



CITY OF SUNRISE, FLORIDA **POLICE OFFICERS' RETIREMENT PLAN**



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To: All Affected Members
From: Dave Williams, Plan Administrator
Subject: Supplemental Payment as Taxable Income
Date: April 01, 2020

We learned today that our custodian was not including the supplemental payment as taxable income. The custodian corrected the matter and updated the affected members, as in fact it is considered income. This has been reaffirmed by the Board Attorney and the Tax Attorney for the Board. The following is the cite from the ordinance for your information.

Supplemental benefit for police officers hired before September 30, 2015.

(1) Police officers hired before September 30, 2015 shall be eligible to receive a supplemental benefit as provided in this paragraph. Such police officers who retire and begin receiving normal or early retirement benefits on or after August 14, 2001, shall receive a supplemental monthly benefit in the initial amount of ten dollars (\$10.00) per year of creditable service, up to a maximum of two hundred dollars (\$200.00) per month until age sixty-five (65), and six dollars and twenty-five cents (\$6.25) per year of creditable service up to a maximum of one hundred twenty-five dollars (\$125.00) per month thereafter, contingent on the annual adjustment described in paragraph (d), below. Such police officers who terminate employment and begin receiving normal or early retirement benefits on or after January 1, 2006, shall receive a supplemental monthly benefit in the initial amount of sixteen dollars and twenty-five cents (\$16.25) per year of creditable service up to a maximum of three hundred twenty-five dollars (\$325.00) per month until age sixty-five (65), and ten dollars (\$10.00) per year of creditable service up to a maximum of two hundred dollars (\$200.00) per month thereafter, contingent on the annual adjustment described in paragraph (d) below. Such police officers who terminate employment and begin receiving normal or early retirement benefits on or after October 1, 2007, shall receive a supplemental monthly benefit in the initial amount of twenty-five dollars (\$25.00) per year of creditable service up to a maximum of five hundred dollars (\$500.00) per month until age sixty-five (65), and fifteen dollars (\$15.00) per year of creditable service up to a maximum of three hundred dollars (\$300.00) per month thereafter, contingent on the annual adjustment described in paragraph (d) below. Such police officers who terminate employment and begin receiving normal or early retirement benefits on or after January 22, 2019 shall receive a supplemental monthly benefit in the initial amount of thirty-five dollars (\$35.00) per year of creditable service up to a maximum of seven hundred dollars (\$700.00) per month until age sixty-five (65), and fifteen dollars (\$15.00) per year of creditable service up to a maximum of three hundred dollars (\$300.00) per month thereafter, contingent on the annual adjustment described in paragraph (d) below.

(2) Each retiree's supplemental benefit shall be in addition to the normal retirement benefit paid under the current plan and shall be paid only if the retiree is then alive. Each retiree's supplemental benefit shall be determined on an annual basis, and the amount of the benefit may vary from year to year or the benefit may be discontinued entirely, based on the adjustment described in paragraph (d), below.

(d) Should legislation be enacted or agency action implementing the legislation be taken, or if there is an administrative or court decision interpreting such legislation, and if the legislation, agency action or decision results in an increase in required employer contributions to the pension fund, the benefits described in paragraph (c), above, shall be adjusted to offset the increased employer contributions resulting from the state legislation, agency action or decision. Once the amount of the increased employer contribution resulting from state legislation, agency action or decision is determined, the city shall adjust the benefits in paragraph (c), above, to produce a decrease in employer contributions equal to the increased employer contribution resulting from state legislation, agency action or decision. Any such adjustment shall be made effective as the date the legislation, agency action or decision becomes effective. To the extent the effective date of such legislation, agency action or decision is retroactive, then the adjustment in benefits provided in paragraph (c) shall also be retroactive.

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