

ORDINANCE NO. 2004-9

AN ORDINANCE OF THE CITY OF NORTH MIAMI BEACH, FLORIDA, AMENDING THE RETIREMENT PLAN FOR POLICE OFFICERS AND FIREFIGHTERS; CREATING SECTION 6.11 ENTITLED VOLUNTARY SUPPLEMENTAL BENEFIT; ALLOWING PARTICIPANTS WHO HAVE COMPLETED TEN YEARS OF CREDITED SERVICE TO PURCHASE AN INCREASE IN THEIR RETIREMENT BENEFIT UP TO FIVE (5%) PERCENT OF THEIR FINAL MONTHLY COMPENSATION; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the IUPA Bargaining Unit and the City of North Miami Beach entered into an Agreement effective October 1, 2003 through September 30, 2006; and

WHEREAS, Article 30 Paragraph 5 of that Agreement provided support for and endorsement by the City administration of a retirement benefit allowing sworn law enforcement officers to purchase an increase of their retirement benefit of up to 5% of their final monthly compensation; and

WHEREAS, the Police Officers and Firefighters Retirement Committee at their meeting of April 22, 2004 approved the proposed plan amendment; and

WHEREAS, in a ballot held May 14-May 17, 2004, the members of the Police Officers and Firefighters Pension Plan overwhelmingly approved the plan amendment allowing plan participants to purchase an additional 5% benefit; and

WHEREAS, the Plan's actuary has provided an actuarial impact statement saying that the new benefit will have no actuarial impact on the fund and no cost to the City; and

WHEREAS, the Mayor and City Council of the City of North Miami Beach have determined that it is in the best interest of the police officers, as well as the citizens and residents of the City, to adopt the proposed plan amendment.

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. The Retirement Plan for the Police Officers and Firefighters of the City of North Miami Beach is hereby amended by the addition of Section 6.11, which shall read as follows:

- (A) A Participant who has completed ten years of credited service may elect to increase his retirement benefit by an amount no greater than 5% of his final monthly compensation under the following conditions:

(1) The Participant contributes to the Retirement Plan the full actuarial cost of the supplemental benefit purchased hereunder. As part of the application for the purchase of such supplemental benefit, the Participant shall elect either to contribute to the Retirement Plan the cost of such purchased supplemental benefit or to have all or a portion of the contributions for the cost of said supplemental benefit picked up by the City. If the Participant elects to have contributions picked up by the City, the Participant must execute an irrevocable, binding payroll deduction authorization form with respect to these contributions, the employee shall not be entitled any option of choosing to receive the contributed amounts directly instead of having them paid by the City to the Retirement Plan and the employee while employed by the City shall not be able to make payment directly to the Retirement Plan for such supplemental benefit. With respect to any Participant's contributions which are picked up by the City, the effective date of the pick-up by the City shall be the later of the adoption of this ordinance or the execution of the payroll deduction authorization form. This pick-up does not apply to any contributions made before the effective date or to any contribution that relates to compensation earned for services before the effective date. Participant contributions made pursuant to a binding irrevocable payroll deduction authorization to have such contributions picked up for the purpose of purchasing a supplemental benefit hereunder shall be designated and considered as employee contributions, even though they are being paid by the City in lieu of the contributions paid directly by the Participant. Any payroll deduction authorizations in effect for the purchase of such supplemental benefit as of the effective date of this ordinance are void. The contributions made pursuant to this section are designated as being picked up by the City and paid from the same source as the payment of salary and wages to these Participants. If the cost of the purchased supplemental benefit is not paid in full prior to the termination of the Participant's employment, then the balance due to the Retirement Plan for the purchased supplemental benefit shall be picked up by the City from any payment due to the Participant by the City for unused accrued leave (termination pay) and the irrevocable payroll deduction authorization form described above, shall so provide, except pick up from termination pay is allowed only if said form was signed three (3) months or more before the employee's termination date. Should, after termination of the Participant's employment and the City pick-up of any remaining contribution due from the Participant's payment for accrued unused leave (*which only includes payments available upon termination which would be reportable on Form W-2 as taxable wages but for the pickup*) a balance still remains due for the purchase of the supplemental benefit, then, at the Participant's option, the Retirement Plan shall reduce the amount of supplemental benefit purchased to conform with the amount of contributions therefore picked up by the City and paid to the Retirement Plan or the Participant may elect to make an after-tax lump-sum contribution for the balance due subject to the limitations of Section 415 of the Internal Revenue Code. If the Participant elects to make a lump-sum contribution for the balance due, such payment shall be made by the Participant prior to the date that the Participant's first monthly pension benefit payment is due. The supplemental benefit purchase shall not be recognized or credited by the Pension Plan until the Participant has completed ten (10) years of credited service. If the Participant terminates employment before completing ten (10) years of service, all contributions made by the Participant for a supplemental benefit shall be refunded to the Participant.

(2) The election to purchase a supplemental benefit is completely voluntary. The amount of supplemental benefit purchased shall be a whole percent of final monthly compensation no less than 1% of final monthly compensation and no

greater than 5% of final monthly compensation. The Voluntary Supplemental Benefit purchase shall not be limited by the purchase of additional service credit or purchase of higher multiplier under Section 3.04.

(3) The Voluntary Supplemental Benefit shall be paid monthly at retirement.

(4) If a Participant who purchases a supplemental benefit retires under the early retirement provisions of Section 6.02, his Voluntary Supplemental Benefit shall be reduced in accordance with Section 6.02 (b) (3).

(5) If a Participant who has completed the purchase of a supplemental benefit retires under the disability provisions of Section 6.03, the supplemental benefit shall count as part of the accrued benefit and shall increase the benefit paid to the Participant only to the extent that the accrued benefit (including the purchased supplemental benefit) is greater than 60% of the Participant's final monthly compensation.

(6) If a Participant who has completed the purchase of a supplemental benefit elects an Optional Form of Retirement Benefit under Section 6.06, the Voluntary Supplemental Benefit shall be reduced in a manner consistent with the Retirement Benefit paid to the Participant.

(7) The Voluntary Supplemental Benefit shall increase with Cost of Living Adjustments in a manner consistent with the Retirement Benefit paid to the Participant.

(8) A Participant who purchases a supplemental benefit shall make the following series of elections with regard to these actions:

(i) The Participant may elect a lump sum payment, installment payments, or a partial lump sum payment ("down payment") followed by installments;

(ii) If installment payments are elected by the Participant, the Participant shall execute a binding irrevocable payroll deduction authorization to have these installment contributions picked up by the City.

Section 3. All ordinances or parts of ordinances in conflict herewith be and the same are hereby repealed.

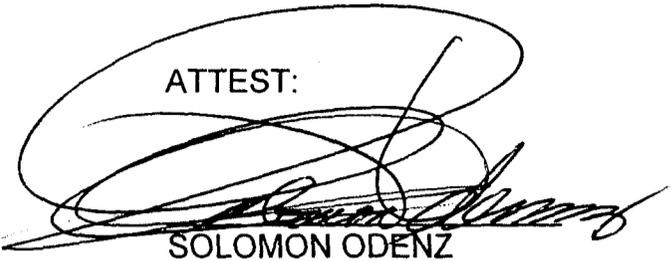
Section 4. If any section, subsection, clause or provision of this ordinance is held invalid the remainder shall not be affected by such invalidity.

Section 5. 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 **15th day of June, 2004.**

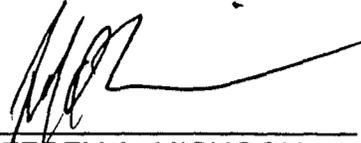
APPROVED AND ADOPTED on second reading this **6th day of July, 2004.**

ATTEST:



SOLOMON ODENZ
CITY CLERK

(CITY SEAL)



JEFFREY A. MISHCON
MAYOR

APPROVED AS TO FORM



HOWARD B. LENARD
CITY ATTORNEY

Sponsored by: Mayor and City Council