



**THE PUBLIC HEALTH TRUST  
OF MIAMI-DADE COUNTY, FLORIDA**

**DEFINED BENEFIT RETIREMENT PLAN  
SUMMARY DESCRIPTION**

**JANUARY 1, 2024**

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## PLAN INFORMATION

<b>Name of Plan</b>	The Public Health Trust of Miami-Dade County Florida Defined Benefit Retirement Plan (The Plan)
<b>Type of Plan</b>	The Plan is a defined benefit plan, qualified under section 401(a) of the Internal Revenue Code.
<b>Administration and Service of Legal Process</b>	<p>The Plan is administered by The Public Health Trust of Miami-Dade County (the PHT)</p> <p>Legal process may be served on:</p> <p style="padding-left: 40px;">Jackson Health System ("JHS") Human Resources Division 1500 Northwest 12<sup>th</sup> Avenue Ste.106W Miami, FL 33136-1094</p>
<b>Provisions of Law</b>	The Plan was established effective January 1, 1996. Rules governing the operation of the Plan are found in the Plan document, the Internal Revenue Code and Chapter 112, Florida Statutes.
<b>Funding</b>	The Plan is a contributory defined benefit plan. Contributions are made by both the members and the PHT. (Jackson Health System)
<b>Plan Year</b>	The Plan year is January 1 <sup>st</sup> through December 31 <sup>st</sup> .
<b>Employment Rights Not Implied</b>	Membership in the Plan does not give you the right to be retained in the employment of the PHT, not does it give you a right or claim to any benefit you have not accrued under the Plan.

## BECOMING A MEMBER OF THE PLAN

### BECOMING A MEMBER OF THE PLAN

The Plan is established to cover employees hired or rehired on or after January 1, 1996 by Jackson Health System as well as an employee that experienced a status change becoming ineligible for retirement benefits and returns to an eligible status on or after January 1, 1996.

Membership in the Plan is automatic if you are working in a Full-time or Part-time regularly established position.

You are not eligible for membership if you work in a position that is not regularly established. Employees who are not eligible for membership in the Plan generally include employees in the following categories:

- House Staff;
- On Call/Pool/Per diem;

Please note that full-time temporary relief and full-time substitutes are eligible to participate in the Plan after 6 months of employment.

The Plan is available for employees of the JHS only. Employees may not accrue benefits under this Plan and the Florida Retirement System (FRS) simultaneously.

Effective August 1, 2022, members of the Foundation are eligible to participate in the PHT. Credited service is earned from August 1, 2022, and vesting credit is based on elapsed time from original date of hire with the Foundation.

**SOCIAL SECURITY COVERAGE**

As an employee of the JHS you are automatically covered by Social Security. Social Security contributions are deducted from your salary and matched by the JHS. Although Social Security coverage is part of your overall benefit package, you must contact your local Social Security office, or call the toll-free information number, 1-800-772-1213, for information concerning your Social Security account and future benefits. Information about your Social Security benefit may also be obtained online at [www.ssa.gov](http://www.ssa.gov).

**CLASSES OF MEMBERSHIP**

There are two classes of membership in the Plan – Regular Class and Senior Management Service Class (SMSC). SMSC are members who are filling senior management positions determined eligible by the Pension Plan Committee. All other members are Regular Class.

**CONTRIBUTIONS**

Prior to March 23, 2012, the Plan was a non-contributory plan; except that members had the right to purchase time resulting from an approved leave of absence. Effective March 23, 2012 the Plan became a contributory plan. This means that contributions from the Plan members are mandatory and deducted on a pre-tax basis from the member’s salary each pay period. The member contribution rate is currently 3.0% of your salary. In addition to the member contributions, the PHT makes contributions equal to a certain percentage of your salary each month based on the actuarial calculations performed each year. Member contributions are refundable if you terminate employment before vesting in your retirement benefit, and you request a refund. If your termination of employment prior to vesting in your benefit is a result of your death, your beneficiary or estate may request a refund of your contributions. Upon a refund of member contributions, all creditable service attributable to the period for which the member contributions relate shall be cancelled. Employer contributions are not refundable to you or the PHT.

Member contributions became mandatory as of the following effective dates:

<b>Member Group</b>	<b>Effective Date for Member Contributions – Payroll Period Ending on and After</b>
Collectively Bargained with the Service Employees International Union, Local 1991 (“SEIU”)	March 23, 2012
Collectively Bargained with the Government Supervisors Association of Florida/OPIEU (“GSA”)	March 23, 2012
Collectively Bargained with the American Federation of State, County & Municipal Employees Local 1363 and Council 79 Region (“AFSCME”)	April 20, 2012
All employees not covered by a collective bargaining agreement	April 20, 2012

## SURVIVOR BENEFITS

### BEFORE YOU RETIRE

Survivor benefits may be payable to your beneficiary at the time of your death. Your beneficiary will be determined according to state law (s.121.91(8), Florida Statutes) as follows:

the beneficiary shall be the spouse of the deceased, if living. If the member's spouse is not alive at his death, the beneficiary shall be the living children of the member. If no children survive, the beneficiary shall be the member's father or mother, if living, otherwise the beneficiary shall be the member's estate.

If you die after you are vested and therefore eligible for a monthly benefit, only your eligible beneficiary who qualifies as a joint annuitant is eligible to receive this monthly benefit.

A joint annuitant is defined as

- The member's spouse; or
- The member's natural or legally adopted child who is either under age 25 or who is physically or mentally disabled and incapable of self-support (regardless of age); or
- The member's parent or grandparent who was dependent upon the member for at least one-half of his or her financial support at the time of death; or
- A person for whom the member is the legal guardian, and who was dependent upon the member for at least ½ of his or her financial support at the time of death.

Please note that if you do not have a beneficiary who qualifies as a joint annuitant, or if you are not vested at the time of your death, your employee contributions may be paid to your beneficiary or estate, upon request.

Payment to your beneficiary is not automatic. Your beneficiary must apply for benefits as described on page 15.

In case of death in line of duty, your spouse or unmarried children under age 18 will receive any benefits payable.

If you have any questions about your death benefits, contact the Human Resources Department at 786-466-2974.

### WHEN YOU RETIRE

You will be asked to name a beneficiary and choose a retirement option on your application for retirement.

- If you choose Option 1 or 2 you may name as beneficiary any person, organization, trust, or your estate. You may name one or more beneficiaries to receive benefits jointly or sequentially.
- If you choose Option 3 you may name more than one joint annuitant, and specify the proportion of the benefit to be paid to each.
- If you choose Option 3 or 4 you must name as your beneficiary a person who qualifies as a joint annuitant.

- If you choose Option 5 (lump sum distribution), there is no need to name beneficiary since payment of the lump sum distribution provides you with a single benefit payment and relieves the Plan of all future obligations with respect to your pension benefit at the time you retire. See the Renewed Membership after Retirement section on page 20, for more information regarding reemployment after retirement.

## **AFTER YOU RETIRE**

If you retire under Option 1 or 2 you may change the designation of your beneficiary at any time. If you choose Option 3 or 4, you may change the designation of your joint annuitant only two times after your retirement benefit has started. When you change your joint annuitant, the monthly benefit you receive will be adjusted based on your current age and the age of your new joint annuitant. Children who qualify as joint annuitants will continue to receive the members Option 1 benefit until age 25.

## **VESTING**

Vesting refers to your earned right to receive a retirement benefit when you reach normal or early retirement age, even though you may have terminated before that age. Since the inception of the Plan, the PHT has provided for vesting of benefits after completion of 6 years of vesting service. You will lose vested rights for any prior service for which you received a refund of contributions (see Creditable Service section).

## **TERMINATING EMPLOYMENT BEFORE RETIREMENT**

### **BEFORE YOU ARE VESTED**

You will forfeit your benefit accrued in the Plan, unless you become re-employed with the JHS and complete your vesting period.

Prior to July 1, 2001, vesting in the Plan required completion of 10 years of creditable service. If you terminated covered employment prior to July 1, 2001 and you were more than 1 year away from vesting at the time, you must return to covered employment for 1 work year in order to be eligible for 6-year vesting.

Once you have been terminated from employment with the JHS for at least 3 calendar months, you may request a refund of your member contributions. The refund of member contributions will not receive any interest adjustment and shall represent only the amount of your member contributions to the Plan. Creditable service attributable to the period for which the member contributions relate shall be cancelled upon the refund of member contributions.

Upon returning to covered employment at JHS and earning 1 year of creditable service (12 months in which you receive salary each month for services performed), you may purchase credit for your refunded service. If you received a refund of your contributions with respect to a prior termination of employment and you forfeited creditable service due to such refund, you may repay to the Plan the prior refunded contributions, plus an interest adjustment as determined by the PHT, to have your prior forfeited service reinstated.

### **AFTER YOU ARE VESTED**

If you terminate, you can:

- Retire. Depending on your age, you can take a normal or early retirement;

- Defer Retirement. If you defer your retirement, the amount of your benefit will be calculated using your age at the time you begin receiving benefits;
- Elect an immediate lump sum distribution at the time you terminate employment if your termination is not due to total and permanent disability. The lump sum distribution option represents the present value of your vested Option 1 monthly benefit which would be payable at your Normal Retirement Date, including the value of any cost-of-living increases which may be applicable to the monthly benefit at Normal Retirement Date and including the value of your mandatory contributions, but excluding the value of any health insurance subsidy. If you are married at the time you elect a lump sum distribution, your spouse must consent to this form of payment by signing the Spousal Acknowledgement Form in the presence of a Notary Public. To avoid immediate taxation, this distribution may be rolled over to an Individual Retirement Account (IRA) or another employer's qualified retirement plan which accepts rollover distributions. See the Retirement Options section (Option 5) for more information regarding the lump sum distribution option and taxation. **Once you receive a lump-sum, this represents all of your benefit under the Plan as of your retirement date, and no further payments will be made to you or to any of your Beneficiaries.**

If you return to covered employment:

- You will retain all of your earlier service credit, for which you have not received an immediate lump sum distribution.
- You will need to repay any distribution, with interest, if you wish to reinstate all of your earlier service for which you received a full lump sum distribution which represents the present value of your vested accrued benefit Option 1 normal retirement benefit, as described above.
- If you do not pay back the lump sum, you will be recognized as a new hire and you must earn an additional 6 years of creditable service to qualify for a vested benefit.

## YOUR RETIREMENT BENEFIT

### RETIREMENT BENEFIT FORMULA

The monthly benefit payment you will receive when you retire depends on your years of creditable service, percentage value and average final compensation at retirement. This amount may be reduced if you retire early or select an alternate form of payment under Options 2, 3, or 4.

The benefit received by retirees and beneficiaries is increased by a cost-of-living adjustment each January 1; the first cost-of-living adjustment increase is prorated. The cost-of-living adjustment for retirements before April 1, 2012 is 3% per year.

The cost-of-living adjustment if you retire on or after April 1, 2012 is prorated based on your creditable service earned prior to April 1, 2012 as compared to your total creditable service at retirement.

For example, suppose you retire on April 1, 2020 with 12 years of creditable service, and you had 4 years of creditable service on April 1, 2012. Your proration fraction will be  $4/12^{\text{th}}$ , which represents your 4 years of creditable service at April 1, 2012 over your 12 years of creditable service at your retirement date on April 1, 2020. This fraction is then multiplied by the 3% cost-of-living adjustment to arrive at your individual cost-of-living adjustment ( $3\% \times 4/12 = 1.0\%$ ).

Members initially enrolled in the Plan on or after April 1, 2012 will not receive a cost-of-living adjustment.

An Option 1 benefit at normal retirement age is calculated as follows:



<b>Years of Creditable Service</b>	<b>X</b>	<b>Percentage Value</b>	<b>X</b>	<b>Average Compensation</b>	<b>=</b>	<b>Yearly Option 1 Benefit at Normal Retirement Age</b>
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Yearly benefit divided by 12 = Monthly Option 1 Benefit

### Years of Creditable Service

Years of creditable service is the total of the years and parts of years you worked at the JHS in a regularly established position and effective March 23, 2012 for which member contributions were made to the plan in accordance with the table of member contribution requirements on page 5.

### Percentage Value

Percentage value is the value you receive for each year of your creditable services. The chart on page 10 under the heading Percentage Values for each Year of Retirement Credit shows the percentage values for the Plan.

### Average Final Compensation (AFC)

AFC for members initially enrolled in the Plan before the date specified in the following table is the average of the **five highest years** of salary you earned during your covered employment. For members initially enrolled in the Plan on or after the date specified in the following table, AFC is the average of the **eight highest years** of salary you earn during your covered employment.

<b>Member Group</b>	<b>Effective Date</b>
Collectively Bargained with the Service Employees International Union, Local 1991 ("SEIU")	March 18, 2012
Collectively Bargained with the Government Supervisors Association of Florida/OPIEU ("GSA")	March 18, 2012
Collectively Bargained with the American Federation of State, County & Municipal Employees Local 1363 and Council 79 Region ("AFSCME")	April 1, 2012
All employees not covered by a collective bargaining agreement	April 1, 2012

Salaries are counted by plan year (January 1<sup>st</sup> through December 31<sup>st</sup>). There are earned wages that are non-pensionable and therefore not included in the AFC. For example, your pensionable wages do not include payments made due to retirement or termination for accumulated sick/extended illness leave as defined in S.605-6.001(3) of the Florida Administrative Code; payments for annual leave in excess of 500 hours, bonuses as defined in S.605-6.001(11) of the Florida Administrative Code; third party payments; automobile allowances, uniform allowances and housing allowances.

**PERCENTAGE VALUES FOR EACH YEAR OF RETIREMENT CREDIT**

% Value [per  
year of service]

**Regular Class Members Initially Enrolled in the PHT Plan Before the Date Described Above for the Member Group**

Retirement up to age 62 with at least 6 years of creditable service or 30 years* .....	1.60%
Retirement one year after attainment of Normal Retirement, or 31 years* .....	1.63%
Retirement two years after attainment of Normal Retirement or 32 years* .....	1.65%
Retirement three years after attainment of Normal Retirement, or 33 years* or more years .....	1.68%
<b>Senior Management Service Class</b> .....	<b>2.00%</b>

**Regular Class Members Initially Enrolled in the PHT Plan on or After the Date Described Above for the Member Group**

Retirement up to age 65 with at least 6 years of creditable service or 30 years* .....	1.60%
Retirement one year after attainment of Normal Retirement, or 31 years* .....	1.63%
Retirement two years after attainment of Normal Retirement, or 32 years* .....	1.65%
Retirement three years after attainment of Normal Retirement, or 33 years* or more years .....	1.68%
Senior Management Service Class.....	2.00%

\* Years of service with PHT, excluding FRS service

**CREDITABLE SERVICE**

You earn service credit toward a benefit by being paid for work with JHS in a regularly established position. Any service credit previously earned with the Florida Retirement System (FRS) will be recognized for vesting purposes only in the Plan. However, the FRS service credit does not apply to the computation of the PHT Pension benefit.

**Counting Your Years of Creditable Service**

You earn a full month of retirement service credit for each month in which you receive a salary payment.

All retirement records are kept on a January 1<sup>st</sup> through December 31<sup>st</sup> plan year basis. Creditable service is measured in terms of plan year and fractions of plan years. A work year of service credit is 12 months of a plan year.

When you work the required number of months in your work year, you receive a full year of service credit. You cannot earn more than one year of credit in a plan year. If you work less than the required work year, you receive a part of a year of credit. That part, or fraction, is determined by dividing the number of months worked by 12.

You will lose creditable service and vesting rights for any prior service for which you received a refund of mandatory contributions, or for which you received a full lump sum distribution. See the Terminating Employment Before Retirement section on page 7 and the Retirement Options section on page 14 for more information regarding loss of creditable service.

**Other Types of Creditable Service**

In addition to the service credit you earn for current work, you may claim credit for certain other types of service.

1. **Prior Service** – Prior Service is service in the Plan prior to a break in service, which occurred prior to your current participation in the Plan. You will receive credit for Prior Service only after completing 12 months of participation in the Plan. Prior Service will not be credited if you receive a refund of your contributions during your break in service and fail to pay those contributions back, with interest.
2. **Military Service** – You may claim military service as described below. To determine your eligibility, we will need a copy of your certificate of service (Form DD-214) showing your dates of entry into and honorable discharge from active duty.

### **Wartime Military Service**

You must complete 6 years of creditable service in the Plan before you may claim any wartime military service credit.

You will not receive any credit for wartime military service that is also credited toward any other federal, state, or local retirement benefit where “length of service” is a determining factor, except that credit may be granted for active duty wartime service which is also used toward a benefit from the U.S. Armed Forces Reserves or National Guard (under Chapter 67 of Title 10 of the U.S. Code).

Your military service must have been during periods defined as “wartime” by s.1.01(14), F.S. Recent periods are shown below; dates of earlier periods may be requested from the System:

**Operation Enduring Freedom** – October 7, 2001, and ending on the date thereafter prescribed by presidential proclamation or by law.

**Operation Iraqi Freedom** – March 19, 2003, and ending on the date thereafter prescribed by presidential proclamation or by law.

- If any portion of one period of your military service occurred during the dates identified as “wartime”, you may claim that entire period up to four years.
- The cost of each year of military service you claim is 4% of the annual salary you earned during your first year of creditable service under the Plan, plus interest.
- All service claimed under this provision will be valued at the Regular Class value per year.

### **Military Leave of Absence during Employment**

- You may receive credit for up to four years (or more if the leave was extended for the convenience of the federal government) of active duty military service with the U.S. Armed Forces.
- You must be entitled to re-employment under the provision of the Veterans’ Reemployment Rights Act.
- Immediately upon returning to employment, you may claim any military service for which the above act provides. Credit for such military service will count toward the years required to become vested.
- You must be employed in a regularly established position with the PHT immediately prior to your military service and apply for re-employment with the PHT within 90 days of discharge from active duty, and be re-employed.

- You will receive service credit for the leave in the membership class to which you belonged immediately prior to your military service.
- The cost to purchase credit for a military leave of absence is the contribution rate in effect during the leave for your membership class multiplied by your monthly salary prior to the leave, plus interest as follows:
  - If you were released from military service the day preceding the date the Plan became a participant mandatory contributory plan (see the Section entitled “Contributions” on page 5) and the criteria described above are met, the PHT will pay all employer contributions, plus interest, for the military leave.
  - If employee contributions are required, you must pay any employee contributions due, as well as comply with the criteria described above. When you pay the required employee contributions for any period of military service on or after the date employee contributions became mandatory (see page 5), the creditable service will be awarded.

### **Active Duty Military Service Upon Employment**

- Members may purchase up to 7 years of continuous service for Active Duty Military service prior to employment with Jackson Health.
  - Eligible members must provide a copy of their government-issued military service form DD-214. Months and years of active duty service listed on this form can be purchased for benefit credit (but not for vesting service) under the PHT. Days will be rounded up to next month for purchase (i.e., 2 years, 2 months and 2 days would be 27 months of service eligible for purchase).
  - The cost to purchase this service is equal to a percentage of the most recent annual pay rate, times years of service that will be purchased, and based on age at purchase: (1) age 45 and under: 6.5%; (2) age 46-50: 7%; (3) age 51-55: 8.5%; (4) age 56 & older: 10%. The service may be purchased in increments, but the rate of pay for purchase will be in effect at the time of each purchase.
3. **Leave of Absence Without Pay** – A leave of absence without pay is a period when you are not at work, but during which the employer/employee relationship still exists. You may purchase credit for a total of up to two work years for authorized leaves including leaves qualified under the Family Medical Leave Act (FMLA) of 1993. The cost to purchase each month of credit will be determined at the contribution rate in effect during your leave of absence times your monthly salary rate prior to the leave of absence plus interest at the rate of 6.5% on the contributions, compounded annually each December 31<sup>st</sup> from the date of the monthly contribution credit, to the date of payment to the Plan by the member. Leaves of absences for any purpose may be claimed for retirement credit if the following requirements are met:
- The leave of absence must be approved in writing by the PHT before you go on leave, unless your illness or the illness or death of someone in your immediate family prevents prior approval.
  - Immediately after the leave of absence ends you must return to work in a regularly established position with the PHT for at least 30 calendar days. There is one exception to the rule: You may retire on disability while on leave without returning to work.
  - You must complete 6 years of creditable service before you can receive credit for a leave of absence (i.e., a period of leave cannot count toward the 6 years required to become vested). You may, however, pay the required contributions at any time after returning to work for a period of 30 days. The contribution required to claim your leave must be paid before you retire.

4. **Workers Compensation Credit** – Periods when you receive temporary Workers' Compensation payments are creditable for retirement, if your return to work for one calendar month in a regularly established position.
5. **Periods of Suspension Without Pay** – If you are suspended without pay and later reinstated, you may receive retirement credit for the period.
6. **Periods of Disability Retirement** – Upon reemployment or recovery, disability benefits will be terminated. PHT retired members may not receive disability benefits while employed. If a disabled member returns to any type of employment with any type of employer, the Human Resources – Benefits department must be notified immediately.

If you retire on disability and later recover and return for one year to a regularly established position, you may purchase credit for the period you were retired on disability. The cost to purchase each month of credit will be determined as the contribution rate in effect during your period of disability times your monthly salary rate prior to disability retirement plus interest at the rate of 6.5% compounded annually each December 31<sup>st</sup> from the date of the monthly contribution credit to the date of payment to the Plan by the member.

7. **Voluntary Residency Service Buy-Back** – if you were employed as a Resident Physician, completed the residency program, and continued employment with no gap in service, you have the option to receive credit for service while a Resident Physician so long as you make a contribution to the Plan equal to three percent of the compensation that you received while employed as a Resident Physician. This option is only available within the first 12 months after completing the residency.
8. **Voluntary Residency Service Buy-Back for Attending Physicians** – If you are an Attending Physician who had prior medical residency service with the Jackson Health System and have not purchased your prior service as a Resident Physician pursuant to 7. above you may purchase up to 5 years of such prior service as a Resident Physician by making a contribution to the Plan equal to 6.5% of your most recent rate of pay (not in excess of the IRC Section 401(a)(17)) limit).

**RETIRING FROM THE JACKSON HEALTH SYSTEM**

**NORMAL RETIREMENT**

Members become eligible for normal retirement or unreduced retirement based on their age and/or service when they first meet one of the minimum requirements listed in the following section. Early retirement or reduced retirement may be taken after a member is vested and terminates employment with JHS; however, the member's benefit is reduced by five-twelfths of one percent for each complete month (5.0% per year) by which the member's early retirement date precedes the member's normal retirement date.

**Normal Retirement Requirements**

If you are a member of the SEIU or the GSA and you were first enrolled in the Plan prior to April 1, 2012, or if you are a member of the AFSCME or a non-collectively bargained member and you were first enrolled in the Plan prior to April 1, 2012, your normal retirement date is the first day of the month you meet one the following requirements:

- You have at least 6 years of vesting service and are age 62; or
- You have at least 30 years of Creditable service (note that FRS service is not recognized for this 30 years of service requirement for Normal Retirement), regardless of age, which may

include a maximum of 4 years of military service credit but may not include any Active Military Service purchased, as long as such credit is not claimed under any other system;

If you are a member of the SEIU or the GSA and you were first enrolled in the Plan on or after March 18, 2012, or if you are a member of the AFSCME or a non-collectively bargained member and you were first enrolled in the Plan on or after April 1, 2012, your normal retirement date is the first day of the month you meet one the following requirements:

- You have at least 6 years of vesting service and are age 65; or
- You have at least 30 years of Creditable service (note that FRS service is not recognized for this 30 years of service requirement for Normal Retirement), regardless of age, which may include a maximum of 4 years of military service credit but may not include any Active Military Service purchased, as long as such credit is not claimed under any other system.

## **EARLY RETIREMENT**

If you have at least 6 years of Creditable service plus FRS service, but have not reached your normal retirement age, you can take early retirement. The amount of your benefit will be reduced 5% for each year prior to your normal retirement age. For example, if due to your first enrollment in the Plan your normal retirement age is age 62 and if you have at least 6 years of vesting service and want to retire early at age 57, 5 years before age 62, your benefit will be reduced 25% (5 years x 5% = 25%). If you have 30 years of vesting service you can retire at any age with no reduction in your benefit.

Likewise, if due to your first enrollment in the Plan your normal retirement age is age 65, the same percentage reduction would apply, except that your benefit would be reduced from age 65 instead of age 62. Therefore, if your normal retirement age is 65 and you want to retire early at age 57, your normal retirement benefit would be reduced 40% (8 years x 5% = 40%) for early retirement at age 57.

## **RETIREMENT OPTIONS**

When you retire, you must choose one of the five benefit options, or methods of payment explained below by completing the PHT Defined Benefit Retirement Plan Option Selection for Members form. You may not begin receiving your retirement benefit until you have selected an option. You must complete the PHT Defined Benefit Plan Spousal Acknowledgment Form. If you are married and you select Option 1, 2 or 5, your spouse must complete the spousal acknowledgment section of the form. The form must be notarized. Once you cash or deposit a benefit payment, your option selection cannot be changed.

Options 2, 3 and 4 are adjusted to be actuarially equal to Option 1. This means that while the monthly benefit is usually lower, the total benefits expected to be paid to you and your beneficiary under Options 2, 3, or 4 are equal to the total lifetime benefits expected to be paid to you alone under Option 1.

**Option 1:** Provides a monthly benefit payment to you for your lifetime. Option 1 does not provide a continuing benefit to a beneficiary. Upon your death, the monthly benefit will stop and your beneficiary is entitled to receive only a refund of contributions you paid, if any, which exceed the amount you received in benefits. If you wish to provide a beneficiary with a continuing benefit after your death, you should consider selection one of the other three options.

**Option 2:** Provides a reduced monthly benefit payment to you for your lifetime. If you die 10 years or more after retirement, no benefits are payable to your beneficiary. However, if you die within 10 years (120 months) of your effective retirement date, your beneficiary will receive a monthly benefit payment in the same amount you were receiving for the balance of the 120-month period. No further benefits are then payable.

Under Options 3 and 4, you may provide a continuing benefit to your spouse or other dependent beneficiary who is your joint annuitant as described below. To qualify as a joint annuitant, an individual must be:

- Your spouse; or
- Your parent or grandparent, as long as you are providing at least ½ of his or her financial support, as verified by your tax returns; or
- Your natural or legally adopted child who is either under age 25 or physically or mentally disabled and incapable of self-support; or
- A person for whom you are the legal guardian, as long as you provide at least ½ of his or her financial support, as verified by you tax returns.

Option 3: Provides a reduced monthly benefit payment to you for your lifetime and a continuing benefit to your surviving joint annuitant. No further benefits are payable after both you and your joint annuitant die. Upon your death:

- If your joint annuitant is your spouse, your parent or grandparent, or someone age 25 or older for whom you are the legal guardian, he or she will receive a lifetime monthly benefit payment in the same amount you were receiving.
- If your joint annuitant is your natural or legally adopted child (or someone for whom you are the legal guardian) who is under age 25 at the time of your death, he or she will receive a benefit payment in the amount of your Option 1 benefit until he or she reaches age 25.
- If you joint annuitant is your natural or legally adopted child (or person for whom you are the legal guardian) who is physically or mentally disabled and incapable of self-support at the time of your death, regardless of age, he or she will receive a benefit payment in the amount of your Option 1 benefit until he or she is no longer disabled.

Option 4: Provides an adjusted monthly benefit payment to you while both you and your joint annuitant are living and a reduced continuing benefit to the survivor upon the death of either you or your joint annuitant. No further Option 4 benefits are payable after both you and your joint annuitant die.

If your joint annuitant dies first, your benefit is reduced to two-thirds of the monthly benefit paid when you both were living.

In the event that you die first:

- If your joint annuitant is your spouse, your parent or grandparent, or someone age 25 or older for whom you are the legal guardian, he or she will receive a lifetime monthly benefit payment equal to two-thirds of the month benefit paid when you both were living; or
- If your joint annuitant is your natural or legally adopted child (or person for whom you are the legal guardian) who is under age 25 at the time of your death, he or she will receive a benefit payment in the amount of your Option 1 benefit until he or she reaches age 25; or
- If your joint annuitant is your natural or legally adopted child (or person for whom you are the legal guardian) who is physically or mentally disabled and incapable of self-support at the time of death, regardless of age, he or she will receive a benefit payment in the amount of your Option 1 benefit until he or she is no longer disabled.

Option 5: Provides a lump sum payment which is the total present value of your vested accrued pension benefit paid in one single payment. The lump-sum is the present value of the

monthly Option 1 annuity you would receive at Normal Retirement Date, including the value of any cost-of-living increase that may apply to your annuity benefit after you commence benefits, and excluding the value of the health insurance subsidy. If you election a lump sum payment, your spouse must consent to this distribution option by signing the Spousal Acknowledgement Form in the presence of a Notary Public. This Option 5 may not be elected in connection with a retirement due to total and permanent disability. **Once you receive a lump-sum, this represents all of your benefit under the plan as of your retirement date, and no further payments are due.**

## **TAX IMPLICATIONS OF A LUMP SUM DISTRIBUTION**

When considering the lump sum payment option, you should also consider the tax implications. You may also incur a 10% penalty tax if you receive your lump sum too early (depending on your age when you terminated employment with JHS but generally before age 59-1/2) and you do not rollover the lump-sum into an IRA or other qualified retirement plan. In addition, your lump-sum payment may put you in a higher tax-bracket, so you may have a larger tax liability in the year in which you receive your lump-sum payment if you do not roll it over. This is not typical with monthly annuity payments. Federal income tax at the rate of 20% will be automatically withheld from a lump sum distribution not paid in a direct rollover to an IRA or another employer qualified plan. JHS strongly encourages you to consult a tax professional and/or financial advisor to discuss your personal tax situation prior to electing benefits.

## **APPLICATION FOR BENEFITS**

Retirement is not an automatic process. You can begin receiving your monthly retirement benefits only after making application, which includes the completed and notarized PHT-11 (PHT Application for Service Retirement), PHT-11o (Option Selection for Members) and SA-1 (Spousal Acknowledgement). In addition, you must submit proof of age. The earliest you may apply for retirement is six months before your planned date of retirement.

You must terminate employment to be eligible to receive monthly benefits. For retirement purposes, you are considered terminated only after you stop all employment relationship with JHS and you remain unemployed by JHS for one full calendar month. Any employee retiring under the Plan [and not retiring from Florida Retirement System (FRS) simultaneously] must terminate from JHS employment for 1 full calendar month following the date of termination.

You may change an item on your application prior to retirement. However, once a benefit payment has been cashed or deposited, your retirement is final and you cannot change your option or service credit. Also, you cannot change your type of retirement (early, regular, or disability) except when you recover from disability.

## **EFFECTIVE RETIREMENT DATE**

The effective retirement date is always the first day of a month. If JHS receives your application form before you terminate employment, or within 30 days thereafter, your effective retirement date will be the first day of the month following your termination. If you do not apply within 30 days after termination, your effective retirement date will be the first day of the month following receipt of your application form by the PHT.

You may choose to defer your retirement to some future date. Your effective retirement date will be the first day of the month following receipt of your applications, unless you specify a later date. The PHT will accept application for deferred benefits up to six months before your desired retirement date.

However, in no event can you defer commencement of your pension beyond the April 1 of the calendar year in which you attain age 73.



## **PROOF OF AGE**

When you apply for retirement, you must furnish proof of your age. If you choose benefit payment Option 3 or 4, you must also furnish proof of age for your joint annuitant. We must receive the required proof of age before you can begin receiving benefits. We will accept a readable copy of one of the following documents:

- Birth Certificate
- Florida ID, with gold star (or, any other ID that qualifies under the REAL ID Act of the US Department of Home Security)
- Delayed birth certificate
- Census report more than 30 years old
- Life insurance policy more than 30 years old
- Documentation from the Social Security Administration stating the date of birth it has established for payment of benefits to you or your joint annuitant
- Certificate of Naturalization

If you cannot furnish any document listed above, a readable copy of a document from two of the following categories will be required:

- Birth Certificate of your child, giving your age or your joint annuitant's age, as appropriate (limit one)
- Baptismal certificate more than 30 years old
- Hospital record of birth
- School record at the time you (or your joint annuitant) entered grammar school

## **MAXIMUM BENEFITS**

Under the Plan, the normal retirement benefit may not exceed 100% of your AFC.

The federal government limits the amount of retirement benefits retirees can receive. This maximum amount is \$225,000 per year at age 65 in 2019. This maximum is reduced for age so that retirees less than age 65 have a lower maximum. It is possible that a retirement benefit could exceed the federal maximum and, consequently, the retirement benefit would be reduced to conform to federal standards.

## **DISABILITY AND SURVIVOR BENEFITS**

### **REGULAR DISABILITY BENEFITS**

You are covered for regular disability benefits if you have completed eight (8) years of creditable service.

Being vested does not entitle you to a disability benefit based on a disability that occurs after you terminate employment. The disability injury or illness must have occurred or become symptomatic during the period of your active employment and must not have been sustained by willfully participating in a riot, civil insurrection or other act of violence or while committing a felony or intentional self-inflicted injury. An employee who is physically or mentally unable to continue performing in his or her present occupation, but is able to perform another type of work or is temporarily disabled, will not qualify for disability benefits.

If you retire under the Plan disability provisions, you may choose any one of the four options available under the Plan; however, the actuarial adjustments for Options 2, 3 and 4 for disability retirement are based on a disabled member's life expectancy.

Your disability must be total and permanent. The minimum yearly regular disability benefit paid under Option 1 is 25% of your average final compensation. Your actual earned years of service times percentage value will be used if it is higher than the minimum of 25%. You are not entitled to a disability benefit if your injury or illness is sustained after you terminate employment.

### **IN-LINE-OF-DUTY DISABILITY BENEFITS**

Coverage for in-line-of-duty disability begins on your first day of employment. In-line-of-duty disability must be total and **permanent and caused** by injury or illness arising out of or in the actual performance of duty required by your employment. The minimum yearly benefit paid under Option 1 for this type of disability is 42% of your average final compensation. Your actual earned years of service multiplied by the percentage value will be used if it is higher than the minimum of 42%.

Note: If you are a retiree with renewed member (see “Renewed Membership after Retirement”) you are not eligible for disability benefits.

### **SURVIVOR BENEFITS**

If death occurs after you are vested, your eligible beneficiary (as defined under Florida Statutes on page 6), who qualifies as a joint annuitant, may elect one of the following:

- A lifetime monthly benefit calculated as if you had retired on your date of death and chose an Option 3 benefit payment (see exception for beneficiaries under age 25 in “Note” below). The benefit would be adjusted for early retirement if you died before reaching normal retirement age; or,
- An Option 3 benefit deferred to a future date and based on the age you would have been when the benefit payment begins. If you die before reaching your normal retirement date, a deferred benefit would be higher for your beneficiary than an immediate benefit;
- A lump sum distribution as calculated under Option 5.

Note: If there is no eligible joint annuitant the Plan shall refund your personal retirement contributions, without interest, upon request to your beneficiary or estate.

NOTE: If your joint annuitant, who is not your spouse, is under age 25 at the time the benefit payments begin, he or she will receive your Option 1 benefit amount only until age 25. No benefits are payable after age 25 unless he or she is totally and permanently disabled and incapable of self-support, in which case benefit payments will continue for the duration of the disability.

If your beneficiary does not qualify as a joint annuitant no monthly benefit would be payable.

In the event of your death **after retirement**, the benefits due depend on the option you selected at retirement.

### **IN-LINE-OF DUTY SURVIVOR BENEFITS**

If your death occurs in-line-of-duty, **your surviving spouse** is eligible for the in-line-of-duty death benefit even if you named someone else as your beneficiary. Regardless of your length of service, your spouse is entitled to a lifetime monthly benefit equal to one-half of your last monthly salary. If you leave no surviving spouse or if your spouse should die, the benefit will be paid on behalf of your unmarried children until the youngest child attains age 18.

If you are vested at the time of your death your spouse could choose, **instead** of the benefit described above, a monthly benefit calculated as if you had retired under Option 3, provided that your spouse is your designated beneficiary.

## BENEFITS AFTER RETIREMENT

### COST-OF-LIVING INCREASE

You will receive a 3% cost of living increase on January of each year if your retirement date is prior to April 1, 2012. The increase will be included in the benefit payment you receive at the end of January. The increase is based on the December benefit, **excluding** the health insurance subsidy.

The cost-of-living adjustment formula for retirees with an effective retirement date on or after April 1, 2012 will be the December 31<sup>st</sup> monthly payment multiplied by a percentage equal to 3% multiplied by a fraction the numerator of which is your creditable service earned prior to April 1, 2012 and the denominator of which is your total creditable service as of your retirement date on or after April 1, 2012. Each Plan member with an effective retirement date of April 1, 2012 or later will have an individual cost-of-living adjustment factor for his or her retirement, however that amount might be zero if employed on or after April 2012.

Members initially enrolled in the Plan on or after April 1, 2012 will not receive a cost-of-living adjustment.

### HEALTH INSURANCE SUBSIDY

The health insurance subsidy is a monthly supplemental payment that you may be eligible to receive if you have health insurance coverage. This monthly payment, which you must apply for, is calculated by multiplying your total years of creditable service at retirement (up to a maximum of 30 years) by \$5. The minimum monthly subsidy is \$30 and the maximum is \$150. The maximum health insurance subsidy of \$150 is the total maximum you may receive from both the FRS and PHT combined.

If you elect a lump sum distribution upon your termination of employment prior to retirement, (see Terminating Employment Before Retirement) or if you elect a lump sum distribution upon retirement (See Retirement Options – Option 5) you are not eligible for the health insurance subsidy. The health insurance subsidy is only available under payment options 1, 2, 3 and 4.

### REEMPLOYMENT AFTER RETIREMENT

After you retire under the Plan, you may work for any other employer without affecting your retirement benefit. Your Social Security benefit may be affected. Contact the Social Security Administration at their toll-free information number: 1-800-772-1213, for additional information, or consult the Social Security Administration's website at [www.ssa.gov](http://www.ssa.gov)

The limitations on reemployment with the PHT are as follows:

- If you return to work during the first month of your retirement, you will not be considered to have retired. Your retirement application will be void and all retirement benefits must be repaid.

**Example** – If you retire on January 1<sup>st</sup> and you are rehired on February 1<sup>st</sup>; your January 1<sup>st</sup> retirement payment must be repaid. The first date you could be reemployed without retirement benefit repayment would be March 1<sup>st</sup>.

### RENEWED MEMBERSHIP AFTER RETIREMENT

All retirees who are reemployed in **regularly established positions** will be enrolled in the Regular Class of the Plan and earn service credit toward a "second-career" retirement benefit subject to the following:

- A reemployed retiree must earn an additional 6 years of creditable service to be eligible for this benefit.
- Service performed prior to the first retirement may not be used in the calculation of the second-career benefit.

Note: Renewed members are not eligible for disability benefits and are subject to the reemployment limitations outlined under “Reemployment after Retirement.”

## **REEMPLOYMENT FOR DISABLED MEMBERS**

A member who retires on disability may not be gainfully employed and still receive disability benefits. Therefore, if you recover from your disability and return to work for any employer, you should inform the PHT, to stop your benefits. If you return to work in a covered position for the PHT, you will renew membership in the Plan. After you have worked for one continuous year of creditable service, you may purchase credit for the period you were retired on disability.

## **SOCIAL SECURITY COVERAGE DURING REEMPLOYMENT**

Under most circumstances, you will be required to pay Social Security contributions when reemployed in a temporary or regularly established position.

## **DEFERRED RETIREMENT OPTION PROGRAM (DROP)**

Effective January 1, 2020, a Deferred Retirement Option Program (“DROP”) is being added to the Plan.

Eligibility for the Program – any member who has attained Normal Retirement Age by January 1, 2020 has the option to participate in the DROP as long as this decision is made by March 1, 2020. Any member who attains Normal Retirement Age on or after February, 2020 has 12 months upon attainment of Normal Retirement Age to make the decision to participate in the Program.

Provisions – upon electing to participate in DROP, a DROP Member shall:

1. Declare a date equal to the three-year period beginning with the Member’s Normal Retirement Age to participate in DROP (“DROP Date), that the Member will terminate employment (the time from the Member’s DROP Date and the Member’s termination of employment is the “DROP Period”);
2. Agree that the Member’s Plan benefit will be frozen as of the DROP Date and that no additional benefits will accrue beyond the DROP Date;
3. Agree that Member contributions to the Plan shall continue through the DROP Period in accordance with Article XXI, Section B; and
4. Provide information to the Plan that may be necessary to determine the amount of annuity payments that would be paid to the DROP Member if the Plan were to pay the DROP Member a single life annuity, based on the DROP Member’s Accrued Benefit, at the DROP Member’s DROP Date.

Benefits – at the end of the DROP Member’s DROP Period, the DROP Member shall terminate employment and have the opportunity to elect a form of payment for the frozen Plan benefit as described in the Retirement section above. In addition, the DROP Member will be eligible to receive a one-time, lump sum payment that is equal to the monthly single life annuity amounts, as if said amounts had

accumulated throughout the DROP Period; and upon request, the DROP Member's contributions that were contributed during the DROP Period.

Death during DROP - In the event that a DROP Member dies during the DROP Period, the DROP Member's election to participate in DROP shall be null and void; any benefit due to the Member shall be determined and payable under the Plan as if the Member was not a DROP Member or participated in the DROP.

## GENERAL INFORMATION

### **APPEALS PROCEDURE**

If you disagree with a decision affecting your retirement, you have the right to appeal by filing a written claim to the Plan Administrator. The Plan Administrator shall provide a written final decision on the merits of the claim. If you do not accept the Plan Administrator's decision, you may request in writing a hearing through the Director of Human Resources. The independent hearing examiner will consider the claim and provide a decision on the merits of the claim.

The independent hearing examiner's decision will be reviewed by the President of the PHT. The President of the PHT may sustain, reverse or modify the Plan Administrator's final decision.

The President's decisions in such matters are final and binding.

### **FORFEITURE OF BENEFITS**

If you are convicted or found guilty of specified conditions of misconduct, you must forfeit all rights and benefits in the Plan. Specified conditions of misconduct include:

- Conviction of a specified offense committed before you retire, or termination of employment because you admitted to specified offenses. The offenses are:
- Committing, aiding or abetting an embezzlement of public funds or any theft from your employer;
- Bribery in connection with your employment;
- Any other felony specified in Chapter 838, F.S.;
- Committing any felony with intent to defraud the public or your employer of the right to receive the faithful performance of duty, or receiving or attempting to receive profit or advantage for yourself or another person through the use of your position;
- A court of competent jurisdiction finds you guilty of violating any state law against strikes by public employees.

### **ASSIGNMENT, EXECUTION OR ATTACHMENT**

Your retirement benefits and accumulated contributions accrued under the Plan are not subject to assignment, execution, attachment or any other legal process with the exception of qualified domestic relations orders and federal income tax levies.

## GLOSSARY OF TERMS

For your convenience, the following terms are in bold the first time they appear in a section.

1. **Average Final Compensation** – the average of the five highest years of salary earned during covered employment. Salaries are counted by plan year January 1<sup>st</sup> through December 31<sup>st</sup>.
2. **Beneficiary** –the individual or individuals as defined in the Florida Statutes (see page 6), or the member's estate.
3. **Contribution Rate** – the rate of contribution expressed as a percent of pay, required to fund the cost of benefits earned during the plan year. The PHT contribution is determined each year based on the Plan's actuarial valuation. The member contribution rate is equal to 3.0% of the member's salary.
4. **Eligibility for a Vested Benefit (Vesting Service)** – this is the service considered for vesting purposes and means Creditable Service, plus all of the member's service with the FRS.
5. **Covered Employment or Position** – a regularly established position with the PHT.
6. **Creditable Service** – means the sum of your future service, prior service, military service and Workers' Compensation credit allowed within the provisions of this Plan if all requirements of this Plan have been met. However, in no case shall a member receive credit for more than a year's service during any 12-month period. For the purpose of the definition of "creditable service", monthly service credit under the Plan shall be awarded for each month salary is paid for service performed. If a member who was a member of the Florida Retirement System before January 1, 1966, and had "creditable service" thereunder, incurred a layoff and became a member of this Plan immediately following rehire under established recall procedures, then such member's creditable service is as defined in this glossary. Creditable Service does not include any service for which you received a return of mandatory employee contributions or for which you received a full lump sum distribution upon termination of employment or at upon retirement No more than one year of Creditable Service can be earned for any 12 months of employment.
7. **Early Retirement Age or Date** – the age or date when you are vested and choose to receive a retirement benefit which is reduced because you have not reached normal retirement age.
8. **In-line-of-duty** – in the performance of the duties by the PHT.
9. **Interest** – the amount charged on money owed to the Retirement Trust Fund. Interest is charged from the date required for the type of service purchased and is compounded annually at the rate of 6.5% or 7.0%, depending on the situation, thereafter on the balance remaining each plan year on December 31<sup>st</sup>.
10. **Joint Annuitant** – the member's spouse; or the member's natural or legally adopted child who is either under age 25 or who is physically or mentally disabled and incapable of self-support (regardless of age); or the member's parent or grandparent who was dependent upon the member for at least ½ of his or her financial support (as verified by your tax returns) at the time of death; or a person for whom the member is the legal guardian, and who was dependent upon the member for at least ½ of his or her financial support (as verified by your tax returns) at the time of death.
11. **Normal Retirement Age or Date** – the age or date when you first become eligible to retire without a reduction of benefits by being vested and reaching age 62; or completing 30 years of creditable service regardless of your age, if you are covered by a collective bargaining agreement under SEIU or GSA and you were first enrolled in the Plan prior to March 18, 2012, or if you are covered by a

collective bargaining agreement under AFSCME or if you are not covered by collective bargaining and you were first enrolled in the Plan prior to April 1, 2012.

For all members hired on or after the respective dates in the preceding paragraph, Normal Retirement Age or Date is the age or date when you first become eligible to retire without a reduction of benefits by being vested and reaching age 65; or completing 30 years of creditable service regardless of your age.

12. **Prior Service** – means service in the Plan with a break in continuous service prior to the member's current participation is no less than 12 continuous months.
13. **Plan Year** – means the period of time beginning January 1 and ending on the following December 31, both dates inclusive.
14. **Regularly Established Position** – a regularly established position in JHS is one paid from a salary appropriation or salary account. It is a position which will last beyond six consecutive months.
15. **Temporary Position** – a temporary position in JHS is one paid from a non-salary account. It is a position which is not expected to last beyond six consecutive months.
16. **Termination or Terminate Employment** – occurs for retirement purposes when a member ceases all employment relationships with JHS, provided the member is not reemployed within the next calendar month.
17. **Vested or Vesting** – the guarantee that you will receive a future benefit after you work a certain number of years (6 years).