

**PENSION BOARD POLICIES
FIREFIGHTERS & POLICE OFFICERS
PENSION FUND OF THE CITY OF TAMPA**

Policy Number: 432
Policy: Poverty Level Minimum Monthly Pension Benefit
Eff. Date: 08/26/04 07/30/14 04/27/22
Ref: Board Minutes, pension contract

POLICY:

1. Purpose. The purpose of this policy is to implement the provisions of Section 7(J) of the pension contract which provide for a minimum monthly pension benefit to any retired member or eligible surviving spouse based upon the poverty level standards as published annually in the Federal Register.
2. Authority for Policy. Section 7(I) of the pension contract provides that the Board of Trustees shall make rules as are necessary for the effective and efficient administration of Sections 7, 8, and 9, and to administer the fund in such manner that the fund will qualify as a qualified governmental pension plan under the Internal Revenue Code, which rules shall have the force of law and shall be considered part of this contract. See also Section 5(H) of the pension contract.
3. Eligibility. Effective October 1, 2004 prospectively, the following persons shall be eligible for the poverty level minimum pension benefit: any retired member or eligible surviving spouse whose total gross monthly pension benefit (Base plus COLA) falls below the poverty level for a family of one or family of two, as the case may be, as published annually in the Federal Register.
 - a. A retired member who is receiving monthly pension benefits who is unmarried shall qualify for the family-of-one statistic.
 - b. A retired member who is unmarried, but has an unmarried minor child under the age of 18 shall qualify for the family-of-two statistic, provided that the minor child is either the retired member's biological child or legally adopted child (stepchildren do not qualify under the pension contract). When the retired member's last biological or legally adopted unmarried minor child reaches the age of 18 or marries, the unmarried retired member shall revert to a family-of-one statistic. If the unmarried biological or legally adopted child of the retired member is determined to be medically or legally dependent on the eligible surviving spouse, as outlined in Policy 414 Payment of Pension Benefits, the family-of-two statistic shall continue to apply until it is determined the child is no longer eligible for minor child benefits.
 - c. A retired member who has married after separation from employment and who has a spouse that is *ineligible* to receive surviving spouse benefits upon the death of the retired member shall qualify for the family-of-two statistic. Note: Marital status for the purposes of this policy (#432 – Poverty Level Minimum Pension

Benefit) does not automatically qualify the surviving spouse for ongoing monthly surviving spousal pension benefits (#421 – Spouse Benefits) upon the death of the retired member.

For example, a member who separates from employment on 7/7/1977 and is either unmarried at that time or marries after separation from employment, and therefore does not have an *eligible* surviving spouse to receive ongoing monthly pension benefits upon the death of the retired member, the retired member shall be eligible for the family-of-two statistic for as long as he/she is legally married. However, in this example, monthly pension benefits shall cease upon the death of the retired member, as this spouse is not an *eligible surviving spouse*.

- d. An eligible surviving spouse who is receiving monthly pension benefits and has no unmarried minor biological children of the retired member and no minor child who was legally adopted by the retired member shall qualify for the family-of-one statistic. The pension plan provides that monthly pension benefits paid to an eligible surviving spouse shall cease upon *death or remarriage*. If the eligible surviving spouse were to remarry, monthly pension benefits would cease upon remarriage, except as set forth in paragraph f hereafter.
- e. An eligible surviving spouse who is receiving monthly pension benefits who has an unmarried minor biological child of the retired member or an unmarried minor child who was legally adopted by the retired member shall qualify for the family-of-two statistic. When the retired member's last biological or legally adopted minor child reaches the age of 18 or marries, the unmarried surviving spouse shall revert to a family-of-one statistic. If the unmarried biological or legally adopted child of the retired member is determined to be medically or legally dependent on the eligible surviving spouse, as outlined in Policy 414 Payment of Pension Benefits, the family-of-two statistic shall continue to apply until it is determined the child is no longer eligible for minor child benefits.
- f. Monthly pension benefits being paid to an eligible surviving spouse of a firefighter or police officer who was *killed in the line of duty* shall not cease upon remarriage. An eligible surviving spouse of a firefighter or police officer who was *killed in the line of duty* and who later remarries shall be eligible for a family-of-two statistic.
- g. Minor children are not eligible for stand-alone monthly poverty level minimum pension benefits. Minor children participate in the poverty level pension benefits only to the extent that the family-of-one vs. family-of-two statistic is determined for the retired member or eligible surviving spouse.
- h. The required documentation for the poverty level statistic (family-of-one vs. family-of-two) shall be a marriage certificate if based upon marital status, birth

from the retired member's spouse, and upon the retired member's unmarried minor biological or legally adopted child's marriage or reaching the age of 18 or evidence as outlined in Policy 414 Payment of Pension Benefits if based upon a child who is determined to be medically or legally dependent. so that the family-of-two statistic may be changed to the family-of-one statistic. It is the responsibility of the surviving spouse receiving the poverty level minimum benefit to notify the pension office in a timely manner upon the death of the retired member, the death of the surviving spouse's spouse if remarried, and upon the retired member's unmarried minor biological or legally adopted child's marriage or reaching the age of 18 so that the family-of-two statistic may be changed to the family-of-one statistic.

The pension office staff will conduct periodic pension verification questionnaires that require the notarized signature on an affidavit that the retired member, the surviving spouse, and/or unmarried minor biological or legally adopted child continue to be eligible for pension benefits and for eligibility of either the family-of-one statistic or the family-of-two statistic. The name, date of birth and social security number of all pension benefit recipients will also be compared periodically to a national database to determine if a retired member, surviving spouse or minor child has died and a reduction is due from the family-of-two statistic to the family-of-one statistic.

Under the pension contract, the Board of Trustees has the power to examine the facts upon which any pension has been granted and ascertain if any pension has been granted or obtained erroneously, fraudulently, or illegally for any reason. The Board is empowered to purge the pension rolls of any person granted a pension if found to be erroneous, fraudulent or illegal for any reason and to reclassify any pensioner who has been erroneously, improperly or illegally classified. Should any pensioner erroneously, fraudulently, or illegally receive poverty level benefits or fail to notify the pension office of a change in family status such that benefits are overpaid, the Board is obligated to collect the overpayment in accordance with Policy 415 – Overpayments to Pensioners.

9. During the annual audit for eligibility, the earned benefit for each retired member and surviving spouse will be compared to the poverty level benefit as published in the Federal Register for the upcoming year (see paragraph 4.b. above for effective date). Should the earned benefit exceed the poverty level benefit, the retired member or surviving spouse will no longer be eligible for the poverty level provision and will be converted to the original earned benefit of the retired member.


Chairman

certificate of the minor child under the age of 18, evidence of legal adoption of an unmarried minor child under the age of 18, or evidence as outlined in Policy 414 Payment of Pension Benefits if based upon a child who is determined to be medically or legally dependent.

- i. . The Board of Trustees may also require an affidavit that the minor child has not married.

4. Effective Date.

- a. This policy became effective 10/1/2004, *prospectively*. In other words, the first monthly pension benefit affected by this poverty level minimum benefit was the October, 2004 monthly pension benefit which was paid, direct deposited or accrued to a DROP account on 10/31/2004.
- b. The monthly poverty level minimum benefits will be changed April 30 of each calendar year after the new yearly poverty level statistics are published in the Federal Register, anticipated to be published in late February or March of each year. The intended effect is to provide twelve (12) monthly payments at the applicable poverty level statistic beginning April 2005 regardless of if there is a delay in publication of the next year's annual figures in the Federal Register.

5. 13th check benefits, which are contingent upon investment return and cumulative actuarial gains and losses from all sources, shall not be considered part of the total gross monthly pension benefit (Base plus COLA) for the purposes of this policy.
6. For the purposes of this policy, total gross monthly pension benefits shall mean Base plus COLA. The Base plus COLA calculation for the poverty level calculation shall be based upon the retired member's COLA class (as a cumulative % of the base pension benefit), or the eligible surviving spouse's COLA class (as a cumulative % of the base pension benefit), as the case may be.

For example, an unmarried retired member with no unmarried biological or legally adopted minor children under the age of 18 who is currently receiving a total gross monthly pension benefit of \$288 (\$100 Base plus \$188 COLA = \$288 Total Monthly Gross) would be eligible for the 2004 family-of-one statistic of \$775.83 in the prorata base/COLA amount of \$269.39 Base plus \$506.44 COLA = \$775.83.

7. The Poverty Guidelines for the 48 Contiguous States, as published annually in the Federal Register, will determine the annual poverty level benefit amount.
8. It is the responsibility of the retired member receiving the poverty level minimum benefit to notify the pension office in a timely manner upon the death of or divorce