

**Palm Tran, Inc.  
Amalgamated Transit Union Local 1577  
Pension Plan**

**Summary Plan Description**

**December 2020**

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## A. INTRODUCTION

This Summary Plan Description briefly describes the provisions of your Pension Plan. Its purpose is to explain to you, in simple and general terms, what your Pension Plan provides. This booklet is not a substitute for the Plan Document, if there is a discrepancy between the Plan Document and this Summary Plan Description, the provisions within the Plan Document prevail.

One of the most important long-range goals for you and your family is to prepare for your financial security during your retirement years. To assist you in doing so, Palm Tran, Inc. and the Amalgamated Transit Union Local 1577 have established the Palm Tran, Inc. Amalgamated Transit Union Local 1577 Pension Plan (the Plan).

This booklet has been written in everyday language and contains a summary of the benefits and features of the Plan as amended through Amendment No. 4, dated June 6, 2019. If you retired or terminated employment before through December 17, 2015, your benefits are governed by the Plan in effect at the date you left employment.

If you would like to read the Plan Document or the union contract under which it is serviced, they can be obtained from the Plan Administrator, Strategic Benefits Advisors, Inc. Their contact information is as follows:

**Palm Tran Pension Center**  
**2472 Jett Ferry Road, Suite 400-309**  
**Atlanta, GA 30338**  
**Telephone: 844-352-5610**  
**Facsimile: 866-272-9993**  
**Email: [palmtranpension@sba-inc.com](mailto:palmtranpension@sba-inc.com)**  
**Website: [www.publicplans.sba-inc.com/palmtran.html](http://www.publicplans.sba-inc.com/palmtran.html)**

We recognize that the terms of the Plan can sometimes appear complicated. If there is anything that you do not understand you may contact the Plan Administrator at any time during regular business hours. If you are not sure if you are eligible for benefits or if your spouse or beneficiary is eligible for benefits, you or someone in your family should contact the Plan Administrator. Maybe benefits will not be payable for each circumstance you ask about, but we prefer you ask the question rather than assume no benefits are available. Upon your death, it is important that your spouse or other family members contact the Plan Administrator to see what death benefits, if any, are available.

Sincerely,

BOARD OF TRUSTEES

## **B. GENERAL PLAN INFORMATION**

**1. Plan Name:**

Palm Tran, Inc. Amalgamated Transit Union Local 1577 Pension Plan

**2. Name and Address of Employer:**

Palm Tran, Inc.  
3201 Electronics Way  
West Palm Beach, Florida 33407-4618

**3. Plan Administration:**

The Board of Trustees are ultimately responsible for the administration of the Plan and are appointed by the Union and by the Employer:

Appointed by Employer  
Jeremy Baker  
Lisa Master

Appointed by Union  
Dwight Mattingly, Chair  
Marcos Rodriguez

The Board of Trustees (the "Board") has delegated certain administrative duties of the Plan to a professional third-party administrator. The office of the Board is located as follows:

Palm Tran Pension Center  
2472 Jett Ferry Road  
Suite 400-309  
Atlanta, GA 30338  
Telephone: 844-352-5610  
Facsimile: 866-272-9993  
Email: [palmtranpension@sba-inc.com](mailto:palmtranpension@sba-inc.com)  
Website: [www.publicplans.sba-inc.com/palmtran.html](http://www.publicplans.sba-inc.com/palmtran.html)

**4. Type of Plan:**

The Plan is a defined benefit pension plan. Plan participants earn a fixed monthly amount as a lifetime retirement benefit that is determined by their years of service and earnings.

**5. Agent for Service of Legal Process:**

Agents for the service of all legal process are:

Bonni Spatara Jensen, Esquire  
Klausner, Kaufman, Jensen & Levinson  
7080 NW 4<sup>th</sup> Street  
Plantation, Florida 33317

Ken Harrison, Esquire  
Sugarman & Susskind  
100 Miracle Mile, Suite 300  
Coral Gables, Florida 33134

**6. Effective Date:**

The effective date of the Plan was January 1, 1977. The Plan was amended and restated effective January 1, 2015 with subsequent Amendments as follows:

Amendment 1 adopted February 26, 2015  
Amendment 2 adopted August 27, 2015  
Amendment 3 adopted September 26, 2017  
Amendment 4 adopted June 6, 2019

**7. Plan Year:**

The Plan Year is the 12-month period beginning January 1st ending December 31st.

**8. Plan Employer Identification Number:**

59-1356408

**9. Plan Number:**

001

**10. Assignment of Benefits:**

Benefits payable from this Plan may not be assigned to any person or entity.

**11. Claims for Benefits:**

**Claims for benefits should be filed with the Plan Administrator:**

Palm Tran Pension Center  
2472 Jett Ferry Road, Suite 400-309  
Atlanta, GA 30338

You must contact both Palm Tran, Inc. and the Plan Administrator to inform them you would like to begin receiving benefits under the Plan:

- Palm Tran will process your employment termination.
- If you are retiring, the Plan Administrator will provide you with retirement application forms to complete. You must complete your application before your intended retirement date.
- After the Plan Administrator receives confirmation from Palm Tran that you have left employment, your initial monthly benefits will begin on an estimated basis as shown on your last benefit statement. If you are married, 85% of the retirement income shown on your last benefit statement will be the estimated benefit payable to you.

- About two months after you actually leave employment, the Plan Administrator will provide you with a summary of the actual benefits payable to you under the Plan from which you select a form of benefit to receive under the Plan. Your benefit will be corrected retroactively to your date of retirement.

**12. Funding the Plan:**

The Plan is funded by employer contributions, employee contributions, and investment income on the Plan's investments, and accumulated in a trust fund. Employer and employee contributions are made for the purpose of providing benefits and paying the administrative costs of the Plan.

You will make contributions of 3% of earnings for each pay period. This amount established by the collective bargaining agreement.

Plan assets are held in trust by the Board. The Board has retained an investment consultant to oversee a diversified portfolio including stocks, bonds, real estate and other investments. The Custodian for the trust fund is the Salem Trust Company.

**C. DESCRIPTION OF PLAN PROVISIONS**

**1. Participation:**

Full-time employees become Participants in the Plan on the first day of full-time employment. The Plan is covered under the terms of a collective bargaining agreement between Palm Tran, Inc. (the Employer) and the Amalgamated Transit Union Local Union No. 1577 (the Union). Enrollment in the Plan is mandatory. You must complete an enrollment form to authorize the required deductions from your pay. You can obtain a copy of the enrollment form from the personnel department of the employer.

All other employees of the Employer or Union for whom the Employer makes or is obligated to make contributions to this Plan also becomes a Participant of the Plan on the first day of full-time employment. For example, all salaried administrative employees of the Employer are eligible to join the Plan. In addition, officers of the Union are eligible provided they make the required contributions to the Plan through deductions from wages paid by the Union.

**2. Credited Service:**

You earn Credited Service for each 12 consecutive month period beginning with your date of hire and the anniversary of your hire thereafter based on the number of hours you work, as follows:

<u>Hours</u>	<u>Credited Service</u>
<250	0.00
<500	0.25
<750	0.50
<1000	0.75
1000+	1.00

You may receive up to one year of Credited Service for periods of absence from work due to disability. It is important for you to retain medical documentation of long periods of absence due to illness or disability to provide to the Plan Administrator if the employer fails to do so. Credited Service is also granted for certain military service and leave associated with the addition of a child to your family.

### **3. Vesting:**

Vesting determines your right to future benefits from the Plan.

If you were employed prior to October 1, 2013 and have five or more years of Credited Service, you are entitled to a monthly retirement income as soon as you meet eligibility conditions for Normal Retirement, Reduced Early Retirement, or Unreduced Early Retirement.

If you were employed prior to October 1, 2013 and have less than five years of Credited Service, you are not entitled to benefits from the Plan if you leave employment (other than by death or disability) except for the return of your employee contributions without interest. For more information on Death and Disability please see Sections 5 & 7.

If you have eight or more years of Credited Service, you are entitled to a monthly retirement income as soon as you meet eligibility conditions for Normal Retirement, Reduced Early Retirement, or Unreduced Early Retirement.

If you were employed on or after October 1, 2013 and have less than eight years of Credited Service, you are not entitled to benefits from the Plan if you leave employment (other than by death or disability) except for the return of your employee contributions without interest. For more information on Death and Disability please see Sections 5 & 7.

Once you are vested, the benefits that you have earned over the years cannot be taken away from you unless you are convicted of certain crimes listed in Section 112.3173, Florida Statutes, committed prior to retirement, or if your employment is terminated by reason of your admitted commission, aid or abetment of these crimes. If this is the case, you shall forfeit all rights and benefits under the Plan, except for the return of your contributions as of the date of your termination.

### **4. Termination Before Retirement:**

For members who were employed before October 1, 2013 with less than 5 years of Credited Service upon leaving employment, ONLY the return of your employee contributions are payable and no further benefits will be payable to you under the Plan.

For members who were hired on or after October 1, 2013 with less than 8 years of Credited Service upon leaving employment, ONLY the return of your employee contributions are payable and no further benefits will be payable to you under the Plan.

If you leave employment prior to becoming eligible for retirement benefits but after becoming 100% vested, you are entitled to a monthly retirement income when you

become eligible to receive benefits. You are eligible to receive a monthly retirement income as soon as you meet eligibility conditions for Normal Retirement, Reduced Early Retirement, or Unreduced Early Retirement.

Also, if you leave employment at least six months prior to collecting retirement benefits, you have the option to either collect your retirement benefits when eligible or instead withdraw your pension contributions and receive a reduced retirement benefit when you become eligible for benefits.

## **5. Death Benefits:**

If you die before becoming vested, your beneficiary will receive the return of your employee contributions plus interest earned before May 25, 2007, payable in a lump sum, and no further benefits will be payable under the Plan.

If you die after becoming vested, your spouse has the option to receive a lump sum benefit equal to your employee contributions. In addition, your surviving spouse will be entitled to receive a monthly survivor income at your early or normal retirement age with reductions if applicable.

Survivorship Benefits. At retirement, you will be afforded the one-time option of receiving the full amount of your retirement benefits earned or a reduced amount that would provide a lifetime benefit to a spouse, significant other, or other person who does not even need to be related to you. There are many options providing different levels of survivorship payments, all of which are described in detail within the Plan Document. Upon your death, your survivor will receive a monthly survivor income based on the form of benefit you selected at retirement.

In addition, there are two possible lump sum benefits that may be payable upon application of your designated beneficiary:

- 1) If you have completed at least 10 years of Credited Service at the time of your death and you are an active employee, your designated beneficiary is entitled to a lump sum benefit of \$5,000.
- 2) Upon the death of a retired participant, your designated beneficiary is entitled to a lump sum benefit of \$7,000.

## **6. Monthly Retirement Benefits:**

Normal and early retirement benefits are based upon the date you were hired and the amount of Credited Service you had earned as of October 1, 2013 or by your next anniversary date prior to October 1, 2014.

The Plan has several tiers of benefits. To determine which set of provisions determine your retirement benefits, you'll first need to identify which tier of benefits you belong to:

Tier	Credited Service Determined as of First Anniversary On or After October 1, 2013	Page
1	Participants with 10 or more years of Credited Service	7
2	Participants with at least 5 but less than 10 years of Credited Service	8
3	Participants with less than 5 years of Credited Service	9
4	Those hired on or after October 1, 2013	10

The benefit calculations contained in this SPD are examples only and not intended to represent the benefit of any particular person.

## TIER 1 BENEFITS

Tier 1 Benefits apply if you earned ten or more years of Credited Service as of October 1, 2013 or by your next anniversary date prior to October 1, 2014.

### Normal Retirement:

Your Normal Retirement Date is when you attain age 65 and earn at least 5 years of Credited Service.

When you retire on your Normal Retirement Date, your monthly retirement income will be based on your Credited Service, Accrual Rate (multiplier) and Final Average Salary.

- Credited Service\* is your years served (based upon hours per anniversary year)
- Your Accrual Rate (multiplier) is 2.5% per year of Credited Service
- Final Average Salary is an average of your highest three calendar year earnings

*Example: 25 Years of Service*

$$\frac{\text{Credited Service}}{25 \text{ Years}} \times \frac{\text{Accrual Rate (multiplier)}}{2.5\%} \times \frac{\text{Final Average Salary}}{\$60,000/12} = \frac{\text{Monthly Benefit}}{\$3,125}$$

\*Credited Service is capped at 25 years.

### Early Retirement:

You become eligible for Unreduced Early Retirement after your attainment of age 60 after earning at least 10 years of Credited Service. Your benefit will not be reduced because your age is less than the normal retirement age.

You become eligible for Reduced Early Retirement after your attainment of age 55 after earning at least 10 years of Credited Service. Your benefit will be reduced by ½% for every month you collect your benefit before age 60.

*Example: Age 58 Early Retirement (24 Months Early)*

$$\frac{\text{Monthly Benefit}}{\$1,000} \times \frac{\text{Reduction (24 Months x ½\%)}}{88\%} = \frac{\text{Reduced Benefit}}{\$880}$$

**Rule of 85 Retirement:**

You could become eligible for Rule of 85 Retirement once your age plus Credited Service equals 85. Under this provision, you would collect the full amount of the benefit that you have earned with no reduction for your age.

**TIER 2 BENEFITS**

Tier 2 Benefits apply if you were employed prior to October 1, 2013 and earned at least 5 but not ten years of Credited Service as of October 1, 2013 or by your next anniversary date prior to October 1, 2014.

**Normal Retirement:**

Your Normal Retirement Date is when you attain age 65 and earn at least 5 years of Credited Service or the completion of 33 years of Credited Service regardless of age.

When you retire on your Normal Retirement Date, your monthly retirement income will be based on your Credited Service, Accrual Rate (multiplier) and Final Average Salary.

- Credited Service is your years served (based upon hours per anniversary year)
- Your Accrual Rate (multiplier) is per year of Credited Service:  
     2.5% for service accrued as of 1st anniversary after October 1, 2013  
     2.0% for service after the 1st anniversary date after October 1, 2013
- Final Average Salary\* is an average of your highest three calendar year earnings

*Example: 25 Years of Service 6 Years Credited Service as of 1st Anniversary 10/1/2013  
19 Years Credited Service after 1st Anniversary 10/1/2013*

<u>Credited Service</u>		<u>Accrual Rate (multiplier)</u>		<u>Final Average Salary</u>	
6 Years	x	2.5%	x	\$60,000/12	= \$750
19 Years	x	2.0%	x	60,000/12	= \$1,900

*Monthly Benefit \$2,650*

\*Your benefit is capped at 62.5% of Final Average Salary

**Early Retirement:**

You become eligible for Unreduced Early Retirement after your attainment of age 62 after earning at least 10 years of Credited Service. Your benefit will not be reduced because your age is less than the normal retirement age.

You become eligible for a Reduced Early Retirement after your attainment of age 55 after earning at least 10 years of Credited Service. Your benefit will be reduced by ½% for every month you collect your benefit before age 62.

*Example: Age 58 Early Retirement (48 Months Early)*

<u>Monthly Benefit</u>		<u>Reduction (48 Months x ½%)</u>		<u>Reduced Benefit</u>
\$1,000	x	76%	=	\$760



## TIER 4 BENEFITS

Tier 4 Benefits apply if you were hired on or after October 1, 2013.

### Normal Retirement:

Your Normal Retirement Date is when you attain age 65 and earn at least 8 years of Credited Service or the completion of 33 years of Credited Service regardless of age.

When you retire on your Normal Retirement Date, your monthly retirement income will be based on your Credited Service, Accrual Rate (multiplier) and Final Average Salary.

- Credited Service is your years served (based upon hours per anniversary year)
- Your Accrual Rate (multiplier) is 1.6% per year of Credited Service
- Final Average Salary\* is an average of your highest eight calendar year earnings

*Example: 25 Years of Service*

$$\frac{\text{Credited Service}}{25 \text{ Years}} \times \frac{\text{Accrual Rate (multiplier)}}{1.6\%} \times \frac{\text{Final Average Salary}}{\$60,000/12} = \frac{\text{Monthly Benefit}}{\$2000}$$

\*Your benefit is capped at 62.5% of Final Average Salary

### Early Retirement:

You become eligible for Unreduced Early Retirement after your attainment of age 62 after earning at least 10 years of Credited Service. Your benefit will not be reduced because your age is less than the normal retirement age.

You become eligible for a reduced Early Retirement after your attainment of age 55 after earning at least 10 years of Credited Service. Your benefit will be reduced by ½% for every month you collect your benefit before age 62.

*Example: Age 58 Early Retirement (48 Months Early)*

$$\frac{\text{Monthly Benefit}}{\$1,000} \times \frac{\text{Reduction (48 Months x ½\%)}}{76\%} = \frac{\text{Reduced Benefit}}{\$760}$$

## 7. Disability Retirement:

You may be eligible to receive a disability retirement benefit if you have earned ten (10) years of Credited Service and you are disabled as defined within the Plan Document. Your disability retirement benefit is calculated in the same way as a normal retirement benefit but with no reduction based on your age.

You are considered totally and permanently disabled, for an off-the-job disability, only if you are entitled to Social Security disability benefits. You are considered totally and permanently disabled if, for an on-the-job disability, you have a medically determinable

physical or mental impairment which can be expected to result in death or has lasted, or is expected to last, for a continuous period of not less than 12 months and renders you not only unable to do your previous work but also unable, considering age, education and work experience, to engage in any other kind of substantial gainful work for the Employer.

The monthly disability income is payable commencing on the first day of the month coincident with or next following the Board of Trustees' determination that you have met the requirements for disability retirement and that you are totally and permanently disabled. The disability retirement benefit is usually offset by benefits received under any other disability plan funded by the employer such as long-term disability insurance benefits.

Please contact your Plan Administrator for further details concerning Disability Retirement.

### **8. Additional Benefits:**

If you earned at least 10 years of Credited Service during employment, you are eligible to receive a lump sum payment equivalent to your employee contributions made before December 31, 2011 without interest if you retire directly from active service at any age.

There is an additional monthly supplemental benefit in the amount of \$200 per month payable as a temporary benefit until you reach age 65 if you retire directly from active service at age 60 or later with at least 10 years of Credited Service or retire under the rule of 85.

### **9. Late Retirement:**

If you work past your Normal Retirement Date, your monthly retirement income is computed and increased by the appropriate late retirement factor.

The late retirement factor is determined based on the number of months your retirement occurs after your Normal Retirement Date. This increases your monthly retirement income by 1% for each of the first 60 months your benefit starts plus 1.5% for each month thereafter.

*Example: Late Retirement (24 Months Late After Your Normal Retirement Date)*

$$\frac{\text{Monthly Benefit Earned}}{\$3,125} \times \frac{\text{Increase (24 Months x 1.0\%)}}{124\%} = \frac{\text{Monthly Benefit}}{\$3,875}$$

**Actuarial Information as of January 1, 2020**

Present Value of Future Benefits (PVB):

<u>By Category</u>	<u>Number of Participants</u>	
Retirees and Beneficiaries in Payment Status	371	\$63,184,473
Disability Retirees in Payment Status	18	2,919,052
Terminated Participants Due Future Benefits	108	5,362,263
Active Participants	<u>583</u>	<u>102,267,749</u>
Total	1080	\$173,733,537

Accrued Liability (AL):	\$141,318,635
Actuarial Value of Assets:	<u>(116,611,177)</u>
Unfunded Accrued Liability (UAL):	\$24,707,458

Minimum Required Contribution for Year Ending December 31, 2021\*  
(Over and Above Contributions from Participants of the Plan):

As a Dollar Amount:	\$6,505,156
As a Percent of Payroll:	19.98%

Minimum Required Contribution for Year Ending December 31, 2020\*  
(Over and Above Contributions from Participants of the Plan):

As a Dollar Amount:	\$6,338,056
As a Percent of Payroll:	19.60%

**Financial Information as of January 1, 2020**

Market Value of Assets Available to Pay Benefits:

Cash	\$0
Money Market	4,334,680
Fixed Income Securities	33,140,298
Convertible Bonds	4,554,391
Equity Securities	60,254,822
Global Infrastructure Fund	5,791,598
Real Estate Funds	12,191,219
Net Receivables	<u>(608,350)</u>
Total Assets	\$119,658,658

Income for the Year Ending December 31, 2019:

Employer Contributions	\$5,809,852
Participant Contributions	943,170
Investment Income (Net of 445,881 in Investment Expenses)	<u>19,052,799</u>
Total Income:	\$25,805,821

Disbursements for the Year Ending December 31, 2019:

Benefit Payments:	\$7,205,264
Administrative Expenses:	<u>276,527</u>
Total Disbursements:	\$7,481,791

\*The January 1, 2020 actuarial valuation was the basis for 2021 funding. The January 1, 2019 actuarial valuation is the basis for 2020 funding.