



*City of Tallahassee Retirement Office*



# GUIDE *to* RETIRING

*For Police Officers & Firefighters  
January 2019*



City of Tallahassee \* Retirement Administration \* 300 S. Adams St. Box A30 \* Tallahassee, FL  
32301 \* Phone: 850-891-8343 \* FAX: 850-891-8859 \* [www.talgov.com/retirement](http://www.talgov.com/retirement)

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 your deductions
- Beneficiary Designations
- MAP 401(k), RSVP 457, 175 & 185 and DROP distribution options

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  
Pension Administration  
300 South Adams Street, Box A-30  
Tallahassee, FL 32301

We also encourage you to visit us on our website 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.

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

Submit a completed Retirement Form to the Retirement Administration at least 30 days prior to your retirement date. These forms can be found in the Forms section of our website, or you may contact the Retirement Office at 891-8343.

Once we receive your completed Retirement Form, we will contact you to schedule an appointment for you and your spouse to come in and discuss your options at retirement. 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. You will also make decisions on the distribution of your Empower accounts. This meeting takes approximately an hour.

You must provide a birth certificate or other documentation to verify the age of yourself and your spouse. 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 or 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
- (4) Verify your leave balances before your last day because your leave payout and pension payments will be based on the balances indicated by your department.
  - (5) 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.
  - (6) If you are covered under the City's health insurance and are within six months of your 65<sup>th</sup> birthday, you must contact the Social Security Administration regarding your eligibility for Medicare benefits. If you are eligible, it is mandatory that you retain both Parts A & B and supply the retirement office with a copy of your Medicare card that has both parts listed and the effective date of each. These benefits can decrease the cost of health insurance for you and your spouse. Applications for Medicare are available through the Social Security Administration with approximately a three (3) month wait for approval. The reduction in rates generally begins two months after receipt of your Medicare card by our office.

# Optional Benefits After Retirement

## 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 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 in this publication.
- 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.
- Your premiums will be converted from bi-weekly to monthly premiums.
- Rates remain the same as for active employees (if rates increase in the future for active employees, they will also increase for retirees)
- Premiums are no longer "pre-taxed".

## Coverage that cannot be continued after retirement

### Accidental Death & Dismemberment (AD&D)

### Long Term Disability Insurance

### Health Care and Family Care Spending Accounts

- Your Health Care and Family Care Spending Accounts terminate on your date of your retirement.
- Any monies deducted from your paycheck from January 1 through your retirement date must be spent by the date you retire.
- Any services incurred from January 1 through your retirement date must be claimed by March 31 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 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 of the loan 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  
2019 RETIREE MONTHLY BENEFIT PREMIUMS**

Medical	Retiree Only		Retiree + 1	Retiree + Family
<b>CHP/Florida Blue</b>				
	\$523.12		\$1,094.63	\$1,475.46
Medicare	Individual/ Med	2 Party/ 1 Med	2 Party/ 2 Med	Family/Med
<b>CHP – Medicare Advantage</b>				
	\$198.32	\$717.02	\$400.42	\$1,166.00
<b>Florida Blue - Post 65</b>				
	\$438.66	\$922.67	\$922.67	\$1,272.24
Other/Voluntary Benefit Plans	Retiree Only		Retiree + 1	Retiree + Family
<b>Dental-Delta Dental</b>				
PPO Copay	\$21.30		\$40.50	\$53.48
PPO Premier	\$28.84		\$56.16	\$102.28
PPO Plus	\$31.24		\$60.86	\$110.82
<b>Vision-Davis Vision</b>				
	\$4.28		\$8.54	\$15.94
<b>Legal-ARAG</b>				
	\$19.18		\$25.30	\$25.30
Retiree Life (MetLife), Spouse Life (MetLife) and Long Term Care (CNA), 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.)				

**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.

# Explanation of Pension Payment Options Police Officers & Firefighters

Under the rules of the Plan, your beneficiary can be whomever you choose if you elect one of the three payment methods below:

- A. Base Pension Payment - Ten Year Certain and Life: This benefit amount provides a monthly benefit for your lifetime, with 120 monthly payments guaranteed. This means that if you die before receiving 120 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 payments at your death, nothing will be payable to your beneficiary.
- B. Fifteen Year Certain and Life: Under this option, the Base Pension Payment is reduced during your lifetime. It is like the Ten Year Certain and Life option, except that 180 payments are guaranteed. If you die before receiving 180 payments, the remaining payments will be made to your beneficiary.
- C. Twenty Year Certain and Life: Under this option, the Base Pension Payment is reduced during your lifetime. It is like the Ten Year Certain and Life, except that 240 payments are guaranteed. If you die before receiving 240 payments, the remaining payments will be made to your beneficiary.

Under the rules of the Plan, a legal spouse may qualify for the four forms of payment listed below. No named beneficiaries other than your legal spouse can receive benefits under these four payment methods.

- D. Joint and Contingent One-Half: This benefit option provides a reduced monthly benefit for your lifetime and, after your death, a payment of 50% of your benefit to your spouse for life.
- E. Joint and Contingent Two-Thirds: Under this option, the Base Pension Payment is reduced during your lifetime. Then, after your death, two-thirds of the amount you received will be payable to your spouse for life.
- F. Joint and Contingent Three-Fourths: Under this option, the Base Pension Payment is reduced during your lifetime. Then, after your death, three-fourths of the amount you received will be payable to your spouse for life.
- G. Joint and Contingent Full Benefit: This option reduces the Base Pension payable during your lifetime. After your death, an equal amount is payable to your spouse for life.

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

- H. Life Only: As required under Florida Statutes 175 and 185, you may choose to receive a “Life Only” Pension Payment where the amount is actuarially determined for your lifetime. No further benefits would be paid upon your death; therefore, it is suggested that you choose this option only if you are not married at the time you retire.

Please carefully read the explanation of the options above and the Commonly Asked Questions on the reverse side. At the time you retire, you will choose an option and certify that you understand the option you have selected.

# Police and Fire Commonly Asked Questions Concerning Pension Payment Options

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

Answer: You cannot change your option; this is an irrevocable decision that you make upon retirement.

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

If you choose a joint and contingent option and your spouse dies, as required under Florida Statutes 175 and 185, you can have your benefit recalculated based on the following requirements:

- a) You are remarried *and*
- b) Your new spouse is listed as your sole primary beneficiary *and*
- c) You pay the actuarial cost for the recalculation. The cost must be paid prior to recalculation and is nonrefundable, even if you choose not to have your benefit changed. There is a maximum of two times that your benefit can be changed under these criteria.

If you choose 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.

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

Answer: If you chose 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 period certain option, you may change your beneficiary.

4. What happens when both my beneficiary and myself die?

Answer:

- 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.

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# MAP 401(k), RSVP 457, 175 & 185 and DROP plan

## Payment Options for Police Officer and Firefighters

Once you retire or terminate employment with the City you are fully vested in all of your Empower accounts. The distribution options and tax implications vary, so it's important that you understand all of your options.

### RSVP 457 Plan

- 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.

### MAP 401(k), DROP and 175 & 185 Supplemental Share Plans

- 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 are age 50 in the year you retire/terminate from the City or
  - You draw monthly payments that are calculated to last your lifetime.

The City offers the following payment schedules that satisfy this IRS requirement:

#### 72T Distribution (Empower)

- A monthly payment that is based on IRS formula using retiree age and account balance. Your monthly payment remains the same for the life of the payout, unless you take a partial/lump sum from account.
- Taxable only as monthly payments are received.
- You retain investment control.
- Cash out provision at any time, subject to IRS taxes and/or penalties.