

General Employees



City of Tallahassee Retirement Office



GUIDE *to* RETIRING



The City of Tallahassee's Retirement Office is pleased to provide the following information to guide you through the retirement process. Inside you will find information regarding:

- Pension Payment Options
- Health Insurance after retirement
- Continuing other benefits
- Beneficiary Designations
- Defined Contribution distribution options (MAP, RSVP, DROP)

Please take a moment to read through the information carefully, and contact the retirement office if you have any questions. It is important that you and your family understand the type and amount of benefits that you are eligible to receive.

You can contact the retirement office by calling 891-8343 or by writing us at:

City of Tallahassee
Retirement Administration
300 South Adams Street, Box A-30
Tallahassee, FL 32301

We also encourage you to visit us on the web at:

<http://www.talgov.com/retirement>

*This brochure summarizes the plan Document that legally governs all plan operations. Full details of the Plan are covered in the Plan Document, which is contained in the City Ordinance. In case of any conflict between this brochure and the Ordinance, the provisions of the Ordinance will prevail.

City of Tallahassee—Retirement Services ♦ 300 S. Adams St. Box A-30 ♦ Tallahassee, FL 32301

Phone: 850-891-8343 ♦ FAX: 850-891-8859 ♦ www.talgov.com/retirement

You can make your retirement as smooth and error-free as possible by completing the following steps:

Submit a completed Retirement Enrollment form to you benefit coordinator at least 30 days prior to your retirement date. These forms are located in the Forms section of our website. Your Benefit coordinator will forward your Retirement Enrollment form to our office.

Once we receive your completed Retirement Form, **we will contact you to schedule an appointment** for you and your spouse to discuss retirement options. At that time you will be asked to choose your retirement benefit option and indicate which benefits you want to keep, i.e. health insurance, dental, etc. You will also make decisions on the distribution of your Empower accounts. This meeting takes approximately an hour.

In addition, you must provide a birth certificate or other documentation to verify the age of yourself and your spouse. If married, you must also provide a copy of your marriage license and your spouse's social security number. This information must be provided prior to receiving your first retirement check. Listed below, in order of preference, are the documents we will accept as evidence of age:

- Birth Certificate of Delayed Birth Certificate
- Census Report (more than 30 years old)
- Life Insurance Policy (more than 30 years old)
- Letter from the Social Security Administration office, stating the date of birth it has established for you
- Hospital birth record
- Passport
- Naturalization record (citizenship paper)

In the absence of the above, a document from two (2) of the following categories will be required :

- Birth Certificate of child, showing age of parent
- Family Bible or Baptismal Certificate
- School record at time of entering grammar school
- Military Record
- Official record of marriage issued at least 10 years ago, which shows your birth date or age

Please verify your leave balances before your last day because your leave payout will be based on the balances indicated by your department and payroll.

All retirees are required to establish a direct deposit for their monthly pension payments. If you currently have a direct deposit, it is not necessary to complete a new form.

If you are covered under the City's health insurance and are within six months of your 65th birthday, you must contact the Social Security Administration regarding your eligibility for Medicare benefits. Applications for Medicare are available through the Social Security Administration with approximately a three month wait for approval. The reduction in rates generally begins two months after receipt of your Medicare card by our office. **(NOTE: CDA Retirees on Blue Cross Blue Shield health insurance, cannot continue coverage once you are Medicare eligible.)**

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Explanation of Pension Payment Options for General Employees

Under the rules of the plan, a legal spouse may qualify for three forms of payment listed below. Only the spouse that you were married to at the time of your retirement is covered, if you remarry after you retire, your new spouse will not be eligible for a retirement benefit.

A. Base Pension Payment - Joint and Contingent Two-Thirds: This option provides a lifetime benefit for you and, after your death, a monthly payment of two-third of your benefit will continue to your spouse for their life.

B. Joint and Contingent Three - Fourths: This option reduces the Base Pension Payment during your lifetime. After your death, a monthly payment of three-fourths of your benefit will continue to your spouse for their life.

C. Joint and Contingent Full Benefit: This option reduces the Base Pension Payment payable during your lifetime. After your death, an unreduced monthly payment of your benefit will continue to your spouse for their life.

Under the rules of the Plan, if you choose the Life Only option, no further benefits will be paid upon your death.

D. Life Only: If you are not married at the time you retire, you will receive a benefit equal to the Base Pension Payment amount for your lifetime. This form of benefit is called the "Life Only" option. After your death, there is no further benefits paid.

Under the three payment methods explained below, your beneficiary can be someone other than your legal spouse – whomever you choose.

E. Ten Year Certain and Life: This form of payment provides a reduced monthly benefit your lifetime, with 120 monthly payments guaranteed. This means that if you die before receiving 120 monthly payments, the remaining payments will be made to your named beneficiary. You will receive benefits for life, regardless of the number of payments made to you; but if you have received more than 120 monthly payments at your time of death, nothing will be payable to your beneficiary.

F. Fifteen Year Certain and Life: This option is like the Ten Year Certain option, except that 180 payments are guaranteed. If you die before receiving 180 monthly payments, the remaining monthly payments will be made to your beneficiary.

G. Twenty Year Certain and Life: This option is like the Ten Year Certain option, except that 240 payments are guaranteed. If you die before receiving the 240 monthly payments, the remaining monthly payments will be made to your beneficiary.

Please carefully read the explanation of the options above and the Frequently Asked Questions section at the end of this packet. At the time you retire, you will choose an option certify that you understand the option you have selected. This is an irrevocable decision, so make sure you and your family fully understand all of your options.

Coverage that can be continued after Retirement

- Medical- Capital Health Plan or Blue Cross Blue Shield
- You will have the option to continue health insurance at retirement.
- If not you are not enrolled in City insurance at retirement you will have the option to enroll in the City's group health insurance plan: this benefit selection process being treated as an "open enrollment" period for the prospective retiree.
- If you opt out of the City's health insurance plan at retirement, you will not be allowed to re-join the City's health care plan at a future date, unless you can show proof of continuous outside coverage from the date of cancellation of City coverage. Proof of coverage will allow you to resume City health care coverage at the current retiree rate.
- If you do not have City medical insurance coverage at the time you retire and choose not to enroll at your retirement, you will not be eligible to join the City's policy at a later date. This applies only to you (the retiree), and not to the cancellation of coverage for any dependents.
- Rates will general increase annually. Current retiree rates are listed on the next page.
- Premiums are no longer "pre-taxed".

- Dental, Vision, Prepaid Legal and Life Insurance
- You must be covered as an active employee in order to continue coverage as a retiree. (i.e. MetLife insurance you must have approved coverage prior to your retirement date. If you plan on retiring January 1, your MetLife Policy must be effective January 1 of the prior year.)
- Your Premiums will be converted from bi-weekly to monthly premiums.
- Rates remain the same as for active employees (i.e. if rates increase in future for active employees, the will also increase for retirees).
- Premiums are no longer "pre-taxed".
- The following options are not available for CDA Retirees: Life Insurance

Coverage that cannot be continued after retirement

Accidental Death & Dismemberment (AD&D) MetLife

Metlife Long Term Disability

Health Care and Family Care Spending Accounts

- Your Health Care and Family Care Spending Accounts terminate on your retirement.
- As monies deducted from your January 1 through your retirement date must be spent by the last day of the month in which you retire.
- Any services incurred from January 1 through your retirement date must be claimed by May 31st of the following year.
- Contact Human Resources prior to retirement to discuss your options.

MAP 401(k) and RSVP 457 Loans

- You may continue to repay your monthly loan payment directly to Empower Retirement until it is paid off.
- You cannot take distribution of any money from the account as long as you are continuing to pay off your loan. You must default on the balance before you can begin any distributions.
- Defaulting on the balance of your loan has no negative impact on your credit rating; however, it will be reported as taxable income.

**CITY OF TALLAHASSEE
2017 BENEFIT RATES/PREMIUMS
Retiree Monthly**

Medical – PS Code	Covg Code	Employee	City	Total
CHP – MEDC/R (10)				
Individual	1	440.32	174.88	615.20
Two Party	2	927.37	315.71	1,243.08
Family	3	1,247.90	443.22	1,691.12
Individual/Medicare	A	198.32	37.76	236.08
Two Party/Both Medicare	D	400.43	71.74	472.17
Two Party/1 Medicare	E	635.61	183.40	819.01
Family Medicare	B	1,015.43	298.82	1,314.25
BCBS-Blue Options – MEDL/R (10)				
Individual	1	440.32	174.88	615.20
Two Party	2	927.37	315.71	1,243.08
Family	3	1,247.90	443.22	1,691.12
Individual/Medicare	A	419.88	159.78	579.66
Two Party/Both Medicare	D	883.17	336.07	1,219.24
Two Party/1 Medicare	E	883.17	336.07	1,219.24
Family Medicare	B	1,217.77	463.39	1,681.16
Other Benefits Plan Name	PS Code	Retiree Only	Retiree + 1	Retiree + Family
Dental-Delta Dental (11)				
PPO Copay	DEND/R	21.30	40.50	53.48
PPO Premier	DENS/R	28.84	56.16	102.28
PPO Plus	DENI/R	31.24	60.86	110.82
Vision-Davis Vision (14)				
Vision Plan	VISS/R	4.14	8.26	15.40
Legal-ARAG (1L)				
Legal	LEGL	19.60	25.86	25.86
Retiree Life (MetLife) and Spouse Life (MetLife) are based upon age and coverage level selected. See individual plan rate charts for more information. (NOTE: ChildLife (MetLife) is \$.56 per month for all children on plan - \$10,000.00.)				
Retirees cannot continue MetLife AD&D, MetLife Long Term Disability or Health Care Spending Account				

RETIRING PRIOR TO THE END OF THE YEAR? - If you will be retiring on or before December 31 of the year, please be advised that any elections you make in the online enrollment system during the annual enrollment period **DO NOT** become effective until January 1 of next year. Thus, any changes you make will not be processed/valid into retirement. Changes must be made the year prior to be valid at retirement (Exception Health Care). For information about retiree benefits, please visit our website stated below.

Matched Annuity Pension –MAP 401(k) Monthly Payment Options for General Employees

Monthly payment Options 1 provide a 50% match of eligible 401(k) funds and are available to general employees who have at least seven years of City service in a permanent position, and retiree from the City under early/normal/disability retirement provisions. Terminated employees with a balance and at least seven years of City service are eligible to begin Options 1 at age 55.

Option 1: 72T Distribution

- A monthly payment that is based on IRS formula using retiree age (IRS annuity tables) and account balance (including interest earnings). Your monthly payment remains the same for the life of the payout. Investment earnings on account balance would determine length of payout over your life expectancy.
- To avoid a 10% penalty on payments received, retiree must have received 5 years of payments or reached age 59 ½ (whichever is greater) prior to taking a partial withdrawal or a lump sum. Remaining City 50% matching funds will be forfeited back to the City, and a tax penalty may apply according to IRS regulations.
- One additional payment, a partial withdrawal, may be requested. Remaining City 50% matching funds will be forfeited if the additional payment is taken from the employee's matched funds. The monthly payment will then be recalculated based on the remaining balance.
- Taxable only as monthly payments are received.
- Retiree retains investment control.
- Cash out provision at any time. Remaining City 50% matching funds will be forfeited back to the City and a tax penalty may apply according to IRS regulations.
- Upon the death of the retiree, the primary beneficiary retains control of the account balance including 50% match.

Option 2: Vest Account and draw payments at a later date

- May leave funds in account and draw payments at a later date based on the above options
- Distributions must begin no later than age 70 ½ -IRS rule.
- Death Benefit: Upon death of retiree, their primary beneficiary retains control of the account including the 50% City's match. The account balance is paid in lump sum to beneficiary or beneficiary can choose to receive monthly payments under IRS regulations.

Option 3: Lump Sum Payout

- You may take either a full or partial lump sum distribution.
- 20% taxes will be withheld automatically. This is an IRS rule and not subject to change.
- If you have not reached age 59 ½ when you take a lump sum (or partial withdrawal), you may be charged with a 10% IRS Penalty the year following the distribution. However, the penalty may not apply if you were at least age 55 in the year you terminate or retiree.

RSVP 457 Monthly Payment Options

Distributions from this account are not subject to the IRS 10% Early Withdrawal Penalty regardless of your age or years of service. The following distribution options are available from your RSVP 457 Account:

- Total lump sum payout.
- Partial payout and Vest the balance.
- Vest the entire account balance. Vesting the account allows you to avoid taxes and penalties while maintaining all of the advantages that active employees enjoy, full investment control and no fees.
- Take systematic monthly payments.
- Roll the entire balance into a qualified tax deferred savings plan.

DROP Monthly Payment Options

Distributions from these account are subject to the IRS 10% Early Withdrawal Penalty except under one of the following conditions:

- You wait until age 59½ to withdraw a partial or total lump sum or
- You were at least age 55 in the year you terminate or retire or
- You draw monthly payments that are calculated to last your lifetime. The City currently offers the IRS 72(t) distribution schedule.

72T Distribution –Available if you are less than age 55 at the time of retirement, otherwise you are eligible for systematic payments.

- A monthly payment that is based on IRS formula using retiree age and account balance.
- One additional payment, a partial withdrawal, may be requested. The monthly payment will then be recalculated based on the remaining balance. (However, if you are not at least age 55 in the calendar year you retire, you may be charged with a 10% IRS penalty the following year for the distribution.)
- Taxable only as monthly payments are received.
- You retain investment control.
- Cash out provision at any time, subject to IRS taxes and/or penalties.

Other Payment Options

- Total lump sum payout.
- Partial payout and Vest the balance.
- Vest the entire account balance. Vesting the account allows you to avoid taxes and penalties while maintaining all of the advantages that active employees enjoy, full investment control and no fees.
- Take systematic monthly payments.
- Roll the entire balance into a qualified tax deferred savings plan.

General Employees Commonly Asked Questions Concerning Retirement

Once I retire and begin receiving payments, can I change my option?

- No, you cannot change your option; this is an irrevocable decision that you make upon retirement.

Once I retire and begin receiving payments, can I change my beneficiary?

- If you choose a joint and contingent option you cannot change your beneficiary under any circumstances.
- If you choose a life only or one of the period certain options, you can change your beneficiary at any time. Please keep in mind that if you choose life only, your beneficiary will only receive the balance of what you paid into the pension plan plus interest less any benefits that have been paid to you.

If my spouse is my beneficiary, what happens if I get divorced?

- If you choose a joint and contingent option, upon your death, payment would be made to your spouse named at the time of your retirement. If you choose a life only or one of the period certain options, you may change your beneficiary at any time.

What happens when both my beneficiary and I die?

- If you choose a joint and contingent option and both of you die, the balance between the contributions you paid plus interest and the total amount of benefits you have received will be paid to the estate of the last to die.
- If you choose the life only option, the balance between the contributions you paid plus interest and the total amount of benefits you have received will be paid to your estate.
- If you choose a period certain option and both of you die prior to the end of the period certain, payments will continue to the estate of your beneficiary until the end of the period certain option you chose.

Please note: Regardless of the payment option you choose, you as the retiree will always receive a monthly pension payment during your lifetime.