

April 4, 2024

Board of Trustees
c/o Althea Lodge
Benefits USA, Inc.
3810 Inverrary Blvd, Suite 303
Lauderhill, FL 33319

**Subject: City of Lauderhill Confidential & Managerial Employees' Retirement Plan
Actuarial Impact Statement for Ordinance**

Dear Althea:

We are pleased to enclose an Actuarial Impact Statement in support of Ordinance No. 24O-03- of the City Lauderhill Confidential & Managerial Employees' Retirement Plan. The Actuarial Impact statement is for the following changes:

SECTION 1: That Chapter 2, Administration, Article II, Officers and Employees, Division 3, Retirement, Part 2, General Employees Pension Fund, Section 2-63, Retirement dates and benefits is hereby amended to add a new subparagraph (2) Transfers between covered and non-covered employment to read as follows:

2-63. Retirement dates and benefits.

* * *

(2) Transfers between covered and non-covered employment.

(a) For members hired prior to December 9, 2019, this plan, the City of Lauderhill General Employees' Retirement System, will coordinate benefits with the Confidential and Managerial Employees Retirement Plan based on the provisions specified in Section 2-88.8. Furthermore, the following clarifications will apply to members who transfer from this plan to the Confidential and Managerial Employees Retirement Plan:

- i. The original date of hire as a General employee will be used to determine the service retirement eligibility criteria applicable to benefits payable from this plan.
- ii. The normal retirement date for a transferred member who purchased service in the Confidential and Managerial Employees Plan prior to December 31, 2023 will be no later than the normal retirement date in the Confidential and Managerial Employees Plan reflecting the Confidential/Managerial plan service purchase.
- iii. Service purchases paid into the Confidential and Managerial Employees Plan after December 31, 2023 do not affect the timing or amount of benefits payable from this plan. A transferred member may purchase service under Section 2-68 in order to obtain an earlier normal retirement date for benefits payable from this plan.
- iv. Tier one members are eligible to participate in the General employee plan DROP upon becoming eligible for normal retirement under Section 2-88.6(a). Tier two

and Tier three members are not eligible to participate in the General employee plan DROP.

(b) For members hired on or after December 9, 2019, Section 2-88.30 shall apply.

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SECTION 2: That Chapter 2, Administration, Article II, Officers and Employees, Division 3, Retirement, Part 4, Senior Management Pension Fund and Trust Fund, Section 2-88.8, Transfers between covered and non-covered employment, is hereby amended to read as follows:

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- (c) This plan, the City of Lauderdale Confidential and Managerial Employees' Retirement Plan, will coordinate benefits with the general employees' pension fund. In the event that a participant of this plan has earned ~~a minimum of seven (7)~~ the sufficient amount of years of aggregate service in this plan or and the general employees' pension fund to satisfy the lesser of the vesting requirements of the two plans, the participant shall be eligible for coordination of benefits from the two (2) plans, to the extent of any service credit accrued in such plans. Upon the commencement of a service retirement, the participant shall receive payment from this plan in an amount equal to the credited service accrued. In addition, the participant shall also be eligible for payment from the general employees' pension fund, as appropriate, of a benefit equal to the years of credited service in that plan based upon the salary in effect at the time the participant terminated service with the city. The benefits in the general employees' pension fund shall be available even though the participant shall not have vested under the terms of that plan.
- (d) In the event a participant of this plan shall transfer from this plan to the general employees' pension fund, and the participant shall have accrued ~~a total of seven (7) or more years of aggregate credited service in this plan and the general employees' pension fund~~ the sufficient amount of years of aggregate service in this plan and the general employees' pension fund to satisfy the lesser of the vesting requirements of the two plans, the participant shall, upon retirement from the general employees' pension fund, be deemed vested in this plan and eligible to receive benefits accrued in this plan up to the date of termination, based on the salary and in an amount in effect on the date of transfer. This benefit shall be available even though the participant shall not have achieved a vested benefit in this plan; provided, however, that the participant, upon termination in this plan, kept his/her contributions on deposit in this plan.
- (e) The normal retirement date for a participant who is vested based on ~~with an aggregate of seven (7) or more years of service credit from this plan or and~~ the general employees' pension fund, shall be the normal retirement date of the participant's current plan.
- (f) Notwithstanding any provision of this Section to the contrary, the provisions of this Section 2-88.8 shall not apply to members of the General Employees' Retirement System who were hired on or after December 9, 2019 and who transferred to a position covered by this Plan; nor shall the provisions of this section apply to members of this Plan who were hired on or after December 9, 2019 and who transferred to a position covered by General Employees' Retirement System. Such members shall be covered by Section 2-88.30 of the City Code of Ordinances.

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SECTION 3. That Chapter 2, Administration, Article II, Officers and Employees, Division 3, Retirement, Part 5, Coordination of Benefits, Section 2-88.30, Coordination of benefits among all city of Lauderhill pension plans, is hereby amended to add a new sub paragraph (d) to read as follows:

- (a) Participants of all city pension plans are eligible to coordinate benefits. ~~upon earning a minimum of seven (7) years of aggregate credited service in any city pension plan, upon separation from all service. Participants shall become vested in plan benefits based on the vesting requirements of their last plan occupied and last tier held.~~

The normal retirement date applicable to benefits payable from each plan for a participant with an aggregate of seven (7) years of credited service shall be determined in accordance with the provisions of each plan in which the participant has participated, as of the last date of participation in each such plan. A participant's aggregate city service will be used in determining the normal or early retirement eligibility. This means a member may attain eligibility for normal or early retirement benefits from one (1) plan before attaining eligibility for normal or early retirement benefits from a different plan.

~~The participant [shall] be eligible for normal retirement benefits from a prior plan upon attaining the normal retirement date under the prior plan in effect on the last day of the participant's participation in the prior plan. A participant's normal retirement benefit amount in a prior plan will be determined as of the date of transfer from the prior plan.~~ The benefit amount shall be based on the participant's compensation and credited service while in that prior plan and under the tier occupied at the time he or she terminated service covered by that prior plan.

~~The benefits payable under a participant's prior plan(s) shall be available even though he or she may not have vested under the terms of all plans, so long as the participant has earned a minimum of seven (7) years of aggregate credited service in any of the four (4) city pension plans and further provided that the participant, upon termination of city employment, has kept his or her contributions on deposit with the plan(s).~~

A participant's aggregate city service will be used to determine vesting. A transferring participant will vest in all plans upon attaining the lesser of the vesting requirements in any of the plans in which they have participated, provided that, upon termination of city employment, they have kept their employee contributions on deposit with the plan(s).

- (b) Deferred Retirement Option Plan (DROP).

- (1) In the event that the plans in which a participant has participated have differing DROP eligibility and participation requirements, the DROP requirements for each plan shall apply. This means a member may attain eligibility for DROP under one (1) plan before attaining eligibility for DROP under another plan. If a member becomes eligible to participate in DROP under the provisions of a prior plan in effect on the date of DROP

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entry in the prior plan ~~last day the participant participated in that plan~~, the prior plan shall establish a DROP account for the participant and make payments into that DROP account in accordance with that plan's provisions until the participant separates from City employment or reaches the maximum DROP participation period under the prior plan, whichever occurs first.

- (2) In the event of aggregate credited service in which one (1) of the plans does not have a DROP provision, DROP accrual shall be based solely on the portion of service attributable to the plan(s) having the DROP provision.

(c) Cost-of-Living-Adjustment (COLA)

- (1) In the event a plan offers a COLA, the COLA shall be based on the credited service accrued in that plan and governed by that plan's provisions. In the event that more than one (1) plan offers a COLA, COLA shall be determined based on the provisions of each plan.

(d) Application and Effective Date.

- (1) The provisions of this section shall apply to all persons enrolled in a City sponsored defined benefit retirement plan except members of the General Employees' Pension Fund, who were hired prior to December 9, 2019 and who transferred to a position covered by the Confidential and Managerial Employees' Defined Benefit Plan; nor shall the provisions of this section apply to members of the Confidential and Managerial Employees' Defined Benefit Plan, who were hired prior to December 9, 2019 and who transferred to a position covered by the General Employees' Pension Fund. Such members shall be covered by sections 2-88.8 and 2-63 herein.
- (2) Notwithstanding any provision of this plan to the contrary, in order to coordinate benefits under this section, a participant must be actively employed by the City as of December 9, 2019.

There is no actuarial impact due to these changes.

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Ms. Althea Lodge
April 4, 2024
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We have prepared the Actuarial Impact Statement for filing with the State of Florida. Please note that this Statement must be signed and dated on behalf of the Board of Trustees. A copy of the ordinance upon passage at the first reading along with this Actuarial Impact Statement should be submitted to the State at the following address:

Mr. Douglas Beckendorf, A.S.A.
Bureau of Local Retirement Systems
Florida Division of Retirement
P.O. Box 9000
Tallahassee, FL 32315-9000

Please forward a copy of the ordinance upon passage at second reading to update our files.

We have prepared this Impact Statement based upon the October 1, 2022 census and financial data that were utilized for the October 1, 2022 Actuarial Valuation. The methods and assumptions used in the calculations are the same as those that were utilized for the October 1, 2022 Actuarial Valuation.

If you should have any question concerning the above, please do not hesitate to contact us.

Sincerely,



Donald A. DuLaney Jr., A.S.A., E.A.
Senior Consulting Actuary

DAD:cp
Enclosures
cc: Douglas Downs, with enclosure

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City of Lauderhill Confidential & Managerial Employees' Retirement Plan

Actuarial Impact Statement

A. Description of Plan Amendment

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2-63. Retirement dates and benefits.

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(3) Transfers between covered and non-covered employment.

(a) For members hired prior to December 9, 2019, this plan, the City of Lauderhill General Employees' Retirement System, will coordinate benefits with the Confidential and Managerial Employees Retirement Plan based on the provisions specified in Section 2-88.8. Furthermore, the following clarifications will apply to members who transfer from this plan to the Confidential and Managerial Employees Retirement Plan:

- i. The original date of hire as a General employee will be used to determine the service retirement eligibility criteria applicable to benefits payable from this plan.
- ii. The normal retirement date for a transferred member who purchased service in the Confidential and Managerial Employees Plan prior to December 31, 2023 will be no later than the normal retirement date in the Confidential and Managerial Employees Plan reflecting the Confidential/Managerial plan service purchase.
- iii. Service purchases paid into the Confidential and Managerial Employees Plan after December 31, 2023 do not affect the timing or amount of benefits payable from this plan. A transferred member may purchase service under Section 2-68 in order to obtain an earlier normal retirement date for benefits payable from this plan.
- iv. Tier one members are eligible to participate in the General employee plan DROP upon becoming eligible for normal retirement under Section 2-88.6(a). Tier two and Tier three members are not eligible to participate in the General employee plan DROP.

(b) For members hired on or after December 9, 2019, Section 2-88.30 shall apply.

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SECTION 2: That Chapter 2, Administration, Article II, Officers and Employees, Division 3, Retirement, Part 4, Senior Management Pension Fund and Trust Fund, Section 2-88.8, Transfers between covered and non-covered employment, is hereby amended to read as follows:

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- (c) This plan, the City of Lauderhill Confidential and Managerial Employees' Retirement Plan, will coordinate benefits with the general employees' pension fund. In the event that a participant of this plan has earned a ~~minimum of seven (7)~~ the sufficient amount of years of aggregate service in this plan or and the general employees' pension fund to satisfy the lesser of the vesting requirements of the two plans, the participant shall be eligible for coordination of benefits from the two (2) plans, to the extent of any service credit accrued in such plans. Upon the commencement of a service retirement, the participant shall receive payment from this plan in an amount equal to the credited service accrued. In addition, the participant shall also be eligible for payment from the general employees' pension fund, as appropriate, of a benefit equal to the years of credited service in that plan based upon the salary in effect at the time the participant terminated service with the city. The benefits in the general employees' pension fund shall be available even though the participant shall not have vested under the terms of that plan.
- (d) In the event a participant of this plan shall transfer from this plan to the general employees' pension fund, and the participant shall have accrued ~~a total of seven (7) or more years of aggregate credited service in this plan and the general employees' pension fund~~ the sufficient amount of years of aggregate service in this plan and the general employees' pension fund to satisfy the lesser of the vesting requirements of the two plans, the participant shall, upon retirement from the general employees' pension fund, be deemed vested in this plan and eligible to receive benefits accrued in this plan up to the date of termination, based on the salary and in an amount in effect on the date of transfer. This benefit shall be available even though the participant shall not have achieved a vested benefit in this plan; provided, however, that the participant, upon termination in this plan, kept his/her contributions on deposit in this plan.
- (g) The normal retirement date for a participant who is vested based on ~~with an aggregate of seven (7) or more years of service credit from this plan or and~~ the general employees' pension fund, shall be the normal retirement date of the participant's current plan.
- (h) Notwithstanding any provision of this Section to the contrary, the provisions of this Section 2-88.8 shall not apply to members of the General Employees' Retirement System who were hired on or after December 9, 2019 and who transferred to a position covered by this Plan; nor shall the provisions of this section apply to members of this Plan who were hired on or after December 9, 2019 and who transferred to a position covered by General Employees' Retirement System. Such members shall be covered by Section 2-88.30 of the City Code of Ordinances.

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SECTION 3. That Chapter 2, Administration, Article II, Officers and Employees, Division 3, Retirement, Part 5, Coordination of Benefits, Section 2-88.30, Coordination of benefits among all city of Lauderhill pension plans, is hereby amended to add a new sub paragraph (d) to read as follows:

- (e) Participants of all city pension plans are eligible to coordinate benefits. ~~upon earning a minimum of seven (7) years of aggregate credited service in any city pension plan, upon separation from all service. Participants shall become vested in plan benefits based on the vesting requirements of their last plan occupied and last tier held.~~

The normal retirement date applicable to benefits payable from each plan for a participant with an aggregate of seven (7) years of credited service shall be determined in accordance with the provisions of each plan in which the participant has participated, as of the last date of participation in each such plan. A participant's aggregate city service will be used in determining the normal or early retirement eligibility. This means a member may attain eligibility for normal or early retirement benefits from one (1) plan before attaining eligibility for normal or early retirement benefits from a different plan.

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(f) Deferred Retirement Option Plan (DROP).

(1) In the event that the plans in which a participant has participated have differing DROP eligibility and participation requirements, the DROP requirements for each plan shall apply. This means a member may attain eligibility for DROP under one (1) plan before attaining eligibility for DROP under another plan. If a member becomes eligible to participate in DROP under the provisions of a prior plan in effect on the date of DROP entry in the prior plan ~~last day the participant participated in that plan~~, the prior plan shall establish a DROP account for the participant and make payments into that DROP account in accordance with that plan's provisions until the participant separates from City employment or reaches the maximum DROP participation period under the prior plan, whichever occurs first.

(2) In the event of aggregate credited service in which one (1) of the plans does not have a DROP provision, DROP accrual shall be based solely on the portion of service attributable to the plan(s) having the DROP provision.

(g) Cost-of-Living-Adjustment (COLA)

(1) In the event a plan offers a COLA, the COLA shall be based on the credited service accrued in that plan and governed by that plan's provisions. In the event that more than one (1) plan offers a COLA, COLA shall be determined based on the provisions of each plan.

(h) Application and Effective Date.

(1) The provisions of this section shall apply to all persons enrolled in a City sponsored defined benefit retirement plan except members of the General Employees' Pension Fund, who were hired prior to December 9, 2019 and who transferred to a position covered by the Confidential and Managerial Employees' Defined Benefit Plan; nor shall the provisions of this section apply to members of the Confidential and Managerial Employees' Defined Benefit Plan, who were hired prior to December 9, 2019 and who transferred to a position covered by the General Employees' Pension Fund. Such members shall be covered by sections 2-88.8 and 2-63 herein.

- (2) Notwithstanding any provision of this plan to the contrary, in order to coordinate benefits under this section, a participant must be actively employed by the City as of December 9, 2019.

- B. An estimate of the cost of implementing this amendment – **There is no actuarial impact due to these changes.**
- C. In my opinion, the changes are in compliance with Part VII, Chapter 112, Florida Statutes and Section 14, Article X of the State Constitution.

Chairman, Board of Trustees

Date

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