

ORDINANCE NO. 2020- 66

**CITY OF POMPANO BEACH
Broward County, Florida**

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA, AMENDING CHAPTER 34, "CITY POLICY," OF THE CODE OF ORDINANCES OF THE CITY OF POMPANO BEACH RELATING TO THE POLICE & FIREFIGHTERS' RETIREMENT SYSTEM BY AMENDING SECTION 34.0571, "INTERNAL REVENUE CODE COMPLIANCE," TO PROVIDE FOR COMPLIANCE WITH THE SECURE ACT; BY AMENDING SECTION 34.0603, "DEFERRED RETIREMENT OPTION PLAN (DROP)," PROVIDING FOR A REDUCTION IN THE DROP ADMINISTRATIVE FEE; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Setting Every Community Up for Retirement Enhancement ("SECURE") Act, signed into law on December 20, 2019, amended the definition of "Required Beginning Date" for qualified plans pursuant to Section 401(a)(9) of the Internal Revenue Code; and

WHEREAS, amendment to the City Ordinance pertaining to the Retirement System is necessary to comply with the requirements of the SECURE Act; and

WHEREAS, the Board of Trustees has reviewed and approved a reduction to the Fund's DROP administrative expense rate; and

WHEREAS, the Board of Trustees of the Retirement System have requested and approved such an amendment as being in the best interests of the members and beneficiaries as well as improving the administration of the plan; and

WHEREAS, City Commission has received and reviewed an actuarial impact statement from the Retirement System's actuary relating to the amendments set forth herein; and

WHEREAS, pursuant to law, ten (10) days' notice has been given by publication in a paper of general circulation in the City, notifying the public of this proposed ordinance and of a public hearing in the City Commission Chambers of the City of Pompano Beach; and

WHEREAS, a public hearing before the City Commission was held pursuant to the published notice described above, at which hearing the parties in interest and all other citizens so desiring had an opportunity to be and were, in fact, heard; now, therefore,

BE IT ENACTED BY THE CITY OF POMPANO BEACH, FLORIDA:

SECTION 1. That Section 34.0571, "Internal Revenue Code Compliance," of Chapter 34, "City Policy," of the Pompano Beach Code of Ordinances, is hereby amended to read as follows:

§ 34.0571 INTERNAL REVENUE CODE COMPLIANCE.

...

(B) Required beginning date. Notwithstanding any other provision of the Plan, payment of a participant's retirement benefits under the Plan shall commence not later than the participant's ***REQUIRED BEGINNING DATE***, which is defined as ~~the later of~~:

(1) With regard to distributions required to be made to a participant who reaches age 70 ½ before January 1, 2020: April 1 of the calendar year that next follows the calendar year in which the participant attains or will attain the age of 70 ½ years; or (2)–April 1 of the calendar year that next follows the calendar year in which the participant retires, whichever is later.

(2) With regard to distributions required to be made on or after January 1, 2020 to a participant who reaches the age of 70 ½ on or after said date: April 1 of the calendar year that next follows the calendar year in which the participant attains or will attain the age of 72 years, or April 1 of the calendar year that next follows the calendar year in which the participant retires, whichever is later.

...

SECTION 2. That Section 34.0603, “Deferred Retirement Option Plan (DROP),” of Chapter 34, “City Policy,” of the Pompano Beach Code of Ordinances, is hereby amended to read as follows:

§ 34.0603 DEFERRED RETIREMENT OPTION PLAN (DROP).

A deferred retirement option plan (DROP) is hereby authorized. The DROP is to be administered by the Board of Trustees. Police officer members may elect to enter the DROP upon reaching normal retirement as set forth and in accordance with the terms and conditions of the DROP document in existence as negotiated in the collective bargaining agreements between the Broward County Police Benevolent Association of Pompano Beach, Florida and the City or Broward County Sheriff’s Office. In no event shall the Board administer a plan which results in the disqualification of the system under the Internal Revenue Code.

...

(H) Expenses. To compensate the system for the expenses of administering, investing and operating the DROP, each member’s account shall be charged an annual administrative fee which shall be reviewed and subject to increase or decrease annually. The initial expense charge of three-quarters of one percent of the account balance (0.75%) shall be deducted from the member’s account after each fiscal year quarter at the rate of 0.1875% of the account’s average balance during that quarter. Effective April 1, 2020, the expense charge of sixty basis points (0.60%) of the account balance shall be deducted from the member’s account after each fiscal year quarter at the rate of 0.15% of the account’s average balance during that quarter. Provided, however, if a member elects to participate as set forth in subsection (G)(2) above, the member’s account may be charged an administrative cost to be determined from time to time by the Board of Trustees.

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SECTION 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 4. If any provision of this Ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect any provisions or applications of this Ordinance that can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable.

SECTION 5. This Ordinance shall become effective upon passage; however, the provisions of this Ordinance that are specified to take effect as of a date certain shall take effect as of the date specified herein.

PASSED FIRST READING this 28th day of July, 2020.

PASSED SECOND READING this 8th day of September, 2020.

DocuSigned by:
Rex Hardin
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REX HARDIN, MAYOR

ATTEST:

DocuSigned by:
Asceleta Hammond
775D4290316A490...
ASCELETA HAMMOND, CITY CLERK



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