

**ORDINANCE NO. 386-91**

AN ORDINANCE OF THE TOWN OF GOLDEN BEACH, FLORIDA AMENDING ORDINANCE NO. 343-87, THE TOWN OF GOLDEN BEACH EMPLOYEES PENSION PLAN; PROVIDING MEMBERS THE OPTION OF CONTRIBUTING TO THE PLAN IN ORDER TO ATTAIN A HIGHER RATE OF BENEFITS; RAISING THE BENEFIT RATE FOR ALL MEMBERS FROM 1.50% TO 1.75% AND FOR CONTRIBUTING MEMBERS FROM 1.75% TO 2.00%; PROVIDING FOR A REFUND OF MEMBER CONTRIBUTIONS UPON TERMINATION OF A MEMBER WHO IS NOT ELIGIBLE FOR OTHER BENEFITS; PROVIDING FOR THE AMOUNT OF CITY AND MEMBER CONTRIBUTIONS; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE TOWN'S CODE; AND PROVIDING FOR AN EFFECTIVE DATE.

**WHEREAS,** the Town of Golden Beach presently provides pension benefits for its full-time employees through Ordinance No. 343-87; and

**WHEREAS,** the Pension Board has recommended certain changes to the benefits of the pension plan; and

**WHEREAS,** the Town Council wishes to make such changes.

**NOW THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF GOLDEN BEACH, FLORIDA:**

343-87. Each such member who elects to begin contributing at the rates provided above shall be subject to a higher benefit accrual rate, as provided in Section 3.1.a. of Ordinance No. 343-87.

Each person who becomes a member of the plan after the effective date of this ordinance shall, as a condition of employment, be required to contribute 2.5% of his earnings if he is a general employee, or 2.3% if he is a police officer. Such members shall be subject to the higher benefit accrual rate, as provided in Section 3.1.a. of Ordinance No. 343-87.

**Section 2.** Section 3.1.a. of Ordinance No. 343-87 is hereby amended to read as follows:

**a. Amount.**

Each member who retires on or after his normal retirement date shall be eligible to receive his normal retirement benefit commencing on his actual retirement date. The monthly normal retirement benefit for each member who contributes to the plan shall be an amount equal to two percent (2%) of his average monthly earnings multiplied by the length of his credited service. The monthly normal retirement benefit for each member who does not contribute to the plan shall be an amount equal to one and three-quarters percent (1.75%) of his average monthly earnings multiplied by the length of his credited service.

**Section 3.** Section 3.5. of Ordinance No. 343-87 is hereby amended to read as follows:

All rights to benefits under this plan shall cease upon a member's termination of employment, other than by reason of early, normal or delayed retirement (at which time members are one hundred (100%) percent vested); however, all members shall acquire a vested right to accrued benefits pursuant to the following vesting schedule:

Vesting Schedule	
Completed Years of Credited Service	Vested Interest
Less than 10	0%
10 or more	100

Any member not eligible for an early, normal or delayed retirement benefit but who has a vested interest at time of termination shall receive such benefit commencing on the date which would have been his normal retirement date had he continued in employment with the city; provided however, a member may elect to receive his deferred benefit upon attaining age fifty-five (55), in the case of a general employee member, or age fifty (50), in the case of a police officer member, or any date thereafter, the benefit in such case to be actuarially reduced as for early retirement.

Any contributing member who is not vested at time of termination shall receive from the fund within a reasonable time following his date of termination a refund of his accumulated contributions.

For this purpose, accumulated contributions means the total of the member's contribution to the plan plus the interest, if any, that is credited to member contributions pursuant to Section 5.1.c. of

- b. Duration.** Contributions shall be deducted from said earnings before the same are paid until the member has reached his actual retirement date or his termination date whichever occurs first. Member contributions shall be deposited in the fund on at least a monthly basis. In the event that the city agrees to assume and pay member contributions in lieu of direct contributions by the member, such contributions shall accordingly be paid into the plan in behalf of the members. No member subject to such agreement shall have the option of choosing to receive the contributed amounts directly instead of having them paid by the city directly to the plan. All such contributions by the city shall be deemed and considered as part of the member's accumulated contributions and subject to all provisions of this plan pertaining to accumulated contributions of members. The intent of this language is to comply with Section 414(h)(2) of the Internal Revenue Code.
- c. Interest.** Interest shall be credited to member contributions as of September 30th of each year at a rate equal to five percent (5%) per year.
- d. Guaranteed Refund.** All benefits payable under this plan are in lieu of a refund of accumulated contributions. In any event, however, each member shall be guaranteed the payment of benefits on his behalf at least equal in total amount to his accumulated contributions.

**Section 5.** Section 5.2. of Ordinance No. 34-3-87 is hereby amended to read as follows:

- 2. City contributions.** So long as this plan is in effect, the city shall make an annual contribution to the trust fund in an amount at least equal to the difference in each year as between member contributions and the total cost for the year as shown by the most recent actuarial valuation for the plan. The total cost for any year shall be defined as

the total of normal cost plus the additional amount sufficient to amortize the unfunded accrued past service liability over a thirty-year period commencing with the effective date of the amended plan. City contributions shall be deposited in the fund on at least a quarterly basis.

**Section 6. Severability**

If any section, sentence, clause or phrase of this Ordinance is held to be invalid or unconstitutional by any Court of competent jurisdiction, then said holding shall in no way affect the validity of the remaining portions of this Ordinance.

**Section 7. Inclusion in Code**

It is the intention of the Town Council of the Town of Golden Beach that the provisions of this Ordinance shall become, and be made part of, the Code of the Town of Golden Beach, and that the word "ordinance" may be changed to "section," "article," or such other appropriate word or phrase in order to accomplish such intentions.

**Section 8. Effective Date**

This Ordinance shall be effective as of October 1, 1991. No person who terminated employment prior to October 1, 1991 shall be subject to the provisions of this Ordinance.

PASSED AND ADOPTED ON FIRST READING: September 24, 1991

PASSED AND ADOPTED ON SECOND READING: October 15, 1991

**FIRST READING**  
Motion to adopt by Councilman Mena  
Seconded by Vice Mayor Duffner

**SECOND READING**  
Motion to adopt by Councilman Mena  
Seconded by Councilman Fried

TOWN CLERK AS TO FORM AND LEGAL SUFFICIENCY

MAYOR

on roll call the following vote ensued:

Mayor Tobin	<u>aye</u>
Vice Mayor Duffner	<u>absent</u>
Councilman Fried	<u>aye</u>
Councilman Mena	<u>aye</u>
Councilman Sorota	<u>aye</u>

TOWN ATTORNEY

ATTEST