



# TOWN OF LONGBOAT KEY

*Incorporated November 14, 1955*

**Town Hall**  
501 Bay Isles Road  
Longboat Key, FL 34228  
(941) 316-1999  
FAX (941) 316-1656  
[www.longboatkey.org](http://www.longboatkey.org)

July 1, 2016

Mr. Keith Brinkman  
Division of Retirement  
Bureau of Local Retirement Systems  
P. O. Box 9000  
Tallahassee, FL 32315-9000

Re: Actuarial Impact Statement

Dear Mr. Brinkman:

The Town of Longboat Key is considering the implementation of changes in benefits for its General Employees. The changes are described in the enclosed material.

Pursuant to Section 22d-1.04 of the Agency Rules, we are enclosing the required Actuarial Impact Statement (AIS) and a copy of the proposed Ordinance for your review.

If you have any questions or if additional information is needed, please contact us.

Sincerely,

Susan L. Smith  
Finance Director  
Town of Longboat Key, FL

cc: Steve Branham, Chairman, Consolidated Retirement System

TOWN OF LONGBOAT KEY  
CONSOLIDATED RETIREMENT SYSTEM

ACTUARIAL IMPACT STATEMENT  
(GENERAL EMPLOYEES' PORTION)

June 30, 2016  
(Page 1)

Attached hereto is a comparison of the impact on the Total Required Contribution (per Chapter 112, Florida Statutes), and the Required Town Contributions, resulting from the implementation of the following change:

- Provide an option for current employees and Vested Terminated Members (prior employees who are entitled to a deferred monthly benefit) to receive the greater of the refund of their accumulated contributions or the actuarial present value of their frozen accrued benefit.
- For purposes of this Impact Statement, it is assumed that the 10 employees (of the remaining 21) with the largest liabilities will elect the lump sum cashout option described above. It is also assumed that the 6 Vested Terminated Members with the largest liabilities will take the cashout option (there are 12 Vested Terminated Members as of the October 1, 2015 valuation).

Methods/Assumptions

- For purposes of this Impact Statement, the actuarial present values were based on the applicable definition of Actuarial Equivalence as it pertains to the Plan's General Employees. Accordingly, these assumptions are the RP2000 Combined Healthy Table (unisex without projection) for mortality, and 7.75% for investment return.
- The change in the Unfunded Actuarial Accrued Liability is amortized as a level dollar over 20 years. This 20 year period approximates the expected future lifetime of the General Employee retirees.

The cost impact, determined as of October 1, 2015, as applicable to the plan/fiscal year ending September 30, 2017, is as follows:

|                            | <u>Current</u> | <u>Proposed</u> |
|----------------------------|----------------|-----------------|
| Required Town Contribution | \$712,431      | \$679,109       |

TOWN OF LONGBOAT KEY  
CONSOLIDATED RETIREMENT SYSTEM

ACTUARIAL IMPACT STATEMENT  
(GENERAL EMPLOYEES' PORTION)

June 30, 2016  
(Page 2)

The changes presented herein are in compliance with Part VII, Chapter 112, Florida Statutes and Section 14, Article X of the State Constitution. The liabilities were computed based on the data used for the October 1, 2015 actuarial valuation utilizing the assumptions and methods stated in the October 1, 2015 actuarial valuation report. This impact statement and the October 1, 2015 valuation report are considered an integral part of the actuarial opinions. The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein.



\_\_\_\_\_  
Douglas H. Lozen, EA, MAAA  
Enrolled Actuary #14-7778

STATEMENT OF PLAN ADMINISTRATOR

The prepared information presented herein reflects the estimated cost of the proposed improvement.



\_\_\_\_\_  
Chairman, Board of Trustees

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS  
GENERAL EMPLOYEES

|                                | Proposed Benefits<br><u>10/1/2015</u> | Current Benefits<br><u>10/1/2015</u> |
|--------------------------------|---------------------------------------|--------------------------------------|
| A. Participant Data            |                                       |                                      |
| Number Included                |                                       |                                      |
| Actives                        | 11                                    | 21                                   |
| Service Retirees               | 39                                    | 39                                   |
| DROP Retirees                  | 6                                     | 6                                    |
| Beneficiaries                  | 0                                     | 0                                    |
| Disability Retirees            | 0                                     | 0                                    |
| Terminated Vested              | <u>6</u>                              | <u>12</u>                            |
| Total                          | 62                                    | 78                                   |
| Total Annual Payroll           | N/A                                   | N/A                                  |
| Payroll Under Assumed Ret. Age | N/A                                   | N/A                                  |
| Annual Rate of Payments to:    |                                       |                                      |
| Service Retirees               | 825,698                               | 825,698                              |
| DROP Retirees                  | 173,610                               | 173,610                              |
| Beneficiaries                  | 0                                     | 0                                    |
| Terminated Vested              | 40,702                                | 157,642                              |
| B. Assets                      |                                       |                                      |
| Actuarial Value <sup>1</sup>   | 7,501,583                             | 10,284,623                           |
| Market Value <sup>1</sup>      | 7,051,065                             | 9,834,105                            |
| C. Liabilities                 |                                       |                                      |
| Present Value of Benefits      |                                       |                                      |
| Actives                        |                                       |                                      |
| Retirement Benefits            | 453,400                               | 2,657,446                            |
| Disability Benefits            | 0                                     | 0                                    |
| Death Benefits                 | 11,467                                | 39,631                               |
| Vested Benefits                | 116,416                               | 128,702                              |
| Refund of Contributions        | 0                                     | 0                                    |
| Service Retirees               | 8,705,968                             | 8,705,968                            |
| DROP Retirees <sup>1</sup>     | 2,459,167                             | 2,459,167                            |
| Beneficiaries                  | 0                                     | 0                                    |
| Disability Retirees            | 0                                     | 0                                    |
| Terminated Vested              | <u>182,705</u>                        | <u>1,054,906</u>                     |
| Total                          | 11,929,123                            | 15,045,820                           |

GENERAL EMPLOYEES

| C. Liabilities - (Continued)   | Proposed Benefits<br><u>10/1/2015</u> | Current Benefits<br><u>10/1/2015</u> |
|--|---------------------------------------|--------------------------------------|
| Present Value of Future Salaries   | N/A                                   | N/A                                  |
| Present Value of Future<br>Member Contributions                                  | N/A                                   | N/A                                  |
| Normal Cost (Retirement)   | 0                                     | 0                                    |
| Normal Cost (Disability)   | 0                                     | 0                                    |
| Normal Cost (Death)  | 753                                   | 1,991                                |
| Normal Cost (Vesting)  | 0                                     | 0                                    |
| Normal Cost (Refunds)  | <u>0</u>                              | <u>0</u>                             |
| Total Normal Cost  | 753                                   | 1,991                                |
| Present Value of Future<br>Normal Costs  | 4,647                                 | 10,506                               |
| Accrued Liability (Retirement)   | 453,400                               | 2,657,446                            |
| Accrued Liability (Disability)   | 0                                     | 0                                    |
| Accrued Liability (Death)  | 6,820                                 | 29,125                               |
| Accrued Liability (Vesting)  | 116,416                               | 128,702                              |
| Accrued Liability (Refunds)  | 0                                     | 0                                    |
| Accrued Liability (Inactives) <sup>1</sup>                                       | <u>11,347,840</u>                     | <u>12,220,041</u>                    |
| Total Actuarial Accrued Liability  | 11,924,476                            | 15,035,314                           |
| Total Actuarial Accrued<br>Liability (Aggregate)                                 | 7,501,583                             | 10,284,623                           |
| Unfunded Actuarial Accrued<br>Liability (UAAL)                                   | 4,422,893                             | 4,750,691                            |
| Funded Ratio (AVA / AL)  | 62.9%                                 | 68.4%                                |
| <br>D. Actuarial Present Value of Accrued Benefits                               |                                       |                                      |
| Vested Accrued Benefits  |                                       |                                      |
| Inactives <sup>1</sup>   | 11,347,840                            | 12,220,041                           |
| Actives  | 230,576                               | 1,975,682                            |
| Member Contributions   | <u>263,865</u>                        | <u>657,806</u>                       |
| Total  | 11,842,281                            | 14,853,529                           |
| Non-vested Accrued Benefits  | <u>86,842</u>                         | <u>192,291</u>                       |
| Total Present Value Accrued Benefits   | 11,929,123                            | 15,045,820                           |
| Funded Ratio (MVA / PVAB)  | 59.1%                                 | 65.4%                                |
| <br>Increase (Decrease) in Present Value of<br>Accrued Benefits Attributable to: |                                       |                                      |
| Plan Amendments  | (3,116,697)                           |                                      |
| Assumption Changes   | 0                                     |                                      |
| New Accrued Benefits   | 0                                     |                                      |
| Benefits Paid  | 0                                     |                                      |
| Interest   | 0                                     |                                      |
| Other  | <u>0</u>                              |                                      |
| Total  | (3,116,697)                           |                                      |

GENERAL EMPLOYEES

| Valuation Date  | Proposed Benefits | Current Benefits |
|---|-------------------|------------------|
| Applicable to Fiscal Year Ending  | <u>10/1/2015</u>  | <u>10/1/2015</u> |
|   | <u>9/30/2017</u>  | <u>9/30/2017</u> |
| E. Pension Cost   |                   |                  |
| Normal Cost <sup>2</sup>  | \$832             | \$2,200          |
| Administrative Expenses <sup>2</sup>  | 48,735            | 48,735           |
| Payment Required to Amortize<br>Unfunded Actuarial Accrued<br>Liability over 27 years<br>(as of 10/1/2015) <sup>2</sup> | 629,542           | 661,496          |
| Total Required Contribution   | 679,109           | 712,431          |
| Expected Member Contributions <sup>2</sup>  | 0                 | 0                |
| Expected Town Contribution  | 679,109           | 712,431          |

<sup>1</sup> The asset values and liabilities for DROP Members include accumulated DROP Balances as of 9/30/2015.

<sup>2</sup> Funding rates include a 1.5 year interest load.

ACTUARIAL ASSUMPTIONS AND METHODS  
GENERAL EMPLOYEES

Mortality Rates RP 2000 Combined Healthy (sex distinct), projected to valuation year using scale AA.

Termination Rates Table 1305, see sample rates below.

| <u>Age</u> | <u>% Terminating<br/>During the Year</u> |
|------------|--|
| 20         | 17.2%                                    |
| 30         | 15.0                                     |
| 40         | 8.2                                      |
| 50         | 1.7                                      |

Retirement Age Earlier of age 62 or age 55 and completion of 30 years of Credited Service. Also, any Member who has reached normal Retirement is assumed to continue employment for one additional year. We believe this assumption is reasonable based on the plan provisions.

Early Retirement 5% per year, for each your of eligibility, beginning at Age 50 with 15 years of Credited Service. We believe this assumption is reasonable based on the plan provisions.

Interest Rate 7.0% per year, compounded annually, net of investment related expenses.

Salary Increases None.

Payroll Growth None.

Administrative Expenses \$44,104 annually, based on last year's actual expenses.

Funding Method Entry Age Normal Actuarial Cost Method. An interest load equal to 1.5 years has been applied for determination of the Total Required Contribution.

Asset Valuation Method Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

SUMMARY OF PLAN PROVISIONS  
GENERAL EMPLOYEES  
(Through Ordinance No. 2013-15)

**The information below is for historical reference only. Benefits are frozen as of September 30, 2013.**

|                                   |  |
|-----------------------------------|--|
| <u>Effective Date</u>             | April 1, 1992  |
| <u>Latest Amendment</u>           | August 14, 2013  |
| <u>Eligibility</u>                | Full-time employees hired before September 30, 2013 become Members as a condition of employment.   |
| <u>Compensation</u>               | W-2 earnings, plus tax-deferred, tax-sheltered, and tax-exempt income. Salary earned after September 30, 2013 is not counted for determination of the accrued benefit. |
| <u>Average Final Compensation</u> | Average Compensation paid an employee during the best 5 years within the last 10 years preceding September 30, 2013.   |
| <u>Credited Service</u>           | Years and fractional parts of years of service with the Town as a General Employee through September 30, 2013.   |
| <u>Normal Retirement</u>          |  |
| Eligibility                       | Earlier of 1) Age 62 or 2) Age 55 and the completion of 30 years of Credited Service.  |
| Benefit                           | 2.75% of Average Final Compensation times Years of Credited Service. The benefit is frozen as of September 30, 2013.   |
| Form of Benefit                   | Life Annuity with 120 months certain (options available).  |
| <u>Early Retirement</u>           |  |
| Date                              | Attainment of age 50 and the completion of 15 years of Credited Service.   |
| Benefit                           | Accrued benefit reduced 3.0% for each year preceding the Normal Retirement Date.   |

Death Benefit

Not Vested

Refund of Member Contributions.

Vested

Accrued benefit paid to Beneficiary for 120 months at Member's otherwise Early (reduced) or Normal Retirement Date.

Post-Retirement

According to optional form of benefit selected.

Termination of Employment

Upon an employee's termination of employment for reason other than death, disability or retirement, he shall be entitled to the payment of the Vested Percentage of his or her accrued pension at the otherwise Early (reduced) or Normal Retirement Date. The applicable Vested Percentage is determined by the following table:

| <u>Years of Service</u> | <u>Percentage</u> |
|-------------------------|-------------------|
| Less than 5             | 0%                |
| 5                       | 50%               |
| 6                       | 60%               |
| 7                       | 70%               |
| 8                       | 80%               |
| 9                       | 90%               |
| 10                      | 100%              |

Members are 100% vested on September 30, 2013.

Deferred Retirement Option Plan

Eligibility

Within 12 months following satisfaction of Normal Retirement requirements (age 62 or age 55 and 30 years of Credited Service.) New DROP Participants are not allowed after September 30, 2013.

Participation

Not to exceed 60 months.

Rate of Return

At election of Member (may change once during the DROP period) either: 1) actual net rate of investment return (total return net of brokerage commissions, management fees, and transaction costs), or 2) 6.5%. Earnings are credited each fiscal quarter.

Form of Distribution

Cash lump sum (options available) at termination of employment.

Contributions

Employee

None.

Town

Amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years (per Chapter 112, F.S.).

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 \_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Jack G. Duncan, Mayor

ATTEST:

\_\_\_\_\_  
Trish Granger, Town Clerk