



OPTIONAL FORMS OF PAYMENT

FACT SHEET

Optional Forms of Payment refers to a member's ability to elect a payment option that is not the Normal/Default payment option provided for by the Pension Contract. There are three payment options available to members and pension benefit payments are adjusted up or down based on the election made. You cannot change your optional form of payment designation after you receive your first pension check or DROP accrual.

The Optional Forms of Payment provision is a complex component of the Pension Contract and elections should not be made without consulting with the Pension Office. We also advise speaking with a financial planner after discussing the options with the Pension Office. There is no perfect payment option, but based on your personal circumstances, one of the options may be better suited to your needs than the others.

OPTION 1 – NORMAL/DEFAULT

This is the default option provided for by the pension contract. It pays 100% of the pension benefit earned while you were a contributing member of the Fund. Upon your passing, it pays 65% of your pension benefit to your eligible surviving spouse, who is someone you were married to while you were a contributing member of the Fund and at the time of your death. This option guarantees 10 years of payments before any reductions are made. However, this 10 year-certain provision includes any payments made to you (the member). If you pass away after receiving 120 payments (equivalent of 10 years), the benefit immediately reduces to 65% to your eligible surviving spouse. In the event you and your spouse pass away together or you do not have an eligible surviving spouse at the time of your passing, you may designate a beneficiary or beneficiaries to receive any monies due your estate, such as the balance of any contributions on file with the Fund or the balance of the 10 year-certain provision.

Upon your passing, your minor children are eligible for 7.5% of your final year's earnings until they turn 18 or marry, whichever occurs first, limited to a combined total of 15% for all children. Stepchildren are ineligible.

OPTION 2 – LIFE ONLY

This optional form of payment only pays a benefit to the member. THERE ARE NO SURVIVOR BENEFITS UNDER THIS OPTION. As such, you would receive a slightly higher monthly pension benefit, which would be the actuarial equivalence of the Option 1 benefit. You may designate a beneficiary or beneficiaries to receive any monies due your estate, such as the balance of any contributions on file with the Fund.

OPTION 3 – JOINT ANNUITANT

This optional form of payment is a joint and survivor benefit option that pays out to the member and one other person, who is referred to as a Joint Annuitant (JA). This person does not have to be your spouse, as in Option 1. There are four death payout options under this option: 100% (3a), 75% (3b), 66 ⅔% (3c), and 50% (3d). Please note that the benefit reduces to the payout

option UPON THE FIRST DEATH, which could be the death of the JA. For example, if you select Option 3d, your benefit would be reduced to 50% if your JA predeceases you. There are no guaranteed number of payments, as in Option 1. If you elect one of these optional forms of payment, you may receive a higher or lower monthly pension benefit based on your marital status, your age, and your JA's age. Like with Option 2, the monthly benefit payable under Option 3 would be the actuarial equivalence of the Option 1 benefit. In the event you and your JA pass away together or you do not have a JA at the time of your passing, you may designate a beneficiary or beneficiaries to receive any monies due your estate, such as the balance of any contributions on file with the Fund.

Under Option 3, you can change your JA up to two times after you receive your first pension check or DROP accrual.

CONTACT US

Tampa Fire & Police Pension Fund

3001 North Boulevard
Tampa, FL 33603

813-274-8550

FPPension@tampagov.net
www.tampagov.net/fppension