

**CITY OF BOCA RATON
GENERAL EMPLOYEES' PENSION PLAN**

SUMMARY PLAN DESCRIPTION

Dated: March 11, 2021

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INTRODUCTION

The City of Boca Raton (City) has established and maintains the City of Boca Raton General Employees' Pension Plan (Plan). The Plan is a tax qualified defined benefit plan. Because the Plan is tax qualified, generally neither you nor the Plan will pay any income tax on the contributions you make or the benefits you earn under the Plan. Instead, you will be taxed when you begin receiving benefits under the Plan, at which time you may be in a lower tax bracket than during your peak earning years. Because the Plan is a defined benefit plan, your ultimate benefit depends upon factors such as your compensation level and service, and the form in which your benefits are paid.

The Plan is governed by Sections 12-81 through 12-107 of the City Code of Ordinances and by Part VII, Chapter 112, Florida Statutes. Article 30 of the City's three-year collective bargaining agreement with the Service Employees International/Florida Public Services, CTW, CLC Union effective through September 30, 2022 provides for the pension plan as described in the Plan Ordinance. Copies of these documents are available upon request.

The Plan is designed to provide a measure of economic security for retirement beyond that provided by Social Security and your own personal savings. Of course, you are encouraged to establish and consistently maintain your own retirement savings program and not to rely solely on Social Security and employer provided retirement benefits. To assist in your personal savings, you may wish to take advantage of deferred compensation plans sponsored by the City.

This booklet is called a Summary Plan Description. It introduces the Plan to you and answers frequently asked questions about the Plan. If you have questions, if you want to verify your understanding of how the Plan's provisions apply to you, if you want to confirm your understanding of the Summary Plan Description, or if you want to determine if the Plan has been amended, please contact the Pension Office.

Please keep in mind that this Summary Plan Description is a summary only. It does not contain every detail addressed in the Plan. If there is any inconsistency between the City of Boca Raton Code of Ordinances (or other legal documents under which your participation and benefit rights are determined) and this Summary Plan Description, the legal documents will control. You, your beneficiaries and your personal representatives may examine the Plan and other applicable legal documents in the Pension Office by appointment during regular business hours.

This Summary Plan Description may be changed from time to time. Please be certain that you have the most recent version of the booklet and all amendments thereto called Material Modifications. The Pension Office can verify this for you upon request.

ADMINISTRATION

The general administration and responsibility for the proper operation of the plan is placed with the Board of Trustees (Board). The powers of the Board include the interpretation of plan provisions on a uniform and nondiscriminatory basis and establishing uniform rules and procedures as established by City Ordinance. The Board does not establish benefits. This Board is also responsible for investing the Plan's assets and hiring the Plan's service providers.

The Board consists of eight trustees, each serving a term of three years. Four of the trustees are Plan members who are elected by the other members of the Plan. The other four trustees are appointed by the City Council. All correspondence should be sent to the Trustees in care of the pension office address listed under the Pension Administration section below.

Elected Trustees

Randal S. Jacobs
Human Resources
Telephone: 561-393-7905

Neil Phillips
Financial Services
Telephone: 561 393-7876

Suzy Pearl
Financial Services
Telephone: 561-393-7732

Janice Vassell
Utility Services
Telephone: 561-338-7302

Appointed Trustees

Nicole Gasparri, Vice-Chairperson
City Manager's Office
Telephone: 561-367-7040

Stephen Timberlake, Chairperson
Financial Services
Telephone: 561-367-7084

Lewis Sarrica
Telephone: 954-425-2791

Robert Saffer
Telephone: 914-629-6012

Pension Administration

The ordinance provides that the City shall administer the plan.

The Pension Office is located at 201 W. Palmetto Park Rd., Room 230, Second Floor, City Hall, Boca Raton, FL 33432
Telephone: 561-544-8520 Fax: 561-347-5175

Leslie Harmon
Lenworth Codner
Eshmé Potts
Megan Rodriguez

Pension Manager
Pension Accountant
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Legal process with respect to the Plan must be served on the Chairman of the Board. Robert Klausner serves as legal advisor to the Plan and may be contacted at Klausner, Kaufman, Jensen & Levinson, 7080 N.W. 4th Street, Plantation, FL 33317. Plan records are maintained on a 12-month fiscal period known as the Plan Year. The Plan Year begins on October 1 and ends on September 30th.

GLOSSARY OF TERMS

Average Monthly Earnings - $1/12^{\text{th}}$ of an employee's average annual earnings for the highest 5 consecutive years during the last 15 years of continuous service.

Beneficiary - Any person chosen by a member to receive any benefits which may be payable upon the death of the member. A written beneficiary designation must be filed with the Board.

Continuous Service - Uninterrupted service (expressed as years and whole months) as an employee from the most recent, or adjusted, hire date to the date employment terminates or enters the Deferred Retirement Option Plan. Service will be considered to have been interrupted for periods during which an employee is on an unpaid leave of absence for at least six consecutive months. Members who transfer between the City's defined benefit plans will have their continuous service under each plan combined for vesting and eligibility for benefits. Continuous Service does not include any service with the City while a member of the City's defined contribution plan.

Earnings - Base wages and longevity pay. Earnings do not include overtime, bonuses, any other extra compensation or payments which exceed the maximum of an employee's respective salary range.

Employee - Regular full-time employees of the City, exclusive of certain management positions, police officers and firefighters, but including all civilian personnel of Police Services and Fire-Rescue Services departments.

Member - Any Employee who has met the eligibility requirements of the Plan.

ELIGIBILITY AND ENROLLMENT

All full-time general employees of the City, who have completed one year of continuous service, are eligible to participate in the Plan. Participation commences on the first day of the month coincident with or following the date the eligibility requirements have been met. Prior to your entry date, the Pension Office will provide you with the necessary forms to properly service your account. These forms must be completed and returned to the Pension Office.

The Plan is divided into three levels of benefit, Plan A, Plan B and Plan C. Employees hired prior to October 1, 1987 are enrolled in Plan A. Employees hired from October 1, 1987 to October 31, 2007 are enrolled in Plan B. Employees hired on or after November 1, 2007 have the option to either enroll in Plan C or electing to opt out of the defined benefit plan to participate in the City's defined contribution plan.

CONTRIBUTIONS AND FUNDING

The Plan is funded by the City and participating employee contributions. Additional funding is received from net investment returns.

Plan A and B members are required to contribute 9.65% of their earnings. Plan C members are required to contribute 6% of their earnings. Employee contributions are deducted and paid to the Plan each bi-weekly payroll period. Contributions will cease when you enter the Deferred Retirement Option Plan or leave City employment.

Prior to January 1, 1985, member contributions were made with after-tax dollars. After that date, contributions were made with pre-tax dollars. Since pre-1985 contributions have already been taxed, a portion of the member's benefit will be paid on a tax-free basis if the member made contributions to the plan prior to 1985.

The City's contribution rate is determined at the end of each fiscal year when the Plan is reviewed by an actuary. The contribution is determined as a percent of total payroll and is paid to the Plan at the end of each month. The actuary also compares the actuarial value of assets to the actuarial accrued liability to determine how well the Plan is funded.

The following table illustrates the history of the Plan's funding progress:

FISCAL YEAR	FUNDED RATIO
10/1/19 – 9/30/20	93.90%
10/1/18 – 9/30/19	93.48%
10/1/17 – 9/30/18	96.73%
10/1/16 - 9/30/17	97.61%
10/1/15 - 9/30/16	95.23%
10/1/14 – 9/30/15	94.40%
10/1/13 – 9/30/14	101.23%
10/1/12 – 9/30/13	84.63%
10/1/11 – 9/30/12	84.81%
10/1/10 – 9/30/11	84.75%

All contributions and investment earnings are used for the purpose of providing a benefit to employees upon retirement. City contributions are not allocated to specific individuals. Contributions may not be borrowed against or used for collateral; nor may a member withdraw them while still an active employee.

When an employee transfers between City plans, member contributions plus interest and the City contributions will be transferred from the plan being vacated into the plan being entered.

PURCHASE OF PRIOR SERVICE – BUY BACKS

Active members may purchase up to five years of service credit for prior non-vested full-time employment with the federal government (including active service in the U.S. armed forces), state, county or other city government. This service may be used for purpose of calculating the pension benefits but may not be used to determine eligibility for pension benefits. If a member has prior government service during which such member participated in a defined contribution plan, and the member is prohibited by operation of law from purchasing credit for such service, the member may purchase an additional benefit rate (the equivalence of full credit for such past service).

Active members may purchase up to ten years of service credits for prior non-vested full-time employment with the City of Boca Raton. This service may be used for both eligibility for and calculation of pension benefits. Members may purchase prior service under both options up to the stated maximum number of years for each option. Purchase of prior service is not allowed if the member has received, is receiving or will receive a retirement benefit attributable to the prior service.

The full actuarial cost of the service, as determined by the plan actuary, must be made in a lump sum payment. The payment may be made with pre-tax monies by a direct transfer or rollover of an eligible distribution into the plan from another tax-deferred qualified plan. The payment also may be made with after tax dollars. Please contact the Pension Office for more information.

ELIGIBILITY FOR RETIREMENT BENEFITS

Members who are actively employed may retire with unreduced benefits whenever they have met one of the following:

Normal Benefit Options:

- Attainment of age 65,
- Attainment of age 55 with 20 years of continuous service,
- Attainment of age 53 with 30 years of continuous service.

Alternate Options:

- **Rule of 68 Option** - When age plus service equals or exceeds 68, age is at least 50 and continuous service is at least 15 years.
- **Alternate Unreduced Early Retirement Option** - Employees who were employed on or before October 1, 2001, may retire after the attainment of age 55 with at least 15 years of continuous service.

There is no mandatory retirement date; employees may work past their retirement dates and continue to accrue additional benefits. Retirement dates are calculated at the time of entry into the Plan but may be adjusted for breaks in service. The dates are always the first day of the month coincident with or following the date the eligibility requirements have been met.

RETIREMENT BENEFITS

There are three components in the calculation of retirement benefits. The factors are the member's continuous service and average monthly earnings, both calculated as of the retirement date, and a multiplier. The multiplier that applies to each plan under each retirement option is shown in the following table:

	Retirement Multiplier		
	Plan A	Plan B	Plan C
Normal Retirement			
Age 65	3.00%	3.00%	1.75%
Age 55 with 20 years' service	3.00%	3.00%	1.75%
Age 53 with 30 years' service	3.00%	3.00%	1.75%
Alternate Retirement			
Rule of 68	2.50%	1.50%	1.50%
Alternate early – Age 55 with 15 years' service	2.00%	2.00%	1.75%

Once these components have been calculated, they are multiplied times each other as follows:

$$\text{Continuous Service} \times \text{Average Monthly Earnings} \times \text{Multiplier} = \text{Monthly Benefit}$$

Example Benefit Calculations:

Example for Plan A & B - If continuous service is 23 years/3 months (23.25 years), average monthly earnings are \$3,000 and the multiplier is 3%, the monthly benefit is:

$$23.25 \times \$3,000 \times 3\% (.03) = \$2,092.50$$

Example for Plan C - If continuous service is 23 years/3 months (23.25 years), average monthly earnings are \$3,000 and the multiplier is 1.75%, the monthly benefit is:

$$23.25 \times \$3,000 \times 1.75\% (.0175) = \$1,220.63$$

EARLY RETIREMENT BENEFITS

When members terminate employment after having attained age 50 with at least 20 years of continuous service, they are eligible for an early retirement benefit.

The early retirement benefit is calculated in the same manner as shown for unreduced benefits, except that there is another component called a "reduction factor". The reduction factor is 5/12^{ths} of 1% for each month by which the date of actual commencement of benefits precedes the date the member would attain age 55.

The following table illustrates the percent reduction based on retiring between one and five years early:

Retiring	Reduction	Retiring	Reduction
1 year early	5%	1 year 3 months early	6.25%
2 years early	10%	2 years 6 months early	12.50%
3 years early	15%	3 years 8 months early	18.33%
4 years early	20%	4 years 9 months early	23.75%
5 years early	25%		

Example Early Benefit Calculation. Use the same facts as above for a Plan A or B member. Assume that the member's benefit commencement date is three years before the age of 55. The reduction will be 5% for each of the three years for a total reduction of 15%. As a result, the member's benefit will be reduced by \$313.88 (.15 x 2,092.50) and the early retirement benefit will be \$1,778.62.

BENEFIT PAYMENT OPTIONS

Retirement benefits will be paid only during the lifetime of the member with a guarantee that benefits will continue for a minimum of five years unless another option is chosen:

- **Five Year Certain and Life Option** - Payments are made during the lifetime of the member, but in no event shall less than 60 monthly payments be made.

Payments made under other options will be adjusted based on the ages of the member and, if applicable, the member's beneficiary. The option cannot be changed once the member has retired. Optional forms of benefit payments include:

- **Joint and Survivor Option** - Monthly payments are made during the lifetime of the member and with all or some portion going to the designated beneficiary. The beneficiary cannot be changed once the member's benefits have commenced, including the Deferred Retirement Option Plan.
- **Ten Year Certain and Life Option** - Payments are made during the lifetime of the member, but in no event shall less than 120 monthly payments be made.
- **Other Actuarial Equivalent Options** – Actuarial equivalent options may be approved by the board limited to the retiring member receiving at least 50 percent of the total present value of payments.
- **Life of Member Option**, payments made during the lifetime of the member only, would be included in this option category.

DEFERRED VESTED BENEFIT

If a member's employment is terminated after having completed at least 10 years of continuous service but before becoming eligible for retirement benefits, the member's benefit is vested (i.e. non-forfeitable). The retirement benefit for deferred vested members will commence at age 65.

Early retirement benefits are available for deferred vested members. Such early retirement benefit is calculated in the same manner as shown for unreduced benefits, except there is a “reduction factor” used, which is $5/12^{\text{th}}$ of 1% for each month by which the date of actual commencement of benefits precedes the date the deferred vested member would attain the age of 65.

The benefit for deferred vested members will be calculated based on the member’s actual years of service, average monthly earnings and the multiplier in effect on the date the deferred vested members’ employment is terminated. A member with at least 15 years of continuous service may elect to defer retirement until eligible for the Rule of 68 option at the multiplier in effect at the time of their termination of employment. The deferred vested member becomes eligible for a Rule of 68 retirement benefit when the sum of his age and years of continuous service equals 68 and he is at least 50 years old.

However, a vested member may elect to take immediate benefits with the 5% per year reduction, as described in the Early Retirement Benefit section. A member who does not meet the service requirement for the age 55 with 20-year service eligibility option will have the immediate benefit reduced from age 65. The reduced benefit is not available for the Rule of 68.

A vested member must make application to the Pension Board not more than 90 days prior to the selected commencement date. Only benefits coming due after submission of the application will be payable. It is the responsibility of the member to keep beneficiary designations current and to notify the Pension Office of any address changes.

TRANSFER TO/FROM OTHER PLANS

Transfer to Defined Contribution Plan. Plan A and Plan B members have a onetime opportunity during their employment to transfer to the City’s defined contribution plan during the annual open enrollment period. The **election to transfer is irrevocable** and once the member makes such an election, the member may only participate in the defined contribution plan. Vested Plan A or Plan B members who elect to transfer to the defined contribution plan may elect to leave their accrued benefit in the defined benefit plan as a deferred vested member until normal retirement. Their future participation would be as a member of the defined contribution plan. Or, the member may elect to transfer the actuarial value of their accrued benefit to the defined contribution plan. Non-vested members who elect to transfer to the defined contribution plan will have the actuarial value of their accrued benefit transferred to the defined contribution plan and their future participation would then be as a member of the defined contribution plan.

Transfer to Plan C. Plan A and Plan B members have a onetime opportunity during their employment to transfer to Plan C during the annual open enrollment period. The benefit for vested Plan A or Plan B members who have elected to transfer to Plan C will be calculated in two portions. The first portion will be based on the service prior to the transfer date using the 3% multiplier and the second portion will be based on the service after the transfer date using the appropriate Plan C multiplier in effect at their time of retirement. Non-vested members transferring to Plan C will have their entire service calculated using the Plan C multiplier.

Transfer from the Police and Firefighters’ Plan. If a member has transferred from the Police and Firefighters’ Retirement System, the multiplier will be applied in two parts. The Police and Firefighters’ Retirement System multiplier that was in effect at the time of the transfer will be applied to the period of

continuous service the member earned while in the Police & Firefighters' Plan. The General Employees' Pension Plan multiplier that was in effect at the time of retirement will be applied to the period of continuous service the member earned while in the General Employees' Plan.

ELIGIBILITY FOR DISABILITY BENEFITS

Any active member of the Plan who has a physical or mental condition that is presumably total and permanent, may apply for disability benefits. Participants in the Deferred Retirement Option Plan are not eligible to receive disability benefits from the Plan.

To be total and permanent, the disabling condition must prevent the member from performing all regular duties (or the duties of an equal position with similar responsibilities which may be offered by the City) for a period of at least two years and thereafter prevent the member from engaging in any gainful employment.

Disabling conditions resulting from the following circumstances, shall not qualify for benefits:

- Chronic alcoholism or addiction to narcotics
- Engaging in felonious acts or civil riots
- Serving in the armed forces of the United States for which veteran's disability pension is granted

The disability must be substantiated by medical evidence and is subject to approval by the Board of Trustees.

DISABILITY BENEFITS

The monthly disability benefit shall equal 60% of the member's monthly earnings in effect on the date of the disability for a service incurred disability and 50% of the member's monthly earnings in effect on the date of the disability for a non-service incurred disability, reduced by any public disability benefits (Social Security, Workers' Compensation, etc.) for which the member becomes eligible.

Payments shall commence on the first day of the month following the date the disability is approved by the Board; or, if later, the date on which accumulated City leave benefits are paid in full. Disability benefits shall cease if the member recovers, dies or is paid for the maximum disability benefit period. For a member who is less than age 60 at the time the disability pension is granted, the maximum disability benefit period is until age 65. For a member who is at least age 60 at the time the disability pension is granted, the maximum disability benefit period is 60 months.

Member contributions shall be discontinued during the period of disability.

Upon the member's recovery and subsequent return to employment within 30 days, plan participation shall be reinstated and credit for service will be given for the period of disability. Failure to return to work within the given time period shall cause the date the disability ceased to be treated as a termination date and any benefits due the member shall be calculated as of such date. Any benefits to which the member becomes eligible after recovery shall be reduced by the actuarial equivalent of the benefits received during the period of disability.

If a member reaches the end of the maximum disability benefit period before recovering from the disability, the disability benefit shall be converted to a service retirement benefit. The retirement benefit shall be computed using the member's earnings in effect on the date of disability and including the period of disability in the calculation of continuous service.

Should the death of a disabled member occur prior to reinstatement as an active employee or conversion to a retirement benefit, actively employed death benefits shall be paid.

ACTIVELY EMPLOYED DEATH BENEFITS

A death benefit will be paid on behalf of any member who dies while actively employed or while receiving a disability benefit prior to retirement. However, beneficiaries of members participating in the Deferred Retirement Option Plan do not qualify for death benefits.

The death benefit is equal to three- and one-half times the member's annual earnings as of the date the member died or became disabled. An initial payment, equal to the lesser of one half the annual earnings or \$7,500, will be made. The remaining balance will be paid in monthly installments equal to two thirds of the member's monthly earnings until the balance has been paid in full. Interest, at a rate to be determined by the Board at the beginning of each plan year, is credited on the unpaid balance.

If a married member attained age 52 and had at least 10 years of continuous service at the time of death, an additional spouse benefit will be paid only if the spouse is the designated beneficiary, was married to the member for at least one full year immediately preceding the death and was not legally separated from the member at the time of death.

The spouse benefit is equal to 50% of the monthly retirement benefit the member would have received, based on average monthly earnings and continuous service at the time of death. This spouse benefit will commence on the first day of the month following the last payment of the death benefit. It will continue to be paid until the earlier of the death or remarriage of the spouse.

POST TERMINATION DEATH BENEFITS

If a terminated member entitled to a deferred vested benefit, dies prior to attainment of age 52, the death benefit shall be a refund of contributions plus interest.

If a terminated member, entitled to a deferred vested benefit, dies after attainment of age 52 but prior to commencement of the pension, the death benefit shall be paid as if the member had retired on the first day of the month following the date of death. The designated beneficiary will receive the benefits for 60 months.

If a member retired after his or her early retirement date and has not commenced receipt of benefits (i.e. deferred them to age 55), the death benefit shall be paid as if the member had retired on the first day of the month following the date of death. The designated beneficiary will receive the benefits for 60 months.

The death benefit of a member who dies after commencement of retirement benefits shall be the continuation of payments as determined by the payment option previously selected by the member at the time of the member's retirement.

In no event will total benefits paid be less than an amount equal to the member's contributions plus interest, as determined on the date of retirement.

COST-OF-LIVING ADJUSTMENTS

In June of each odd numbered year, the City Council shall review the retirement and disability benefits provided for in the Plan to determine whether they have been seriously eroded by increases in the cost of living. This provision does not require that a cost of living increase be granted each review.

DEFERRED RETIREMENT OPTION PLAN (DROP)

The Deferred Retirement Option Plan (DROP) allows a member to retire from the Plan while continuing to work for the City for up to an additional five years for members who enter the DROP on or after October 1, 2004 and before January 26, 2021. For members who enter the DROP on or after January 26, 2021, the maximum DROP participation period is seven years. The member's retirement benefit will be calculated as of the date the member retires from the Plan and enters the DROP. The member's retirement benefit payments will be paid into the member's DROP account until such time as the member actually leaves the employment of the City. When the member terminates employment, the member will begin receiving pension benefits each month and, in addition, will receive the balance in the member's DROP account.

In order to be eligible to participate in the DROP, a member must be actively employed and be eligible for one of the three following retirement options:

- Unreduced retirement with the attainment of age 55 with at least 20 years of continuous service,
- unreduced retirement with the attainment of age 53 with at least 30 years of continuous service,
- or reduced early retirement with the attainment of age 50 with at least 20 years of continuous service.

The member must submit a written application at least 45 days before the date the member's DROP participation is to begin. Along with the application, the member must submit an irrevocable, unconditional letter of resignation, which must be immediately effective and specifies termination date that is no later than the end of the 60th month for members who enter the DROP on or after October 1, 2004 and the end of the 84th month for members who enter the DROP on or after January 26, 2021, after the member's DROP participation commences.

A member who is participating in the DROP on January 26, 2021 may elect to extend participation in the DROP from 60 to 84 months. Upon approval by the board, a member's election to extend participation in the DROP shall extend the member's DROP participation period as if the maximum participation period upon entry in the DROP was 84 months.

The member's pension benefit will be calculated as if the member has retired, using the member's continuous service and average monthly earnings calculated as of the date the member's participation in the DROP begins. This benefit will be frozen, and the member will not receive pension credits for any additional years of service or for future wages. In addition, because the member is retired, disability and actively employed

death benefits will no longer be available. Once a member elects to participate in the DROP, contributions to the Plan from both the employee and the City cease.

Upon entry into the DROP, members must choose between the two investment options shown below. The selected option will remain in effect during the member's entire period of DROP participation. Interest under both options will be posted monthly.

- ***Performance Option*** - The rate of return that is posted to the DROP accounts is the same as the rate of return for the total pension fund. Since the fund is invested primarily in marketable securities, the investments are subject to the market volatility. As a result, the balances in the DROP accounts can decrease as well as increase.
- ***Safe-Harbor Option*** - The rate of return that is posted is equal to the Federal Funds Target Rate, as in effect on the last day of each month but cannot exceed the actuarial rate of return for the plan. This rate of return cannot be negative so the DROP account will not be less than what was deposited.

When the employment of the member ends, the balance in the DROP account will be distributed within 30 days, or as soon as reasonable thereafter. All payments or distributions will be subject to the rules and regulations of the Internal Revenue Code.

If the member dies while in the DROP, the distribution will be made to the member's designated beneficiaries.

Participation in the DROP is no guarantee of future employment. Members are subject to the same City rules and employment policies as members not in the DROP.

All elected general employee trustees will be permitted to continue serving the term of office as a member of the Board of Trustees after entering the DROP and until termination of employment with the City.

If a member refuses to terminate City employment at the end of the maximum DROP period, the member's DROP account will no longer be credited with investment earnings and the member's pension benefit, during the period of continued employment, will be forfeited. In addition, the member will not accrue additional service credits and will not be eligible for disability or actively employed death benefits.

NON-VESTED BENEFITS

Members terminating their employment prior to completing ten years of continuous service or attaining the age of 65, who do not qualify for disability benefits, are entitled to a refund of member contributions with accumulated interest.

Refunds of after-tax contributions are tax free, but refunds of pre-tax contributions and interest are taxable income in the year paid and are subject to a 10% excise tax if paid before attainment of age 59½, unless the member terminates employment after age 55. However, the refunded monies can retain their tax deferred status if they are transferred directly to an Individual Retirement Account (IRA) or another qualified retirement entity (such as an IRC 401(k) plan, an IRC 457 or an IRC 403(b) plan). If the member chooses not to transfer the monies to an IRA or another plan, 20% of the taxable refunded amount will be withheld for the taxes.

INVOLUNTARY TERMINATION AND REINSTATEMENT

Members who are involuntarily terminated on or after September 15, 2000, who withdraw their contributions and are subsequently reinstated to their position, shall be reinstated to the plan upon the date of reinstatement or upon such other date as may be provided in the lawful order of reinstatement.

Such members will be allowed to receive credit for continuous service earned prior to the termination if the contributions and interest that were withdrawn are fully repaid, with interest, to the pension fund. Such repayment period shall be the earlier of the following: (1) twice the length of time of the suspension, (2) three years from date of reinstatement or (3) the member's retirement date. Interest will be calculated, at the assumed actuarial rate of return, from the date of withdrawal to the date of repayment. There shall be no partial service credits given for partial payment. Partial payments will be refunded to the member.

The member may also receive service credit for the period of suspension if the award of back pay covered such suspension and the appropriate member contributions for the period of suspension are made to the Plan. If a back pay award is given and the amount is sufficient to cover the amount of the member contributions, such contributions shall be deducted and service credit for the period of suspension shall be awarded. If the back pay award is not sufficient to cover the member contributions, the member shall have the option to buy back the service credit for the period of suspension by paying the appropriate amount of member contributions to the pension fund within six months following the date of reinstatement.

CLAIMS BY PARTICIPANTS AND BENEFICIARIES

All claims for benefits must be made in writing and submitted to the Board at the Pension Office. No payment will be made until at least 15 days after being approved by the Board. If the City Manager contests the Board's approval within the 15-day period, then the approval will be reconsidered by the Board. If, after being reconsidered, the Board does not change its ruling, the City Manager may ask the City Council to review the matter and make the final determination.

Applications for retirement should be submitted at least 30 days prior to the anticipated retirement date.

Disability applications must be submitted within three months of the termination date. Full and fair consideration will be given by the Board based on the evidence presented to it.

Claims for death benefits will be paid in accordance with the terms of the Plan and the most recent Designation of Beneficiary form on file in the Pension Office. It is the responsibility of the member to keep this form current. A certified copy of the death certificate must be submitted with any claim for death benefits.

If any claim for benefits is denied, the reasons for denial will be submitted in writing to the claimant. If the claimant wishes to contest the Board's decision, a formal hearing may be requested, and additional evidence may be presented.

Claims made by spouses for a member's benefit as a result of divorce, will only be honored if they are in the form of an Income Deduction Order issued by a court for alimony or child support. Qualified Domestic

Relations Orders (QDROs) will not be honored. All orders from a court will be submitted to the Board's attorney for an opinion on their legality.

The Board has the power to reexamine the facts upon which any pension has been granted. The pension rolls may purge of any person granted a pension under this plan, if it is found to be erroneous, fraudulent or illegal.

Pension benefits shall be forfeited, under state law, if a member admits to, or is found guilty of, committing certain crimes, such as (but not limited to) embezzlement, bribery or misuse of his or her public position. The City will notify the Board when benefits may be subject to forfeiture. A member will have the right to a full hearing prior to forfeiture of benefits.

If the member is determined by the Board to be incompetent, or if a deceased member's beneficiary is a minor, payment for benefits may be made to a duly appointed guardian, or to such person's spouse, children or other person who has incurred expenses or assumed responsibility for such expenses. Any payment so made from the Plan shall be a complete discharge of any liability under the Plan.

PLAN AMENDMENTS OR TERMINATION

The City reserves the right to amend the Plan. However, all ordinances proposing changes to Plan provisions must be referred to the Board for review. The Board has 45 days to review the ordinance and submit its recommendations to the City Council.

Upon termination of the Plan or complete discontinuance of contributions to the Plan, each employee will become vested in the benefits that have accrued. All City contributions will remain in the plan for the benefit of the members and beneficiaries.

PARTICIPANT DATA

The table below illustrates the number of plan members as of September 30th for each year shown:

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Active Members Plan A	2	3	5	9	14	21	28	34	42	45
Active Members Plan B	237	260	288	326	352	369	406	444	472	502
Active Members Plan C	378	348	328	281	215	150	124	83	67	53
Retirees	447	458	433	409	395	458	429	358	335	316
DROP	62	59	60	53	55	49	52	46	54	65
Disabilities	7	6	7	8	9	10	10	10	10	13
Beneficiaries	59	52	52	46	56	57	54	51	52	46
Deferred Vested	55	53	38	41	38	41	36	32	34	35

FINANCIAL INFORMATION AND ACTUARIAL REPORT

The following represents the Plan's comparative financial information for the most recent two fiscal years ended September 30, 2020 and 2019. Please refer to the Plan's website for more information and required disclosures regarding the Plan's financial and actuarial metrics. The actuary's valuation letter on the solvency and actuarial soundness of the plan is on the next page.

March 8, 2021

Board of Trustees
City of Boca Raton
General Employees' Pension Board

Re: City of Boca Raton General Employees' Pension Plan

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Boca Raton General Employees' Pension Plan. Included are the related results for GASB Statements No. 67 and No. 68. The funding valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. The calculation of the liability for GASB results was performed for the purpose of satisfying the requirements of GASB Statements No. 67 and No. 68. Use of the results for other purposes may not be applicable and may produce significantly different results.

The valuations have been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflect laws and regulations issued to date pursuant to the provisions of Chapter 112, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in the valuations, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of its liabilities. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuations, we did not perform an analysis of the potential range of such future measurements.

In conducting the valuations, we have relied on personnel, plan design, and asset information supplied by the City of Boca Raton, financial reports prepared by the custodian bank, and the actuarial assumptions

and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2019. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2020 using generally accepted actuarial principles. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No. 67 and No. 68.

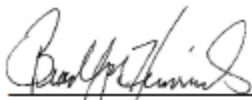
The undersigned are familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Boca Raton, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the General Employees' Pension Plan. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

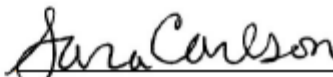
If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.



Bradley R. Heinrichs, FSA, EA, MAAA
Enrolled Actuary #20-6901



Sara E. Carlson, ASA, EA, MAAA
Enrolled Actuary #20-8546

Enclosures

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2020

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	15,339,189.13
Checking Account	1,962,689.74
Prepaid Expenses	19,049.33
Money Market	27,382,798.83
 Total Cash and Equivalents	 44,703,727.03
 Receivables:	
From Broker for Investments Sold	149,924.20
Investment Income	226,351.33
 Total Receivable	 376,275.53
 Investments:	
U. S. Government Securities	8,933,428.62
Corporate Bonds and Debentures	12,737,131.49
Infrastructure	3,189,841.87
Real Estate Funds	22,113,260.20
Stocks & Convertible Securities	104,648,923.83
Commingled Funds	37,430,621.93
 Total Investments	 189,053,207.94
 Total Assets	 234,133,210.50
 <u>LIABILITIES</u>	
Payables:	
Accounts Payable	227,398.04
To Broker for Investments Purchased	219,511.85
Prepaid City Contribution	383,340.00
 Total Liabilities	 830,249.89
 NET POSITION RESTRICTED FOR PENSIONS	 233,302,960.61

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2020
Market Value Basis

<u>ADDITIONS</u>		Plan A	Plan B	Plan C
<u>Contributions:</u>				
Member	2,520,603.01	13,123.91	1,442,984.37	1,064,494.73
City	1,342,482.00	0.00	628,973.00	713,509.00
Total Contributions	3,863,085.01	13,123.91	2,071,957.37	1,778,003.73
<u>Investment Income:</u>				
Net Increase in Fair Value of Investments	17,518,990.83			
Interest & Dividends	4,187,793.12			
Less Investment Expense ¹	(815,464.52)			
Net Investment Income	20,891,319.43	8,394,132.15	11,730,475.86	766,711.42
Total Additions	24,754,404.44	8,407,256.06	13,802,433.23	2,544,715.15
<u>DEDUCTIONS</u>				
<u>Distributions to Members:</u>				
Benefit Payments	12,889,513.05	7,325,683.52	5,554,398.45	9,431.08
Lump Sum DROP Distributions	2,158,954.06	962,839.19	1,196,114.87	0.00
Transfer to Other Plan	259,656.00	0.00	259,656.00	0.00
Refunds of Member Contributions	171,877.44	0.00	0.00	171,877.44
Total Distributions	15,480,000.55	8,288,522.71	7,010,169.32	181,308.52
Administrative Expense	131,380.81	783.02	62,848.32	67,749.47
Total Deductions	15,611,381.36	8,289,305.73	7,073,017.64	249,057.99
Net Increase in Net Position	9,143,023.08	117,950.33	6,729,415.59	2,295,657.16
NET POSITION RESTRICTED FOR PENSIONS				
Beginning of the Year	224,159,937.53	91,850,624.79	125,063,013.74	7,246,299.00
End of the Year	233,302,960.61	91,968,575.12	131,792,429.33	9,541,956.16
Non-Investment Cash Flow	(11,748,296.35)	(8,276,181.82)	(5,001,060.27)	1,528,945.74

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2019

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	2,272,697.00
Checking Account	741,346.69
Prepaid Expenses	18,197.67
Money Market	30,201,580.05
Total Cash and Equivalents	33,233,821.41
Receivables:	
Accounts Receivable	188.80
From Broker for Investments Sold	187,454.84
Investment Income	278,244.32
Total Receivable	465,887.96
Investments:	
U. S. Government Securities	10,703,660.21
Corporate Bonds and Debentures	15,665,087.10
Infrastructure	3,387,728.22
Real Estate Funds	18,083,913.63
Stocks & Convertible Securities	106,129,074.03
Commingled Funds	36,848,017.12
Total Investments	190,817,480.31
Total Assets	224,517,189.68
<u>LIABILITIES</u>	
Payables:	
Accounts Payable	161,030.61
To Broker for Investments Purchased	196,221.54
Total Liabilities	357,252.15
NET POSITION RESTRICTED FOR PENSIONS	224,159,937.53

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2019
Market Value Basis

<u>ADDITIONS</u>		Plan A	Plan B	Plan C
<u>Contributions:</u>				
Member	2,468,106.17	25,136.16	1,505,386.69	937,583.32
City	2,240,997.00	0.00	1,682,998.00	557,999.00
Total Contributions	4,709,103.17	25,136.16	3,188,384.69	1,495,582.32
<u>Investment Income:</u>				
Net Increase in Fair Value of Investments	3,787,326.55			
Interest & Dividends	4,500,114.37			
Less Investment Expense [†]	(712,675.50)			
Net Investment Income	7,574,765.42	3,160,192.13	4,197,177.52	217,395.77
Total Additions	12,283,868.59	3,185,328.29	7,385,562.21	1,712,978.09
<u>DEDUCTIONS</u>				
<u>Distributions to Members:</u>				
Benefit Payments	12,173,220.66	7,139,460.11	5,032,348.63	1,411.92
Lump Sum DROP Distributions	2,934,861.25	914,847.07	2,020,014.18	0.00
Transfer to Other Plan	466,265.00	0.00	442,232.00	24,033.00
Refunds of Member Contributions	281,539.44	0.00	161,140.65	120,398.79
Total Distributions	15,855,886.35	8,054,307.18	7,655,735.46	145,843.71
Administrative Expense	114,676.33	1,147.32	59,282.63	54,246.38
Total Deductions	15,970,562.68	8,055,454.50	7,715,018.09	200,090.09
Net Increase in Net Position	(3,686,694.09)	(4,870,126.21)	(329,455.88)	1,512,888.00
<u>NET POSITION RESTRICTED FOR PENSIONS</u>				
Beginning of the Year	227,846,631.62	96,720,751.00	125,392,470.62	5,733,411.00
End of the Year	224,159,937.53	91,850,624.79	125,063,013.74	7,246,299.00
Non-Investment Cash Flow	(11,261,459.51)	(8,030,318.34)	(4,526,633.40)	1,295,492.23

