

**CITY OF COCOA POLICE OFFICERS' RETIREMENT SYSTEM
SUMMARY PLAN DESCRIPTION**

June 1, 2008

IS YOUR BENEFICIARY FORM CURRENT? IN THE EVENT YOU DIE, YOUR BENEFIT OR CONTRIBUTIONS WILL BE DISTRIBUTED TO THE PERSON OR PERSONS DESIGNATED BY NAME ON THE BENEFICIARY FORM ON FILE WITH THE PENSION PLAN. NO PROVISION 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

CITY OF COCOA POLICE OFFICERS' RETIREMENT SYSTEM SUMMARY PLAN DESCRIPTION

INTRODUCTION

The Board of Trustees of the City of Cocoa Police Officers' Retirement System is pleased to present this booklet which briefly explains the provisions of your Police Officers' Pension Plan. As a participant in the plan, you are included in a program of benefits to help you meet your financial needs at retirement, or in the event of disability or death.

This booklet can assist you in preparing for your retirement and financial future. If you need further information on any of the topics presented in this booklet, please contact any member of the Board of Trustees. They will either answer questions you might have to help you understand your benefits or otherwise get you an answer to your questions. We urge you to read and understand this booklet in order to become familiar with the benefits of the plan and how they contribute to your financial security and how they will enrich your retirement years.

The information presented is only a summary of the pension plan ("Plan") as provided in the ordinances of the City of Cocoa. If there are any conflicts between the information in this booklet and the ordinances of the City of Cocoa, the ordinances shall govern. The provisions of this Summary Plan Description shall not constitute a contract between the Member and the Board of Trustees. The Plan shall be administered in accordance with state and federal law, notwithstanding any provisions in this booklet or ordinances to the contrary. A copy of the ordinance establishing the Plan can be obtained from the City Clerk's office, which is located at 603 Brevard Avenue, Cocoa, Florida 32922-1750.

Chairman, Board of Trustees, City of Cocoa
Police Officers' Retirement System

Date

1. BOARD OF TRUSTEES AND PLAN ADMINISTRATION

A. Administration.

(1) The City of Cocoa Police Officers' Retirement System is a defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the plan. The Board consists of five Trustees, two of whom shall be legal residents of the City who are appointed by the City Council, two of whom are Members of the plan who are elected by a majority of the Police Officers who are Members of the plan and a fifth Trustee who is chosen by a majority of the first one Trustees. Each Trustee serves a two year term.

(2) DROP participants can be elected as but not vote for elected Trustees.

B. The names and addresses of the current Trustees are attached to this Summary Plan Description as Exhibit "A". The Chairman of the Board is designated as agent for the service of legal process.

2. ELIGIBILITY FOR PLAN MEMBERSHIP

Each person employed by the City Police Department as a full-time Police Officer becomes a member of the plan as a condition of his employment. All Police Officers are therefore eligible for plan benefits as provided for in the plan document and by applicable law.

3. PLAN BENEFITS

All claims for benefits under the plan shall be made in writing to the Board.

A. Normal Retirement Eligibility. You are eligible for retirement upon the attainment of age 50 and the completion of 10 years of credited service.

B. Amount of Normal Retirement Benefits. The amount of the normal retirement benefit is based on your credited service and average final compensation:

"Credited Service" is generally your period of employment as a Police Officer in the Police Department measured in years and parts of years. Credited service will include credit for up to five years for a break in employment for military service, pursuant to conditions provided for under state or federal law, provided that you are reemployed within 1 year of discharge under honorable conditions. Additional credited service time may also be available (See subsection J. below).

"Average Final Compensation" is 1/12 of your average salary of the 5 best years of the last 10 years of credited service immediately prior to your termination, retirement or death. A year is defined as 12 consecutive months.

"Salary" is the total compensation for services rendered to the city as a police officer reportable on your W-2 form plus all tax deferred, tax sheltered, or tax exempt items of income derived from elective employee payroll deductions or salary reductions.

The normal retirement benefit is calculated by multiplying 3% times years of credited service times your average final compensation: (3% x CS x AFC = normal retirement benefit).

Normal and early retirement payments will commence on the first day of the month following your last day of employment. Early retirees may defer the commencement of benefits. The benefit is paid to you for your life, but you or your beneficiary shall receive at least 120 monthly benefit payments in any event.

C. Early Retirement. You are eligible for early retirement upon .

D. Amount of Early Retirement Benefits. The amount of the early retirement benefit is calculated in the same manner as for normal retirement and is available as follows:

- (1) Beginning on the date on which you would have qualified for normal retirement; or
- (2) Beginning immediately upon retirement, but if beginning immediately, the amount of the monthly benefit is .

E. Cost of Living Increases. In addition to the benefits provided above, the plan provides for a cost of living increase as follows:

As of each October 1, retirees and disabled members who have attained their 65th birthday, and beneficiaries receiving monthly benefits on behalf of deceased members who would have attained their 65th birthday, shall have their benefits adjusted for change in the cost-of-living as measured by the consumer price index for the one-year period ended on the preceding June 30. The percentage increase or decrease in benefits shall be limited to 3% with regard to any such one-year period, and at no time shall the resulting benefit amount be less than that amount which was payable initially at the time of retirement, or in the case of deceased members at the time payments to the beneficiary began

F. Other Retirement Options. At retirement, certain additional options are available as follows:

- (1) Optional Forms of Retirement. In lieu of the amount and form of retirement income payable under normal or early retirement, you may elect to receive a retirement benefit in a different form so long as the form you elect is of equal actuarial value as the normal benefit. The optional forms of benefits which are available are:
 - (a) A retirement income of a monthly amount payable to you for your lifetime only.
 - (b) A retirement income of a modified monthly amount, payable to you during your lifetime and following your death, 100%, 75%, 66 2/3% or 50% of such monthly amount payable to a joint pensioner for his lifetime.

© If you retire prior to the time at which social security benefits are payable, you may elect to receive an increased retirement benefit until such time as social security benefits shall be assumed to commence and a reduced benefit thereafter in order to provide, to as great an extent as possible, a more level retirement allowance during the entire period of retirement.

(2) Deferred Retirement Option Plan (DROP).

- (a) If you become eligible for normal retirement, and are still employed by the City as a Police Officer, you have the option of "retiring" from the pension plan but continuing your employment as a Police Officer for an additional 5 years. An election to participate in the DROP constitutes an irrevocable election to resign from the service of the City not later than five years from the commencement of your DROP participation. You must request, in writing, to enter the DROP.
- (b) Upon entering the DROP, your retirement benefit is immediately calculated and each monthly benefit payment is deposited into your DROP account. You may elect to either have your account credited with interest at the rate of 6-1/2% per annum or credited or debited with an investment return or loss approximately equal to the other assets in the Fund. One change in election is permitted.
- © At the time of termination of employment at the end of the DROP period, you will receive your account balance in a lump sum or in another optional form and you will also begin receiving your monthly retirement benefit.
- (d) Once you enter the DROP, you are no longer eligible for disability or pre-retirement death benefits, nor do you accrue any additional credited service. Your retirement benefit is fixed as of your entry date.
- (e) Participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants.
- (f) Additional information about the DROP can be obtained from the Board.

F. Disability Retirement. You are considered disabled when you become totally and permanently unable to perform useful and efficient service as a Police Officer. A written application is made to the Board for a disability pension and the Board receives evidence of the disability and decides whether or not the pension is to be granted. If the pension is granted, the benefit amount shall be:

- (1) If the injury or disease is service connected, a benefit equal to 3% of average final compensation multiplied by your total years of credited service, but in any event, the minimum amount paid to you shall be 42% of your average final compensation, or 50% of your salary as of the date of the disability.
- (2) If the injury or disease is not service connected, a benefit equal to 3% percent of your average final compensation multiplied by your total years of credited service. This non-service connected benefit is only available if you have at least 10 years of credited service.

Terminated persons, either vested or non-vested, are not eligible for disability benefits, except that those terminated by the City for medical reasons may apply for a disability benefit within 30 days after termination.

Your disability benefit terminates upon the earlier of death, with 120 payments guaranteed, or recovery. You may, however, select a "life only" or "joint and survivor" optional form of benefit as described above under "Optional Forms of Retirement".

Your benefit will be reduced if you receive workers' compensation benefits and your combined benefit exceeds 100% of your final salary. The pension benefit will be reduced so that the total does not exceed 100%, except that the pension benefit shall not be reduced below the greater of 42% of average final compensation or 2% of average final compensation times years of credited service.

Any condition or impairment of health caused by hypertension or heart disease resulting in death or total and permanent disability is presumed to have been suffered in the line of duty unless the contrary is shown by competent evidence; provided that you have successfully passed a physical examination on entering into service and there is no evidence of the condition at that time.

For conditions diagnosed on or after January 1, 1996, if you suffer a condition or impairment of health that is caused by hepatitis, meningococcal meningitis, or tuberculosis, which results in total and permanent disability, it shall be presumed that the disability is in the line of duty, unless the contrary is shown by competent evidence as provided for in Section 112.181, Florida Statutes; provided that the statutory conditions have been met.

To receive disability benefits, you must establish to the satisfaction of the Board, that such disability was not occasioned primarily by:

- (1) Excessive or habitual use of any drugs, intoxicants or narcotics.
- (2) Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections or while committing a crime.
- (3) Injury or disease sustained while serving in any branch of the Armed Forces.
- (4) Injury or disease sustained after your employment as a Police Officer with the City of Cocoa shall have terminated.
- (5) For Police Officers members, injury or disease sustained while working for anyone other than the City and arising out of such employment.

As a disabled pensioner, you are subject to periodic medical examinations as directed by the Board to determine whether a disability continues. You may also be required to submit statements from your doctor, at your expense, confirming that your disability continues.

G. Death Before Retirement. If you die prior to retirement from the Police Department, your beneficiary shall receive the following benefit:

- (1) Prior to Vesting or Eligibility for Retirement. If you were not receiving monthly benefits or were not yet vested or eligible for early or normal retirement, your beneficiary shall receive a refund of 100% of your accumulated contributions.

- (2) Deceased Members Vested or Eligible for Retirement. If you die and, at the date of your death were vested or eligible for early or normal retirement, your beneficiary shall be entitled to a benefit as follows:
- (a) If you were vested, but not eligible for normal or early retirement, your beneficiary shall receive a benefit payable for 10 years, beginning on the date that you would have been eligible for early or normal retirement, at the option of your beneficiary. The benefit shall be calculated as for normal retirement based on your credited service and average final compensation as of the date of your death and reduced as for early retirement, if applicable. Your beneficiary may also elect to receive an immediate benefit, payable for 10 years, which is actuarially reduced to reflect the commencement of benefits prior to your early retirement date.
 - (b) If you were eligible for normal or early retirement, your beneficiary shall receive a benefit payable for 10 years, beginning on the first day of the month following your death or at your otherwise normal retirement date, at the option of your beneficiary. The benefit shall be calculated as for normal retirement based on your credited service and average final compensation as of the date of your death and reduced as for early retirement, if applicable.
 - (c) Your beneficiary may not elect an optional form of benefit, however, the Board may elect to make a lump sum payment.
 - (d) Your beneficiary may, in lieu of any benefit provided for in (a) or (b) above, elect to receive a refund of your accumulated contributions.

H. Termination of Employment and Vesting. If your employment is terminated, either voluntarily or involuntarily, the following benefits are payable:

- (1) If you have less than 10 years of credited service upon termination, you shall be entitled to a refund of the money you have contributed or you may leave it deposited with the Fund.
- (2) If you have 10 or more years of credited service upon termination, you shall be entitled to a monthly retirement benefit. The benefit shall be determined in the same manner as for normal or early retirement and shall be based upon your credited service, average final compensation and the benefit accrual rate as of the date of termination. The benefit shall be payable to you starting at your otherwise normal or early retirement date, provided you do not elect to withdraw your contributions and provided you survive to your otherwise normal or early retirement date. If you do not withdraw your accumulated contributions and do not survive to your otherwise normal or early retirement date, your designated beneficiary shall be entitled to a benefit as provided herein for a deceased member, vested or eligible for retirement under Death Before Retirement.

The Internal Revenue Code provides that certain eligible lump sum distributions from the pension plan may be directly rolled over into qualified individual retirement accounts, annuities or certain other pension plans. A 20% withholding shall be required on taxable portions of such lump sum distributions not directly transferred to a new custodian.

I. Reemployment After Retirement. If you retire under normal or early retirement and wish to be reemployed by the city, you should be aware that your ability to continue to receive your pension benefit upon reemployment may be restricted.

J. Additional Credited Service. In addition to credited service actually earned in the employment of the Police Department, you may also receive credited service as follows:

- (1) "Buy-Back" for Prior Service. The years or fractional parts of years that you previously served as a police officer with the City of Cocoa during a period of previous employment and for which period accumulated contributions were withdrawn from the plan shall be added to your years of credited service provided that within the first 90 days of your reemployment you pay into the plan the withdrawn contributions with interest.

If, after 90 days from your reemployment you have failed to purchase credited service pursuant to the previous paragraph or if you served as a full-time paid Police Officer for any other municipal, county or state law enforcement agency in the State of Florida, you will receive credited service only if:

- (a) You contribute to the plan a sum equal to:
 - (i) the amount that you would have contributed to the plan, based on your salary and the member contribution rate in effect at the time that the credited service is requested, had you been a member of the plan for the years or fractional parts of years for which you are requesting credit, plus
 - (ii) an additional amount to be determined by the Board's actuary so that there is no cost to the plan in giving you the additional years of credited service, plus
 - (iii) the amount charged by the actuary for determining the amount you must contribute.
- (b) Multiple requests to purchase credited service may be made at any time prior to retirement.
- (c) Payment of the required amount shall be made within 6 months of your request for credit, but not later than your retirement date, and shall be made in one lump sum payment upon receipt of which credited service shall be given.
- (d) The maximum credit under this subsection for service other than with the City of Cocoa shall be 5 years of credited service and shall count for all purposes, except vesting and eligibility for not-in-line of duty disability benefits. There shall be no maximum purchase of credit for prior service with the City of Cocoa and such credit shall count for all purposes, including vesting.
- (e) In no event, however, may credited service be purchased pursuant to this subsection for prior service with any other municipal, county or state law enforcement department, if such prior service forms or will form the basis of a retirement benefit or pension from a different employer's retirement system or plan.

- (2) "Buy-Back" of Time Lost Due to Absences Authorized by the Family and Medical Leave Act. If you are absent on unpaid leave under the Family & Medical Leave Act, you may purchase lost credited service by making an actuarially determined contribution to the plan, such that there is no cost to the plan in allowing such credited service, within strict time periods provided for in the plan document.
- (3) "Buy-Back" for Military Service Prior to Employment. The years or fractional parts of years that you serve or have served on active duty in the military service of the Armed Forces of the United States, the United States Merchant Marine or the United States Coast Guard, voluntarily or involuntarily and honorably or under honorable conditions, prior to first and initial employment with the City Police Department shall be added to your years of credited service provided that:
- (a) You contribute to the plan a sum equal to:
 - (i) the amount that you would have contributed to the plan, based on your salary and the member contribution rate in effect at the time that the credited service is requested, had you been a member of the plan for the years or fractional parts of years for which you are requesting credit, plus
 - (ii) an additional amount to be determined by the Board's actuary so that there is no cost to the plan in giving you the additional years of credited service, plus
 - (iii) the amount charged by the actuary for determining the amount you must contribute.
 - (b) Multiple requests to purchase credited service may be made at any time prior to retirement.
 - (c) Payment of the required amount shall be made within 6 months of your request for credit, but not later than your retirement date, and shall be made in one lump sum payment upon receipt of which credited service shall be given.
 - (d) The maximum credit under this subsection shall be 4 years and shall count for all purposes except vesting and eligibility for not-in-line of duty disability benefits.
- (4) Rollovers or Transfers of Funds to Purchase Service. In the event you are eligible to purchase additional credited service as provided above, you may be eligible to rollover or transfer funds from another retirement program in which you participate (traditional IRA, deferred compensation plan maintained by a government employer 457 plan, 401k plan, profit sharing plan, defined benefit plan, money purchase plan, annuity plan or tax sheltered annuity) in order to pay all or part of the cost of purchasing such additional credited service.

K. Contributions and Funding. The City is paying the portion of the cost of the pension plan over and above your contributions and any amounts received from the state insurance rebates. You contribute 6 1/2 % of your salary to the plan. Your contribution will be excluded from your gross income for withholding purposes so you will realize income tax benefits. Your contributions are guaranteed refundable in any event.

L. Minimum Benefits. In no event will the benefits paid from this plan be any less than your contributions.

M. Maximum Benefits. In no event will the annual benefits paid from this plan exceed \$160,000 annually, subject to certain cost of living adjustments and actuarial reductions, under certain circumstances, prior to age 62 as set forth in Section 415 of the Internal Revenue Code.

You cannot receive a benefit in excess of 100% of your average final compensation.

N. Forfeiture of Pension. If you are convicted of the certain crimes listed in the plan document committed prior to retirement, or if your employment is terminated by reason of your admitted commission, aid or abetment of these crimes, you shall forfeit all rights and benefits under the plan, except for the return of your contributions as of the date of your termination.

O. Conviction and Forfeiture; False, Misleading or Fraudulent Statements.

It is unlawful for you to willfully and knowingly make, or cause to be made, or to assist, conspire with, or urge another to make, or cause to be made, any false, fraudulent, or misleading oral or written statement or withhold or conceal material information to obtain any benefit from the plan.

If you violate the previous paragraph, you commit a misdemeanor of the first degree, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

In addition to any applicable criminal penalty, upon conviction for a violation described above, you or your beneficiary may, in the discretion of the Board, be required to forfeit the right to receive any or all benefits to which you would otherwise be entitled under the plan. For purposes of this subsection, "conviction" means a determination of guilt that is the result of a plea or trial, regardless of whether adjudication is withheld.

P. Claims Procedure Before the Board. You may request, in writing, that the Board review any claim for benefits under the plan. The Board will review the case and enter a decision as it deems proper within not more than 180 days from the date of the receipt of such written request, or in the case of a disability claim, from receipt of a medical release and completed interrogatories. The time period may be extended if you agree to the extension.

The Board's decision on your claim will be contained in an order which will be in writing and will include:

- (1) The specific reasons for the Board's action;
- (2) A description of any additional information that the Board feels is necessary for you to perfect your claim;
- (3) An explanation of the review procedure next open to you which includes a formal evidentiary hearing.

4. NON-FORFEITURE OF PENSION BENEFITS

A. Liquidation of Pension Fund Assets. In the event of repeal, or if contributions to the plan 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 Police Officers' exclusive benefit. In any event, your contributions to the plan are non-forfeitable.

5. VESTING OF BENEFITS

Your retirement benefits are vested after 10 years of credited service.

6. APPLICABLE LAW

The plan is governed by certain federal, state and local laws, including, but not limited to the following:

- A. Internal Revenue Code and amendments thereto.
- B. Chapter 185, Florida Statutes, "Municipal Police Officers' Retirement Trust Funds".
- C. Part VIII, Chapter 112, Florida Statutes, "Actuarial Soundness of Retirement Systems".
- D. Ordinances of the City of Cocoa.
- E. Administrative rules and regulations adopted by the Board of Trustees.

7. PLAN YEAR AND PLAN RECORDS

The plan year begins on October 1 of each year and ends on September 30 of the following year. All records of the plan are maintained on the basis of the plan year.

8. APPLICABLE PROVISIONS OF COLLECTIVE BARGAINING AGREEMENTS

There is a current collective bargaining agreement between the City and the Police Officers. Pension benefits are bargainable.

9. FINANCIAL AND ACTUARIAL INFORMATION

A report of pertinent financial and actuarial information on the solvency and actuarial soundness of the plan has been prepared by the Pension Plan's actuary, Foster & Foster, Inc., and is attached as Exhibit "B".

10. DIVORCE OR DISSOLUTION OF MARRIAGE

Federal and state law provides certain restrictions regarding the payment of your pension benefits in the event of your divorce or dissolution of marriage. Immediately upon your involvement in such a legal proceeding, you should provide a member of the Board with the name and address of your attorney or your name and address if you have no attorney. The Board's attorney will then provide you or your attorney with information concerning the legal restrictions regarding your pension benefits. In addition, a copy of any proposed order must be submitted to the Board prior to entry by the court. Failure to do so may require you to pay any expenses incurred by the Board in correcting an improper court order.

EXHIBIT "A"

BOARD OF TRUSTEES

The names and addresses of the members of the Board of Trustees are:

Chairman: John Casey
1226 W. King Street
Cocoa, Florida 32922

Vice-Chairman: Robert Bobay
1226 W. King Street
Cocoa, Florida 32922

Secretary: Mike Kirn
1226 W. King Street
Cocoa, Florida 32922

Member: Don Smith
1226 W. King Street
Cocoa, Florida 32922

Member: Anne Allen
603 Brevard Avenue
Cocoa, Florida 32922