

General Employees - Vested



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
- Beneficiary Designation
- Defined Contribution distribution options (MAP, RSVP)

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 850/891-8343, by email at retirement@talgov.com 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.

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

Notify the Retirement Office of your intent to retire at least 30 days prior to your retirement date. Please verify your current contact information and marital status.

Once we receive notification, we will mail (or email) your benefit calculation and all forms to complete. At that time, you will be asked to choose your retirement benefit option. You may also choose to schedule an appointment with us, if you prefer.

All retirees are required to establish a direct deposit for their monthly pension payments and must complete a W4-P for IRS withholding purposes.

In addition, you must provide a birth certificate or other documentation to verify the age of yourself and your spouse. *If married to the spouse at the time of your resignation*, 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

Explanation of Pension Payment Options for General Employees - Vested

Under the rules of the plan, a legal spouse may qualify for the three forms of payment listed below (Joint & Contingent Options). Only the spouse that you were married to at the time of your resignation is covered, if you remarry after you leave the City, your new spouse will not be eligible under the Joint & Contingent options.

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-thirds 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: 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, no further benefits are paid.

Under the three payment methods explained below, your beneficiary can be anyone you choose.

E. Ten Year Certain and Life: This form of payment provides a reduced monthly benefit for 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; 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 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 and 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.

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

Monthly payment - Option 1 provides a 50% match of eligible 401(k) funds and are available to vested general employees who had at least seven years of City service in a permanent position and are at least 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 72 - IRS regulations.
- Death Benefit: Upon death of retiree, the 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 regulation and not subject to change.
- If you have not reached age 59 ½ when you take a lump sum (or partial withdrawal), a 10% tax penalty may apply according to IRS regulations.

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 remaining 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.
- Distributions must begin no later than age 72 - IRS regulations.
- Take systematic monthly payments.
- Rollover the account. You can rollover the entire balance into a qualified tax deferred savings plan.

General Employees Frequently 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 beneficiary 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 beneficiary.
- 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 beneficiary of the last to die 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.