



# City of Miami GESE Summary Plan Description as of September 30, 2016

The City of Miami  
GESE Trust is a  
Pension Trust fund of  
the City of Miami.

Members'  
contribution rate for  
the fiscal year was  
10% of  
compensation.

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## Membership

Participation in the GESE Trust is a mandatory condition of employment for all employees except for those employees who are precluded from participation in the Plan pursuant to the City of Miami Code Section 40-351. Employees working in the office of an elected official have the ability to opt out of participation in the Plan.

Pursuant to the City of Miami Code Section 40-249, any regular, permanent, and full-time employee of the City of Miami (the "City") other than a fire fighter or police officer becomes a member upon employment unless he/she is a member of any other pension or retirement system supported wholly or in part by the City.

An employee will cease to be a member if he or she is absent from service for more than three years of any five consecutive year period, withdraws his or her contributions, becomes a member of any other City-sponsored retirement plan or system, or dies.

Membership Service is the service as an employee for which contributions to the GESE Trust are made as required.

**Executives are not allowed to join the GESE plan effective October 22, 2009, according to Ordinance # 13112**

**Loans  
to  
participants  
are  
prohibited  
per  
Ordinance  
Sec 40-258**

## Contributions

Plan members contribute ten percent of compensation to the GESE Trust.

The City contributes the actuarially determined amount necessary to fund the normal cost plus the amortization of the unfunded accrued liability and non-investment expenses of the GESE Trust.

**Payback** is a member's contribution to the GESE Trust for creditable service for which no regular contributions have been made. Contributions required for paybacks shall not be picked up by the City, but may be deducted from a member's contribution. See page 9 for payback details.

**Withdrawal  
of  
contributions  
allowed  
under  
retirement,  
resignation,  
termination,  
or layoff.**

## Benefits (Effective Prior to October 1, 2010)

### Service Retirement:

The minimum normal service retirement age is 55. Any member in service who has ten or more years of creditable service may elect to retire upon the attainment of normal retirement age. The basic retirement benefit equals **three** percent of the member's average final compensation multiplied by years of creditable service.

### Rule of 70 Retirement:

A member in service who has ten or more years of creditable service may elect a rule of 70 retirement on the basis of his or her combined age and creditable service equaling 70 or more points.

### Early Service Retirement Benefit:

A member in service who has 20 or more years of creditable service may elect to retire early with an immediate benefit. The early retirement benefit equals the actuarial equivalent of the basic service retirement benefit that otherwise would have commenced upon the attainment of age 55.

### Deferred Vested Retirement Benefit:

A member who ceases to be an employee for reasons other than death or willful misconduct, is not entitled to an immediate benefit, has completed at least ten years of creditable service, and has left his/her accumulated contributions on deposit with the Plan, would be eligible for a deferred vested retirement benefit commencing at age 55.

*For members eligible to retire as of 9/30/10, Normal Retirement age is 55.*

## Compensation Definitions

**Average final compensation** is the average annual earnable compensation during the greater of the last two years or highest two years of membership service for any member that began employment after May 24, 1984. For any member who became an employee before May 24, 1984, average final compensation is greater of the last one year or the highest one year of membership service. However, the highest one year of annual earnable compensation cannot exceed the second highest year of annual earnable compensation by more than 15 percent, excluding any difference due to longevity, anniversary and/or negotiated cost-of-living increases.

**Earnable compensation** is an employee's base salary including pick-up contributions, for all straight time hours worked, plus assignment pay and payments received for vacation and sick leave taken, jury duty, and death-in-family leave taken.

Earnable compensation does not include overtime pay, payments for accrued sick leave, accrued vacation leave, or accrued compensatory leave, premium pay for holidays worked, the value of any employment benefits or non-monetary entitlement, or any other form of remuneration.

*Your compensation is the basis of the retirement benefit.*

## Key Definitions

**Retirement** is the member's withdrawal from service with a benefit granted to the member pursuant to the provisions of this Plan.

**Spouse** is the lawful husband or wife of a member or retiree at the time benefits commence, unless a new designation has been made in writing to the Board.

**Service** is the active employment as an employee of the City.

**Creditable service** is the membership credit upon which a member's eligibility to receive benefits under the retirement plan is based or upon which the amount of such benefits is determined.

Creditable Service may be referred in this document as years of service.

Plan changes effective October 1, 2010, do not apply to members eligible to retire on that date. (A member who met either Rule of 70, Service Retirement Age 55 and 10 years of Service, or Early Retirement with 20 years of Service on September 30, 2010.)

The plan changes do apply to other members, including newly hired employees on or after October 1, 2010.



*The ordinance for the pension plan is available upon request.*

## Benefits (Effective on or after October 1, 2010)

**Members not eligible to retire on 9/30/10, Normal Retirement age is the earlier of age 60 with 10 years of service or age 55 with 30 years of service.**

### Service Retirement:

Any member in service may elect to retire at the earlier of age 60 and 10 years of service or age 55 and 30 years of service. The basic retirement benefit equals to a graduated multiplier rule of :

1 - 15 years of service = 2.25%

15 - 20 years of Service = 2.50%

20 - Retirement = 2.75%

The retirement benefit shall be based on a member's total creditable service and benefit multiplier in effect at the time the service is earned. For creditable service earned on or before 9/30/2010, the multiplier is 3%.

### Rule of 80 Retirement:

A member in service who has ten or more years of creditable service may elect a rule of 80 retirement on the basis of his or her combined age and creditable service equaling 80 or more points.

### Early Service Retirement:

A member in service who has 20 or more years of creditable service may elect to retire early with an immediate benefit. The early retirement benefit equals the actuarial equivalent of the basic service retirement benefit that otherwise would have commenced upon the attainment of age 60.

### Deferred Vested Retirement:

A member who ceases to be an employee for reasons other than death or willful misconduct, is not entitled to an immediate benefit, has completed at least ten years of creditable service, and has left his/her accumulated contributions on deposit with the Plan, would be eligible for a deferred vested retirement benefit commencing at age 60.

## Compensation Definitions

**The average compensation is the highest 5 years in last 10 years of service.**

**Average final compensation** is the average annual earnable compensation during the highest five years in the last 10 years of service.

**In no event shall the average final compensation of any member who is employed on September 30, 2010, and retires on or after October 1, 2010, be less than the member's average final compensation as the date of the plan change.**

**Earnable compensation** is an employee's base salary including pick-up contributions for all straight time hours worked, plus assignment pay and payments received for vacation and sick leave taken, jury duty, and death-in-family leave taken.

Earnable compensation does not include overtime pay, payments for accrued sick leave, accrued vacation leave, or accrued compensatory leave, premium pay for holidays worked, the value of any employment benefits or non-monetary entitlement, or any other form of remuneration.

## Maximum Benefit

**The maximum annual benefit you may receive is \$80,000 divided in twelve equal monthly payments.**

Effective September 30, 2010, the maximum annual benefit at retirement is the lesser of 100% of average final compensation benefit or \$100,000 per year or \$8,333.33 per month. Any member who has accrued a benefit in excess of the maximum benefit as of September 30, 2010, will retain that benefit but will not accrue any additional benefit. Effective September 30, 2012, the maximum annual benefit at retirement is \$80,000.

Any member who has accrued a benefit in excess of the maximum benefit as of September 30, 2012 will retain that benefit but will not accrue any additional benefit.

In no event, shall the benefit limitation be less than the lesser of 100% of the member's Average Final Compensation or the member's accrued benefit on September 30, 2012, based on the normal form of benefit.

## Other

**A member who is not eligible to retire as of 09/30/10, and continues to work, may elect to retire when member reaches Rule of 70 or Service 55 years of age & 10 years of service; however, the benefits paid will be split until member reaches full eligibility age (60 years of age & 10 years of service, or 55 years of age & 30 years of service).**

## Retirement Payment Options

### **Option 2: Equal payment survivor annuity**

A member may receive a reduced retirement allowance throughout his or her life with an equal sum being paid to the member's designated beneficiary at the death of the member. If any person other than a surviving spouse is chosen as the beneficiary, the reduction shall be based on the actuarially equivalent sum. \*\*

### **Option 3: One-half payment survivor annuity**

A member may receive a reduced retirement allowance payable for the life of the member with one-half of the member's benefit being paid to a designated beneficiary at the death of the member. If any person other than a surviving spouse is chosen as the beneficiary, the reduction shall be based on the actuarially equivalent sum. \*\*

### **Option 6(a): One-half payment retiree refund**

A member may elect to withdraw the sum of his or her accumulated contributions credited as of the member's date of retirement, excluding all amounts picked up from the member's earnable compensation and credited to the COLA fund, between June 23, 1985, and September 30, 1993. Under this option, the member shall also receive a monthly service retirement allowance of one-half of the amount to which the member would have been entitled under this plan. This option has no survivorship benefit.

### **Option 6(b): Life annuity**

A member may elect to receive his or her normal monthly service retirement allowance plus an additional five percent of such service retirement allowance for the life of the member, with no survivorship benefit. This option only available for members eligible to retire as of September 30, 2010.

### **Option 6(c) Surviving spouse annuity**

A member may elect to receive an unreduced normal monthly service retirement allowance and at the member's death, 40 percent of the member's monthly normal retirement allowance shall be paid to his or her surviving spouse designated by him or her at the time of retirement. Such benefit will be payable during the lifetime of such spouse. \*\*

**A  
member  
may receive  
payment of  
retirement  
benefits in  
accordance  
with options  
permitted  
under the  
plan.**

### **As of October 1, 2010:**

#### **Normal Form Life-Annuity**

A member may receive an unreduced normal monthly service retirement allowance for the life of the member, with no survivorship benefit.

**\*\* Option 2, 3 & 6C, may be actuarially reduced for member not eligible to retire on or before September 30, 2010.**

#### **Changes in Beneficiary after Retirement**

Any member who elects a survivorship option for a spouse may designate a new spousal beneficiary in accordance with procedures established by the Board; provided, that an actuarial valuation will be made following such election, and the benefit for the retiree will be recalculated so that it is the actuarial equivalent of the benefit payable to the original spouse. Furthermore, the original spouse must be alive at the time of the change in designated beneficiary, and he or she must not be entitled to any survivor benefit under the retirement plan by operation of law. It is intended that the Trust will pay only one survivor benefit for any member of the retirement plan and will not incur an increase in benefit costs by reason of change in designated beneficiary.

**Selection  
of an  
option affects  
a member's  
monthly  
retirement  
benefit.**

## Other Provisions

### **Cost of Living Allowance (COLA)**

Every October 1st, each retiree will receive an annual COLA benefit increase between \$54 minimum and \$400 maximum payable monthly after the retiree's first anniversary of retirement has been reached.

For retirees exercising Option 6(a), each retiree will receive an annual COLA increase between \$27 minimum and \$200 maximum payable monthly.





Ordinary death benefits are available for members with at least three years of creditable service.

Death benefits are available as a result of an accident on the job.

Withdrawal of contributions constitutes a full discharge of all rights under the Plan and any creditable service is waived.

## Death Benefits

### Ordinary Death Benefit:

Upon receipt by the Board of proper proofs of the death of a member in service who has three or more years of creditable service, there shall be paid a benefit equal to a lump-sum payment of 50 percent of the earnable compensation received by the member during the year immediately preceding the member's death plus the member's accumulated contributions with interest to such person, if any, as the member shall have nominated by written designation duly executed and filed with the Board. Otherwise said benefit payment will be paid to the member's estate.

In the event a member who has become eligible for Service, Early Service, Rule of 70, or Rule of 80 Retirement benefits dies before retirement, the member will be considered to have been retired on the date of death. In such event, the member's **nominated** spouse will have the option of:

- (I) Receive the sum of the member's accumulated contributions together with interest to the date of payment or,
- (II) Payment of 40 percent of the member's monthly retirement allowance which would have been payable to the member if he or she had attained normal retirement age.

**\*\*The benefit payable to the surviving spouse may be actuarially reduced if member was not eligible to retire as September 30, 2010.**

### Service-Incurred Death Benefit:

If it can be determined that a member's death was the result of an accident in the performance of duty and not caused by willful negligence on the part of the member based on proof that the death was the natural and proximate result of an accident occurring at some definite time and place while the member was in the actual performance of duty, the member is eligible for a service-incurred death benefit. The amount paid is equal to the member's accumulated contributions with interest payable in a lump sum plus an annuity equal to one-half of the member's average final compensation paid yearly in monthly installments to the member's spouse. If there is no spouse, or if the spouse dies before the youngest child of the deceased member has attained the age of 18, then the benefit is paid to the children under such age divided in equal shares until they reach 18 years of age or die. If there are no children under the age of 18, then the benefit is paid to the dependent father or dependent mother for life. If there are no such beneficiaries, the amount which otherwise would have been paid as an ordinary death benefit will be paid to the member's estate.

### Minimum Retiree Death Benefit:

If a retired member dies prior to having received 12 monthly retirement payments and prior to having an optional allowance become effective, the designated beneficiary will be paid a lump sum benefit equal to the remaining 12 monthly retirement allowance payments.

## Return of Accumulated Contributions

A member who terminates employment other than for retirement or death will be paid his/her accumulated contributions less any mandatory tax withholding upon demand, plus interest at the rate prescribed by the Board which will not be less than one percent per quarter of the contribution balance as of the end of the previous calendar year, including interest.

Accumulated employee contributions is the sum of all amounts deducted from a member's compensation, including paybacks and interest. Contributions may be rolled over directly to a qualified individual retirement account or another employer's plan.

## Re-employment

If a retiree becomes re-employed by the City into a regular permanent full-time position, excluding certain positions, the benefits payable under this plan will be suspended during the period of re-employment. Upon termination of the period of re-employment with the City, the benefits will be automatically restored on the first day of the month following the termination of re-employment.

## Disability of Retirees

### Ordinary Disability Retirement Benefit:

Any member in service who has ten or more years of creditable service may be retired by the Board on an ordinary disability retirement allowance; provided, that the physician retained by the Board after a medical examination of such member, shall certify that such a member is mentally or physically totally incapacitated for the further performance of duty not as a result of an accident in the actual performance of duty and is likely to be permanent, and that such member should be retired.

Upon retirement, for an *ordinary disability*, a member is entitled to receive a retirement allowance paid in monthly installments of the greater of:

(I) 90 percent of the product of 3%, 2.25%, 2.5%, and/or 2.75% of the member's average final compensation multiplied by the number of years of creditable service; or

(II) 30 percent of the member's average final compensation.

The ordinary disability is not eligible for a return of accumulated contributions, optional allowances or survivorship benefits.

For creditable service earned on or before 9/30/2010, the multiplier is 3%.

### Service-Incurred Disability Benefit:

Any member who becomes totally and permanently incapacitated for duty as a result of tuberculosis, hypertension, or heart disease (which was not an existing condition at the time of employment) would be eligible for an immediate benefit payable for his/her lifetime.

Upon retirement for a service-incurred disability, a member shall be entitled to receive a retirement allowance paid in monthly installments of the greater of:

(I) 90 percent of the product of 3%, 2.25%, 2.5%, and/or 2.75% of the member's average final compensation multiplied by the number of years of creditable service; or

(II) 40 percent of the member's average final compensation.

This disability is not eligible for a return of accumulated contributions, optional allowances or survivorship benefits.

For creditable service earned on or before 9/30/2010, the multiplier is 3%.

### Accidental Disability Benefit:

A member in service who has become totally and permanently incapacitated for duty as a result of an accident occurring while in the performance of his/her duty would be eligible for an immediate benefit payable for his/her lifetime.

Upon retirement for accidental disability, a member is entitled to receive a pension which is equal to 66 2/3 percent of the greater of the member's average final compensation or the compensation in the year immediately preceding the disability. This disability is not eligible for a return of accumulated contributions or optional allowances. Upon death, 40 percent of that benefit would continue to be paid to the surviving spouse for the lifetime of such spouse.



**Disability benefits continue for the life of the member. The Board can require a disabled member to submit to a medical examination. If the exam reveals the member is no longer entitled to receive disability benefits, the benefits will cease.**

***A disability is the permanent and total incapacity to perform useful and efficient service as an employee of the City.***

## Excess Benefit Plan

The Excess benefit plan was established effective October 1, 2000, to fund the excess, if any, of the benefit earned under the GESE Trust without taking into account the Internal Revenue Code (IRC) Section 415 limits.

Membership consists of members of the GESE Trust who exceed the maximum benefit. There are no member contributions or plan assets.

The Excess benefit plan is an unfunded plan with benefits funded from the City's general fund. The City contributes the actuarially determined amount necessary to fund the excess retirement benefits which reduces the normal pension costs by the same amount.

***The City contributions are made to the Excess Benefit Plan as benefits become payable.***



**A member who is eligible to retire as of January 1, 2013, (Rule of 80, Service 55/30, Service 60/10) or a member who is vested (10 or more years of service) as of Sept. 30, 2010 may participate in DROP.**

**A member who is not vested as of October 1, 2010, nor eligible to retire as of January 1, 2013, may only choose the BACKDROP Option.**

**A member may continue working and not elect the BACKDROP Option or participate in DROP.**

## Deferred Retirement Option Program (“DROP”)

Any member eligible to retire as of September 30, 2010, continues to be eligible for DROP. A member who is eligible to retire as of January 1, 2013 (Service 55 years of age and 30 years of service, Service 60 years of age and 10 years of service, or Rule of 80) or was vested on October 1, 2010, is eligible to participate in DROP. Upon election of participation, a member's creditable service, accrued benefits, and compensation calculation are frozen and the DROP payment is based on the member's frozen average final compensation. The member's contribution and the City contribution to the retirement plan for that member ceases as no further service credit is earned. The member does not acquire additional pension credit for the purposes of the pension plan but may continue City employment for up to a maximum of 48 months. Once the maximum participation has been achieved, the participant must terminate employment.

There are two DROP programs, the Forward DROP and the BACDROP. A member can participate in both programs simultaneously. The *Forward DROP* is a DROP benefit equal to the regular retirement benefit the member would have received had the member separated from service and commenced the receipt of benefits from the plan. The Trust will deposit monthly retirement benefits into the participant's DROP account established at ICMA-RC. The *BACDROP* is a DROP benefit actuarially calculated. A member may elect to BACDROP to a date, no further back than the date of the member's retirement eligibility date. The BACDROP period must be in 12 month increments, beginning at the start of a pay period, not to exceed 12 months.

An individual account is created for each participant. The Board of Trustees has established, by administrative rule, a series of investment vehicles which may be chosen by the participant. Any losses incurred on account of the option selected by the participant will not be made up by the City or the GESE Trust, and will be borne by the participant only. All interest will be credited to the member's account.

Upon termination of employment, a participant may receive payment from the DROP account in a lump sum distribution; or periodic payments. A participant may elect to rollover the balance to another qualified retirement plan, individual retirement account, an Internal Revenue Code Section 457 Plan, or an annuity. A participant may defer payment until the latest date authorized by Section 401(a)(9) of the IRS Code. DROP participation will not affect any other death or disability benefit provided under law or applicable collective bargaining agreement.

If a participant dies before the account balances are paid out in full, the beneficiary will receive the remaining balance.

## BACKDROP Option

BACKDROP Option is effective January 1, 2013. Generally, the BACKDROP Option replaces the DROP program. Employees who have not attained Normal Retirement eligibility as of January 1, 2013, or were not vested by October 1, 2010, and all employees hired on or after January 1, 2013, will be eligible for the BACKDROP option, but not eligible for DROP. Any member eligible for the forward DROP remains eligible for the BACKDROP option upon attaining age 60 and 10 years of creditable service, age 55 and 30 years of service or Rule of 80 (age plus years equal 80, with minimum 10 years of creditable service). A member must work one year beyond eligibility date to elect the BACKDROP option.

An eligible member who elects the BACKDROP option shall receive a monthly retirement benefit payable on the employee's actual retirement date (date of retirement & separation from employment) based on the benefit the employee would have received if he/she had left city employment and retired on an earlier date after attaining normal retirement eligibility.

The BACKDROP option provides for a lump sum payment equal to the retirement benefit that the member would have received during the period following BACKDROP through the actual retirement date, plus interest of three percent per year, compounded annually. All or portion of the lump sum payment under the BACKDROP option may be rolled over to an IRA in accordance with federal law. The eligible member may elect a minimum BACKDROP period of one year and maximum BACKDROP period of up to seven years.

The BACKDROP option must be selected within ten years of becoming eligible to retire. Eligible members who wish to elect the BACKDROP option must provide written notification to the department director and human resources director.



## Paybacks for Membership Credit

A member may receive membership credit in the Plan. If member revokes the payback election, is terminated, resigns, or is otherwise separated from the city before the payback is completed, the member shall only receive credit for the portion paid as of the date of separation.

### **Restoration of Prior Service for Re-employed Members**

The former member may restore previous membership service by repaying the accumulated contributions withdrawn together with a uniform rate of interest as determined by the Board.

### **Credit for Continuous Service as a Nonmember**

Any person who is now a member of the Plan who had prior service with the city as a probationary, full-time temporary, or permanent employee, classified or unclassified, but who at the time of that service was not a member of the plan, may purchase up to four years of that prior non-membership service.

**Credit for Military Service** Any member who has served active military duty, but whose service is not interrupted by that military duty, may purchase up to a maximum of four years of such service. To be eligible for the four-year service credit, the member must:

- (I) Have engaged in wartime service as declared by state or federal statute or executive order of the President;
- (II) Military service under honorable conditions;
- (III) Be vested in this Plan;
- (IV) Make a contribution to the plan equal to the member's rate of earnable compensation at the date membership service first commenced and that the contribution rate then in effect, together with four percent interest, be compounded annually.

### **Credit for Maternity/Medical Leave**

Any member who takes an unpaid leave of absence for maternity/medical purposes may apply to the Board for membership credit up to a maximum of 180 days, or 240 days if the City denies light duty employment. The payback is available for 30 days after notification to the member and must be fully completed within one year. Contributions made by a member for maternity/medical membership credit will be at the member's current rate of compensation and current rate of contribution.

### **Restoration of Service for Prior Continuous Service**

Any member with prior service with the city whose membership in the Plan was delayed due to administrative error.

### **Purchase of Additional Service upon retirement**

A member in service who has continuous service may, at time of retirement, purchase up to a maximum of three whole creditable years based upon the present value as determined by the actuary for the plan.

### **Non-Service Buyback**

An active member who was separated from service for less than three years and left contributions in the plan is allowed to buyback up to three years of service not worked. Approved on January 31, 2014.

*Paybacks,  
other than  
Maternity/Medical  
Leave, must be  
completed within  
five years from the  
date of election.*

***Non-Service  
Buyback Allowed**  
up to 3 years  
if contributions  
were not  
withdrawn or  
withdrawn, but  
have been paid  
back in full.*

## Transfer of Accumulated Leave

Members eligible to receive accumulated sick leave, accumulated vacation leave or any other accumulated leave payable upon retirement or separation may elect, not later than the year prior to the year of retirement, to have the leave transferred to the GESE Trust. Members who fail to elect a transfer in the year prior to retirement or other separation will receive payment from the City in a lump sum at time of separation with all attendant tax consequences.

Members may elect one of the following options within 30 days of retirement/separation. Members failing to elect a distribution option within 30 days of retirement or separation will be deemed to have elected Option 1 below:

**Option 1** - Receive a lump sum equal to the transferred leave balance,

**Option 2** - Transfer the entire amount of the transferred leave balance directly to any eligible retirement plan, or

**Option 3** - Purchase additional service credit as permitted by the Code. If the leave balance exceeds the cost of the service credit purchased, the balance shall be paid to the member in a lump sum.

If a member dies after retirement or other separation, but before any distribution is made, the election option is void. In such an event, any person who would have received a death benefit had the member died in service immediately prior to the date of retirement or other separation, will be entitled to receive an amount equal to the transferred leave balance in a lump sum. In the case of a surviving spouse or former spouse, an election may be made to transfer the leave balance to an eligible retirement plan in lieu of the lump sum payment. Failure to make such an election by the surviving spouse or former spouse within 60 days of the member's death will be deemed an election to receive a lump sum payment.

*Transfer  
of accumulated  
leave must  
be elected  
not later than  
the year prior  
to the year  
of retirement  
or separation  
from employment.*

The fiscal year ends on **September 30**. The Statements of Plan Net Assets and Changes in Plan Net Assets reflects two years of comparative information.

## GESE Trust Statement of Plan Net Assets

	<u>2016</u> (in thousands)		<u>2015</u> (in thousands)	
Cash	\$ 333	\$ 354		
<b>Receivables:</b>				
Securities sold	2,282	1,325		
Interest & dividends	1,314	1,310		
Contributions & other	<u>831</u>	<u>593</u>		
<b>Total receivables</b>	<u>4,427</u>	<u>3,228</u>		
<b>Investments</b>				
Fixed income	146,043	142,842		
Equity securities	<u>468,940</u>	<u>444,133</u>		
<b>Total</b>	<u>614,983</u>	<u>586,975</u>		
Capital Assets	<u>1,761</u>	<u>1,902</u>		
<b>Total Assets</b>	<u>621,504</u>	<u>592,459</u>		
<b>Liabilities:</b>				
Securities purchased	3,102	2,565		
Other liabilities	<u>697</u>	<u>842</u>		
<b>Total Liabilities</b>	<u>3,799</u>	<u>3,407</u>		
<b>Net assets held in Trust for Pension Benefits</b>	<u>\$617,705</u>	<u>\$ 589,051</u>		

A net increase of \$29 million in plan net assets (or 5%) was primarily a result of the fiscal year activity.

## GESE Trust Statement of Changes in Plan Net Assets

	<u>2016</u> (in thousands)		<u>2015</u> (in thousands)	
<b>Additions:</b>				
Contributions				
Employer	\$ 32,882	\$ 33,036		
Member	<u>9,595</u>	<u>8,164</u>		
<b>Total contributions</b>	<u>42,477</u>	<u>41,200</u>		
Reimbursement income	3,199	3,129		
Net investment income	<u>60,238</u>	<u>1,496</u>		
<b>Total additions</b>	<u>105,914</u>	<u>45,825</u>		
<b>Deductions:</b>				
Benefits	71,860	71,940		
Refunds	1,967	1,090		
Administrative	<u>3,433</u>	<u>3,306</u>		
<b>Total deductions</b>	<u>77,260</u>	<u>76,335</u>		
<b>Change in net assets</b>	<u>28,654</u>	<u>(30,510)</u>		
<b>Net assets held in Trust for Pension Benefits:</b>				
Beginning of year	<u>589,051</u>	<u>619,561</u>		
End of year	<u>\$ 617,705</u>	<u>\$ 589,051</u>		

Employer contributions decreased by \$155 thousand (or .5%) and member contributions increased by \$1.4 million (or 18%) in fiscal year 2016. The amount of employer contributions vary from year to year based on an actuarially determined requirement, while member contributions are equal to 10% of payroll. The investment portfolio had a net investment income of \$60 million in fiscal year 2016. In 2016, benefit payments and refunds of contributions increased by \$924 thousand or (1%). While in 2015, benefits and refund payments decreased by \$741 thousand (.7%).

You may request the full report by calling the pension office at (305) 441-2300, or by visiting the GESE Trust website at [WWW.GESE.ORG](http://WWW.GESE.ORG)

### Comprehensive Annual Financial Report

A Pension Trust of the City of Miami  
For the Years Ending September 30, 2016 & 2015



2016

City of Miami, Florida - General Employer and Sanitation Employer Retirement Trust and Managerial Trust



## Select Financial Information

The above financial information is summarized for the GESE Trust and does not include notes or detail. Audited financial statements for the year end September 30, 2016 are included in the Comprehensive Annual Financial Report (CAFR).

The City of Miami GESE Retirement Trust received for fiscal year 2015, the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA).

## The History of the City of Miami GESE Trust

A defined benefit pension trust for all City employees was instituted by City of Miami Ordinance No. 5624, effective July 1, 1956. Pursuant to the final judgment entered on May 23, 1985, in the matter of Leonard Gates, et al vs. City of Miami (the "Gates Agreement"), the City of Miami General Employees' and Sanitation Employees' Retirement Trust was established by Ordinance No. 10002 effective June 13, 1985, to serve permanent employees other than firefighters and police officers. The Gates Agreement separated the GESE Trust from the Firefighters and Police Officers' Trust and set individual pension Board guidelines and funding requirements. A nine member Board of Trustees, who are considered fiduciaries, govern the Trusts.

The Board meets at least once every two months as required by City ordinance. Trustees are selected as follows: one trustee selected by the City Manager, two trustees selected by the general employees, two trustees selected by the sanitation employees, and four independent trustees selected by the City Commission from a list from each union of six non-employee nominees. As fiduciaries of the Trusts, the Board performs their duties and responsibilities solely in the interest of members of the retirement plan. In order to achieve their goals, the Board has employed the services of support staff including a pension administrator to perform daily functions. Services provided by support staff include accounting and financial reporting, member and employer contributions processing, retiree benefits calculations, and monthly disbursement of benefits to retirees or beneficiaries. The Board employs the services of a consulting actuary, a custodial bank, an investment consultant and several investment managers. An actuarial valuation for each plan is performed by the actuary on an annual basis to determine the amount of the City's annual contribution.



**CITY OF MIAMI G.E.S.E.  
RETIREMENT TRUST**  
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33133  
Phone: 305-441-2300  
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[WWW.GESE.ORG](http://WWW.GESE.ORG)

**Edgard Hernandez**  
Pension Administrator

**Marlene Jane**  
Benefit Specialist

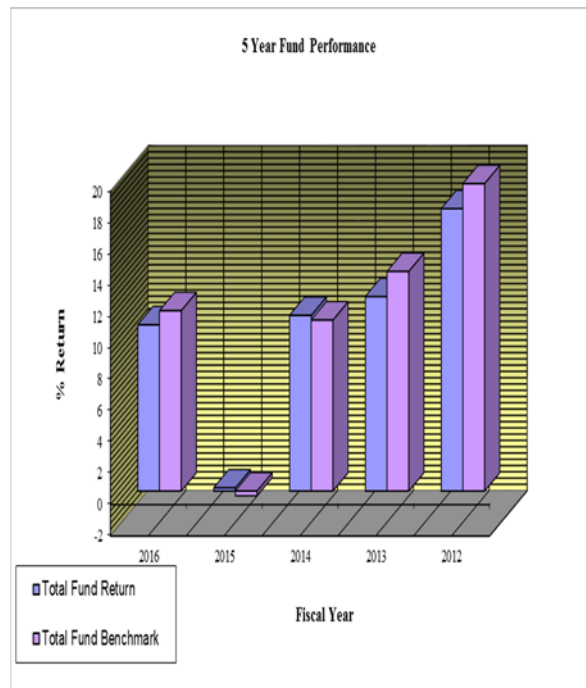
**Enrique Mesa**  
Chief Accountant

**Christopher Recicar**  
Treasurer

## Summary of GESE Trust Investment Returns as of Sept. 30, 2016

	<u>Annualized</u>		
	<u>2016</u>	<u>3Yr</u>	<u>5Yr</u>
<b>Equities</b>			
Fund Return-Domestic	13.6	9.6	15.0
Fund Return-International	5.7	-0.9	4.1
S&P 500	15.4	11.2	16.4
Dow Jones	15.4	9.2	13.8
Russell 2500 Mid	14.4	7.8	16.3
Russell 2000 Small	15.5	6.7	15.8
MSCI EAFE	6.5	0.5	7.4
<b>Fixed Income</b>			
Fund Return Fixed	4.8	3.9	3.2
Barclays US Aggregate	5.2	4.0	3.1
Barclays Mortgage	3.6	3.6	2.7
Barclays Intermediate	3.5	2.8	2.5
T-Bill 91 Days	0.2	0.1	0.1
<b>Real Estate</b>			
Fund Return Real Estate	19.7	15.0	15.1
FR NCREIF Index	13.5	11.9	12.5
<b>Total Fund Return</b>	<b>10.6</b>	<b>7.3</b>	<b>10.4</b>
<b>Total Fund Benchmark</b>	<b>11.5</b>	<b>7.2</b>	<b>10.9</b>

**For the year ended September 30, 2016,  
the fund earned an annual return of 10.6%,  
exceeding the actuarial rate objective.**



### DROP Participants

Contact ICMA at:  
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Phone: 800-669-7400  
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