

**RETIREMENT PLAN FOR EMPLOYEES OF  
GREATER ORLANDO AVIATION AUTHORITY**

**SUMMARY PLAN DESCRIPTION**

**June 3, 2021**

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## INTRODUCTION TO YOUR RETIREMENT PLAN

The Greater Orlando Aviation Authority (the Authority), has established a Defined Benefit. Retirement Plan (the Plan) for eligible employees that began employment prior to October 1, 1999.

This Summary Plan Description (SPD) is a brief description of the Plan and your rights, obligations and benefits under it. This SPD is not meant to interpret, extend or change the provisions of the Plan in any way. The provisions of the Plan may only be determined accurately by reading the actual Plan document. These documents include the legal Plan with amendments, Chapter 112, Florida Statutes, and the rules and regulations adopted by the Retirement Benefits Committee (RBC).

A copy of the Plan document is on file with the Plan Administrator and may be read by you, your beneficiaries, or your legal representatives at any reasonable time. If you have any questions regarding either the Plan or this SPD, you should direct them, in writing, to the Plan's Administrator.

This document is not a contract for benefits or a contract of employment. While care has been taken to create an accurate summary, in the event of a conflict between this SPD and the actual Plan document, the Plan document controls.

## GENERAL INFORMATION ABOUT YOUR PLAN

There is general information you should know about the Plan.

### **Name of Plan**

Retirement Plan for Employees of Greater Orlando Aviation Authority

### **Employer**

Greater Orlando Aviation Authority

### **Plan Administrator**

Retirement Benefits Committee – Attn: Kathy Bond, Chairperson, RBC  
Greater Orlando Aviation Authority  
One Jeff Fuqua Boulevard  
Orlando, Florida 32827-4399

### **Retirement Benefits Committee**

For information referencing the RBC, see Policy and Procedures Section 120.08: Retirement Benefits Committee or contact Kathy Bond, Senior Director of Human Resources and Risk Management at (407) 825-2007 or kbond@goaa.org.

### **Designated Agent for Service of Legal Process**

Chairperson, Retirement Benefits Committee

### **Type of Administration**

The Plan Administrator is responsible for the overall administration of the Plan. It has discretionary authority to construe the terms of the Plan and make determinations on questions that may affect your eligibility for benefits. The Plan Administrator may also retain the services of attorneys, accountants, actuaries, investment advisors and other professionals.

### **Plan Year**

Each 12 month period beginning on October 1st and ending on September 30th. The Plan's fiscal records are maintained on this basis.

### **Relevant Provisions of Local and State Laws**

The provisions of the Plan are set forth in the Plan document available from your administrator. Your Plan is also governed by certain provisions of Part VII, Chapter 112, Florida Statutes (F.S.), and various federal laws that may apply to public sector plans.

### **Relevant Provisions of Collective Bargaining Agreements**

Certain employees covered by the Plan are members of the Laborers' International Union of North America (LIUNA). The current collective bargaining agreement between LIUNA and the Authority runs from January 1, 2017 to December 31, 2019. LIUNA and the Authority have entered into an agreed upon extension through December 31, 2021. Article 31 refers to pension matters.

### **Custodian**

The Custodian of the Plan is responsible for the safekeeping of securities owned by the Plan. At the direction of the Plan Administrator, the Custodian also pays benefits to eligible persons and pays expenses incurred by the Plan.

### **Investment of Plan Assets**

The assets of the Plan are professionally invested by investment managers chosen by the RBC. The RBC also engages an investment consultant to assist the RBC with establishing a comprehensive investment policy. Subject to investment policy, the professional investment managers actually select the stocks, bonds and other securities in which Plan assets are invested. You may contact the Plan Administrator for a copy of the current Defined Benefit Investment Policy. The assets belong to the Plan, and not to the individual Plan member.

### **Member**

You are a Member of the Plan if you fulfill the prescribed eligibility requirements (see Eligibility and Credited Service section in this SPD).

### **Beneficiary**

Your Beneficiary is each person designated to the Plan Administrator by you to receive any payments that may become payable by the Plan upon your death. You should designate a Beneficiary when you become a Member of the Plan. You may change your designation at any time upon written notification to the Plan Administrator.

If there is no designation of a Beneficiary at the time of your death, or if no person designated is living at that time, your Beneficiary will be your estate. In such an event, your survivors will have to open an estate in the Probate Division of the Circuit Court. This will involve expense and delay to your survivors. It is for this reason you are encouraged to designate a beneficiary.

If you have divorced since 2012 and your beneficiary designation was your former spouse, the designation is deemed cancelled under Florida law unless you have renewed it.

## **CONTRIBUTIONS TO THE PLAN**

Benefits of the Plan are financed by contributions that are paid into the Plan by the Authority and by investment earnings generated by investment of the Plan. The RBC retains the services of an experienced actuary to determine the expected cost so that sufficient money will be in the Plan as and when members retire. The Authority must contribute an amount determined by the Plan's actuary to be sufficient to fund systematically the benefits under the Plan. The Authority's contribution will vary depending on the experience of the Plan.

## **ELIGIBILITY AND CREDITED SERVICE**

### **Eligibility**

Each full-time employee that began employment prior to October 1, 1999 became eligible to participate in the Plan on the date of completion of 12 months of employment. Existing Plan participants may continue as a member if moved to a part-time status on or after October 1, 2001, and if the employee's customary scheduled employment is for more than twenty (20) hours per week and one thousand forty hours in a consecutive 12 month period. Those hired on or after October 1, 1999 became participants of a Defined Contribution Plan and are not eligible to participate in the Plan. No other employees shall commence membership in the Plan on or after October 1, 1999 except for any employee in the E-4 category as determined by the terms of the contract of employment with the Employer and Authority Board approval.

### **Credited Service**

Your years and completed months of eligible employment with the Employer are used to determine when you become vested, when you can retire, and the amount of pension benefit you will receive. Vacations and other paid leaves of absence may be included. Unpaid leaves of more than 30 days are not included. If you have credited service prior to May 1, 1978, it will be included if you made employee contributions that were required during that time.

### **Break in Service**

If you terminate employment and later return to work for the Authority, your previous employment will be included in your Credited Service time if the re-employment date is within sixty (60) months after your date of termination. If your re-employment date is more than sixty (60) months from your termination date, you will be enrolled in the Defined Contribution Plan.

### **Military Service**

Should you take a leave of absence from the Authority in order to enter the military either voluntarily or involuntarily, your period of leave will be included in your Credited Service if you apply for re-employment with the Authority within one year after your discharge (or as otherwise allowed by the Uniformed Services Employment and Reemployment Rights Act of 1994).

Your active duty service in the military prior to date of hire by the Authority is not included in Credited Service.

### **Normal Retirement Date**

The Normal Retirement Date is the earliest date when unreduced retirement benefits may be paid to you. Your Normal Retirement Date is the earlier of the date when you have completed 25 years of Credited Service or when you have reached age 65 and completed 7 years of Credited Service. If you began employment before September 1, 1996, then you can retire at age 65 with only 3 years of service. You may continue to work past your Normal Retirement Date.

### **Early Retirement Date**

Your Early Retirement Date is the earliest date when reduced benefits may be paid to you when you have reached age 55 and completed 7 years of Credited Service.

## **VESTING**

In order to receive a benefit from the Plan, you must be vested. This means that you worked a certain number of years before leaving service. If you left the Authority before October 1, 2001, you must have worked seven (7) years to be fully vested. All other Plan members earned the right to 20% of the value of the benefit each year until the completion of five (5) years to be fully vested.

Benefits for vested retirement are calculated based on Early and Normal Retirement definitions. If you are vested when you terminate employment, a monthly benefit is payable beginning as early as your Early Retirement date if you have seven (7) or more years of credited service and Normal Retirement Date if you have less than seven (7) years.

## RETIREMENT BENEFITS

### **Normal Retirement Benefit**

The monthly benefit that you will receive if you continue in employment until your Normal Retirement Date is called your Normal Retirement Benefit.

The amount of your Normal Retirement Benefit is based on the following factors:

1. Your Basic Monthly Earnings - This is your base salary excluding bonuses, overtime, and any other additional pay.
2. Your Final Average Earnings - This is the average of your basic earnings of the best three years out of your last ten years of Credited Service.
3. Your years of Credited Service at your Normal Retirement Date - There is a maximum of 25 years of Credited Service that can be used to calculate your benefit.

The calculation of your Normal Retirement Benefit is as follows:

The benefit is equal to 3% times your years of credited service (up to 25 years) times your final average earnings.

The following is an example of how a member's retirement benefit would be calculated. This is only an example, your actual benefit may be larger or smaller.

Example: Jim retired on December 31, 2020 when he attained age 61. He had then accumulated 25 years of Credited Service with the Authority. Jim's pensionable earnings for the 10 years preceding his retirement were as follows:

2020 - \$35,000	2015 - \$30,000
2019 - \$34,000	2014 - \$29,000
2018 - \$33,000	2013 - \$28,000
2017 - \$32,000	2012 - \$27,000
2016 - \$31,000	2011 - \$26,000

Jim's Final Average Earnings is computed by dividing his annualized earnings for the 3 highest years out of the last 10 (January 2018 - December 2020) by 36 ( $\$102,000/36 = \$2,833.33$ ).

$$25 \text{ (yrs of credited service)} \times 3\% \text{ (multiplier)} \times \$2,833.33 \text{ (final average earnings)} = \$2,125 \text{ (monthly benefit)}$$

The retirement benefit is paid to you for the rest of your life in accordance with the Normal Form of Benefit Payment as described later (see the sections on Survivor Benefits/After Retirement Date and Forms of Benefit Payments/Election of Optional Forms of Benefit Payments). Your benefits from this Plan are paid in addition to any benefits you may receive from Social Security.

### **Accrued Benefit**

The portion of your Normal Retirement Benefit that you have earned at any point in time is your Accrued Benefit. Your Accrued Benefit is computed in the same way as the Normal Retirement Benefit, except you use your present Final Average Earnings and Credited Service. The Accrued Benefit is a monthly amount that starts on your Normal Retirement Date and is subject to a maximum limitation of 25 years of Credited Service.

If you work past Normal Retirement, the amount of your monthly benefit is calculated and paid in the same way as the Normal Retirement Benefit. However, your Final Average Earnings are used in the calculation.

### **Early Retirement Benefit**

Early Retirement is calculated just like Normal Retirement, but benefits are reduced by 3% for each year by which Early Retirement precedes age 65.

The calculation of your Early Retirement Benefit is as follows:

The benefit is equal to 3% times your years of Credited Service (up to 25 years) times your final average earnings reduced by 3% for each year by which early retirement precedes age 65.

Example: Jim retired on December 31, 2020 when he attained age 61. Jim had not yet reached his normal retirement age of 65 and had 20 years of Credited Service. Jim's pensionable earnings for the 10 years preceding his retirement were as follows:

2020 - \$35,000	2015 - \$30,000
2019 - \$34,000	2014 - \$29,000
2018 - \$33,000	2013 - \$28,000
2017 - \$32,000	2012 - \$27,000
2016 - \$31,000	2011 - \$26,000

Jim's Final Average Earnings is computed by dividing his annualized earnings for the 3 highest years out of the last 10 (January 2018 - December 2020) by 36 ( $\$102,000/36 = \$2,833.33$ ) minus 3% for each year he precedes age 65 (4 years).

$$20 \text{ (yrs of service)} \times 3\% \text{ (multiplier)} \times \$2,833.33 \text{ (final average earnings)} = \$1,700 \text{ (monthly benefit)}$$

$$\begin{aligned} \text{Early Retirement: } & \$1,700 \times 12\% \text{ (3\% each year preceding age 65)} = \$204 \\ & \$1,700 - \$204 = \$1,496 \text{ (monthly benefit)} \end{aligned}$$

## **SURVIVOR BENEFITS**

### **Death Before Attaining Retirement Age**

If you pass away prior to your actual retirement, your Beneficiary will receive a monthly benefit beginning on the earliest date you could have retired had death not occurred. The benefit for a spouse Beneficiary is equal to one-half the amount that would have been payable had you terminated employment a day prior to your date of death and selected the 50% Contingent Annuity Form.

If your Beneficiary is not your spouse, then the benefit will be paid in the actuarial equivalent amount over a five year period commencing within one year of your death.

### **Death After Attaining Retirement Age**

If you pass away after your actual retirement age, the benefit for a spouse or the beneficiary is equal to one-

half the amount that would have been payable had you terminated employment a day prior to your date of death and selected the 50% Contingent Annuity Form. Payment to your Beneficiary will begin the first day of the month following your death.

## **FORMS OF BENEFIT PAYMENTS**

### **Normal Form of Benefit Payment**

If you are single, the Normal Form of your benefit is payable for your lifetime, with payments ending upon your death. If you are married, the Normal Form of Benefit Payment is a 50% Contingent Annuity, meaning that the benefit received by your spouse will be reduced by one-half if you pass away before your spouse.

### **Election of Optional Forms of Benefit Payments**

You may elect to receive an optional form of retirement benefits. You may choose among the options described below and revoke any such elections and make a new election prior to the issuance of the first retirement benefit payment. You must make such an election by written request to the Plan Administrator. This election also applies to terminated Participants who are eligible for payment of deferred Vested Retirement Benefits. The options available are as follows:

**1. Option 1 – Single Life Annuity**

You may elect to receive a benefit payable during your lifetime, with no additional payments following your death.

**2. Option 2 – Contingent Annuity**

You may elect to receive an adjusted monthly retirement benefit during your lifetime and have either 100%, 66 $\frac{2}{3}$ % or 50% of such adjusted retirement benefit continue after your death to your Beneficiary for their lifetime.

**3. Option 3 – Single Life Annuity with 120 Payments Guaranteed**

You may elect to receive a benefit payable during your lifetime, with payments guaranteed for 10 years. Payments will continue after 10 years for as long as you live. If you pass away prior to the receipt of the 120 guaranteed payments, the balance of the guaranteed monthly payments will be paid to your named Beneficiary.

**4. Social Security Option**

You may elect to receive a payment that is increased before age 65 and reduced after age 65 so your total monthly benefit received from the Plan and Social Security will be approximately the same. This is fully explained in Section 6.4 of the Plan document.

The optional forms of benefits are calculated to be actuarially equivalent to the Normal Form of Benefit Payment. If the total lump sum value of your benefit is less than \$5,000, the lump sum value will be paid to you following your date of termination.

If you are married at the time your benefit payments commence, you may elect an option other than the 50% Contingent Annuity. However, your spouse must provide consent in writing regarding your election in the presence of a notary public.

## **AMENDMENT OR TERMINATION OF THE PLAN**

The Plan may be amended or terminated at any time by the Authority. If the Plan were terminated, you would immediately become fully vested in the benefit you had earned so far. Only after all accrued benefits have been paid and any other liabilities have been satisfied could any remaining money be returned to the Authority.

## **IMPORTANT NOTICE**

There are certain circumstances that may result in the disqualification, ineligibility, denial, loss, forfeiture, suspension or deferral of your benefits in this Plan. The following is a list of some but not all of such circumstances.

### **Termination of Employment:**

If you terminate employment before reaching your Normal or Early Retirement Date and you do not have enough Credited Service to have earned a vested interest, no benefits will be payable.

### **No Payment until Separation from Service:**

Your retirement benefit will not be payable until actual separation from service, even if you continue to work beyond the Normal Retirement Date.

### **Forfeiture of Benefit:**

State law provides that you may lose your pension if you are convicted of certain crimes. Section 112.3173. Florida Statutes lists the offenses which can cost you your pension. The statute can be found at the website for the Florida Legislature, [www.leg.state.fl.us/statutes](http://www.leg.state.fl.us/statutes).

### **Dissolution of Marriage (Divorce):**

If you are married while you are enrolled in the Plan, your benefits are considered marital property under Florida law. This means that if you are later divorced, a portion of your retirement benefit may become the property of your former spouse. The Plan has an explanatory letter concerning this issue available upon request. Division of retirement benefits in a divorce may have major financial, legal and federal income tax issues. You are strongly advised to consult qualified professionals who have experience with local government pension plans.

Importantly, the Plan is governed by the Plan document as well as Chapter 112 (Part VII), Florida Statute and the Internal Revenue Code. As a governmental plan, the Plan is not covered by ERISA. For this reason, the Plan is not required to and cannot honor Qualified Domestic Relation Orders (“QDROs”). Immediately upon involvement in a divorce or dissolution of marriage proceeding, the parties should provide the Plan Administrator with the name and address of their attorney or their name and address if there is no attorney. Marital interest is subject to distribution via an Order Distributing Marital Interest in a Public Employee Retirement Plan. A copy of any proposed order must be submitted to the Plan Administrator prior to entry by the court. Failure to do so may require you to pay any expenses incurred by the Plan in correcting an improper court order.

Effective January 1, 2019, changes in the federal tax laws have eliminated tax deductions for alimony if a marriage was dissolved or a property settlement agreement was made on or after January 1, 2019. Modifications to existing orders or agreements on or after January 1, 2019, may be tax deductible if both parties agree.

Please NOTE: If you want your ex-spouse to be a beneficiary or joint annuitant/joint pensioner for your Plan benefit, you will have to make that designation AFTER the dissolution of marriage. If you currently have an ex-spouse as a beneficiary or joint annuitant/joint pensioner, and want to keep this designation, you will have to designate the ex-spouse again.

### **Taxes:**

Your benefits, when paid, are subject to federal income tax. Florida does not currently have a state income tax. If you reside in a state at time of retirement which does have a state income tax, your retirement benefits may be subject to taxation in that state. You are strongly advised to seek assistance from a qualified tax advisor.

## **YOUR RESPONSIBILITIES**

1. Retain this SPD with your other important papers for later reference or for replacement by updated versions and supplemental notices, if any.
2. Keep your Beneficiary designation form up to date to express your wishes.
3. Before you terminate employment, check to see if you are entitled to a Vested Retirement Benefit and the date you should begin receiving benefits.
4. If you should terminate employment with rights to a deferred Vested Retirement Benefit, shortly before the date on which it is to begin, you should contact and notify the Plan Administrator to begin such payments.
5. Prior to the issuance of your first retirement benefit payment, you must complete the necessary forms and indicate which Optional Form of Benefit best suits your needs.

## **APPEAL PROCEDURES**

Your request for Plan benefits shall be considered a claim for Plan benefits, and it will be subject to a full and fair review. If your claim is wholly or partially denied, or if you have a disagreement with the Plan Administrator concerning the amount of your benefit or your eligibility for a benefit, the Plan Administrator shall furnish you with a written notice of its denial and the reasons. This written notice will state as clearly and concisely as possible the Plan Administrator's findings and conclusions.

If your claim has been denied, and you wish to submit your claim for review, you may file with the Plan Administrator a request for a public rehearing and review by the Plan Administrator. This filing must be made within 30 days of the mailing of the Plan Administrator's initial denial.

As soon as practicable after the Plan Administrator receives your request for a rehearing, it shall meet after giving you a minimum of 30 days notice. You have the right to be present at this meeting with legal counsel, if you desire. You will be allowed to submit any evidence in support of your claim.

If the Plan again denies your claim, you may seek review by the Circuit Court in Orange County within 30 days of the date the denial is filed with the Plan Administrator.

PERTINENT ACTUARIAL INFORMATION

Participant Data	10/1/2020	10/1/2019
Actives	56	68
Service Retirees		
Beneficiaries	325	312
Terminated Vested	25	26
Total	81	85
Total Annual Payroll	487	491
Payroll Under Assumed Ret. Age	5,023,990	6,179,222
Assets	3,597,776	5,216,734
Net Assets Available for Benefits (AVA)		
Liabilities	143,147,292	139,349,945
Total Actuarial Accrued Liability (AL)		
Unfunded Actuarial Accrued Liability (UAAL)	145,512,453	144,898,145
Pension Cost	2,365,161	5,548,200
Total Required Contribution to the Plan		
Required Contribution to be Paid During Year Ending	1,298,174	2,009,381
	9/30/2022	9/30/2021

Information obtained from Actuarial Valuation Report Dated 10/01/2020 and is available through the Plan Administrator by request.

RECONCILIATION OF PLAN ASSETS		
	SEPTEMBER 30	
	2020	2019
<u>ADDITIONS</u>		
Contributions:		
Member	-	-
Employer	2,215,878	2,536,989
Investment Income:		
Miscellaneous Income	-	31,196
Net Realized Gain (Loss)	9,136,966	3,691,745
Unrealized Gain (Loss)	2,097,719	(2,355,643)
Interest & Dividends	2,592,639	2,814,137
Less Investment Expense <sup>1</sup>	(506,236)	(609,065)
Net Investment Income	13,321,088	3,572,369
<u>DEDUCTIONS</u>		
Distributions to Members:		
Benefit Payments	9,736,788	9,358,606
Refunds of Member Contributions	-	-
Administrative Expense	25,945	27,253
Investment Expense	-	-
Net Increase in Net Position	5,774,233	(3,276,501)
Market Value of Assets Beginning of the Year	139,594,665	142,871,166
Market Value of Assets End of the Year	145,368,898	139,594,665

Information obtained from Actuarial Valuation Report Dated 10/01/2020

<sup>1</sup>Investment related expenses include investment advisory, custodial and performance monitoring fees.