

**CITY OF LAKELAND  
EMPLOYEE PENSION PLAN (EPP-A & EPP-B)**

**SUMMARY PLAN DESCRIPTION  
PLANS A & B**

August 2024

**IS YOUR BENEFICIARY FORM CURRENT?**

IN THE EVENT YOU DIE, YOUR BENEFIT CONTRIBUTIONS WILL BE DISTRIBUTED TO THE PERSON OR PERSONS DESIGNATED BY NAME ON THE BENEFICIARY FORM ON FILE WITH THE PENSION PLAN. NO PROVISIONS 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 DIVORCE OR DEATH OF YOUR BENEFICIARY.

## **1. INTRODUCTION**

The Board of Trustees of the City of Lakeland Employees' Pension and Retirement System (or "System") is pleased to present this summary which briefly explains the provisions of Plans A and B of the Employee Pension Plan (EPP-A, EPP-B). The information presented is only a summary of the pension plan established by and in the Lakeland City Charter (as amended) and is not a contract between the member and the System. If there are any conflicts between the information in this document and the Charter, the Charter shall govern. If there are any conflicts between the information in this document and the rules and procedures adopted by the Board of Trustees, the Board's policy and procedures shall govern.

## **2. AUTHORITY**

- A. Internal Revenue Code and amendments
- B. Chapter 112, Part VII, Florida Statutes.
- C. Division II, Article II, Charter of the City of Lakeland, Florida, as may be amended.
- D. Administrative rules and procedures adopted by the Board of Trustees.

## **3. BOARD OF TRUSTEES**

- A. The EPP is administered by a Board of Trustees consisting of seven (7) members:
  - (1) Three (3) appointed by the City Commission
  - (2) Three (3) elected by majority of active employee Plan members
  - (3) One (1) chosen by the first six (6) Trustees
  - (4) Trustees serve a three (3) year term
- B. The EPP Administrator is the Retirement Services Director.
- C. Trustees and professional service providers contained in Appendix A.
- D. The Retirement Services Director is the agent for the service of legal process.

## **4. PLAN TYPE:**

Defined benefit with a defined contribution option for eligible Employees, qualified under provisions of IRC 401(a).

- Plan A. That version of the plan applicable to members hired prior to October 1, 2003 and who have not made an irrevocable election to convert their prospective benefit calculation to Plan C as of February 26, 2012, or the certain period of time not exceeding eighty-five days following ratification of a collective bargaining agreement for certain eligible bargaining unit members.
- Plan B. That version of the plan applicable to members hired on or after October 1, 2003 and who have not made an irrevocable election to convert their prospective benefit calculation to Plan C as of February 26, 2012, or the period of time not exceeding eighty-five days following ratification of a collective bargaining agreement for certain eligible bargaining unit members.
- Plan C. That version of the plan applicable to members hired after February 26, 2012 or those who have made an irrevocable election to convert their prospective benefit calculation to Plan C as of February 26, 2012, or the period of time not exceeding eighty-five days following ratification of a collective bargaining agreement for certain eligible bargaining unit members.

## **5. PLAN YEAR AND RECORDS**

- A. Plan year begins on October 1 and ends on September 30.
- B. Plan records are maintained on the Plan year basis.

## **6. MEMBERSHIP ELIGIBILITY**

All full-time Employees become a member of the Plan as a condition of employment except for those specific employees having the option to exclude themselves from the Plan and enter the City of Lakeland Defined Contribution Plan.

## **7. BENEFITS**

- A. General
  - (1) Claims for Plan benefits shall be made in writing to the Board.
  - (2) *Credited Service* means a member's period of employment while contributing to the Plan as a full-time Employee with the City of Lakeland measured in years and parts of years and will include breaks for military service provided the Employee is reemployed within one year of discharge and deposits the amount of member contributions that he or she would have contributed had he or she remained an employee. These contributions must be deposited upon return to employment or interest charged as determined by the Board.

- (3) The choice of retirement option is an irrevocable decision once benefits commence.
- (4) A refund of a member's contributions terminates any future benefits claim by that member.

B. Retirement Eligibility:

- (1) Plan Members as of September 30, 2003 (Plan A) who have not elected to transition to Plan C and have ten (10) or more years of credited service in the Plan, and who have attained age fifty (50), shall be entitled to retire and to receive pension benefits. Except as otherwise indicated, Normal Retirement Age under Plan A shall be the attainment of age sixty (60) with contributions to the Plan for ten (10) or more consecutive years.
- (2) Plan Members who entered the Plan on or after October 1, 2003, (Plan B) who have not elected to transition to Plan C and have ten (10) or more consecutive years of credited service in the Plan, and who have attained age fifty-two (52), shall be entitled to retire and to receive pension benefits. Except as otherwise indicated, Normal Retirement Age under this Plan B shall be the attainment of age sixty-two (62) with contributions to the Plan for ten (10) or more consecutive years.
- (3) Plan Members who enter the Plan on or after February 26, 2012, (Plan C), and all members who have elected to transition to Plan C, who have five (5) or more consecutive years of credited service in the Plan, and who have attained age fifty-two (52), shall be entitled to retire and to receive pension benefits. Except as otherwise indicated, Normal Retirement Age under this Plan C shall be the attainment of age sixty-two (62) with contributions to the Plan for five (5) or more consecutive years.

C. Retirement Benefit:

- (1) For plan members as of September 30, 2003 who have not elected to transition to Plan C, the monthly benefit is determined by multiplying the average monthly salary in any consecutive thirty-six (36) month period of the member's credited service period by a service factor and a benefit factor. The service factor is based on the length of credited service determined as follows: three (3) percent per year for the first 25 years of service plus one (1) percent per year for all service above 25 years. The benefit factor is based on age ranging from 44.8% at age 40 and 100% at age 60.

- (2) For members entering the plan after September 30, 2003 who have not elected to transition to Plan C, the monthly benefit is determined by multiplying the average monthly salary in any consecutive sixty (60) month period of the member's credited service period by a service factor and a benefit factor. The service factor is based on the length of credited service determined as follows: two (2) percent per year for the first 10 years of service plus three (3) percent per year for all service between 10 and 30 years of service plus one (1) percent for all service above 30 years. The benefit factor is based on age ranging from 0% at age 42 and 100% at age 62.
- (3) Members who enter the plan after February 26, 2012 should refer to the Summary Plan Description for Plan C (EPP-C) for a description of benefits.

D. Benefit Options: A member may elect to receive retirement benefits in an optional form so long as the form elected is of equal actuarial value as the normal benefit. Available optional forms are:

- (1) Monthly benefit payable only for the member's lifetime
- (2) A Joint Pensioner benefit option of 100%, 75%, 66 2/3%, or 50% of the member's benefit payable for the life of the Joint Pensioner following the death of the member
- (3) An actuarially reduced income payable during the lifetime of the member, or to the extent an optional form of benefits has been elected to the member's joint pensioner with a guaranteed annual increase in the member's Joint Pensioner retirement benefit of one (1), two (2) or three (3) percent.
- (4) For a Member who attains either, normal retirement status, or 30 years of Credited Service regardless of age, or qualifies under the "Rule of 75" (age plus Credited Service), and who elects to terminate membership in the Plan shall be eligible for the following options:
  - a. Lump Sum payment of current value of future benefit; or
  - b. Join the City of Lakeland Defined Contribution Plan; or
  - c. For Members who qualify based on the "Rule of 75" - Enter the Deferred Retirement Option Plan ("DROP").

E. Death before Retirement: If an Employee dies prior to retirement from the City of Lakeland, his beneficiary shall receive the following benefit:

- (1) If the Employee is not vested or has no surviving spouse, a refund of the Employee's contributions

- (2) In the event of the death of an active employee of the City who at the time of death has ten (10) years of continuous contributions to the Plan, the surviving spouse or, where there is no spouse, the eligible dependent(s) of such employee shall receive 50% of the monthly retirement benefit the employee would have received had they retired on the date of death with a benefit factor of one (1.0), payable as stipulated in the Plan.
- (3) In the event of the death of an active employee who has attained retirement eligibility: i) Plan A age fifty (50) or B age fifty-two (52), and has ten (10) or more of continuous contributions to this plan; or ii) Plan C: age fifty-two (52) and has five (5) or more years of continuous contributions to this Plan; the surviving spouse or, where there is no spouse, the eligible dependent(s) of such employee shall receive a monthly retirement benefit which would be the actuarial equivalent to seventy-five (75%) percent of the retirement benefit the employee would have received had they retired on the date of death with a benefit factor of one (1.0), payable as stipulated in the Plan.

F. Termination of Employment and Vesting: If an Employee's employment is terminated, either voluntarily or involuntarily, the following benefits are payable:

- (1) If the Employee has less than 10 years of credited service upon termination, the Employee shall be entitled to a refund of the money he has contributed to the Fund.
- (2) If the Employee has ten or more years credited service, he will be entitled to the vested portion of his accrued monthly retirement benefit to commence on his retirement eligibility date, provided he leaves his contribution in the Plan.
- (3) A terminated Employee may also elect to receive a benefit on his retirement eligibility date. In the event, the benefit provided for in (2) above shall be computed as described in subsection C. above.

G. Additional Credited Service: An Employee may receive credited service for periods of prior employment with the City of Lakeland by contributing to the Plan an amount actuarially determined such that the crediting of such service results in no cost to the Plan in accordance with the provisions of the Plan.

H. Contributions and Funding: The City is liable for any plan costs not covered by Employee contributions. Employee contributions shall be adjusted annually and effective as of each October 1<sup>st</sup> as calculated by the Plan actuary and approved by the Board. These contributions are made under the provisions of IRC Section 414(h) and as such are excluded from gross income and not subject to federal income tax.

I. Minimum Benefits. Benefits paid to the member will not be less than the greater of either the member's accumulated contributions or their respective accrued benefit.

J. Maximum Benefits. The total benefits paid to the member under this plan and any other city sponsored plan to which the member is eligible will not exceed the limits specified in IRC Section 415 and Chapter 112, F.S.

K. Forfeiture of Pension. Any employee who is convicted of a "specified offense" listed in Chapter 112.3173, F.S., committed prior to retirement, or whose employment is terminated by reason of his admitted commission, aid or abetment of these crimes shall forfeit all rights and benefits under the Plan, except for the return of his or her contributions as of the date of termination.

L. Claims Procedure before the Board. Any member may request in writing that the Board review any denial of any claim for benefits under the Plan. If the request is not resolved by the Retirement Director, the member claiming benefits may be heard by the Board. The Board can grant, deny or continue the claim. If the claim is denied after the hearing, the Board will provide the claimant with a written order with the reasons for its decision. A copy of the Claims Procedure adopted by the Board is available to members upon request.

## **8. NON-FORFEITURE OF PENSION BENEFITS**

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

B. Interest of Members in Pension Fund. 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 Employees' exclusive benefit. An Employee's contributions to the Plan are non-forfeitable.

## **9. VESTING OF BENEFITS**

Retirement benefits are fully vested after 10 years of credited service.

## **10. APPLICABLE PROVISIONS OF COLLECTIVE BARGAINING AGREEMENTS**

Existing collective bargaining agreements include all above provisions.

## **11. FINANCIAL AND ACTUARIAL INFORMATION**

Financial and actuarial information on the solvency and actuarial soundness of the Plan is available upon request.

## **APPENDIX A**

### **Names of Trustees**

Rick Lilyquist  
Chairman  
Jeffrey Stearns  
Vice-Chairman

### **Trustees Elected / Appointed By**

City Commission Appointment  
  
City Commission Appointment  
  
Board Member Appointment  
Elected by Employees  
City Commission Appointment  
Elected by Employees  
Elected by Employees

### **ACTUARIAL VALUATION**

*Gabriel Roeder Smith  
Jeffrey & Trisha Amrose  
One East Broward Blvd, Ste 505  
Fort Lauderdale, FL 33301  
(954) 527-1616*

### **CERTIFIED PUBLIC ACCOUNTANT**

*Jeff Wolf, Lead Auditor  
201 E. Kennedy Blvd. Suite 650  
Tampa, FL 33602  
(813) 314-2600, Ext. 3303*

### **INVESTMENT MANAGERS**

*Available by contacting Retirement Services  
(863) 834-8794*

### **CUSTODIAN**

*Principal Financial  
Donna Balaguer  
(515) 878-0367*

### **PERFORMANCE EVALUATION**

*Mariner Consulting, LLC  
Tyler Grumbles  
531 W Morse Blvd, Ste 200  
Winter Park, FL 32789  
(407) 520-5360*

### **LEGAL ADVISOR**

*Sugarman Susskind Braswell & Herrera, P.A.  
Pedro Herrera, Esq.  
150 Alhambra, Suite 725  
Coral Gables, FL 33134  
(305) 529-2801*