

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

Policy Number: 414
Policy: Payment of Pension Benefits
Eff. Date: 02/15/79 02/27/79 05/08/80 11/12/99 10/16/19 03/24/21 04/27/22 10/25/23 12/13/23 08/28/24 06/27/25
Ref: Board Minutes

POLICY:

I. DEFINITIONS:

- A. Benefit Payment Commencement Date: For the purpose of this policy, benefit payment commencement date shall mean the earlier of either:
1. the member's DROP entry date; OR
 2. separating from employment with the City of Tampa and:
 - a) attainment of age 46, if credited service is more than ten (10) years or less than twenty (20) years; or
 - b) attainment of twenty (20) years of service, regardless of age; OR
 3. the effective date of death or disability benefits.
- B. Optional Forms of Payment: Per Section 7(E) of the Pension Contract, a member may elect to receive a pension benefit of equivalent actuarial value to the benefits provided in Sections 7(A), 7(B), and 7(C) of the pension contract by electing an alternate payment option. In addition to the default payment option (Option 1), there are two other payment options (Option 2 and Option 3) available to members, all of which are defined below:
1. Normal/Default Option (Option 1): This is the benefit defined by the Pension Contract in Sections 7(A), 7(B), and 7(C) and payable as outlined in Sections 8 and 9. Most commonly, this payment option allows for an eligible surviving spouse to receive 65% of the member's retirement benefit upon the member's death. Spousal benefits cease upon death or remarriage, whichever is earlier. Minor child benefits are also available under this option and cease upon the earlier of age 18 or marriage. There is a 10-year certain provision to this option that guarantees a minimum of 120 payments over the combined lives of all benefit recipients (member, spouse, minor child, and beneficiary). This is the default benefit payment option for all members.
 2. Life Only Option (Option 2): This payment option provides a benefit for the life of the member only. Upon the member's death, no payments are made to a beneficiary, except for the unpaid balance of the benefits equal to

the member's contributions, if any. As no monthly benefits will be paid after the death of the member, the member receives a slightly higher monthly benefit compared to the Normal/Default Option.

3. Joint Annuitant Options (Options 3a, 3b, 3c, and 3d): These payment options allow a member to select any person, regardless of relation to the member, to receive a benefit for his or her lifetime. The amount of the monthly pension benefit is determined as of the benefit payment commencement date and is reduced upon the death of the member or the Joint Annuitant, whichever comes first.

Under Option 3a, the ongoing monthly benefit after the first death is 100%, which effectively means there is no reduction to the surviving party's monthly benefit. Under Option 3b, the ongoing monthly benefit for the surviving party is reduced to 75% after the first death. Under Option 3c, the ongoing monthly benefit for the surviving party is reduced to 66 $\frac{2}{3}$ % after the first death. Under Option 3d, the ongoing monthly benefit for the surviving party is reduced to 50% after the first death.

The monthly pension benefit payable to the member is calculated based on two factors:

- a) the benefit option elected; AND
- b) mortality tables, which account for the marital status of the member and the ages of the member and the Joint Annuitant.

Given these factors, the benefit amount payable under the Joint Annuitant Options can be higher or lower than the Normal/Default Option.

As the optional forms of payment are complex and not all scenarios can be explained in policy, members are strongly encouraged to meet with a pension office staff member on an individual basis. Members should update their Optional Forms of Payment form upon employment with the City, after any life status change (marriage, divorce, birth of a child, etc.), and at DROP entry or retirement, at a minimum. Under state law, a dissolution of marriage can cancel an earlier beneficiary designation. As a result, an annual review of all beneficiary designations, including the Optional Forms of Payment, is highly recommended.

II. PROCEDURES:

- A. Retirement benefits are calculated using a variety of factors, including age and marital status. These factors are determined as of the member's benefit payment commencement date. Benefits cannot be calculated until the member elects an optional form of payment for retirement benefits. This election shall be made in writing on a form prescribed by the Board of Trustees. Failure to make an

optional form of payment election by the deadline in Section II(B) of this policy shall result in the default selection of the Normal/Default Option (Option 1). This election cannot be changed once the member has received his or her first monthly pension benefit payment or DROP accrual.

For members who elect Option 3, any change to marital status after the member's benefit payment eligibility date may require the member to execute either a:

1. Joint Annuitant Reaffirmation Form, which shall not change the member's monthly pension benefit; OR
2. Joint Annuitant Change Form, which shall constitute one (1) of two (2) of the member's permissible beneficiary changes under Section 7(G)(2) of the Compendium Contract, and the member's monthly pension benefit shall be recalculated.

- B. Pension benefits will be paid retroactively to the member's benefit payment commencement date provided that the member elects an optional form of payment within thirty (30) days of that date. In cases where a member does not make such an election within thirty (30) days, the Normal/Default Option (Option 1) shall be deemed elected by the member. Payments will be made retroactively for a maximum of 30 days.

For newly separated employees, pension checks shall be processed for payment at the earliest opportunity after the City of Tampa provides final payroll data to the pension office, but no later than the end of the following month.

On a case-by-case basis, the Plan Administrator shall be authorized to issue a pension payment in an estimated amount (from the date of retirement to the end of the month) to new retirees if the necessary final salary information needed to compute the exact pension is not yet available. A pension adjustment shall be made the following month to reconcile the monthly benefit to the correct amount due after the final salary information is available for computation.

- C. For members participating in the grievance or arbitration process, pension benefits will not be paid until the completion of any proceedings and satisfactory documentation is provided to the pension office. Satisfactory documentation may be in the form of an email from the City of Tampa, the appropriate union, the member's legal representative, or by a copy of the arbitration decision.
- D. In order to timely process retirement applications, members must properly complete and provide to the pension office all required forms, documents, and paperwork, including the Optional Forms of Payment form, at least fourteen (14) calendar days prior to the member's intended date of separation from employment with the City of Tampa, but no later than the last business day prior to the benefit commencement date. Extensions may be granted on a case-by-case basis by the

Plan Administrator. Additionally, the member's pension file must contain the following items:

- a. a copy of the member's driver's license and/or birth certificate;
- b. a copy of the member's social security card and/or Form W-9;
- c. if married, a copy of the member's marriage certificate;
- d. if divorced, a copy of the member's divorce decree(s), Marital Settlement Agreement(s), and Income Deduction Order(s) (IDO) or other court documents, if applicable;
- e. a copy of spouse's driver's license and/or birth certificate for spouse's date of birth verification and a copy of the spouse's social security card and/or Form W-9; AND
- f. if Option 3 has been selected and the joint annuitant is not the member's spouse, a copy of the joint annuitant's driver's license, passport, state ID card, and/or birth certificate (if a minor child) for joint annuitant's date of birth verification and a copy of the joint annuitant's social security card and/or Form W-9.

In order to timely process other types of benefit applications (e.g. surviving spouse, JA, minor child, estate), benefit recipients must properly complete and provide to the pension office all required forms, documents, and paperwork prior to commencement of benefit payments. Extensions may be granted on a case-by-case basis by the Plan Administrator. Additionally, the benefit recipient's pension file must contain the following items:

- a. a copy of the payee's driver's license and/or birth certificate; AND
- b. a copy of the payee's social security card and/or Form W-9.

Failure to provide required paperwork, forms, or documents may result in delayed payment of pension benefits. Members are encouraged to bring these items with them when they file their retirement applications, in case the pension file does not already contain such items. This information is necessary for both internal and external audit and accounting requirements.

In the event the pension office requires additional or updated documents from a member or benefit recipient, the pension benefit may be suspended until such documents are received.

- E. For children of firefighters and police officers who die in the line of duty that are receiving benefits under Section 8(B) of the pension contract or who are enrolled

as a fulltime student at the time of the member's death, the following documents are required in order to continue receiving benefits after reaching the age of eighteen (18) and up to age twenty-three (23):

1. Prior to the start of the student's first term, a letter of acceptance to a college or university, or such other proof deemed acceptable to the Board of Trustees, to be received by the pension office prior to the student's graduation from high school; AND
2. Upon the start of the first term and each subsequent term, a copy of the student's college classes, including number of hours, and a statement from the school regarding the number of hours required for fulltime status. This statement can be from the college's website or student handbook; AND
3. Upon the completion of each term, a copy of the student's transcripts showing the number of hours completed.

Benefits shall be paid to students who provide proper documentation of fulltime enrollment for at least two terms or three quarters per calendar year. If during the first year of enrollment the student has not yet graduated high school, benefits shall be paid to students who are enrolled in at least one term or one quarter during the calendar year. Benefits shall cease upon the student graduating from college or university, attaining the age twenty-three (23), or failing to be enrolled as a fulltime student, whichever is earlier. Benefits shall not be paid during gap years or during periods of deferred enrollment. Once benefits cease, they shall not be reinstated.

The student is required to notify the pension office if he or she is no longer enrolled as a fulltime student, prior to reaching age twenty-three (23). All documentation shall be reviewed by the Plan Administrator.

- F. For children of firefighters and police officers who die **not** in the line of duty that are receiving benefits under Section 9(B) of the pension contract, any benefits exceeding the maximum limits contained within the pension contract shall be reduced on a pro rata basis from both the surviving spouse and minor child(ren) so that the reduced shares did not exceed the statutory aggregate limit. In the case of doubt, the decision of the Board shall be final, binding, and conclusive.
- G. If a minor child is determined to be medically or legally dependent on a caregiver due to a significant mental or physical disability or handicap, as outlined below, his/her benefits shall not cease upon reaching age 18, but shall continue for the duration of the disability or handicap. Additionally, a child who is over the age of 18 at the time of the member's death shall not be precluded from receiving benefits if he/she is determined to be legally or medically dependent on a caregiver due to a significant mental or physical disability or handicap, as outlined below. In order to be eligible for benefits, the child must not be married. Any

benefits received by the child shall cease upon the child's marriage.

In order to qualify for benefits, the child's caregiver must provide the Fund with a letter from the child's treating physician outlining the disability or handicap and whether or not it is permanent or temporary in nature. Further, the physician must certify that 1) the child is so physically or mentally handicapped, either congenitally or through injury suffered or disease contracted, as to be unable to be self-supporting or to secure and hold gainful employment or pursue an occupation; 2) the handicap was not the result of an occupational injury for which the child received compensation equal to or greater than that provided for by the pension contract; 3) the handicap was not the result of an intentional self-inflicted injury or a chronic illness itself resulting from an addiction of the child through a protracted course of noncoerced indulgence in alcohol, narcotics, or other substance abuse; and 4) the handicap did not occur as a result of the child's participation in the commission of a felony.

The Board may require other documentation at its discretion to determine initial and/or continued eligibility of the child. The Plan Administrator shall review and approve all requests for benefits under this paragraph. If in doubt, the Plan Administrator will send the request to the Chairman for final action.

Nothing in this policy shall be used to avoid any obligations or limitations under the Internal Revenue Code.