

City of Boca Raton General Employees' Pension Plan

Policy Regarding Service Purchases

Effective Date: 06/08/06

I. Ordinance No. 4926 adopted April 25, 2006, allows a member to purchase service credits according to the following rules:

- A. Up to five (5) years of service may be purchased for a period of previous full-time employment with the federal government, including active service of the U.S. armed forces, or any state, county or city government. This service may be used for purposes of calculating the pension benefits but may not be used to determine eligibility for pension benefits.
- B. Up to ten (10) years of service may be purchased for a period of previous full-time employment with the City of Boca Raton. This service may be used for both eligibility for and calculation of pension benefits.
- C. Members whose prior service from a prior qualified employment is determined to be ineligible for purchase may, in accordance with Ordinance 4926, Section 12-84 (b), be entitled to purchase an additional benefit percentage equivalent to the period of such prior employment, up to five (5) years.
- D. The member must pay the full actuarial cost for the additional service or additional benefit percentage prior to retirement. The payment must be made in a lump sum payment and may be made in cash or transferred into the plan from another qualified plan.
- E. Each member may purchase previous service as stated in A. and B. or an additional benefit percentage as stated in C. The purchase of prior service under A. and the additional benefit percentage under C., singularly or combined may not exceed five (5) years or its equivalent.

II. In connection with adoption of Ordinance No. 4926, the following administrative procedures have been established pursuant to the authority of the Board of Trustees for the City of Boca Raton General Employees' Pension Plan, as provided in City Code Section 12-87(15)(d).

- A. The Pension Administrator will provide the member with the Service Purchase Application and Declaration Form and the Verification of Non-Military Pension Service Credits or, Military Service Credits, to complete and return to the Pension Office. It is the responsibility of the member to provide all the information on the form, including the name, address and phone number of the previous employer and the beginning and ending service dates. Verification of military service requires a copy of discharge form DD-214.

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- B. Once verification of prior employment is received the Pension Administrator will provide the data to the Plan Actuary who will calculate the cost for the member to purchase prior service or an additional benefit for prior eligible employment. The Plan will pay the Actuary for the original calculation and up to three additional recalculations within the fiscal year.
- C. Calculation will be performed using the member's "age nearest birthday" and quoted amounts will be valid for 60 days. If payment is not received within 60 days, then a new amount will be calculated.
- D. Members are not required to purchase all the available service at one time and may make purchases, as re-calculated, at any time prior to his/her retirement.
- E. Service credits or additional benefit purchase will not be given to a member until the full payment therefore has been received.
- F. A member who purchases eligible service credits or an additional benefit percentage and leaves City employment prior to becoming eligible for retirement benefits will be entitled to a full refund of all payments made, along with any interest that has been credited.
- G. Payments that are made as "direct transfers" from qualified tax-exempt accounts will maintain their tax-deferred status and will be treated as pre-tax contributions. All other payments will be treated as post-tax contributions.
- H. This policy is intended to be an administrative tool. Where the policy conflicts with the actual provisions of the Pension Code, the code provisions will prevail. The policy is subject to revision by the Board of Trustees for the City of Boca Raton General Employees' Pension Plan.