounting, compliance, procurement, and property administration of the Fund. Mr. Grant has a professional background with a great deal of experience in many fields including public administration, investments, finance, and banking. Before joining the Fund, Kevin worked as an Independent Consultant and Chief Financial Officer & Director of Beaver Street Enterprise Center for Fresh Ministries, Inc. He also has over eight years of service with the City of Jacksonville, serving the Neighborhoods Department as Finance Manager and Energy Grants Project manager, the Finance Department as Senior Investment Analyst and as acting City Treasurer from 2005-2006.

**Charles "Chuck" Hayes, Pension Benefits Manager** has been with the Fund since July 2001. He previously served as the Building Services Manager prior to being promoted to his current position in April 2011. Chuck processes payroll for our Retired Members, discusses benefit options for members completing DROP, and members entering and leaving the Fund. He also handles the accounts payable for the Fund.

**Troy Scherbinski, Building Manager** has been with the Fund since December 2002. He was

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promoted to his current position in April 2011 where he oversees the operations and maintenance of our building at One West Adams St., and the maintenance and leasing of our Monroe Street parking garage. He is also a licensed plumber.

**Lynn West, Pension Benefits Specialist** was hired by the Fund in 2004. She previously worked eleven years for City of Jacksonville Employee Benefits and Risk Management Office, and spent seven years working for the Duval County Housing Finance Authority as an Administrative Assistant.

The Trustees, Advisory Committee, FIAC, and Administrative Staff may be contacted through the Police and Fire Pension Fund Office, located at One West Adams Street, Suite 100, Jacksonville, Florida 32202-3616. Our phone number is 904-255-7373 and office hours are from 0800 - 1700, except official holidays. Our fax number is 904-353-8837.

### **Meeting Dates**

The Police and Fire Pension Fund Board of Trustees, Advisory Committee, and FIAC normally hold monthly meetings. The dates and times are subject to change. Meetings are typically scheduled at the Police and Fire Pension Fund Office located at One West Adams Street, Suite 100, Jacksonville, Florida 32202-3616. Check our website at [jaxpfpf.coj.net](http://jaxpfpf.coj.net) for the date and time of any particular meeting you would like to attend.

### **Investment Program**

The Board of Trustees is responsible for the establishment and implementation of the investment program for the Fund. In discharging these responsibilities, the Trustees have adopted and periodically revise a "Statement of Investment Policy" that is used to guide the investment activities of the Fund within the parameters allowed by law. The "Statement of Investment Policy" currently in effect provides for a strategic asset allocation mix. The Trustees additionally seek diversification within the investment portfolio through the utilization of various investment styles, particularly within the stock component of the portfolio.

In discharging their fiduciary responsibility, the Board of Trustees retains the services of nationally recognized investment management firms in the execution of the Board's investment program. Most assets of the Fund are held in a separately managed trust fund for the exclusive purpose of providing benefits to participants and beneficiaries and defraying the reasonable expenses of administering the Fund. The "Statement of Investment Policy" and the latest schedule of investments are available for review in the Pension Office and on the website [jaxpfpf.coj.net](http://jaxpfpf.coj.net).

The Trustees retain the services of a performance measurement consultant that monitors the investment performance of each investment counseling firm under contract to the Fund. This consultant additionally serves as the general pension investment consultant to the Fund and assists the Trustees in periodic searches for the hiring of additional and replacement investment counseling firms.

The Financial Investment and Advisory Committee (FIAC), described in more detail above, also



assists the Board in the performance of its investment functions.

### ***Eligibility***

Participation in the Plan is mandatory for all classified and certified Police Officers and Firefighters of the City of Jacksonville hired before October 1, 2017. **The Plan is now closed to new entrants.**

### ***Terminated Membership and Entitlements***

Once you become a member of the Plan you cannot withdraw any funds nor end participation except in the event of retirement, termination of employment, disability or death, unless you make a willful misstatement or fail to state a material fact relating to your medical history, whereupon your membership in the Plan will be terminated and your contributions will be returned to you, without interest.

In addition thereto, you are subject to the loss of membership and pension benefits in the event you are found guilty or enter a plea of nolo contendere in the participation of a fraud against the Fund. A surviving spouse may additionally be barred from the receipt of pension benefits in the event they have been found to have unlawfully and intentionally killed or participated in the procuring of death of a member.

Members of the Plan are also subject to a loss of pension benefits in the case of specified offenses committed prior to retirement as described under Section 112.3173, Florida Statutes.

### ***Refunds of Contributions upon Resignation or Discharge from Employment***

Upon termination of employment, your pension rights and options with respect to the disposition of your pension contributions will vary depending upon your length of service in the Plan and the period under which contributions were made. Unless disqualified for misconduct in the manner stated above, pension rights of members become vested upon the completion of five (5) years of service.

Upon attaining vested status, you may either vest your benefits for a deferred retirement benefit or relinquish your rights to a future pension benefit whereupon you would alternatively receive a 100% refund of your contributions to the Plan, without interest. Please note that the refund of contributions made available to you would not include any matching employer contributions that the City may have made to the Fund during your period of membership in the Plan. If you do not apply for a vested benefit within thirty (30) days of leaving employment, you will automatically receive a refund of your contributions and you will lose the option to select a deferred retirement benefit. Members should contact the Pension Office to obtain the proper forms in making such elections.

If you have been a member of the Plan for less than five years, you have not attained vested status and your contributions shall be returned to you within thirty (30) days after your termination of employment and membership in the Plan, without interest. As previously described, the refund of contributions made available to the member would not include any matching

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employer contributions that may have been made by the City on behalf of the member.

In the event of a refund, employee contributions paid into the Fund on and after January 1, 1988 are subject to Federal income tax and will have an automatic 20% withheld for tax purposes when such contributions are refunded to the member. However, that 20% withholding may be avoided by requesting a tax deferred direct rollover to either an Individual Retirement Account (IRA) or another qualified retirement plan that accepts rollovers, inasmuch as refunds of this nature are characterized as "Eligible Rollover Distributions". Contributions made on and prior to December 31, 1987 have already been taxed and therefore the full amount of such contributions will be refunded to members without the requirement to assess federal income tax withholding. Such refunds of contributions made on and prior to December 31, 1987 are not deemed to be "Eligible Rollover Distributions" and therefore they are not eligible for a rollover. Members receiving a refund of contributions are strongly encouraged to seek the advice of a competent CPA or other tax professional to learn of the impact of various distribution decisions as affected by federal tax laws.

### ***Retirement Date***

There is no fixed or mandatory retirement age for the Plan. Members are eligible for normal retirement after 20 years of credited service, full retirement benefits at 30 years of credited service, regardless of age. Retirement benefits will vary according to years of credited service in the Plan and your salary level. You may also elect for "vesting" and deferred retirement after 5 years of credited service, subject again to certain limitations. See the various "Benefits" sections of this summary document for more details.

### ***Temporary Absence from the Payroll***

If your earnings are interrupted during a temporary absence from the payroll not covered by accrued vacation or sick leave, your contributions to the Plan during such temporary absence will cease and no further pension benefits will be credited to you until your earnings and contributions resume. Certain exceptions may apply for an absence covered by Worker's Compensation and in the case of some military service leaves.

If your service is terminated during a period of temporary absence, the provisions regarding termination apply.

### ***Military Leave of Absence***

Active members of the Fund who are entitled to military leave of absence will continue to receive all benefits under the pension plan while absent on such military leave. During such absence on military leave, members shall receive pension service credit but shall NOT be required to make contributions to the pension plan during such period of service, except for those contributions that originate from the employee's use of annual leave balances during such military leave of absence or from compensation wherein the member is allowed to remain on the active payroll for the 30 day period following the member's departure for active duty.

### ***Florida Certified Police Officer and Firefighter Service***

Members may purchase up to five (5) years of full time employment of a municipality within the State of Florida as a Police Officer (as described in Florida Statutes Chapter 943) or as a certified Firefighter (as described in Florida Statutes Chapter 633). Members qualifying for the purchase of such service must purchase the time prior to retirement and are required to pay 20% of their current pension eligible pay into the Fund. Purchases of time service credit are based on the law in effect at the time of the purchase. Notwithstanding the foregoing, any police officer or firefighter service that is being submitted as the basis for seeking time service credit will not be permitted to the extent that such service is currently being used for entitlement to benefits under another pension system with such entitlement resulting from the attainment of vested status under such other pension system even if that vested status was abandoned.

### ***Military Time Purchase***

Members may purchase up to twenty-four (24) months of wartime active military service for use as credited pension service by applying on forms available in the Pension Office. Members qualifying for purchase of military time must purchase the time prior to retirement and are required to pay 20% of their current pension eligible pay into the Fund. Military time during the following periods may be purchased:

August 5, 1964 - May 7, 1975

August 2, 1990 - January 2, 1992

October 7, 2001 - to a date to be determined by Congress or Presidential proclamation

March 19, 2003 - to a date to be determined by Congress or Presidential proclamation

Time connections are not permitted for service that would entitle the applicant to pension benefits under another pension plan for the same time (see Section 112.65(2), Florida Statutes).

**You must provide a copy of your DD214 as proper documentation of your military service.**

### ***Worker's Compensation***

A member of the Pension Plan who becomes eligible to receive Worker's Compensation and who receives a partial salary from the City will contribute the regular pension contribution to the Plan and will accordingly receive full credit for such time toward retirement. If an employee on Worker's Compensation receives no salary from the City during this time, he or she must elect to pay the portion they normally would contribute into the Pension Plan in order to receive full credit for such time toward retirement; otherwise, no credit for pension purposes accrues during that period. Pension benefits for any period during which worker's compensation payments are received shall be based on the member's rate of compensation on which pension contributions were deducted or voluntarily made.

### ***Member Contributions***

Members of the Plan are required to contribute ten percent (10%) of their pensionable salary to the Plan. A record of employee contributions is maintained for each individual member. All

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employee pension contributions are remitted on a pre-tax basis as provided for under Section 414 (h) (2) of the Internal Revenue Code.

### ***City Contributions***

The employer pension contribution rate provided to the Plan by the City within the Annual City Budget varies from year to year depending on actuarial requirements and the extent of revenues and assessments available from other sources.

### ***Other Sources of Funding***

In addition to the primary sources of funding represented by member and City contributions, the Plan may receive earnings on investments and a portion of the annual distribution of State premium tax proceeds as provided by Chapters 175 and 185 of the Florida Statutes.

### ***Budgetary Provisions***

Inasmuch as the Plan is administered on a self-insured basis, the benefits of the Plan and the risk of actuarial losses are not covered by various forms of insurance protection. In lieu thereof, the contributions made to the Plan and the investment of the assets available in the Plan are actuarially determined to be capable of generating sufficient funds over time to meet all present and future claims of retirees and beneficiaries. The adequacy of the Plan to meet these requirements is periodically certified by a nationally recognized actuarial firm whose reports are submitted to designated oversight agencies of the State of Florida for their review and approval. The Board of Trustees annually certifies to the City Council the amount required for inclusion in the Annual City Budget to administer the Pension Fund. Based upon this certification, the City Council provides the required funds and places the amount so designated in the budget for the succeeding fiscal year.

### ***Application for Benefits Procedure***

Members and survivors may make application for the payment of benefits under the Plan arising from death, disability or retirement on forms available in the Pension Office. For any reason, should someone be dissatisfied with the decision of the Board of Trustees regarding an application for benefits, provisions are in place to allow a member to pursue an appeal and review of a decision. Claimants may consult the Executive Director – Plan Administrator for procedural due process provisions.

### ***Benefits: General***

No benefits are paid from the Plan unless recommended for approval by the Advisory Committee and authorized by the Board of Trustees.

Members are not permitted to designate a beneficiary for the receipt of pension benefits or the refund of pension contributions. Benefits are payable solely to a spouse, married to and living with the member at the time of the member's death or to eligible children. In the absence of an eligible spouse or child, member contributions or a DROP balance may be payable to the member's estate. Additional conditions and limitations are discussed in the sections of this

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summary entitled "Benefits – Surviving Spouse;" "Benefits – Minor Children;" and "Benefits – Death with No Survivors."

Under the Plan, pensions are not assignable and generally are not subject to attachment by any legal process except garnishment by the IRS for nonpayment of taxes or by court action in the case of divorce (See Income Deduction Order discussion on page 15).

Any Social Security benefits that are received will not affect the amount of a City pension; however, a Social Security benefit may be reduced as a result of receiving a City pension. You should contact the Social Security Administration to discuss the impact of any Social Security reductions that may be imposed upon you and your surviving spouse (see Windfall Elimination Provisions and Government Pension Offset, respectively). You may visit the Social Security web site at [www.ssa.gov](http://www.ssa.gov) for more information.

**Benefits: Time Service (Normal) Retirement**

Members of the Plan may retire after twenty (20) years of credited service, regardless of age, with a minimum benefit of sixty percent (60%) of the average salary received for the 52 pay periods (two years) preceding retirement. Members may receive an additional two percent (2%) for each completed year over twenty (20) up to a maximum of eighty percent (80%) of the average salary.

**Benefits: Permanent Disability**

Disability benefits are available to members who are **totally** and **permanently** disabled during employment with the City of Jacksonville. It makes no difference whether the disabling illness, injury or condition occurred on-the-job or outside of the course of employment. A total and permanent disability would entitle an employee, with twenty (20) years or less of credited service, to a pension of sixty percent (60%) of the average salary for the 52 pay periods preceding disability retirement, which is payable until death. Disability pensions will not be granted in the case of injuries suffered while in the employment of another employer, except in the event that the injury was suffered while serving in the Armed Forces of the United States.

**Benefits: Temporary Disability**

If you have applied for disability retirement and prior to the application being approved, you have exhausted all earned leave time and have been removed from the payroll, you can receive a temporary pension for the period of time your application is pending before the Board of Trustees. If your application is approved, your pension is effective as of the date payment began on the temporary disability pension. If your application is not approved, the payments you received must be returned to the Pension Fund. Special provisions govern a new application made within six months of a denial. Temporary disability benefits will continue until the Trustees take final action on the application, as long as the delay in action is not the fault of the applicant. If the applicant fails to produce requested documentation within sixty (60) days, the temporary pension benefit will be stopped.

**Benefits: Surviving Spouse**

The surviving spouse of a retired member will receive benefits equivalent to seventy-five percent (75%) of the amount the pensioner was drawing, if she or he is the legal spouse and was living with the pensioner at the time of death (please note that a former spouse cannot be a surviving spouse for purpose of the Plan). If a pensioner marries after retirement, the new spouse will be entitled to surviving spouse benefits from the Plan. Surviving spouses who remarry after September 30, 2000 will be eligible for the payment of pension benefits.

The surviving spouse of an active employee, with less than twenty (20) years of service, will receive benefits equivalent to seventy-five percent (75%) of the amount the employee would have received had he or she retired with 20 years of service. If a deceased member served in excess of twenty (20) years, the seventy-five percent (75%) entitlement to the surviving spouse shall be based on actual years of service. The benefits that are payable to the surviving spouse are payable for life upon the death of the member. Survivors are entitled to receive the accumulated value of a DROP account if the member participated in DROP. Survivors are entitled to receive the accumulated value of the Share Plan account, if applicable.

**Benefits: Minor Children**

The amount paid to the surviving spouse may be increased by two hundred (\$200.00) dollars a month for each unmarried child under eighteen years of age. However, the total benefit of the survivors (surviving spouse and minor children) cannot exceed 100% of the benefit the employee would have received had he or she retired on a time service pension. In addition, in the case of the death of a member who had already retired, the spouse's benefits, together with children's benefits, could not exceed the benefits the retiree was receiving. In compliance with the Tax Code, amounts distributed for the benefit of a minor child are issued in separate checks, payable in the guardian's name but recorded under the child's social security number.

Orphans of active members or retirees, who were not married at the time of their death, are entitled to the same benefit a surviving spouse without children would receive. The benefit would be shared equally if there are two or more eligible orphans, and will continue until the children reach age 18 or marry, whichever comes first. However, in the event that the orphan suffers from a disabling condition, a benefit equivalent to 50% of the amount otherwise allocable to the surviving spouse may continue for the life of such disabled orphan, regardless of marital status.

In the event that a child who is eligible for benefits is a full time student at a qualified educational institution, such child may continue to be eligible for the payment of benefits in the amount of \$200 per month until reaching age 22.

If the aggregate amount of benefits payable to a minor exceeds \$15,000, a guardian of the property will need to be appointed as required by Florida law. The Board will pay benefits to the designated, court-approved guardian.

**Benefits: Death of an Employee with No Survivors**

In the case of a deceased employee who leaves no surviving spouse or eligible children, 100% of the member's contributions to the Plan (without interest) shall be paid to the estate of such deceased employee.

**Benefits: Vesting a Pension**

Members may vest your pension after a minimum of five (5) credited years of service to the Plan. To do so, you must apply to the Board of Trustees within thirty (30) days of leaving the payroll or a refund of your contributions will be issued automatically. You would be eligible to draw your pension benefits at the time you otherwise would be eligible for twenty (20) year retirement had you continued employment. Benefit computations would be based on your average annual salary over the fifty-two (52) pay periods preceding the vesting of your pension rights multiplied by 3% times the number of whole years of credited service in the Plan. **No refund of contributions nor survivor's benefits are payable if death should occur between the date of vesting and the time you draw your first pension check.** After you draw your first pension check, your spouse becomes eligible for the future lifetime payment of survivor's benefits in the event of your death. Disability benefits are not granted for vested retirees.

**Benefits: Supplement**

A minimum supplement of \$5.00 per month for each year of credited service will be provided for retirees or their survivors. The supplement may not be less than \$25.00 per month nor more than \$150.00 per month. This supplement is available for payment to all current and future retirees and survivors upon the commencement of retirement benefits. The supplement is based upon the actual number of years of service rendered by the member as opposed to the assumed years of service that may be granted in the case of disability retirement or member deaths while in active service. The supplement calculated for the benefit of the Retiree is 100% allocable to the surviving spouse.

**Benefits: Cost of Living Adjustment**

Members who retire prior to December 31<sup>st</sup> of a given calendar year are eligible for the calculation of a COLA on the first full bi-weekly pay period after the succeeding January 1<sup>st</sup>. Members and their surviving spouses (but excluding children) may simultaneously receive the full amount of the COLA as well as the Supplement for periods subsequent to October 1, 2003. (Prior to October 1, 2003, a member was only entitled to receive either the COLA or the adjustment, whichever was larger, but not both simultaneously. Upon original enactment, the COLA was based on the percentage increase in the Consumer Price Index (CPI) recorded for the previous calendar year, subject to a maximum of 3%.) Beginning with the COLA granted in April 2000, the recipient is to be granted an annual COLA in the fixed rate of 3%.

**Benefits: Annual Bonus**

At the direction of the Police and Fire Unions, a portion of insurance premium tax rebates received pursuant to Chapters 175 (Fire) and 185 (Police), Florida Statutes may be set aside for the payment of a Bonus to retirees and survivors currently receiving payments from the Fund. The Annual Bonus is normally paid in December of each year. This is not a vested benefit nor is it payable to members while in the DROP.

***Benefits: Supplemental Share Plan***

At the direction of the Police and Fire Unions, a portion of insurance premium tax rebates received pursuant to Chapters 175 (Fire) and 185 (Police), Florida Statutes may be set aside for additional employee benefits as provided in City Ordinance Code Section 121.114-115.

Each participant defined as a member who was employed on September 30<sup>th</sup> of the preceding year receives an equal share of the allocated amount based on 12 complete months of credited service.

This account balance increases or decreases based on the performance of the investments in the Pension fund the previous year. No payments are available from the Share Plan until the member retires after ten or more years of service. Once retired, the Share Plan is paid out in lump sum.

***What do I do when I am ready to retire?***

Contact the Pension Office to set up an appointment to come in and complete your retirement application and supporting documents. You should also contact your personnel or human resources division to determine the requirements or policies your department may have for retiring employees.

***What happens if I return to work for the City after retirement?***

If you accept employment with the City of Jacksonville after retirement, you will not be entitled to the receipt of your pension while you are working for the City. During any such period of re-employment, the payment of pension benefits will be stopped and subsequently resumed after you cease to be a City employee. However, Elected Officials and retired members working as: Court Bailiff, Logistical and Technical Support Officer, Corrections Bond Custodian, Chaplain, Stable Manager, Corrections Mail Coordinator, Aviation Supervisor, Court Bailiff Supervisor, Community Projects Inmates Work Crew Supervisor are exempt from the application of this rule. If employed with an organization other than the City, there is no effect on the continued payment of the pension benefit. Those members drawing a disability pension may work for an organization other than the City (but not for the City) and not jeopardize the continued payment of a disability pension so long as they remain disabled within the meaning of the laws governing the Plan.

During your period of re-employment with the City (unless you are re-employed in an exempt position above), your pension benefits checks stop immediately. In the event you are reemployed as a police officer or a firefighter, you are required to re-join the Police and Fire Pension Plan and commence the payment of employee pension contributions. To receive a recalculation of your retirement benefit, you must work at least four (4) years or one hundred four (104) pay periods. Your benefit under such circumstances will be recalculated based on the average salary received over the last one hundred thirty (130) pay periods. Re-employment time with the City under Social Security may be purchased by a member and figured into any recalculation of your retirement benefit.

Any return to work payments will also be subject to applicable Internal Revenue Code



procedures.

Reemployment affidavits are sent annually to all members receiving a benefit from the Police and Fire Pension Fund to verify reemployment status with the City of Jacksonville. The Administrative Staff reviews all affidavits.

Additionally, the Office of General Counsel reviews all affidavits and contracts of members who receive a benefit from the Police and Fire Pension Fund and who engage as contractors with the City of Jacksonville to determine legal compliance.

***What is the status of my Pension Benefits in the event of divorce and what type of order is used by the Court system to place a lien against the distribution of Pension Benefits in the event of a divorce?***

Pension benefits are considered marital property subject to division in a divorce proceeding. While the benefits are not subject to distribution until a member terminates employment with the City, a court can determine that upon distribution, a certain portion of the pension benefits may be awarded to a former spouse through the Domestic Relations Depository.

Qualified Domestic Relations Orders (QDRO's) and Income Deduction Orders (IDO's) are two forms of court orders that are commonly issued pursuant to divorce proceedings. A QDRO is a judgment, decree, or order by a court, usually in the case of a divorce that relates to the provision of child support, alimony payments, or marital property rights to a spouse, child, or other dependent of a participant.

Governmental plans, like the Police and Fire Pension Fund, are not subject to QDRO's. Unlike governmental plans, QDRO's are specifically applicable to private pension plans under Internal Revenue Code Section 414(p) (2). Accordingly, the Police and Fire Pension Fund does not recognize QDRO's for the assignment of any pension rights by a participant for distributions of a divorced spouse's interest. In lieu thereof, the State (under Section 61.1301, F.S.) has provided that IDO's for alimony and child support are mandatory court orders that the Pension Plan must follow. IDO's are taken from benefit checks and remanded directly to the DOMESTIC RELATIONS OFFICE for distribution to the spouse. Separate pension checks are not issued to the former spouse. The divorce laws can be quite complex. Therefore, you may wish to speak to legal counsel to discuss your personal circumstances.

***Deferred Retirement Option Program***

The Deferred Retirement Option Program (DROP), effective January 9, 1999, is a Program that provides an alternative method for the payment of retirement benefits for eligible members of the Police and Fire Pension Fund. DROP is designed to allow members to accumulate a lump sum cash amount for retirement without affecting your normal monthly retirement benefit as of the date of DROP participation. Under DROP, you technically "retire", yet continue to work as an active Police Officer or Firefighter. For all non-pension benefits, you will continue to be treated as an active Police Officer or Firefighter.

**An in-depth publication on the DROP is available on the Fund's website at [jaxpfpf.coj.net](http://jaxpfpf.coj.net) if you are interested. Quarterly DROP Workshops are presented at the Pension Fund Office for interested members. Please contact Steve Lundy for details.**

### ***Forfeiture of Benefits for Conviction of Certain Crimes***

Under Florida law, Section 112.3173, Florida Statutes, members, including DROP participants, may be subject to forfeiture of benefits if they are convicted of certain crimes related to employment. In such a circumstance, a member would receive only a return of employee contributions without interest. If a member is charged with certain crimes, and begins retirement, benefits may not exceed the amount of employee contributions, without interest, until the resolution of the pending prosecution. In addition, the federal government may garnish or seize retirement benefits as part of a court ordered program of restitution under Title 18, United States Code or to satisfy a federal income tax lien.

### ***Tax Obligations***

Your pension from the Jacksonville Police and Fire Pension Fund is subject to federal income tax. At the time that you retire, you will be asked to record your marital status and the number of exemptions for purposes of federal income tax withholding. Each January, the Fund sends each pension beneficiary a Form 1099-R. This form describes the pension distributions that were made to you during the previous calendar year and the portion of such distributions that are subject to federal taxation as well as the amount of taxes that were withheld. The 1099-R information is also sent to the Internal Revenue Service.

You have after-tax dollars on deposit with the Fund if you made contributions to the Fund during periods of employment prior to January 1, 1988, or you purchased additional service credit using after-tax dollars. You have already paid taxes on this money and you will not be taxed again on it. Federal law requires the tax credit on such after-tax dollars be distributed to you over the expected lifetime of you and your spouse. Therefore, each pension distribution to you contains both a taxable and a non-taxable element.

Members who participate in the DROP may have special tax issues when they begin to receive a payout of their accumulated DROP balance upon termination of employment. Accordingly, DROP participants are encouraged to seek competent tax advice in conjunction with DROP distributions.

### ***Hearings and Appeals before the Trustees***

The Board of Trustees has adopted a set of procedures regarding members' rights to hearings and appeals before the Board and Advisory Committee concerning issues such as disability determinations, forfeiture of pensions, interpretation of governing law, and benefit corrections. These procedures are available on the Fund's website at [jaxpfpf.coj.net](http://jaxpfpf.coj.net) or upon request and will be provided to members who appeal or request a hearing.

### ***Financial and Actuarial Information***

The financial records of the Plan are maintained on a fiscal year basis ending each September

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30. An audit is conducted each fiscal year by a firm of independent auditors in accordance with the provisions of the City Charter. In addition thereto, the Plan is legally required to prepare an annual report to the State of Florida and an actuarial valuation on a frequency no less often than once every three years. An annual report is additionally prepared by the Executive Director – Plan Administrator to the members and other interested parties.

Each of these periodic reports contains financial and actuarial information that may be of interest to members. Copies of the following reports are available for review at the Pension Office as well as on our website at [jaxpfpf.coj.net](http://jaxpfpf.coj.net).

1. Annual Financial Statement and Independent Auditor's Report on the Jacksonville Police and Fire Pension Fund.
2. Annual Report to the State of Florida, Department of Management Services, Division of Retirement for the Jacksonville Police Officers & Firefighters Pension Fund.
3. Administrator's Annual Report on the Jacksonville Police and Fire Pension Fund.
4. Actuarial Valuation of the Jacksonville Police and Fire Pension Fund.

**SL 01/2021**

