

ORDINANCE NO. R2008-2

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI BEACH, FLORIDA, AMENDING THE CITY OF NORTH MIAMI BEACH'S RETIREMENT PLAN FOR GENERAL EMPLOYEES; ADDING A PROVISION PERMITTING PLAN MEMBERS TO PURCHASE CREDITED SERVICE UP TO A MAXIMUM OF FOUR ADDITIONAL YEARS WITHOUT ANY MILITARY SERVICE OR OTHER PRIOR GOVERNMENT SERVICE; 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 City of North Miami Beach has established a retirement plan for general employees; and

WHEREAS, the plan allows participants to purchase up to four years of credited service for military service, prior service with the City of North Miami Beach as a contract employee, or other prior public service; and

WHEREAS, the General Employees Retirement Committee at a public meeting of May 24, 2007 recommended adoption of a plan amendment to allow employees to purchase up to 4 years of credited service without having any military service or other public employee service; and

WHEREAS, the participants of the General Employees Retirement Plan overwhelmingly approved a plan amendment to achieve this goal in a ballot cast November 7 through 13, 2007; and

WHEREAS, the Mayor and Council deem it in the best interest of the residents and citizens of the City of North Miami Beach to amend the General Employees Plan to allow this additional benefit at no cost to the City.

NOW, THEREFORE,

BE IT RESOLVED by the City Council of the City of North Miami Beach

Section 1. Section 3.05, Purchase of Credited Service, of the City of North Miami Beach Retirement Plan for General Employees is hereby amended as follows:

Section 3.05 PURCHASE OF CREDITED SERVICE

- (a) Purchase of Credited Service for Prior Military Services - Participants of the Plan shall have the option to receive credited service for all purposes of this Plan, for the time while in the active United States military service under the following conditions.

(1) Participants who wish to receive credit for service will be required to make a contribution for such service which will be sufficient to pay for the ~~total~~ full actuarial cost of the additional service, including any administrative costs associated with the purchase. ~~Such amount will be established by a formula and subject to payment methods determined by the Retirement Committee. Each participant shall make the irrevocable election within twenty-four (24) months of his date of hire by the City, but for current participants not later than November 30, 1994. If an election to purchase service is not received in this time period, no future election will be allowed.~~ A Participant may purchase United States military time in increments of six (6) months and up to a maximum of four (4) years of the time of military service. Once a time period is chosen for purchase, the period cannot be adjusted. The purchase of military service is subject to the Retirement Committee's receipt of proof of the employee's military service.

(2) As part of the application for the purchase of such credited service, the Participant shall elect either to contribute to the Plan the cost of such purchased credited service or to have all or a portion of the contributions for the cost of said purchased credited service 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 Participant shall not be entitled any option of choosing to receive the contributed amounts directly instead of having them paid by the City to the Plan and the Participant while employed by the City shall not be able to make payment directly to the Plan for such purchased credited service. 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 credited service 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 credited service 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 service credits is not paid in full prior to the termination of the Participant's employment, then the balance due the Plan for the purchased credited service 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 remain due for the purchase of credited service, then, at the Participant's option, the Plan shall reduce the amount of service purchased to conform with the amount of contributions therefore picked up by the City and paid to the Plan or the Participant may elect to make a 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.

(3) The Participant did not receive credited service for the time spent in the Armed Forces from any military retirement or pension system.

(4) If, upon adoption of this Ordinance, a Participant has previously agreed to purchase credited service but has not yet made full payment for that credited service, then the Participant may elect City pick-up of the contribution remaining due the Plan

pursuant to the procedures and provisions set forth above. The irrevocable payroll deduction authorization form electing such City pick-up must be signed within three months after the adoption of this Ordinance.

- (b) **Purchase of Credited Service for Prior Periods of Service with Other Public Employers or for Service with the City of North Miami Beach as a Contract Employee** - Participants under the Plan shall have the option to receive credited service for all purposes of this Plan, for periods of service with other public employers or for service with the City of North Miami Beach as a contract employee, under the following conditions.

~~(1) Participants who wish to receive credit for this service will be required to make a contribution for such service which will be sufficient to pay for the total full actuarial cost of the additional service, including any administrative costs associated with the purchase. Such amount shall be established by a formula and subject to payment methods determined by the Retirement Committee. Each participant shall make the irrevocable election within twenty four (24) months of his date of hire by the City, or, in the case of a former City of North Miami Beach contract employee, of becoming a civil service employee, but for current participants not later than November 30, 1994. If an election to purchase service is not received in this time period, no future election will be allowed. A Participant may purchase other employee service time in increments of six (6) months and up to a maximum of the lesser of four (4) years or the number of full years of service with the other public employer or as a contract employee with the City of North Miami Beach. Once a time period is chosen for purchase, the period cannot be adjusted. The purchase of other public employer service time is subject to the Retirement Committee's receipt of proof of the employee's employment with the other public employer and participation in the other public employer's pension plan.~~

(2) As part of the application for the purchase of such credited service, the Participant shall elect either to contribute to the Plan the cost of such purchased credited service or to have all or a portion of the contributions for the cost of said purchased credited service 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 Participant shall not be entitled any option of choosing to receive the contributed amounts directly instead of having them paid by the City to the Plan and the Participant while employed by the City shall not be able to make payment directly to the Plan for such purchased credited service. 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 credited service 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 credited service 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 service credits is not paid in full prior to the termination of the Participant's employment, then the balance due the Plan for the purchased credited service 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 pick-up) a balance

still remain due for the purchase of credited service, then, at the Participant's option, the Plan shall reduce the amount of service purchased to conform with the amount of contributions therefore picked up by the City and paid to the Plan or the Participant may elect to make a 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.

(3)The Participant did not receive credited service from any other retirement or pension system.

(4) If, upon adoption of this Ordinance, a Participant has previously agreed to purchase credited service but has not yet made full payment for that credited service, then the Participant may elect City pick-up of the contribution remaining due to the Plan pursuant to the procedures and provisions set forth above. The irrevocable payroll deduction authorization form electing such City pick-up must be signed within three (3) months after the adoption of this Ordinance.

(c) **Purchase of Permissive Service Credit** - Participants of the Plan shall have the option to receive permissive credited service for all purposes of this Plan under the following conditions.

(1) Participants who wish to receive permissive credited service will be required to make a contribution for such service which will be sufficient to pay for the full actuarial cost of the additional service, including any administrative costs associated with the purchase. A Participant may purchase permissive credited service in increments of six (6) months and up to a maximum of four (4) years. Once a time period is chosen for purchase, the period cannot be adjusted.

(2) As part of the application for the purchase of such credited service, the Participant shall elect either to contribute to the Plan the cost of such purchased credited service or to have all or a portion of the contributions for the cost of said purchased credited service 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 Participant shall not be entitled any option of choosing to receive the contributed amounts directly instead of having them paid by the City to the Plan and the Participant while employed by the City shall not be able to make payment directly to the Plan for such purchased credited service. 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 credited service 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 credited service 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 service credits is not paid in full prior to the termination of the Participant's employment, then the balance due the Plan for the purchased credited service 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 Participant'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 remain due for the purchase of credited service, then, at the Participant's option, the Plan shall reduce the amount of service purchased to conform with the amount of contributions therefore picked up by the City and paid to the Plan or the Participant may elect to make a 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.

- (d) Notwithstanding any other provision of (a) ~~and~~, (b) and (c) of this section, the combined maximum number of years of credited service which a Participant can purchase for periods of military service, ~~and~~ periods of service with other public employers or with the City of North Miami Beach as a contract employee and for permissive credited service cannot exceed a total of four (4) years.
- (e) To the extent permitted by law, including relevant Internal Revenue Code provisions, as amended from time to time, in lieu or in addition to irrevocable employer pick up of Participant contributions, the Plan will accept inter-plan transfers (rollovers) as provided in Section 6.11.

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

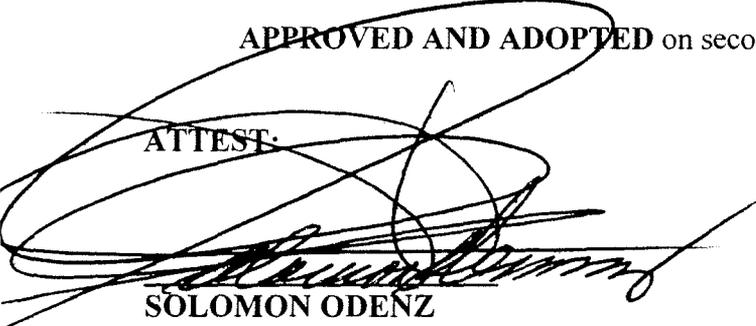
Section 4. If any section, subsection, clause or provision of this ordinance is held invalid the remainder shall not be affected by such invalidity.

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 January, 2008.

APPROVED AND ADOPTED on second reading this 5th day of February, 2008.

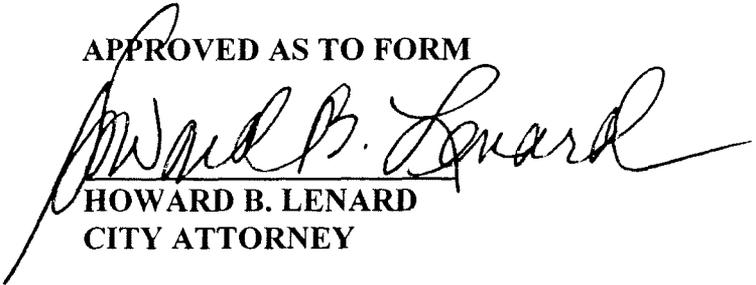
ATTEST:


SOLOMON ODENZ
CITY CLERK

(CITY SEAL)


RAYMOND F. MARIN
MAYOR

APPROVED AS TO FORM


HOWARD B. LENARD
CITY ATTORNEY

Sponsored by: Mayor and City Council