

BOARD OF TRUSTEES

CITY OF LAUDERHILL POLICE OFFICER'S RETIREMENT PLAN

ADMINISTRATIVE RULE REGARDING BUYBACK OF MILITARY
AND PRIOR LAW ENFORCEMENT SERVICE

1. Active contributing members of the Plan shall have the right to buyback up to five years of prior pre-employment military service and/or up to five years of prior law enforcement service. A member may not purchase more than five years of combined pre-employment military and law enforcement service.
2. Prior service shall not be granted until the member has paid to the Pension Fund the actuarial cost of the service purchased, as determined by the actuary for the Plan. Members purchasing service credit shall provide the Board of Trustees with proof of prior service with honorable separation from the military. Members will not be eligible to purchase prior law enforcement service if involuntarily terminated. No service credit may be purchased if the member is receiving or will receive any other retirement benefit based on this service.
3. Any member wishing to purchase service must complete an application/election form provided by the Plan Administrator. The form must specifically provide whether the time being purchased is prior law enforcement and/or military service and the actual amount of service being purchased. The form must also contain an acknowledgment to be signed by the member indicating that they are not receiving, or eligible to receive in the future, a defined benefit retirement from another publicly supported system, except the federal military retirement system, for the time being purchased. The form shall also contain a warning that the board is empowered to purge the pension rolls of any person who is granted a benefit, if the benefit is found to have been erroneously, fraudulently, or illegally obtained.
4. With regard to the purchase of prior law enforcement service, the member shall provide sufficient proof of actual law enforcement service indicating the length of service with that law enforcement agency. The member shall also provide sufficient proof that the member is not receiving, or eligible to receive, a defined benefit retirement based on the prior service. Either a certified copy of a member's personnel file, or a notarized statement from the prior agency shall be

acceptable as sufficient proof of the prior law enforcement service. Once this proof is received, the Plan Administrator shall attempt to verify the information with the prior agency.

5. With regard to the purchase of military service, presentation to the board of satisfactory evidence of honorable discharge from the United States military shall be provided with regard to the military service being purchased. Only military service in the United States Armed Forces (Army, Navy, Air Force, Marines), Coast Guard, or National Oceanic and Atmospheric Administration shall be allowed to be purchased.

The following documents, after being reviewed by the Board to determine their legitimacy, may constitute acceptable proof of military service for the purpose of granting creditable service in CERS:

- A. Form DD-214;
- B. NGB Form 23 ;
- C. Form 249-2-E;
- D. Any diploma or certificate containing language to the effect that the member has been honorably discharged;
- E. Any other form prepared by a military unit of the United States of America which is used to document retirement points in the military which the Board finds acceptable.

6. The member shall be required to pay the full actuarial cost of the service being purchased. The contribution by the member of the cost of the buyback may be made by lump sum payment or may be made in installments. A member electing to make installment payments shall be charged interest at a rate of 8.0% per annum. A member making installment payments shall complete all required payments prior to payment of any benefit under this section. Lump sum payments may be made by transfer from another qualified plan. Should the member elect to stop making installment payments prior to full payment on the amount of service initially sought to be purchased, the member shall be given credit for the amount of service the payments made would actually purchase.

7. A member who terminates service prior to vesting in the Plan shall be entitled to a refund, without interest, of all money paid to buyback prior military or law enforcement service.

8. Members will not be billed for the actuary's cost of calculating the buyback, provided the buyback is utilized by the member. Members will be billed for the cost of the actuary's calculations if the member elects not to proceed with the buyback. Should the member not complete the buyback, the member may request the actuary to calculate the amount of service actually purchased with the monies paid towards the buyback. The member would be responsible for any actuarial fees for this request. The member alternatively may wait until his or her normal retirement calculation to have the amount of additional service calculated. There should be no additional actuarial fees should the member choose this option.

This rule was considered by the Board of Trustees at a public hearing, following proper notice, on February 2, 2011. The Administrative Rule was adopted by vote of the Trustees on February 2, 2011.