

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

TIER ONE

QUICK REFERENCE SUMMARY¹

<u>PLAN TERMS</u>	<u>DROP</u>
<p><u>Membership:</u> Each person employed by the City of Sunrise Police Department prior to September 1, 2015 as a full-time sworn Police Officer becomes a member of the Plan as a condition of his employment. The Police Chief may elect within thirty days of employment to become a member of the Plan.</p> <p><u>Credited Service:</u> This is the amount equal to your total length of service.</p> <p><u>Average Final Compensation (AFC):</u> This is the average of your salary during your three highest years of contributing service</p> <p><u>Salary:</u> This is your total actual fixed cash compensation paid yearly by the City for services rendered. This includes regular pay, overtime (up to 300 hours per year), holiday, and other payroll cash incentives and general monthly expense allowances. It does not include lump sum payouts of accrued benefits upon termination, auto allowances, uniform allowances, mileage and travel reimbursements and income from private details. You currently contribute 9.84% of your annual salary to the Plan.</p> <p><u>Vested:</u> You are vested when you have completed ten years of full time employee contributions.</p> <p><u>Normal Retirement Age (NRA):</u> The earlier of completing 20 years of service regardless of age or reaching age 53 with ten years of service.</p> <p><u>Early Retirement Age (ERA):</u> Reaching age 47 with ten years of service.</p> <p><u>Supplemental Benefit:</u> An additional amount paid with your monthly benefit regardless of whether you retire at early or</p>	<p>This stands for Deferred Retirement Option Plan and is an option which allows you to receive a portion of your retirement benefit in a lump sum.</p> <p>You may make a one-time, irrevocable election to enter DROP at any time after you have reached your Normal Retirement Age.</p> <p>You must terminate employment at the end of your DROP period. If you entered DROP prior to 8/9/11, your DROP period is a maximum of 72 months which you may have extended to 84 months. If you entered DROP after 8/9/11, your DROP period is a maximum of 84 months</p> <p>Within 30 days prior to the end of your DROP period or termination, you must request a distribution or rollover. If you choose to receive a distribution of all or a portion of your DROP account, the plan is required to withhold 20% for federal taxes. If you are not age 59 ½ and choose to have all or a portion of your DROP account distributed directly to you from our Plan, you may be subject to an additional 10% withholding penalty. If you choose to have some or all of your DROP account rolled into a qualified plan and you choose to receive a distribution from <i>that plan</i> prior to reaching age 59 ½, you may also be subject to substantial tax withholding.</p> <p>**This is general information only, it is not to be relied upon or used as a substitute for tax advice from a qualified professional. You will receive a special</p>

¹ This is just a short summary. A more detailed summary is provided to you in your Summary Plan Description. You should consult the Plan Documents and Plan Administrator for further information.

normal retirement age. It may be discontinued at any time. The amount depends upon when you terminated employment, decreases when you reach age 65 and ends upon your death.

Cost of Living Adjustment (COLA): An adjustment made to your monthly benefit to counteract the effects of inflation. It is only payable on normal retirement benefits and continues for your lifetime and that of your beneficiary. The amount you receive and when you begin to receive it depends upon when you terminated employment or entered the DROP.

Beneficiary Form: It is very important that you designate a beneficiary and should consider doing it upon becoming a member of the Plan. You may change your beneficiary at any time prior to retirement and may change your beneficiary up to two times after retirement without approval of the Board of Trustees for the Plan.

Disability Retirement: You are considered disabled when you become totally and permanently unable to perform useful and efficient service as a Police Officer. You must submit an application for a disability retirement to the Board of Trustees who will determine your eligibility.

MISCELLANEOUS

If you get divorced, payment of your benefits may be subject to an income deduction order made pursuant to Florida Statutes, Sec. 61.1301. This Plan does not accept Qualified Domestic Relations Orders.

Your benefits may be subjected to forfeiture if you are convicted of certain felonies pursuant to Florida Statutes, Sec. 112.3173.

tax notice pursuant to IRS Notice 2002-3 because you may be subject to federal taxes. We recommend that you consult a financial and/or tax advisor.

FORMS OF RETIREMENT BENEFITS

Your Retirement Benefit is determined by multiplying your Average Final Compensation times your Credited Service times a multiplier. Please consult your Summary Plan Description for what multipliers apply.

The normal form of benefit is paid to you for your life, with 120 payments guaranteed.

You may elect an optional form of benefit:

- Single Life Annuity
- Joint and Survivor with 100%, 75%, 66 2/3% or 50% benefit
- Joint and Survivor with 100%, 75%, 66 2/3% or 50% benefit with a pop-up which means if your beneficiary dies before you begin receiving benefits your benefit will revert to a single life annuity

PLAN ADMINISTRATION

While the Plan is administered by the Board of Trustees, the Plan engages the services of accountants, attorneys, actuaries, investment managers and performance monitors to advise it. The Plan has engaged the services of David Williams to handle the day-to-day business of the Plan. If you have any questions regarding your benefits, you may contact:

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