

ORDINANCE NO. 2002-27

AN ORDINANCE AMENDING THE GENERAL EMPLOYEES' RETIREMENT PLAN OF THE CITY OF NORTH MIAMI BEACH, FLORIDA; REDUCING THE VESTING REQUIREMENT FROM TEN YEARS TO SIX YEARS OF CREDITED SERVICE; PROVIDING FOR THE REPEAL OF ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the General Employees' Retirement Committee, at its public meeting of November 21, 2002, reviewed, approved and recommended for adoption a plan amendment reducing the vesting requirement from 10 years to 6 years of credited service; and

WHEREAS, this amendment will enable benefits under the plan to vest all participants after 6 years of credited service instead of 10 years; and

WHEREAS, the active participants of the General Employees Pension Plan have approved the proposed amendment by the required positive vote; and

WHEREAS, actuarial studies done by Gabriel Roeder & Smith have determined that the benefit enacted herein is reasonable and appropriate and will result in minimal additional cost to the Pension Fund and the City; and

WHEREAS, the Mayor and City Council have determined it to be in the best interest of all plan participants, City employees, residents and citizens of the City of North Miami Beach to enact and fund the additional pension benefit conferred herein.

NOW, THEREFORE,

BE IT ORDAINED by the City Council of the City of North Miami Beach, Florida.

Section 1. The foregoing recitals are true and correct.

Section 2. Section 6.04(a)(1) of Article VI, Retirement Benefits, of the General Employees Retirement Pension is hereby amended as follows:

Section 6.04 BENEFITS OTHER THAN ON RETIREMENT.

(a) Benefit on Termination of Service.

- (1) Deferred Payment of Benefits. In the event of the termination of a participant's service prior to his normal retirement date for any reason other than his death, early retirement (as described in Section 6.02) or disability retirement (as described in Section 6.03) after he has completed ten (10) years of credited service (hereafter referred to as a "terminated participant"), he will be entitled to a monthly retirement income. That monthly retirement income will be payable

for 10 years certain and life thereafter and will commence on his normal retirement date (if he shall then be living) in an amount as follows, with such amount multiplied by the Vested Percentage described below:

Effective October 1, 2002, in the event of the termination of a participant's service prior to his normal retirement date for any reason other than his death, early retirement (as described in Section 6.02) or disability retirement (as described in Section 6.03) after he has completed six (6) years of credited service (hereafter referred to as a "terminated participant"), he will be entitled to a monthly retirement income. That monthly retirement income will be payable for 10 years certain and life thereafter and will commence on his normal retirement date (if he shall then be living) in an amount as follows, with such amount multiplied by the Vested Percentage described below:

(i) For participants terminating on or before September 30, 1994: 1.75% (.0175) of the first \$400 of final monthly compensation plus 2.25% (.0225) of final monthly compensation in excess of \$400, with such sum multiplied by years and completed calendar months of credited service.

(ii) For participants terminating after September 30, 1994 but before October 1, 1995: 2.25% (.0225) of final monthly compensation, multiplied by years and completed calendar months of credited service.

(iii) For participants terminating after September 30, 1995 but before October 1, 1996: 2.35% (.0235) of final monthly compensation, multiplied by years and completed calendar months of credited service.

(iv) For participants terminating after September 30, 1996: 2.50% (.0250) of final monthly compensation, multiplied by years and completed calendar months of credited service.

(v) For participants terminating after July 1, 1998: 2.60% (.0260) of final monthly compensation, multiplied by years and completed calendar months of credited service.

(vi) For participants terminating after August 24, 2000: 3.00% (.0300) of final monthly compensation, multiplied by years and completed calendar months of credited service.

Section 3. Section 6.04(a)(2) of Article VI, Retirement Benefits, of the General Employees

Retirement Plan is hereby amended by the addition of subsection (iii) which shall state as follows:

Section 6.04 BENEFITS OTHER THAN ON RETIREMENT.

- (a) Benefit on Termination of Service
(2) Vesting

(iii) The Vested Percentage for participants who terminate on or after October 1, 2002 will be 0% for those with less than 6 years of credited service and 100% for those with credited service of 6 years or more.

Section 4. Section 6.04 of Article VI, Retirement Benefits, of the General Employees Retirement Plan is hereby amended by the addition of subsection (a)(9) which shall state as follows:

Section 6.04 BENEFITS OTHER THAN ON RETIREMENT.

(a) Benefit on Termination of Service

(9) Termination Prior to Completion of 6 Years of Credited Service. Except as provided in Section 6.01 with respect to normal retirement, Section 6.03 with respect to disability retirement and Section 6.04 with respect to death, the participant whose service is terminated after October 1, 2002, but prior to the date on which he has completed six (6) years of credited service shall be entitled only to the return of his contributions plus interest at the rate of 3% compounded annually.

Section 5. Any cross-reference in the Retirement Plan which is affected by changes in section number designations shall be adjusted accordingly.

Section 6. If any section, subsection, clause or provision of this ordinance is held invalid the remainder shall not be affected by such invalidity.

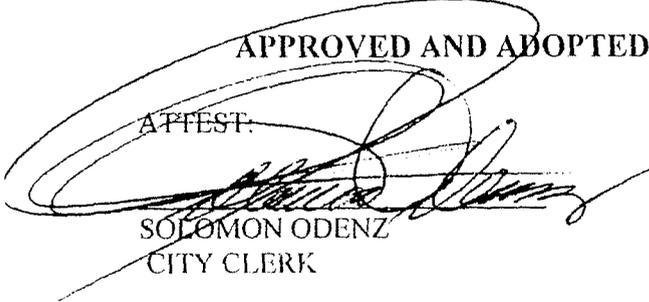
Section 7. A copy of this Ordinance and the actuarial statement in support thereof shall be furnished to the State of Florida Division of Retirement prior to second public hearing hereon pursuant to state law. Any changes required by the Division to bring the plan/plan amendment into compliance with state requirements shall be incorporated into this Ordinance, which shall then be approved and adopted at a final special third reading, if required.

Section 8. It is the intention of the City Council of the City of North Miami Beach and it is hereby ordained that the provisions of this Ordinance shall become and be made a part of the Code of Ordinances of the City of North Miami Beach, Florida. The Sections of this Ordinance may be renumbered or relettered to accomplish this intention and the word "Ordinance" may be changed to "Section", "Article" or other appropriate word as the codifier may deem fit.

APPROVED BY TITLE ONLY on first reading this 17th day of December, 2002.

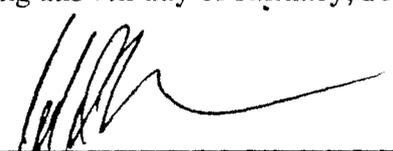
APPROVED AND ADOPTED on second reading this 7th day of January, 2003.

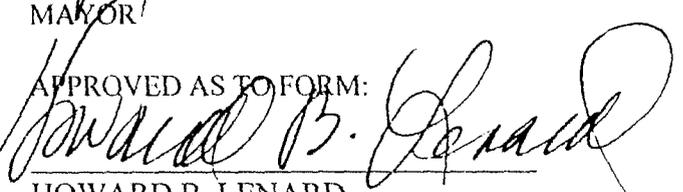
ATTEST:


SOLOMON ODENZ
CITY CLERK

(CITY SEAL)

SPONSORED BY: Mayor and City Council


JEFFREY A. MISHCON
MAYOR

APPROVED AS TO FORM:

HOWARD B. LENARD
CITY ATTORNEY