

ORDINANCE NO. 2003-5

AN ORDINANCE ENACTING TECHNICAL AMENDMENTS TO THE RETIREMENT PLAN AND TRUST FOR THE GENERAL MANAGEMENT EMPLOYEES OF THE CITY OF NORTH MIAMI BEACH, FLORIDA, ADOPTION AGREEMENT; ENABLING PLAN PARTICIPANTS TO TAKE FULL ADVANTAGE OF INTERNAL REVENUE CODE PROVISIONS REGARDING TRUSTEE TO TRUSTEE AND OTHER PERMISSIBLE TRANSFERS INCLUDING TRANSFER OF SECTION 457 DEFERRED COMPENSATION ACCOUNTS AS ENACTED BY THE ECONOMIC GROWTH AND TAX RELIEF RECONCILIATION ACT OF 2001 (ECTRRA); CLARIFYING THE COMPUTATION OF EARLY RETIREMENT BENEFITS; PROVIDING FOR SEVERABILITY, PROVIDING FOR THE REPEAL OF ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR THE CODIFICATION OF THIS ORDINANCE.

WHEREAS, the Retirement Plan & Trust for the General Management Employees of the City of North Miami Beach provides for the purchase of credited service, but may not specifically allow for trustee to trustee transfers to pay for such purchases; and

WHEREAS, it is in the best interest of all plan participants to have the ability to purchase credited services or accomplish any other lawfully provided purpose pursuant to plan provisions, on a tax deferred basis to the full extent allowed by federal law, including Internal Revenue Code Regulations recently enacted regarding such rollovers from Section 457 deferred compensation accounts; and

WHEREAS, it has been determined by the Plan Actuary that these required technical amendments will have no significant financial impact on the City's plan; and

WHEREAS, the Mayor and City Council of the City of North Miami Beach wish to enact the technical amendments required to enable all employees who participate in the General Management Employee Pension Plan and Trust to take full advantage of all Internal Revenue Code interplan transfer provisions; and

WHEREAS, it is the desire of the Mayor and City Council to clarify the early retirement calculation provision of the Plan's adoption agreement to eliminate confusion and to clearly conform to actuarial impact statements and analysis and legislative intent.

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 E. Credited Service of the Retirement Plan and Trust for the General Management Employees of the City of North Miami Beach Adoption Agreement shall be amended by the addition of section E3 which shall state as follows:

E3) Inter-Plan Transfers

On or after April 1, 2003, in addition to direct payment methods available as determined by the Retirement Committee and approved by the Plan Actuary, the plan will accept permissible member requested transfer of funds from other retirement or pension plans, member rollover cash contributions and/or direct cash rollovers of distributions to fund the purchase of Credited Service under this section, or to fund any other allowable contributions provided by plan provisions, as follows:

A. Transfers and Direct Rollovers or Member Rollover Contributions from Other Plans. The System will accept either a direct rollover of an eligible rollover distribution or a Member contribution of an eligible rollover distribution from a qualified plan described in section 401(a) or 403(a) of the Code, from an annuity contract described in section 403(b) of the Code, or from an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state. The System will also accept legally permissible Member requested transfers of funds from other retirement or pension plans.

B. Member Rollover Contributions from IRAs. The system will accept a Member rollover contribution of the portion of a distribution from an individual retirement account or annuity described in section 408(a) or 408(b) of the Code that is eligible to be rolled over and would otherwise be includible in gross income.

C. All purchases must be made and fully funded prior to retirement.

Section 3. Section G4. Early Retirement Benefit of the Retirement Plan and Trust for the General Management Employees of the City of North Miami Beach Adoption Agreement shall be amended/clarified as follows:

G4) Early Retirement Benefit (Section 6.04):

The amount of the accrued benefit will be reduced 5% for each year before the normal retirement date, i.e., the attainment of a combined age & years of credited service

totaling 75, with a minimum age of 55, and without imputing service beyond actual termination date.

Section 4. All ordinances or parts of ordinances in conflict herewith be and the same are hereby repealed.

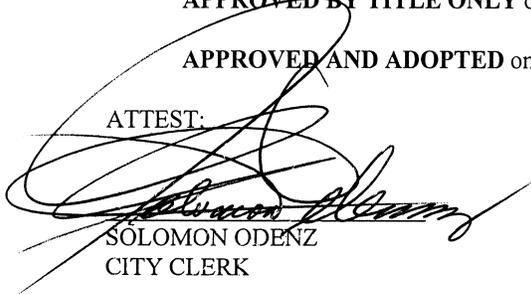
Section 5. If any section, subsection, clause or provision of this ordinance is held invalid the remainder shall not be affected by such invalidity.

Section 6. 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 **3rd day of June, 2003.**

APPROVED AND ADOPTED on second reading this **17th day of June, 2003.**

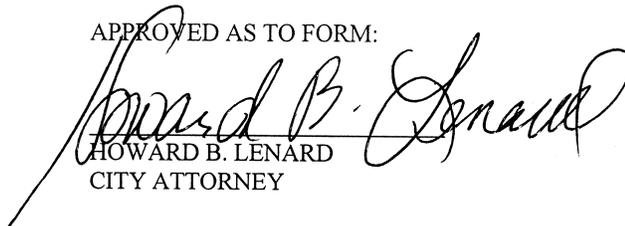
ATTEST:


SOLOMON ODENZ
CITY CLERK


JEFFREY A. MISHCON
MAYOR

(CITY SEAL)

APPROVED AS TO FORM:


HOWARD B. LENARD
CITY ATTORNEY

SPONSORED BY: Mayor and City Council