

Sec. 50-161. Supplemental benefit component for special benefits; Chapter 185 share accounts.

There is hereby established an additional plan component to provide special benefits in the form of a supplemental retirement benefit to be in addition to the benefits provided for in the previous Sections of this Plan, such benefits to be funded solely and entirely by premium tax revenues received by the City pursuant to F.S. Chapter 185. For plan years beginning October 1, 2025, all premium tax revenues received by the City pursuant to F.S. Chapter 185, in excess of the minimum required City contribution, including administrative expenses, as actuarially determined in the annual actuarial valuation, shall be allocated to the participants' share accounts as provided herein. Amounts allocated to this supplemental component ("Share Plan"), if any, shall be further allocated to the members, DROP participants, and retirees as follows:

- a) *Individual Member Share Accounts.* The board shall create individual Member Share Accounts for all actively employed plan Members and Other Eligible Recipients, and maintain appropriate books and records showing the respective interest of each Member, or Other Eligible Recipient hereunder. Each Member or Other Eligible Recipient shall have a share account for his share of the F.S. Chapter 185 tax revenues described above, forfeitures and income and expense adjustments relating thereto. The board shall maintain separate Member Share Accounts, however, the maintenance of separate accounts is for accounting purposes only and a segregation of the assets of the trust fund to each account shall not be required or permitted. For purposes of this section, "Other Eligible Recipient" shall include DROP participants, and those persons terminating employment on or after April 1, 1983, and receiving normal retirement, early retirement, in-line of duty or non-line of duty disability benefits. It shall also include those persons terminating employment on or after April 1, 1983, who are eligible for terminated vested benefits beginning when benefits commence. For purposes of the immediately preceding provision, terminated vested Members must have completed ten years of credited service in the Plan to be eligible for the supplemental retirement benefit. Beneficiaries and joint annuitants of deceased active Members, DROP participants, deceased Retirees, and eligible terminated vested Members shall receive the supplemental retirement benefit as provided for herein.
- b) *Share Account Funding.*
 - 1. Individual Member Share accounts shall be established as of September 30, 2025 for all Members actively employed and Other Eligible Recipients who terminated employment on or after April 1, 1983. Individual Member Share Accounts shall be credited with an allocation as provided for in the following subsection c) of any premium tax monies which have been allocated to the share plan for that plan year, beginning with the plan year ending September 30, 2025.

c) *Allocation of Monies to Share Accounts.*

1. *Allocation of Chapter 185 Contributions.*

1. Effective as of September 30, 2025, the amount of any premium tax monies in excess of the minimum required City contribution, including administrative expenses, as actuarially determined in the annual actuarial valuation, will be allocated to the share plan and then allocated to individual Member Share Accounts as provided for in this subsection. All active Members and each Other Eligible Recipient for a post-employment allocation as set forth in subsection 3 below, shall receive an allocation. In addition, all premium tax monies allocated to the share plan in any subsequent plan year shall also be allocated as provided for in this subsection. Available premium tax monies shall be allocated to individual Member Share Accounts at the end of each plan year on September 30 (a “valuation date”).
2. On each valuation date, each active Member and Other Eligible Recipient as of the valuation date shall receive an equal allocation by dividing the total number of Active Members and Other Eligible Recipients into the allocation amount. Share plan allocations shall be made as of September 30.
3. Distribution of Post Employment Allocations. The annual amount of the allocation to those eligible for post-employment allocations shall be paid to each such eligible person within ninety (90) days following the valuation date.

2. *Allocation of Investment Gains and Losses.*

1. Beginning with the October 1, 2026 valuation date and each valuation date thereafter, each individual Member Share Account shall be adjusted to reflect the net earnings or losses resulting from investments during the year. The net earnings or losses allocated to the individual Member Share Accounts shall be the same percentage which is earned or lost by the total plan investments, including realized and unrealized gains or losses, net of brokerage commissions, transaction costs and management fees.
2. Net earnings or losses are determined as of the last business day of the fiscal year, which is the valuation date, and are debited or credited as of such date.

3. For purposes of calculating net earnings or losses on Member Share Account pursuant to this subsection, brokerage commissions, transaction costs, and management fees for the immediately preceding fiscal year shall be determined for each year by the investment consultant pursuant to contracts with fund managers as reported in the custodial statement. The investment consultant shall report these annual contractual fees to the board. The investment consultant shall also report the net investment return for each manager and the net investment return for the total plan assets.
 4. On each valuation date, each individual Member Share Account shall be adjusted to allocate its equal share of the costs, fees and expenses of administration of the Share Plan. Costs, fees, and expenses of administration shall be allocated to each individual share account on a equal basis taking the costs, fees and expenses of administration of the Share Plan as a whole. Members will be provided annual statements setting forth their share account balance as of the end of the plan year.
3. *No Right to Allocation.* The fact of allocation or credit of an allocation to a Member Share Account by the board shall not vest in any member, any right, title, or interest in the assets of the trust or in the Chapter 185 tax revenues except at the time or times, to the extent, and subject to the terms and conditions provided in this Section.
- d) *Eligibility For Benefits.* Any Member who terminates employment as a Police Officer with the City or who dies, upon application filed with the board, shall be entitled to be paid the value of his individual Member Share Account, subject to the following criteria:
1. *Retirement Benefit.*
 - i. A Member shall be entitled to one hundred percent (100%) of the value of his share account upon normal or early retirement pursuant to Section 50-136, or if the member enters the DROP, upon termination of employment.
 - ii. Such payment shall be made as provided in subsection (e).
 2. *Termination Benefit.*
 - i. In the event that a Member's employment as a Police Officer is terminated by reason other than retirement, death or disability, he shall be entitled to receive the value of his share account only if he has ten years of Credited Service in the Plan in accordance with Section 50-139.
 - ii. Such payment shall be made as provided in subsection (e).

3. *Disability Benefit.*

- i. In the event that a member is determined to be eligible for an in-line of duty disability benefit pursuant to Section 50-138, subsection (a) or a non-line of duty disability benefit pursuant to Section 50-138, subsection (c), he shall be entitled to one hundred percent (100%) of the value of his share account.
- ii. Such payment shall be made as provided in subsection (e).

4. *Death Benefit.*

- i. In the event that a member or DROP participant dies while actively employed as a Police Officer, one hundred percent (100%) of the value of his member share account shall be paid to his designated Beneficiary as provided in Section 50-137.
- ii. Such payment shall be made as provided in subsection (e).

- e) *Payment of Benefits.* If a Member or DROP participant terminates employment for any reason or dies and he is otherwise entitled to receive the balance in the Member's share account, the amounts to be distributed shall be the share account balances as of the immediately preceding valuation date. The share account balance shall be payable not later than ninety (90) days following the termination date and shall be paid in one lump sum payment. Post-employment allocations shall be paid within ninety (90) days following the valuation date.
- f) *Benefits Not Guaranteed.* All benefits payable under this Section 50-161 shall be paid only from the assets accounted for in individual member share accounts. Neither the City nor the board shall have any duty or liability to furnish any additional funds, securities or other assets to fund share account benefits. Neither the board nor any trustee shall be liable for the making, retention, or sale of any investment or reinvestment made as herein provided, nor for any loss or diminishment of the member share account balances, except due to his or its own negligence, willful misconduct or lack of good faith. All investments shall be made by the board subject to the restrictions otherwise applicable to fund investments.
- g) *Notional account.* The Member Share Account is a notional account, used only for the purpose of calculation of the share distribution amount. It is not a separate account in the system. There is no change in the system's assets, and there is no distribution available to the Member or Other Eligible Recipient until termination from employment. The Member or DROP participant has no control over the investment of the share account.

1. *No employer discretion.* The share account benefit is determined pursuant to a specific formula which does not involve employer discretion.
2. *Maximum Additions.* Notwithstanding any other provision of this Section, annual additions under this Section shall not exceed the limitations of Section 415(c) of the code pursuant to the provisions of Section 50-145, subsection (k).
3. *IRC limit.* The share account distribution, along with other benefits payable from the system, is subject to limitation under Internal Revenue Code Section 415(b).

