

## AMENDMENT NO. 2

### RETIREMENT INCOME PLAN FOR GENERAL EMPLOYEES OF CITY OF PEMBROKE PINES

The Plan named above gives the Employer the right to amend it at any time. According to that right, the Plan is amended effective December 1, 2017, as follows:

By striking the DEFERRED RETIREMENT OPTION PLAN SECTION of Article IV in its entirety and substituting the following:

#### **SECTION 4.07--DEFERRED RETIREMENT OPTION PLAN.**

An Active Participant and any Employee who is covered under a collective bargaining agreement whose accrued benefit is frozen as of June 30, 2010 shall become eligible for participation in the Deferred Retirement Option Plan (DROP) on the first day of the month on or after his Normal Retirement Date.

At the time of a Participant's entry into the DROP, the Participant's Accrual Service, Accrued Benefit and Average Compensation shall be calculated as if the Participant had actually retired from service. No additional Accrual Service shall be earned after entry into the DROP. Any changes in Plan benefits shall not apply to Participants in the DROP, unless otherwise applicable to retired Participants of the Plan.

The Active Participant shall select the retirement option from the list available in the OPTIONAL FORMS OF DISTRIBUTION SECTION of Article VI, and shall designate any Beneficiary. In the absence of a Beneficiary designation, or should the designated Beneficiary predecease the Participant, the Participant's estate shall be the contingent Beneficiary.

The maximum period of DROP participation shall be eight years (five years for a Participant who entered the DROP prior to December 1, 2017).

An election to participate in the DROP shall constitute an irrevocable election to resign from the service of the Employer not later than 96 months (60 months for a Participant who entered the DROP prior to December 1, 2017) after commencement of DROP participation. Consistent with the provisions of the Older Workers' Benefits Protection Act, 29 U.S.C '626(f), as amended from time to time, all Participants in the DROP shall be given 45 days in which to consider the terms of the DROP agreement and, after election to participate in the DROP, shall have seven calendar days following the execution of such agreement to revoke said agreement to receive the full eight years (five years for a Participant who entered the DROP prior to December 1, 2017) of participation.

Election to participate in the DROP must be exercised within the first eight years (five years for a Participant who entered the DROP prior December 1, 2017) of eligibility for the DROP for a maximum number of years as specified below. Election to participate must be made in writing in a time and manner determined by the Employer.

The duration and participation in the DROP shall be specified and shall not exceed eight years (five years for a Participant who entered the DROP prior to December 1, 2017) from the first day of eligibility for Normal Retirement Date, as chosen by the Participant.

Upon entry into the DROP, an amount equal to the Participant's monthly retirement benefit shall be directly transferred to an account designated by the Participant for investment. Participants may direct their DROP money to any of the investment options approved by the Employer for the DROP. Participants shall self-direct the value of their

DROP account in investment options selected by the Employer for the DROP. The only permissible investment options shall be "regulated investment companies" as defined in Code Section 851 or similar entities (e.g. mutual funds, etc.) set forth in Appendix A (which is incorporated into the terms of this Plan by reference). The value of each Participant's DROP account at any particular time shall equal the sum of the value(s) of his selected investment options (which shall be valued on a daily basis). If the Employer desires to alter the available investment options or the manner of investing participant DROP accounts or the methodology for allocating investment experience to participant DROP accounts, such changes shall be set forth in Appendix A in a manner that satisfies the definitely determinable benefit requirements contained in Code Section 401(a)(25) and section 1.401-(b)(1)(i) of the regulations.

There shall be no guaranteed rate of investment return on DROP deposits. Upon the direct transfer of the DROP money to the account designated by the Participant, neither the Employer nor the Retirement Fund shall have any obligation to the Participant concerning investment gains or losses. Transfers between accounts shall be in accordance with the rules of the Deferred Compensation Program.

The decision to participate in the DROP is irrevocable.

Upon entry into the DROP, a Participant shall no longer be eligible for death or disability benefits under the Plan. In the event of a disability or death, the Participant shall be presumed to have retired on a normal retirement on the day before his disability or death. Distribution from the DROP account shall be made to the Participant, or in the case of his death, to his designated Beneficiary.

No Participant may receive a distribution from the DROP until actual separation from service with the Employer. Distribution may be in a lump sum, periodic payments, an annuity, or a combination thereof. A Participant may also elect to rollover the DROP account to another qualified retirement plan, including an individual retirement account. Distribution must commence not later than provided in Code Section 401(a)(9). It is the intent of the Employer that this Plan at all times be a qualified plan as determined by Code Section 401(a).

During DROP participation, a Participant shall be considered a retiree with deferred receipt of benefits for all Plan purposes. For all other purposes, the Participant shall be considered an active Employee of the Employer entitled to all rights of employment.

The Employer shall be empowered to promulgate uniform rules for the administration of the DROP, provided the rules are not inconsistent with the provisions of the Plan.

Notwithstanding anything in this section to the contrary, a Participant who entered the DROP prior to December 1, 2017 shall be provided a one-time option to elect, in writing, to change the duration of his participation in the DROP from five years to eight years. Such election must occur within 30 days of the adoption of this amendment.

This amendment is made an integral part of the aforesaid Plan and is controlling over the terms of said Plan with respect to the particular items addressed expressly herein. All other provisions of the Plan remain unchanged and controlling.

Unless otherwise stated on any page of this amendment, eligibility for benefits and the amount of any benefits payable to or on behalf of an individual who is an Inactive Participant on the effective date(s) stated above, shall be determined according to the provisions of the aforesaid Plan as in effect on the day before he became an Inactive Participant.

Signing this amendment, the Employer, as plan sponsor, has made the decision to adopt this plan amendment. The Employer is acting in reliance on its own discretion and on the legal and tax advice of its own advisors, and not that of any member of the Principal Financial Group or any representative of a member company of the Principal Financial Group.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

CITY OF PEMBROKE PINES

By \_\_\_\_\_

\_\_\_\_\_  
Title

Signing this amendment, the Employer, as plan sponsor, has made the decision to adopt this plan amendment. The Employer is acting in reliance on its own discretion and on the legal and tax advice of its own advisors, and not that of any member of the Principal Financial Group or any representative of a member company of the Principal Financial Group.

Signed this 13<sup>th</sup> day of June, 2018

CITY OF PEMBROKE PINES

By Charles A. Ridge

City Manager  
Title