

**ORDINANCE NO. 39-2019**

**AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF PALM BEACH, PALM BEACH COUNTY, FLORIDA, AMENDING CHAPTER 82 OF THE TOWN CODE OF ORDINANCES RELATING TO PERSONNEL, AT ARTICLE II, EMPLOYEE BENEFITS, DIVISION 2, RETIREMENT SYSTEM; AMENDING SUBDIVISION I, IN GENERAL, BY AMENDING SECTION 82-54, CREDITED SERVICE; LOSS OF CREDITED SERVICE; REINSTATEMENT OF CREDITED SERVICE.; AMENDING SUBDIVISION II, RESERVE ACCOUNTS, BY AMENDING SECTION 82-80, MEMBER CONTRIBUTIONS; AMENDING SUBDIVISION III, FIREFIGHTERS, BY AMENDING SECTION 82-94, RETIREMENT AGE AND SERVICE CONDITIONS FOR FIREFIGHTERS; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL OF ORDINANCES IN CONFLICT; PROVIDING FOR CODIFICATION; PROVIDING AN EFFECTIVE DATE.**

**BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF PALM BEACH, PALM BEACH COUNTY, FLORIDA, AS FOLLOWS:**

**Section 1.** The Code of Ordinances of the Town of Palm Beach is hereby amended at Chapter 82, Personnel; Article II, Employee Benefits; Division 2, Retirement System; Subdivision I. – In General; by amending Section 82-54 to read as follows:

Sec. 82-54. - Credited service; loss of credited service; reinstatement of credited service.

\* \* \*

(d) Unless otherwise prohibited by law, a vested member who has not purchased service credit under section 82-64, may purchase years or fractional parts of years of service to be added to years of credited service provided that:

(1) The member contributes to the retirement system the sum that would have been contributed, based on the applicable employee contribution rate in effect at the time that the credited service is requested for the years or fractional parts of years for which the credit is requested, plus payment of costs for all professional services rendered to the board in connection with the purchase of years of credited service, plus the amount actuarially determined so that the crediting of service does not result in any costs to the retirement system.

(2) Payment by the member of the required amount may be made within six months of the request for credit and in one lump sum payment, or over a period equal to the length of time being purchased or five years, whichever is less, at an interest rate which is equal to the interest rate determined under section 82-65. No

credit shall be given for any service until all years of service which are to be purchased, have been purchased.

(3) The credited service purchased under this section shall count for all purposes except vesting. No more than five years of credited service may be purchased.

(4) If a member who is in the process of purchasing service terminates before completing the purchase, the unpaid purchase price due from the former member may be set-off against benefits payable to the former member.

(5) A purchase of service may be made no more than three times during the course of employment and no purchase may be made until any previous purchase is fully paid.

~~(6) Purchases of service by members of benefit group firefighter may only be based upon actual prior service as a firefighter or service in the military and purchases of service by a member of benefit group police officer may only be based upon actual prior service as a police officer or service in the military.~~

(7) Rollovers from qualified plans. A member may roll over all or part of his or her assets in another qualified plan, that constitutes an eligible rollover distribution, to purchase service under this section, provided all of the following requirements are met:

a. Some or all of the amount distributed from the other plan is rolled over to this plan no later than the 60th day after distribution was made from such plan.

b. The amount rolled over to this plan does not include any amounts contributed by the member to such plan on a post-tax basis.

c. The rollover is made in cash.

d. The member certifies that the distribution is eligible for a rollover.

e. Amounts which are accepted as a rollover to this retirement system shall be fully vested at all times.

(8) The rollover may also be made from individual retirement accounts qualified under Internal Revenue Code section 408.

(9) Amounts rolled over may be segregated from other retirement plan assets.

(10) In addition, the retirement system may accept the direct transfer of a member's account from another qualified retirement plan to purchase service. The retirement system shall account for direct transfers in the same manner as a rollover and shall obtain certification from the member that the amounts are eligible for a rollover or direct transfer to this retirement system.

**Section 2.** The Code of Ordinances of the Town of Palm Beach is hereby amended at Chapter 82, Personnel; Article II, Employee Benefits; Division 2, Retirement

System; Subdivision II. – Reserve Accounts; by amending Section 82-80 to read as follows:

Sec. 82-80. – Reserve for member contributions.

\* \* \*

(d) Notwithstanding the provisions of subsection (c) above:

- (1) The member contribution rate for benefit group police officer members and non-bargaining unit benefit group firefighter members who were employed but did not attain normal retirement eligibility based on credited service as of May 1, 2012, excluding credited service purchased pursuant to section 82-54, and benefit group police officer members and non-bargaining unit benefit group firefighter members hired on or after May 1, 2012, effective the first full pay period after October 1, 2016 shall be ten percent of compensation. The member contribution rate for such members shall be subject to adjustment the first full pay period following October 1, 2017 and the first full pay period following October 1, 2018 based on the investment performance of the retirement system, as set forth in subsection (e) below. Effective the first full pay period after October 1, 2019, the member contribution rate for benefit group police officer members and non-bargaining unit benefit group firefighter members shall be eight and one-half percent of compensation. Effective the pay period beginning December 14, 2019, the member contribution rate for bargaining unit benefit group firefighter members shall be eight and one-half percent of compensation.

\* \* \*

**Section 3.** The Code of Ordinances of the Town of Palm Beach is hereby amended at Chapter 82, Personnel; Article II, Employee Benefits; Division 2, Retirement System; Subdivision III. – Firefighters; by amending Section 82-94 to read as follows:

Sec. 82-94. – Retirement age and service conditions for firefighters.

\* \* \*

(b) The age and service conditions for normal retirement are as follows:

- (1) Members who attained normal retirement eligibility based on credited service as of May 1, 2012, excluding credited service purchased pursuant to section 82-54, and who were employed by the town and not participating in the DROP on that date, shall be eligible for normal retirement upon attaining age 50 with ten or more years of credited service; or when the member’s age to last completed month plus credited service totals 65 years or more and the member has ten or more years of credited service; or when the member has 20 or more years of credited service.
- (2) Members who did not attain normal retirement eligibility based on credited service as of May 1, 2012, excluding credited service purchased pursuant to section 82-54, and who were employed by the town and not participating in the

DROP on that date, shall be eligible for normal retirement upon attaining age 50, or when the member's age to last completed month plus credited service totals 65 years or more, or upon completion of 20 years of credited service regardless of age, and upon such retirement shall be eligible to receive the frozen accrued benefit based on credited service and average final compensation on April 30, 2012. Such members shall be eligible to receive the accrued benefit based on credited service on and after May 1, 2012 upon attaining age 65 with ten or more years of credited service.

- (3) Members hired on or after May 1, 2012, shall be eligible for normal retirement upon attaining age 65 with ten or more years of credited service.
- (4) Notwithstanding the provisions of paragraphs (2) and (3) above, effective October 1, 2016, non-bargaining unit members who did not attain normal retirement eligibility based on credited service as of May 1, 2012, excluding credited service purchased pursuant to section 82-54, and who were employed by the town and not participating in the DROP on that date, and non-bargaining unit members hired on or after May 1, 2012, shall be eligible to receive the accrued benefit based on credited service on and after May 1, 2012 upon attaining age 56 with ten or more years of credited service. The provisions of this paragraph shall apply to non-bargaining unit members who are participating in the DROP on October 1, 2016, and to non-bargaining unit members who retire or enter the DROP on or after that date, but shall not apply to non-bargaining unit members who retired or separated from employment before October 1, 2016.
- (5) Notwithstanding the provisions of paragraphs (2) and (3) above, effective August 12, 2017 bargaining unit members who did not attain normal retirement eligibility based on credited service as of May 1, 2012, excluding credited service purchased pursuant to section 82-54, and who were employed by the town and not participating in the DROP on that date, and bargaining unit members hired on or after May 1, 2012, shall be eligible to receive the accrued benefit based on credited service on and after May 1, 2012 upon attaining age 56 with ten or more years of credited service.
- (6) Notwithstanding the provisions of paragraphs (2), (3) and (4) above, effective October 1, 2019, non-bargaining unit members who did not attain normal retirement eligibility based on credited service as of May 1, 2012, excluding credited service purchased pursuant to section 82-54, and who were employed by the town and not participating in the DROP on that date, and non-bargaining unit members hired on or after May 1, 2012, shall be eligible to receive the accrued benefit based on credited service on and after May 1, 2012 upon attaining age 55 with ten or more years of credited service, or age 52 with 25 years of credited service. The preceding sentence shall apply to non-bargaining unit members who are participating in the DROP on October 1, 2019, and to non-bargaining unit members who retire or enter the DROP on or after that date, but shall not apply to members who retired or separated from employment before October 1, 2019.

(7) Notwithstanding the provisions of paragraphs (2), (3) and (5) above, effective November 2, 2019, bargaining unit firefighter members who did not attain normal retirement eligibility based on credited service as of May 1, 2012, excluding credited service purchased pursuant to section 82-54, and who were employed by the town and not participating in the DROP on that date, and bargaining unit firefighter members hired on or after May 1, 2012, shall be eligible to receive the accrued benefit based on credited service on and after May 1, 2012 upon attaining age 55 with ten or more years of credited service, or age 52 with 25 years of credited service. The preceding sentence shall apply to bargaining unit firefighter members who are participating in the DROP on November 2, 2019, and to bargaining unit firefighter members who retire or enter the DROP on or after that date, but shall not apply to members who retired or separated from employment before November 2, 2019.

\* \* \*

**Section 4.** Severability.

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

**Section 5.** Repeal of Ordinances in Conflict.

All other ordinances of the Town of Palm Beach, Florida, or parts thereof which conflict with this or any part of this Ordinance are hereby repealed.

**Section 6.** Codification.

This Ordinance shall be codified and made a part of the official Code of Ordinances of the Town of Palm Beach.

**Section 7.** Effective Date.

This Ordinance shall take effect immediately upon its passage and approval, as provided by law.

**PASSED AND ADOPTED** in a regular, adjourned session of the Town Council of the Town of Palm Beach on first reading this \_\_\_\_ day of \_\_\_\_\_, 2019, and for second and final reading on this \_\_\_\_ day of \_\_\_\_\_, 2019

\_\_\_\_\_  
Gail L. Coniglio, Mayor

\_\_\_\_\_  
Danielle H. Moore, Town Council President

\_\_\_\_\_  
Margaret A. Zeidman, Council President Pro Tem

\_\_\_\_\_  
Julie Araskog, Town Council Member

\_\_\_\_\_  
Lewis S.W. Crampton, Town Council Member

ATTEST:

\_\_\_\_\_  
Kathleen Dominguez, CMC, Town Clerk

\_\_\_\_\_  
Bobbie Lindsay, Town Council Member