

ORDINANCE 2016-22

AN ORDINANCE OF THE TOWN OF LONGBOAT KEY, FLORIDA, AMENDING THE CONSOLIDATED RETIREMENT SYSTEM FOR EMPLOYEES OF THE TOWN OF LONGBOAT KEY BY AMENDING SECTION 34.12, PLAN FREEZE AND PARTICIPATION IN DEFINED CONTRIBUTION PLAN; PROVIDING FOR AN ELECTION TO RECEIVE A REFUND OF ACCUMULATED CONTRIBUTIONS OR ACTUARIAL PRESENT VALUE OF FROZEN ACCRUED BENEFIT; AMENDING SECTION 34.42, PLAN FREEZE AND ENROLLMENT IN THE FLORIDA RETIREMENT SYSTEM; PROVIDING FOR AN ELECTION TO RECEIVE A REFUND OF ACCUMULATED CONTRIBUTIONS OR ACTUARIAL PRESENT VALUE OF FROZEN ACCRUED BENEFIT; AMENDING SECTION 34.72; PROVIDING FOR AN ELECTION TO RECEIVE A REFUND OF ACCUMULATED CONTRIBUTIONS OR ACTUARIAL PRESENT VALUE OF FROZEN ACCRUED BENEFIT; PROVIDING FOR SEVERABILITY; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH; PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE TOWN COMMISSION OF THE TOWN OF LONGBOAT KEY, FLORIDA, THAT:

SECTION 1. Section 34.12, Plan freeze and participation in defined contribution plan, is amended to read as follows:

Sec. 34.12. Plan freeze and participation in defined contribution plan.

Notwithstanding any other provision of the system:

- (A) The accrued benefits of all members of this system who are employed and not participating in the DROP on February 1, 2014, shall be frozen on that date. All members shall be fully vested in their frozen accrued benefit. The value of each member's frozen accrued benefit shall be calculated in accordance with the provisions of the system in effect on January 25, 2014, based on the member's credited service and average final compensation on that date. The frozen accrued benefit shall be payable to the member upon termination of town employment and attaining age 55 with ten years of credited service, 25 years of credited service regardless of age, or age 60 regardless of years of credited service, whichever occurs first. In applying the preceding sentence, credited service shall include all credited service as a member of this system prior to February 1, 2014, and all periods of employment as a full-time police officer with the Town of Longboat Key on and after February 1, 2014. For the purpose of determining a member's frozen accrued benefit in accordance with this subsection (A), salary shall include any payments of accrued leave that would have been included in the member's salary if the member retired prior to February 1, 2014. Notwithstanding the preceding sentence, upon separation

from employment, the amount of accrued leave included in a member's salary for the purpose of determining the member's frozen accrued benefit shall be the lesser of the amount of leave accrued at the time of separation from employment, or the amount of accrued leave that would have been included in the member's salary if the member retired prior to February 1, 2014, and the member's frozen accrued benefit shall be adjusted accordingly.

- (B) No benefits shall be accrued under this system on or after February 1, 2014, and no member contributions to this system shall be required on or after that date. The town shall continue to make contributions to the system in accordance with subsection 34.17(C), and the board shall continue to administer the system in accordance with sections 34.13 through 34.41 until all accrued benefits have been paid to all eligible members and beneficiaries.
- (C) Any member of this system who is employed on January 25, 2014 and has less than ten years of credited service on that date may elect to receive a refund of their accumulated contributions or the actuarial present value of their frozen accrued benefit, in lieu of any other benefit under the system.
- (D) Effective February 1, 2014, all current and future police officers of the Town of Longboat Key shall participate in a defined contribution retirement plan established by the Town of Longboat Key, and shall be eligible for benefits and make contributions to the defined contribution plan for all service as a police officer with the town on and after that date, in accordance with the defined contribution plan, as it may be amended from time to time.
- (E) Members of this system who retired, entered the DROP or terminated town employment with the right to a deferred vested benefit prior to February 1, 2014 shall be entitled to receive benefits from the system in accordance with the provisions of the system in effect on the date of their retirement, DROP entry, or termination of employment.
- (F) Effective July 5, 2016, any member of this system with the right to receive a deferred vested benefit who has not begun to receive a benefit may, on or before October 1, 2016, make a one-time irrevocable election on a form provided by the Town to receive a refund of their accumulated contributions or the actuarial present value of their frozen accrued benefit, in lieu of any other benefit under the system. For the purpose of determining the actuarial present value of the frozen accrued benefit, such benefit shall include the lesser of the amount of leave accrued as of July 5, 2016, or the amount of accrued leave that would have been included in the member's salary if the member retired prior to February 1, 2014.

SECTION 2. Section 34.42, Plan freeze and enrollment in the Florida Retirement System, is amended to read as follows:

Sec. 34.42. Plan freeze and enrollment in the Florida Retirement System.

Notwithstanding any other provision of the system:

- (A) The accrued benefits of all members of this system who are employed and not participating in the DROP on September 30, 2013, shall be frozen on that date. All members shall be fully vested in their frozen accrued benefit based on their length of service as of September 30, 2013. The value of each member's

frozen accrued benefit shall be calculated in accordance with the provisions of the system in effect on September 30, 2013, based on the member's credited service and average final compensation on that date. The frozen accrued benefit shall be payable to the member upon termination of town employment and attaining age 55 with ten years of credited service, 25 years of credited service regardless of age, or age 60 regardless of years of credited service, whichever occurs first. In applying the preceding sentence, credited service shall include all credited service as a member of this system prior to October 1, 2013, and all periods of employment as a full-time firefighter with the Town of Longboat Key on and after October 1, 2013. For the purpose of determining a member's frozen accrued benefit in accordance with this subsection (A), salary shall include any payments of accrued leave that would have been included in the member's salary if the member retired prior to October 1, 2013. Notwithstanding the preceding sentence, upon separation from employment the amount of accrued leave included in a member's salary for the purpose of determining the member's frozen accrued benefit shall be the lesser of the amount of leave accrued at the time of separation from employment, or the amount of accrued leave that would have been included in the member's salary if the member retired prior to October 1, 2013, and the member's frozen accrued benefit shall be adjusted accordingly.

- (B) No benefits shall be accrued under this system on or after October 1, 2013, and no member contributions to this system shall be required on or after that date. The town shall continue to make contributions to the system in accordance with subsection 34.47(C), and the board shall continue to administer the system in accordance with sections 34.43 through 34.67, until all accrued benefits have been paid to all eligible members and beneficiaries.
- (C) Any member of this system who is employed on September 30, 2013, and has less than ten years of credited service on that date may elect to receive a refund of their accumulated contributions or the actuarial present value of their frozen accrued benefit, in lieu of any other benefit under the system.
- (D) Effective October 1, 2013, all current and future firefighters of the Town of Longboat Key shall be enrolled in the Florida Retirement System, and shall accrue benefits under and make contributions to the Florida Retirement System for all service as a firefighter with the town on and after that date, in accordance with the state statutes and rules applicable to the Florida Retirement System, as those statutes and rules may be amended from time to time.
- (E) Members of this system who retired, entered the DROP or terminated town employment with the right to a deferred vested benefit prior to October 1, 2013, shall be entitled to receive benefits from the system in accordance with the provisions of the system in effect on the date of their retirement, DROP entry, or termination of employment. Members who retire or enter the DROP prior to October 1, 2013, shall not be eligible for reemployment with the town after that date, except at the exclusive option of the town.
- (F) Effective July 5, 2016, any member of this system with the right to receive a deferred vested benefit who has not begun to receive a benefit may, on or before October 1, 2016, make a one-time irrevocable election on a form provided by the Town to receive a refund of their accumulated contributions or the actuarial present value of their frozen accrued benefit, in lieu of any other

benefit under the system. For the purpose of determining the actuarial present value of the frozen accrued benefit, such benefit shall include the lesser of the amount of leave accrued as of July 5, 2016, or the amount of accrued leave that would have been included in the member's salary if the member retired prior to October 1, 2013.

SECTION 3. Section 34.72, Plan freeze and participation in defined contribution plan, is amended to read as follows:

Sec. 34.72. Plan freeze and participation in defined contribution plan.

Notwithstanding any other provision of the system:

- (A) The accrued benefits of all members of this system who are employed and not participating in the DROP on September 30, 2013, shall be frozen on that date. All members shall be fully vested in their frozen accrued benefit based on their length of service. The value of each member's frozen accrued benefit shall be calculated in accordance with the provisions of the system in effect on September 30, 2013, based on the member's credited service and average final compensation on that date. The frozen accrued benefit shall be payable to the member upon termination of town employment and attaining age 55 with 30 years of credited service or age 62 regardless of years of credited service, whichever occurs first. Alternatively, a member who is employed and not participating in the DROP on September 30, 2013, may elect to receive the frozen accrued benefit, reduced in accordance with subsection 34.78(D), upon termination of town employment and attaining age 50 with 15 years of credited service. In applying the preceding two sentences, credited service shall include all credited service as a member of this system prior to October 1, 2013, and all periods of employment with the Town of Longboat Key on and after October 1, 2013. For the purpose of determining a member's frozen accrued benefit in accordance with this subsection (A), salary shall include any payments of accrued leave that do not exceed the member's accrued leave balance as of July 1, 2011, and that would have been included in the member's salary if the member retired prior to October 1, 2013. Notwithstanding the preceding sentence, upon separation from employment the amount of accrued leave included in a member's salary for the purpose of determining the member's frozen accrued benefit shall be the lesser of the amount of leave accrued at the time of separation from employment, or the amount of accrued leave that would have been included in the member's salary if the member retired prior to October 1, 2013, and the member's frozen accrued benefit shall be adjusted accordingly.
- (B) No benefits shall be accrued under this system on or after October 1, 2013, and no member contributions to this system shall be required on or after that date. The town shall continue to make contributions to the system in accordance with subsection 34.77(B), and the board shall continue to administer the system in accordance with sections 34.73 through 34.98, as modified by this section 34.72, until all accrued benefits have been paid to all eligible members and beneficiaries.

- (C) Any member of this system who is employed on September 30, 2013 and has less than ten years of credited service on that date may elect to receive a refund of their accumulated contributions or the actuarial present value of their frozen accrued benefit, in lieu of any other benefit under the system. Such election must be made in writing on a form provided by the town on or before December 13, 2013, and if a member does not make a timely election he/she shall retain the frozen accrued benefit and shall not be eligible for a refund of accumulated contributions or the actuarial present value of their frozen accrued benefit, except as otherwise provided in the plan.
- (D) Effective October 1, 2013, all current and future general employees of the Town of Longboat Key shall participate in a defined contribution retirement plan established by the Town of Longboat Key, and shall be eligible for benefits and make contributions to the defined contribution plan for all service as a general employee with the town on and after that date, in accordance with the defined contribution plan, as it may be amended from time to time.
- (E) Members of this system who retired, entered the drop or terminated town employment with the right to a deferred vested benefit prior to October 1, 2013 shall be entitled to receive benefits from the system in accordance with the provisions of the system in effect on the date of their retirement, DROP entry, or termination of employment. Members who retire or enter the DROP prior to October 1, 2013 shall not be eligible for reemployment with the town after that date, except at the exclusive option of the town.
- (F) Notwithstanding the provisions of subsection 34.96(B)(1), a member who as of June 1, 2013 is within five years of the normal retirement date, may enter the DROP without penalty or enhancements on the first day of any month prior to September 30, 2013. Any member entering DROP pursuant to this provision must execute a voluntary resignation irrevocable for any reason to be effective at the end of the member's participation in the DROP, and which provides that the member shall not be eligible for reemployment with the town, except at the exclusive option of the town.
- (G) Effective July 5, 2016, any member of this system with the right to receive a deferred vested benefit who has not begun to receive a benefit may, on or before October 1, 2016, make a one-time irrevocable election on a form provided by the Town to receive a refund of their accumulated contributions or the actuarial present value of their frozen accrued benefit, in lieu of any other benefit under the system. For the purpose of determining the actuarial present value of the frozen accrued benefit, such benefit shall include the lesser of the amount of leave accrued as of July 5, 2016, or the amount of accrued leave that would have been included in the member's salary if the member retired prior to October 1, 2013.

SECTION 4. All other ordinances of the Town of Longboat Key, Florida, or parts thereof which conflict with this or any part of this Ordinance are hereby repealed.

SECTION 5. If any section, subsection, sentence, clause, phrase of this ordinance, or the particular application thereof shall be held invalid by any court, administrative agency or other body with appropriate jurisdiction, the remaining section, subsection, sentences, clauses, or phrase under application shall not be affected thereby.

SECTION 6. This Ordinance shall take effect upon adoption.

Passed on the first reading the 20th day of June, 2016.

Adopted on the second reading and public hearing the 5th day of July, 2016.



Jack G. Duncan, Mayor

ATTEST:



Trish Granger, Town Clerk

