

# TOWN OF PALM BEACH

Information for Town Council Meeting on: September 10, 2019

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To: Mayor and Town Council

Via: Kirk Blouin, Town Manager

From: Danielle Olson, Director of Human Resources

Re: **Ordinance No. 35-2019** - Amendment of Chapter 82 of the Town Code of Ordinances Relating to Personnel, Article II, Employee Benefits, Division 2, Retirement System

Date: August 27, 2019

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## **STAFF RECOMMENDATION**

Staff recommends approval of the second reading of Ordinance 35-2019 amending Chapter 82 of Town Code of Ordinances. These changes relate to the benefits for Police Officers and non-bargaining unit Firefighters in accordance with the Town Council's recent directive during the Compensation and Benefits Study, as well as changes required pursuant to recently enacted state legislation specifically section 112.1816, F.S. entitled Firefighters; Cancer Diagnosis, and additional language to ensure compliance with IRS or statutory rules. Additionally, an actuarial impact statement has been prepared as required and is enclosed for review.

## **GENERAL INFORMATION**

Pursuant to the directives received from Town Council during the recent Compensation and Benefits Study, the amendments presented herein changes the following:

- member contribution to 8.5% for police officers and non-bargaining unit firefighters, effective the first pay period after October 1, 2019; and
- Part B normal retirement age for non-bargaining unit firefighters and police officers to age 55 with 10 years of service or age 52 with 25 years of service, effective October 1, 2019.

The Florida legislature recently passed Florida Statute Section 112.1816, providing that firefighters who meet certain eligibility requirements and are diagnosed with one of 21 specified types of cancer are eligible to receive certain benefits. With respect to the retirement benefits, the statute mandates the Town provide enhanced disability pension and death benefits for eligible firefighters who become disabled or die due to one of the 21 specified types of cancer or cancer treatment.

This ordinance also provides clarification language for existing practices associated with benefits currently allowable within the Code. This includes allowing members who currently elect to purchase service to do so by payroll deduction in a manner compliant with IRS codes and clarification of member election of survivor benefits. The attorney representing the Town's

Retirement Board of Trustees has amended this ordinance to comply with the changes described herein and the statutory mandate.

**FUNDING/FISCAL IMPACT**

The actuary for the Town's Retirement Plan prepared the required financial impact statement as provided herein. The impact statement total for the Town contribution is slightly less than originally estimated resulting in approximately \$17,100 in excess funding within the FY20 budget.