

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY OF HOLLYWOOD, FLORIDA, AMENDING THE SUBCHAPTER OF CHAPTER 33 OF THE CODE OF ORDINANCES TITLED "FIREFIGHTER'S PENSION AND RETIREMENT"; INCORPORATING VARIOUS CHANGES TO THE RETIREMENT SYSTEM CONTAINED IN THE COLLECTIVE BARGAINING AGREEMENT BETWEEN THE HOLLYWOOD PROFESSIONAL FIRE FIGHTERS, LOCAL #1375, AND THE CITY OF HOLLYWOOD, INCLUDING CHANGES RELATING TO MEMBERSHIP, ELIGIBILITY, NORMAL RETIREMENT BENEFIT, AND THE RESOLUTION OF ISSUES RELATED TO THE CITY'S REDUCTION OF PENSION BENEFITS IN 2011; FURTHER AMENDING CHAPTER 33 BY REMOVING OUTDATED AND OBSOLETE PROVISIONS.

WHEREAS, following the expiration of the three year Collective Bargaining Agreement between the Hollywood Professional Fire Fighters, Local #1375 ("IAFF") and the City of Hollywood on September 30, 2017, the parties negotiated a one year extension, which by its terms expired on September 30, 2018; and

WHEREAS, IAFF and the City of Hollywood, Florida, have negotiated a Collective Bargaining Agreement for the period commencing October 1, 2018 and terminating September 30, 2021; and

WHEREAS, included in both agreements are changes to the firefighter's Retirement System; and

WHEREAS, to make the changes to the pension plan official, it is necessary to incorporate them into the Code of Ordinances; and

WHEREAS, Section 33.063 of the City's Code of Ordinances requires, as one of the two alternative procedures to amend the firefighters' pension plan, approval by a 5/7 vote of the City Commission and 50% plus one of the active members of the police officers' pension plan; and

Coding: Words and figures underscoring are additions to existing text; words and figures ~~struck through~~ are deletions from existing text; shaded text reflects changes between first and second readings.

WHEREAS, prior to the adoption of this Ordinance on second reading, 50% plus one of the active members of the firefighters' pension plan approved the amendments contained in this Ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA:

Section 1: That the foregoing "WHEREAS" clauses are ratified and confirmed as being true and correct and are incorporated in this Ordinance.

Section 2: That Section 33.034 of the Code of Ordinances is hereby amended to read as follows:

### TITLE III: ADMINISTRATION

\* \* \*

### CHAPTER 33: CITY EMPLOYEES

\* \* \*

### *FIRE FIGHTER'S PENSION AND RETIREMENT*

\* \* \*

#### **§ 33.034 INTENT.**

(A) It is the legislative intent and purpose of this subchapter to provide certain retirement, disability, death and withdrawal benefits to firefighters of the Ccity in the amounts and under the terms and conditions herein set forth.

(B) The purpose of the system is to provide an orderly means whereby firefighters of the Ccity who become superannuated or otherwise incapacitated as the result of age or disability may be retired from active service without prejudice and without inflicting a hardship upon the firefighters retired, and to enable such firefighters to accumulate reserves for themselves and their beneficiaries to provide for old age, disability, death, and termination of employment, thus effecting economy and efficiency in the administration of Ccity government.

~~(C) The benefit structure in effect on September 30, 2011 is frozen at midnight on that date. All members will be vested in benefits accrued to that date and payable under the terms and conditions of plan provisions then in effect. No additional benefits of any kind shall accrue; provided, however, that for any member who is eligible to retire with normal retirement benefits on September 30, 2011, the benefit structure in effect on September 30, 2011 shall remain in effect beyond September 30, 2011 and shall not be frozen,~~

~~except that any such member who does not enter the DROP on or before September 30, 2011 shall not be eligible to enter the DROP after September 30, 2011 and no such member shall be eligible to receive supplemental pension benefits under § 33.060 below. Effective October 1, 2011, all members who are not eligible to retire with normal retirement benefits on September 30, 2011 are subject to a new benefit structure as herein set forth.~~

Section 3: That Section 33.035 of the Code of Ordinances is hereby amended to read as follows:

### TITLE III: ADMINISTRATION

\* \* \*

### CHAPTER 33: CITY EMPLOYEES

\* \* \*

#### *FIRE FIGHTER'S PENSION AND RETIREMENT*

\* \* \*

#### **§ 33.035 DEFINITIONS.**

For purposes of this subchapter the following definitions shall apply unless the context clearly indicates or requires a different meaning.

\* \* \*

***AVERAGE FINAL COMPENSATION.*** ~~For Tier 1 members means 1/12 of the average cash compensation of the three highest years of credited service prior to retirement, termination, or death, or the career average as a full-time Firefighter, whichever is greater. A year shall be 12 consecutive months. ***AVERAGE FINAL COMPENSATION*** for Tier 2 members means 1/12 of the average cash compensation of the five highest years of credited service prior to retirement, termination, or death, or the career average as a full-time Firefighter, whichever is greater. A year shall be 12 consecutive months. The definitions of ***AVERAGE FINAL COMPENSATION*** set forth above are frozen at midnight on September 30, 2011. Under the benefit structure effective October 1, 2011, ***AVERAGE FINAL COMPENSATION*** for all members means the average cash compensation of the 60 highest consecutive months of the last 120 months of credited service prior to retirement, termination, or death. For purposes of Tier 1 Members, average final compensation shall include the average of the member's~~

highest three years of earnings preceding the actual retirement or termination date of such member. For purposes of Tier 2 Members hired as firefighters prior to October 1, 2011, average final compensation shall include the arithmetic average of earnings for the five highest years of credited service prior to retirement, termination or death. For purposes of Tier 2 Members hired as firefighters on or after October 1, 2011, average final compensation shall include the arithmetic average of earnings for the five highest consecutive years of the last 10 years of credited service prior to retirement, termination or death. For both Tier 1 Members and Tier 2 Members, a year shall be 12 consecutive months.

\* \* \*

## **COMPENSATION.**

~~(1) The fixed monthly remuneration for services rendered to the city as a Firefighter, including accrued sick leave compensation up to 2,200 hours for those Firefighters in this pension system; provided however, that those members whose pensions were merged into this pension system from the supplemental retirement system and those members whose employment by the city as Firefighters commenced subsequent to the merger of the supplemental retirement system into this pension system shall not have their sick leave compensation included in compensation. Except as otherwise stated below, compensation for all Tier 1 members shall include all wages, overtime, workers' compensation/supplemental compensation, expense allowances, cash conversion of holiday benefits, all earned and unused annual leave, compensatory time, blood time and educational incentive payment from the Insurance Commissioner's Trust Fund. Effective July 16, 2009, for all Tier 1 members who have not retired or entered the DROP and for all Tier 2 members, compensation shall include wages, workers' compensation/supplemental compensation, cash conversion of holiday benefits, up to 300 hours of overtime, 70% of the cash payment of accumulated, unused annual leave paid at time of retirement or entry into DROP, expense allowances, and educational incentive payment from the Insurance Commissioner's Trust Fund. Cash conversion of blood time and compensatory time shall be excluded for all Tier 1 members who have not retired or entered the DROP on or before July 15, 2009 and for all Tier 2 members. Compensation in excess of the limitations set forth in Section 401(a)(17) of the Internal Revenue Code shall be disregarded. The limitation on compensation for an eligible employee shall not be less than the amount which was allowed to be taken into account hereunder as in effect on July 1, 1993. **ELIGIBLE EMPLOYEE** is an individual who was a member before the first plan year beginning after December 31, 1995. The definitions of **COMPENSATION** set forth above are frozen at midnight on September 30, 2011.~~

~~—(2) Under the benefit structure effective October 1, 2011, **COMPENSATION** means, for all members, fixed monthly remuneration for services rendered to the city as a Firefighter, including only wages and educational incentive payment from the Insurance Commissioner's Trust Fund and excluding overtime, workers~~

~~compensation/supplemental compensation, expense allowances, cash conversion of holiday benefits, accrued leave payouts and cash conversion of blood time and compensatory time. Compensation in excess of the limitations set forth in Section 401(a)(17) of the Internal Revenue Code shall be disregarded. The limitation on compensation for an eligible employee shall not be less than the amount which was allowed to be taken into account hereunder as in effect on July 1, 1993. **ELIGIBLE EMPLOYEE** is an individual who was a member before the first plan year beginning after December 31, 1995. For purposes of Tier 1 Members, "compensation" shall include wages, workers' compensation/supplemental compensation, cash conversion of holiday benefits, not more than 300 hours of overtime, 70% of the cash payment of accumulated, unused annual leave paid at the time of retirement or entry into DROP (applicable only to those employees hired on or before July 3, 2013), expense allowances, and educational incentive payments from the Insurance Commissioner's Trust Fund. Tier 2 Members shall receive the same "compensation" as Tier 1 Members, except that compensation for Tier 2 Members shall include not more than 200 hours of overtime. For the purposes of this definition, the term "accumulated, unused annual leave" shall be capped at the amount reflected in the payroll records of the City for each member of the plan in the first full pay period of July 2013.~~

#### ***CREDITED SERVICE.***

(1) The total number of years and fractional parts of years of service (computed in quarters with one to three months being one-quarter of a year, more than three but not more than six months being one-half of a year, more than six but not more than nine months being three-quarters of a year, and more than nine but not more than 12 months being one year as a Firefighter with member contributions, when required, omitting intervening years or fractional parts of years when such member was not employed by the Ceity as a Firefighter. A member may voluntarily leave his or her accumulated contributions in the Fund for a period of five years after leaving the employ of the Fire Department pending the possibility of being reemployed as a Firefighter, without losing credit for the time that he or she was a member of the system. If a vested member leaves the employ of the Fire Department, his or her accumulated contributions will be returned only upon his or her written request. If a member who is not vested is not reemployed as a Firefighter with the Fire Department within five years, his or her accumulated contributions shall be returned. Upon return of a member's accumulated contributions, all of his or her rights and benefits under the system are forfeited and terminated. Upon any reemployment, a Firefighter shall not receive credit for the years and fractional parts of years of service for which he or she has withdrawn his or her accumulated contributions from the Fund, unless the Firefighter repays into the Fund the contributions he or she has withdrawn, with interest, as determined by the Board, within six months after his or her reemployment.

(2) The years or fractional parts of a year that a member serves in the military service of the Armed Forces of the United States, the United States Merchant Marine or the United States Coast Guard, voluntarily or involuntarily, after separation from employment as a Firefighter with the Ceity to perform training or service, shall be added to his or her years of credited service for all purposes, including vesting, provided that:

\* \* \*

(3) Members may purchase up to a total of four years of credit for military service prior to employment, or prior service as a full-time municipal, county, state or federal firefighter which meets the definition of "firefighter" as provided in this Plan, or a combination of the two types of service. In the case of prior fire service, the member shall certify that no retirement benefit is or will be paid on account of the prior fire service. Members purchasing credit for prior service under this subsection shall pay the full actuarial cost of the credited service as determined by the actuary for the Plan. Credited service purchased pursuant to this section shall not count toward a member's vesting. The Board of Trustees shall provide uniform rules for the administration of this benefit.

***FIREFIGHTER.*** An actively employed full-time person employed by the Ceity, including his or her initial probationary employment period, who is certified as a Firefighter as a condition of employment in accordance with the provisions of F.S. § 633.35 and whose duty it is to extinguish fires, to protect life and to protect property.

\* \* \*

***MEMBER.*** A Firefighter who fulfills the prescribed membership requirements. Benefit improvements which, in the past, have been provided for by amendments to the system adopted by Ceity ordinance, and any benefit improvements which might be made in the future shall apply prospectively and shall not apply to members who terminate employment or who retire prior to the effective date of any ordinance adopting such benefit improvements, ~~except as provided in § 33.040(E), or unless such an ordinance specifically provides to the contrary.~~

\* \* \*

***RETIREMENT.*** A member's separation from Ceity employment with eligibility for immediate receipt of benefits under the system.

\* \* \*

***TIER 2 MEMBER.*** A member as defined in this section hired as a Firefighter on or after July 16, 2009 ~~but prior to October 1, 2011.~~

Section 4: That Section 33.036 of the Code of Ordinances is hereby amended to read as follows:

TITLE III: ADMINISTRATION

\* \* \*

CHAPTER 33: CITY EMPLOYEES

\* \* \*

*FIRE FIGHTER'S PENSION AND RETIREMENT*

\* \* \*

**§ 33.036 MEMBERSHIP.**

*Conditions of eligibility.* All Firefighters as of the effective date, and all Firefighters employed subsequent to the effective date, shall be members of this system as a condition of employment. Effective October 1, 2004, all members who were employed by the Ccity as Firefighters on or before May 1, 1977 shall remain as previous members of this pension system, as opposed to the supplemental retirement system, and shall receive all related rights and benefits. However, such members shall not obtain the benefits of both this pension plan and the supplemental retirement system.

Section 5: That Section 33.037 of the Code of Ordinances is hereby amended to read as follows:

TITLE III: ADMINISTRATION

\* \* \*

CHAPTER 33: CITY EMPLOYEES

\* \* \*

*FIRE FIGHTER'S PENSION AND RETIREMENT*

\* \* \*

### **§ 33.037 BOARD OF TRUSTEES.**

(A) The sole and exclusive administration of and responsibility for the proper operation of the system and for making effective the provisions of this subchapter is hereby vested in a Board of Trustees. The Board is hereby designated as the plan administrator. The Board shall consist of five Trustees, one of whom shall be the Chief of the Fire Department or his or her designee, one of whom, unless otherwise prohibited by law, shall be appointed by the Hollywood City Commission, and three of whom shall be regularly employed Firefighters, who shall be elected by a majority of the regularly employed Firefighters. If the Chief of the Fire Department chooses to designate a Board member instead of serving himself or herself, such member shall be a regularly employed Firefighter. The City Commission appointed Trustee shall serve as Trustee for a period of two years, unless he or she sooner vacates the office or is sooner replaced by the Hollywood City Commission at whose pleasure he or she shall serve. The Chief of the Fire Department shall serve as long as he or she shall continue to hold office as Chief and upon a vacancy in the office of Chief, his or her respective successor shall succeed to the position of Trustee. Each member Trustee shall serve as Trustee for a period of three years, unless he or she sooner leaves the employment of the Ceity as a Firefighter or otherwise vacates his or her office as Trustee, whereupon a successor shall be chosen in the same manner as the departing Trustee. Each Trustee may succeed himself in office. The Board shall establish and administer the nominating and election procedures for each election. The Board shall meet at least quarterly each year. The Board shall be a legal entity with, in addition to other powers and responsibilities contained herein, the power to bring and defend lawsuits of every kind, nature, and description.

\* \* \*

(D) The Board shall engage such actuarial, accounting, legal, and other services as shall be required to transact the business of the system. The compensation of all persons engaged by the Board and all other expenses of the Board necessary for the operation of the system shall be paid from the Fund at such rates and in such amounts as the Board shall agree. In the event the Board chooses to use the Ceity's legal counsel, actuary or other professional, technical or other advisors, it shall do so only under terms and conditions acceptable to the Board.

\* \* \*

Section 6: That Section 33.038 of the Code of Ordinances is hereby amended to read as follows:

### **TITLE III: ADMINISTRATION**



\* \* \*

## CHAPTER 33: CITY EMPLOYEES

\* \* \*

### *FIRE FIGHTER'S PENSION AND RETIREMENT*

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#### **§ 33.038 FINANCES AND FUND MANAGEMENT.**

##### *Establishment and operation of Fund.*

(A) As part of the system, there is hereby established the Fund, into which shall be deposited all of the contributions and assets whatsoever attributable to the system, including the assets of the prior firefighters' pension systems of the Ccity.

(B) The actual custody and supervision of the Fund (and assets thereof) shall be vested in the Board. Payment of benefits and disbursements from the Fund shall be made by the disbursing agent but only upon written authorization from the Board.

(C) All funds of the Firefighters' Pension System may be deposited by the Board with the Treasurer of the Ccity, acting in a ministerial capacity only, who shall be liable in the same manner and to the same extent as he or she is liable for the safekeeping of funds for the Ccity. However, any funds so deposited with the Treasurer of the Ccity shall be kept in a separate fund by the Treasurer or clearly identified as such funds of the system. In lieu thereof, the Board shall deposit the funds of the system in a qualified public depository as defined in F.S. § 280.02, which depository with regard to such funds shall conform to and be bound by all of the provisions of F.S. Ch. 280. In order to fulfill its investment responsibilities as set forth herein, the Board may retain the services of a custodian bank, an investment consultant, one or more investment advisors (investment managers) registered under the Investment Advisors Act of 1940 or otherwise exempt from such required registration, an insurance company, or a combination of these, for the purposes of investment decisions and management. Such investment advisor(s) shall have discretion, subject to the provisions of division (F) below, in the investment of all Fund assets.

(D) All funds and securities of the system may be commingled in the Fund, provided that accurate records are maintained at all times reflecting the financial composition of the Fund, including accurate current accounts and entries as regards the following:

(1) Current amounts of accumulated contributions of members on both an individual and aggregate account basis; and

- (2) Receipts and disbursements; and
- (3) Benefit payments; and
- (4) Current amounts clearly reflecting all monies, funds and assets whatsoever attributable to contributions and deposits from the Ccity; and

\* \* \*

Section 7: That Section 33.039 of the Code of Ordinances is hereby amended to read as follows:

### TITLE III: ADMINISTRATION

\* \* \*

### CHAPTER 33: CITY EMPLOYEES

\* \* \*

### *FIRE FIGHTER'S PENSION AND RETIREMENT*

\* \* \*

#### **§ 33.039 CONTRIBUTIONS.**

##### *(A) Member contributions.*

(1) ~~Tier 1 Mmember contributions amount.~~ Each Tier 1 Mmember of the system shall be required to make regular contributions to the Fund in the amount of 8% of his or her compensation. Tier 1 Mmember contributions picked up by the Ccity on behalf of the Tier 1 Mmember shall be deposited with the Board immediately after each pay period. The contributions made by each Tier 1 Mmember to the Fund shall be designated as employer contributions pursuant to section 414(h) of the Internal Revenue Code. Such designation is contingent upon the contributions being excluded from the Tier 1 Mmembers' gross income for Federal Income Tax purposes. For all other purposes of the system, such contributions shall be considered to be Tier 1 Mmember contributions.

~~(2) Tier 2 member contributions amount.~~ Each Tier 2 member of the system shall be required to make regular contributions to the Fund in the amount of 7.5% of his or her compensation. Tier 2 member contributions picked up by the city on behalf of the Tier 2 member shall be deposited with the Board immediately after each pay period. The contributions made by each Tier 2 member to the Fund shall be designated as employer contributions pursuant to section 414(h) of the Internal Revenue Code. Such designation

is contingent upon the contributions being excluded from the Tier 2 member's gross income for federal income tax purposes. For all other purposes of the system, such contributions shall be considered to be Tier 2 member contributions.

~~(3)~~ (2) ~~Contributions amount for members hired on or after October 1, 2011~~ Tier 2 Member contributions amount. Each Tier 2 Member of the system hired on or after ~~October 1, 2011~~ July 16, 2009, shall be required to make regular contributions to the Fund in the amount of ~~7.5%~~9.5% of his or her compensation, effective with the first full pay period on or after March 20, 2019. Tier 2 Member Such contributions picked up by the City on behalf of the Tier 2 Member shall be deposited with the Board immediately after each pay period and shall be designated as employer contributions pursuant to section 414(h) of the Internal Revenue Code. Such designation is contingent upon the contributions being excluded from the Tier 2 Member's gross income for federal income tax purposes. For all other purposes of the system, such contributions shall be considered to be Tier 2 Member contributions.

~~(4)~~ (3) *Method*. Such contributions shall be made by payroll deduction.

(B) *State contributions*. Any monies received or receivable by reason of laws of the State of Florida, for the express purpose of funding and paying for retirement benefits for Firefighters of the City shall be deposited in the Fund comprising part of this system immediately and under no circumstances more than five days after receipt by the City.

(C) *City contributions*. So long as this system is in effect, the City shall make quarterly contributions to the Fund in an amount equal to the difference in each year, between the total aggregate member contributions for the year, plus state contributions for such year, and the total cost for the year, as shown by the most recent actuarial valuation of the system. The total cost for any year shall be defined as the total normal cost plus the additional amount sufficient to amortize the unfunded past service liability as provided in F.S. Ch. 112, Part VII.

Section 8: That Section 33.040 of the Code of Ordinances is hereby amended to read as follows:

### TITLE III: ADMINISTRATION

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### CHAPTER 33: CITY EMPLOYEES

\* \* \*

### *FIRE FIGHTER'S PENSION AND RETIREMENT*

\* \* \*

### § 33.040 BENEFIT AMOUNTS AND ELIGIBILITY.

(A) *Normal retirement date.* A Tier 1 member's normal retirement date shall be the first day of the month coincident with or next following the attainment of age 50 and the completion of ten years of credited service or upon the completion of 23 years of credited service, regardless of age. ~~A Tier 2 member's normal retirement date shall be the first day of the month coincident or next following the attainment of age 55 and the completion of ten years of credited service or upon the completion of 25 years of credited service, regardless of age. The normal retirement date of a Tier 1 member with less than ten years of credited service as of September 30, 2011 and a member hired on or after October 1, 2011 shall be the first day of the month coincident with or next following the attainment of age 55 and the completion of ten years of credited service or the first day of the month coincident with or next following the completion of 25 years of credited service. A Tier 1 member with ten or more years of credited service as of September 30, 2011 shall retain his or her current normal retirement date.~~ A member may retire on his or her normal retirement date or on the first day of any month thereafter, and each member shall become 100% vested in his or her accrued benefit upon completion of ten years of credited service. Normal retirement under the system is retirement from employment with the Ccity on or after the normal retirement date.

#### (B) *Normal retirement benefit.*

(1) A member (including a DROP participant) retiring hereunder on or after his or her normal retirement date shall receive a monthly benefit which shall commence on the first day of the month coincident with or next following his or her retirement and be continued thereafter during such member's lifetime, with 120 payments guaranteed in any event. If such member dies after retirement and has been married continuously for at least two years prior to his or her death, payment of one-half of the benefit payment at the time of his or her death shall continue to his or her surviving spouse to the earlier of such spouse's death or remarriage.

(2) The monthly retirement benefit for a Tier 1 ~~M~~member shall equal ~~3%~~ 3.3% of average final compensation for each year of credited service, up to September 30, 2011, up to a maximum benefit of ~~81-86%~~. ~~Effective October 1, 2004 for all Tier 1 members actively employed on or after October 1, 2002, the monthly retirement benefit shall equal 3.3% of average final compensation for each year of credited service, up to September 30, 2011, up to a maximum benefit of 86%, and Tier 1 members will receive full credit for all years of service and will not have any benefits pro-rated or otherwise reduced based on years of service under a lesser rate in effect prior to October 1, 2004. Under the benefit structure effective October 1, 2011, the monthly retirement benefit for a Tier 1 member who retires or enters the DROP prior to July 3, 2013 shall equal 2.0% of average final compensation for each year of credited service earned on or after October 1, 2011 up to a maximum benefit equal to the net result of subtracting from 86% the product of 3.3% times the number of years of credited service earned up to September 30, 2011; provided, however, that if the member retires before attaining age 62, an additional benefit equal to~~

~~0.5% of average final compensation times credited service on and after October 1, 2011 shall be paid up to age 62. Under the benefit structure effective October 1, 2011, the monthly retirement benefit for a Tier 1 member who neither retires nor enters the DROP prior to July 3, 2013 shall equal 3.0% of average final compensation for each year of credited service on or after October 1, 2011 up to a maximum benefit equal to the net result of subtracting from 86% the product of 3.3% times the number of years of credited service earned up to September 30, 2011.~~

(3) The monthly retirement benefit for a Tier 2 ~~M~~member shall equal 3.2% of average final compensation for each year of credited service up to a ~~September 30, 2011 payable in accordance with § 33.040 above~~ maximum benefit of 80%. Under the benefit structure effective October 1, 2011, the monthly retirement benefit for a Tier 2 member shall equal 3.0% of average final compensation for each year of credited service earned on or after October 1, 2011 up to a maximum benefit equal to 73.6% (80% less two times 3.2%).

~~(4) The monthly retirement benefit for a member hired on or after October 1, 2011 shall equal 3.0% of average final compensation for each year of credited service up to a maximum benefit of 80.~~

~~(5)~~ (4) In any event, each member's benefit shall equal at least 2% 2.75% of average final compensation for each year of credited service averaged over the entire period of credited service of the member.

(C) *Cost of living adjustments for retirees.*

~~—(1) The pension benefit payable to all normal service retirees who were Tier 1 Mmembers and their surviving spouses (until such time as the spouse's death or remarriage) shall be increased beginning at the later of:~~

(a) Three years after the retiree's benefits commence; or

(b) One year after completion of DROP participation and each year thereafter, by an amount equal to 2%.

~~(2) The benefit provided in this subsection is frozen as of midnight on September 30, 2011. Under the benefit structure effective October 1, 2011, there shall be no cost of living adjustment. The pension benefit payable to all normal service retirees who are Tier 2 Members and their surviving spouses (until such time as the spouse's death or remarriage) shall be increased by an amount equal to 2.5% two years after retirement and every 2 years thereafter.~~

~~(3) The provisions of this division shall only be applicable to Tier 1 members previously in the supplemental Firefighter's retirement system and any Tier 1 members hired after October 1, 1988. The provisions of this division shall not apply to Tier 2 members or members hired on or after October 1, 2011.~~

~~—(D) Cost of living adjustment for spousal survival benefits. The benefit payable to the surviving spouse of a Tier 1 member or retiree pursuant to division (B) above or § 33.041 shall be increased by an amount equal to 2% per year; provided, however, that the cost~~

of living adjustment benefit is frozen as of midnight on September 30, 2011. Under the benefit structure effective October 1, 2011, there shall be no cost of living adjustment.

~~(E) *Recalculation of retirement benefits for retirees.* Effective October 1, 2004, all retirees who retired or entered into the DROP on or after October 1, 2002 will have their monthly retirement benefit recalculated and paid at the full 3.3% per year accrual rate up to a maximum of 86%. There shall be no retroactive payment for time spent in retirement or the DROP prior to October 1, 2004.~~

~~(F) *Increase in benefits.* Any increase in benefits resulting by reason of any amendment to this plan shall apply to Tier 1 members at the time of any such amendment only to the extent of increasing their respective retirement benefits by an amount equal to 50% of such increase. This provision shall not apply to Tier 1 members who retire on or after July 16, 2009, to any Tier 2 members, or to any members hired on or after October 1, 2011.~~

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Section 9: That Section 33.042 of the Code of Ordinances is hereby amended to read as follows:

### TITLE III: ADMINISTRATION

\* \* \*

### CHAPTER 33: CITY EMPLOYEES

\* \* \*

### *FIRE FIGHTER'S PENSION AND RETIREMENT*

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### **§ 33.042 DISABILITY.**

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(B) *In line of duty presumptions.*

\* \* \*

(2) *Additional presumption.* The presumption provided for in this division (B)(2) shall apply only to those conditions described in this division (B)(2) that are diagnosed on or after January 1, 1996.

(a) *Definitions.* As used in this division (B)(2), the following definitions apply:

\* \* \*

***EMERGENCY RESCUE OR PUBLIC SAFETY MEMBER.*** Any member employed full time by the Ceity as a Firefighter, paramedic, or emergency medical technician who, in the course of employment, runs a high risk of occupational exposure to hepatitis, meningococcal meningitis, or tuberculosis and who is not employed elsewhere in a similar capacity.

\* \* \*

(c) *Immunization.* Whenever any standard, medically recognized vaccine or other form of immunization or prophylaxis exists for the prevention of a communicable disease for which a presumption is granted under this section, if medically indicated in the given circumstances pursuant to immunization policies established by the Advisory Committee on Immunization Practices of the U.S. Public Health Service, an emergency rescue or public safety member may be required by the Ceity to undergo the immunization or prophylaxis unless the member's physician determines in writing that the immunization or other prophylaxis would pose a significant risk to the member's health. Absent such written declaration, failure or refusal by an emergency rescue or public safety member to undergo such immunization or prophylaxis disqualifies the member from the benefits of the presumption.

(d) *Record of exposures.* The Ceity shall maintain a record of any known or reasonably suspected exposure of an emergency rescue or public safety member in its employ to the diseases described in this section and shall immediately notify the member of such exposure. An emergency rescue or public safety member shall file an incident or accident report with the Ceity of each instance of known or suspected occupational exposure to hepatitis infection, meningococcal meningitis, or tuberculosis.

\* \* \*

(C) *Disability benefits not in line of duty.* Any member with five years or more credited service who shall become totally and permanently disabled to the extent that he or she is unable, by reason of a medically determinable physical or mental impairment, to render useful and efficient service as a Firefighter, which disability is not directly caused by the performance of his or her duties as a Firefighter shall, upon establishing the same to the satisfaction of the Board, be entitled to a monthly pension equal to 25% of his or her compensation at the time of final determination of disability. Commencing with normal retirement date, the benefit shall be equal to 75% of his or her compensation at the time of final determination of disability. Terminated persons, either vested or non-vested, are not eligible for disability benefits, except that those terminated by the Ceity for medical reasons may apply for a disability within 30 days after termination.

\* \* \*

(E) *Physical examination requirement.*

\* \* \*

(2) Any retiree receiving disability benefits under provisions of this subchapter may be required by the Board to submit sworn statements of his or her condition accompanied by a physician's statement to the Board annually and may be required by the Board to undergo additional periodic re-examinations by a qualified physician or physicians and/or surgeon or surgeons who shall be selected by the Board, to determine if such disability has ceased to exist. If the Board finds that the retiree is no longer permanently and totally disabled to the extent that he or she is unable to render useful and efficient service as a Firefighter, the Board shall recommend to the Ceity that the retiree be returned to performance of duty as a Firefighter, and the retiree so returned shall enjoy the same rights that he or she had at the time he or she was placed upon pension. In the event the retiree so ordered to return shall refuse to comply with the order within 30 days from the issuance thereof, he or she shall forfeit the right to his or her pension.

(3) If the retiree recovers from disability and reenters the service of the Ceity as a Firefighter, his or her service will be deemed to have been continuous, and the period beginning with the first month for which he or she received a disability retirement income payment and ending with the date he or she reentered the service of the Ceity will be considered as credited service for the purposes of the system.

\* \* \*

(H) *Modified duty or light duty positions as an alternative to a disability pension benefit.* In the event the Board finds that a member is totally and permanently disabled



by reason of a medically determinable physical or mental impairment, as defined in division (A) or (C) above, which renders him or her incapable of performing all the regular duties of a Firefighter, the Ccity may, based upon availability of a vacancy, assign the member to a modified duty or light duty position. A "modified duty" or "light duty" position, as used in this division, is defined as any position within the Department of Fire-Rescue and Beach Safety which does not require the member to perform all the duties of a Firefighter. If the Ccity makes available a modified duty or light duty position, and a member rejects the assignment, said member shall be ineligible for either continued employment or disability retirement benefits.

Section 10: That Section 33.049 of the Code of Ordinances is hereby amended to read as follows:

### TITLE III: ADMINISTRATION

\* \* \*

### CHAPTER 33: CITY EMPLOYEES

\* \* \*

### *FIRE FIGHTER'S PENSION AND RETIREMENT*

\* \* \*

#### **§ 33.049 MAXIMUM PENSION.**

\* \* \*

(D) *Less than ten years of service.* The maximum retirement benefits payable under this section to any member who has completed less than ten years of credited service with the Ccity shall be the amount determined under division (A) above multiplied by a fraction, the numerator of which is the number of the member's years of credited service and the denominator of which is ten. The reduction provided for in this division shall not be applicable to disability benefits paid pursuant to § [33.042](#), or pre-retirement death benefits paid pursuant to § [33.041](#).

(E) *Ten thousand dollar limit.* Notwithstanding the foregoing, the retirement benefit payable with respect to a member shall be deemed not to exceed the limitations set forth in this section if the benefits payable, with respect to such member under this system and

under all other qualified defined benefit pension plans to which the Ccity contributes, do not exceed \$10,000 for the applicable plan year and for any prior plan year and the Ccity has not at any time maintained a qualified defined contribution plan in which the member participated.

\* \* \*

Section 11: That Section 33.051 of the Code of Ordinances is hereby amended to read as follows:

### TITLE III: ADMINISTRATION

\* \* \*

### CHAPTER 33: CITY EMPLOYEES

\* \* \*

#### *FIRE FIGHTER'S PENSION AND RETIREMENT*

\* \* \*

#### **§ 33.051 MISCELLANEOUS PROVISIONS.**

\* \* \*

(C) *Use of forfeitures.* Forfeitures arising from terminations of service of members shall serve only to reduce future Ccity contributions.

\* \* \*

Section 12: That Section 33.052 of the Code of Ordinances is hereby amended to read as follows:

### TITLE III: ADMINISTRATION

\* \* \*

## CHAPTER 33: CITY EMPLOYEES

\* \* \*

### *FIRE FIGHTER'S PENSION AND RETIREMENT*

\* \* \*

#### **§ 33.052 REPEAL OR TERMINATION OF SYSTEM.**

\* \* \*

(C) (1) The following shall be the order of priority for purposes of allocating the assets of the system as of the date of repeal of this subchapter, or if contributions to the system are discontinued, with the date of such discontinuation being determined by the Board.

\* \* \*

(b) If there be any asset value remaining after the apportionment under division (C)(1)(a) above, apportionment shall next be made in respect of each member in the service of the Ccity on such date who is vested and who is not entitled to an apportionment under division (C)(1)(a) above, in the amount required to provide the actuarial equivalent of the vested portion of the accrued normal retirement benefit (but not less than accumulated contributions), based on the credited service and average final compensation as of such date, and each vested former member then entitled to a deferred benefit who has not, by such date, begun receiving benefit payments, in the amount required to provide said actuarial equivalent of the vested portion of the accrued normal retirement benefit (but not less than accumulated contributions), provided that, if such remaining asset value be less than the aggregate of the amounts apportioned hereunder, such latter amounts shall be proportionately reduced so that the aggregate of such reduced amounts will be equal to such remaining asset value.

(c) If there be any asset value after the apportionments under divisions (C)(1)(a) and (b) above, apportionment shall be made in respect of each member in the service of the Ccity on such date who is not entitled to an apportionment under divisions (C)(1)(a) and (b) above in the amount equal to member's accumulated contributions, provided that, if such remaining asset value be less than the aggregate of the amounts apportioned hereunder such latter amount shall be proportionately reduced so that the aggregate of such reduced amounts will be equal to such remaining asset value.

\* \* \*

(e) In the event that there be asset value remaining after the full apportionment specified in divisions (C)(1)(a) through (d) above, such excess shall be returned to the Ccity, less return of the state's contributions to the state, provided that, if the excess is less than the total contributions made by the Ccity and the state to the date of termination such excess shall be divided proportionately to the total contributions made by the Ccity and the state.

\* \* \*

(3) (a) If, at any time during the first ten years after the effective date of the ordinance originally establishing this system, the system shall be terminated or the full current costs of the system shall not have been met, anything in the system to the contrary notwithstanding, Ccity contributions which may be used for the benefit of any one of the 25 highest paid members on the effective date, whose anticipated annual retirement allowance provided by the Ccity's contributions at member's normal retirement date would exceed \$1,500, shall not exceed the greater of either:

\* \* \*

(D) After all the vested and accrued benefits provided hereunder have been paid and after all other liabilities have been satisfied, then and only then shall any remaining funds revert to the general fund of the Ccity.

Section 13: That Section 33.053 of the Code of Ordinances is hereby amended to read as follows:

### TITLE III: ADMINISTRATION

\* \* \*

### CHAPTER 33: CITY EMPLOYEES

\* \* \*

### *FIRE FIGHTER'S PENSION AND RETIREMENT*

\* \* \*

### **§ 33.053 EXEMPTION FROM EXECUTION; NON-ASSIGNABILITY.**

Except as otherwise provided by law, the pensions, annuities, and any other benefits accrued or accruing to any person under the provisions of this subchapter and the accumulated contributions and the cash securities in the Fund created under this ~~subchapter~~ subchapter are hereby exempted from any state, county or municipal tax and shall not be subject to execution, attachment, garnishment or any legal process whatsoever and shall be unassignable.

Section 14: That Section 33.059 of the Code of Ordinances is hereby amended to read as follows:

#### **TITLE III: ADMINISTRATION**

\* \* \*

#### **CHAPTER 33: CITY EMPLOYEES**

\* \* \*

#### ***FIRE FIGHTER'S PENSION AND RETIREMENT***

\* \* \*

### **§ 33.059 COORDINATION OF PENSION BENEFITS.**

The provisions of this section shall not apply to a Tier 2 ~~Member or to a member hired on or after October 1, 2011.~~ In the event that a Ccity employee changes his or her job status with the Ccity such that he or she is considered a Firefighter pursuant to § 33.035, he or she may become a member of the Firefighters' pension system subject to the following rules:

(A) "Date of transfer" shall be the date when the change in job status occurs such that he or she is considered to be a Firefighter pursuant to § [33.035](#).

\* \* \*

(C) In the event that a Ccity employee who is a member of the Firefighters' pension system is no longer considered a Firefighter pursuant to § [33.035](#), the rules regarding his or her transfer to another retirement plan sponsored by the Ccity shall be as set forth

above, provided such other plan has appropriate language to accept transfers on the same basis.

(D) If, prior to the date when this language regarding transferred employees becomes effective, a member has transferred from one retirement plan sponsored by the Ceity to another and had thereby lost credit under the previous plan for his or her service prior to the date of transfer, his or her credited service under the previous plan shall be restored under the following conditions:

(1) The person must be an employee of the Ceity on the date this language becomes effective.

(2) Upon notification, the employee must repay the previous plan that amount of his or her contributions that he or she received from the previous plan due to his or her transfer to another plan within the Ceity. The employee will have 60 days to exercise this option. He or she will be given one year to repurchase every two years of prior service.

\* \* \*

Section 15: That Section 33.060 of the Code of Ordinances is hereby amended to read as follows:

### TITLE III: ADMINISTRATION

\* \* \*

### CHAPTER 33: CITY EMPLOYEES

\* \* \*

#### *FIRE FIGHTER'S PENSION AND RETIREMENT*

\* \* \*

#### **§ 33.060 SUPPLEMENTAL PENSION BENEFIT.**

The Board of Trustees has created and has been authorized to distribute an annual supplemental pension benefit which is payable on September 30 of each year. This supplemental pension benefit shall be calculated, administered and distributed as follows:

\* \* \*

(D) Supplemental pension benefit distributions shall be paid only to:

(1) Pension recipients who retired or entered into the DROP (i) on or before September 30, 2011 and (ii) at least ten years prior to September 30 of the year for which supplemental pension benefits are to be paid and their surviving spouses who have not remarried; and

(2) Pension recipients who are (or were, prior to separation) Tier 1 Members and who retired or entered into the DROP or the reformed plan retirement benefit (i) on or before and (ii) at least ten years prior to September 30 of the year for which supplemental pension benefits are to be paid and their surviving spouses who have not remarried. ~~Surviving spouses (or other beneficiaries) of deceased pension recipients who had retired or entered into the DROP (i) on or before September 30, 2011 and (ii) at least ten years prior to September 30 of the year for which supplemental pension benefits are to be paid.~~

\* \* \*

(F) The benefits provided for in this section shall not exceed \$12,000 per year for any Tier 1 ~~Member~~ who retires or enters the deferred retirement option plan on or after July 16, 2009, ~~or for any Tier 2 member.~~

\* \* \*

Section 16: That Section 33.061 of the Code of Ordinances is hereby amended to read as follows:

### TITLE III: ADMINISTRATION

\* \* \*

### CHAPTER 33: CITY EMPLOYEES

\* \* \*

### *FIRE FIGHTER'S PENSION AND RETIREMENT*

\* \* \*

### § 33.061 DEFERRED RETIREMENT OPTION PLAN.

(A) In lieu of terminating employment and accepting a service retirement allowance under the system, any Tier 1 Mmember who has reached age 50 and who has completed ten years of credited service or who has completed not less than 23 years and not more than 30 years of credited service and who is eligible to receive a service retirement allowance ~~and any Tier 2 member who has reached age 55 and who has completed ten years of credited service or who has completed not less than 25 years of credited service and not more than 30 years of credited service and who is eligible to receive a service retirement allowance~~ may elect to participate in the deferred retirement option plan and defer the receipt of benefits in accordance with the provisions of this section. ~~A member who does not enter the DROP prior to October 1, 2011 shall not be eligible to participate in the DROP.~~

\* \* \*

(C) The duration of participation in the DROP shall be specified and shall not exceed a number of years which, when added to the number of years of credited service, exceeds a total of 33 years. In any event, the total participation in the DROP shall not exceed eight years, and participation will end if the member is terminated for just cause. ~~These participation limits will apply to all current and future DROP participants but will have no retroactive benefit for members who have terminated their employment prior to October 1, 1999.~~

\* \* \*

(F) Tier 1 Mmembers who entered the DROP prior to July 16, 2009, will have the option of directing some or all of their deferred benefits into an interest-bearing account with an 8% fixed rate of return. Tier 1 Mmembers who enter the DROP on or after July 16, 2009 will have the option of directing some or all of their deferred benefits into an interest-bearing account with a 6% fixed rate of return. ~~Tier 2 members will have the option of directing some or all of their deferred benefits into an interest-bearing account with a 4% fixed rate of return.~~ Upon separation from employment, Tier 1 Mmembers who elect to keep their deferred benefits in the system shall retain the fixed rate of return which was applicable to their deferred benefits during their time of participation in the DROP. The administration and frequency of said option shall be determined by the Board. Any deferred benefits not directed into the fixed-rate account shall remain in a variable-rate account and shall earn interest at a rate set by the Board. Such interest shall be weighted and credited on a pro-rata basis by the Board to each individual account balance in the DROP account on an annual or other basis as determined by the Board.



\* \* \*

Section 17: That Section 33.062 of the Code of Ordinances is hereby amended to read as follows:

### TITLE III: ADMINISTRATION

\* \* \*

### CHAPTER 33: CITY EMPLOYEES

\* \* \*

#### *FIRE FIGHTER'S PENSION AND RETIREMENT*

\* \* \*

#### **§ 33.062 PLANNED RETIREMENT BENEFIT; REFORMED PLANNED RETIREMENT BENEFIT.**

(A) This section creates a benefit known as the planned retirement benefit. Any member who retired or entered DROP prior to July 3, 2013 is not eligible for this benefit. Effective May 2, 2018, there is hereby created a benefit to be known as the reformed planned retirement benefit. Any member who retired or entered DROP prior to May 2, 2018 is not eligible for the benefit. Any member who on or after May 2, 2018 becomes eligible for DROP due to an amendment to the Plan and affirmatively elects participation in the reformed planned retirement benefit in lieu of DROP shall be permitted to participate in that benefit.

(B) In order to be eligible for the planned retirement benefit, a member must have submitted a form created for this purpose declaring the member's intent to participate at any time on or after reaching the member's normal retirement date but no later than May 1, 2018. After that date, to be eligible for the reformed planned retirement benefit, a member must have submitted a form created for that purpose declaring the member's intent to participate at any time on or after reaching the member's normal retirement date. The form will identify the maximum number of years the member may participate in planned retirement benefit or the reformed planned retirement benefit and the member's latest employment termination date based on the maximum number of years identified.

The form to participate in the reformed planned retirement benefit will also require the member to make an irrevocable election of one of the following two options:

(1) During the period of participation in the reformed planned retirement benefit, continuation of contributions equal to 8% or 9.5%, as applicable, of the member's compensation until termination of employment and, upon termination of employment, election of one of the distribution options set forth in this section for the planned retirement benefit; or

(2) During the period of participation in the reformed planned retirement benefit, contribution of 0.5% of the member's compensation until termination of employment, and upon termination, taking a lump sum that would be valued based on the number of years the member worked after electing the planned retirement benefit, the reformed planned retirement benefit or combination of both.

(C) Effective May 2, 2018, members participating in the planned retirement benefit were deemed for all purposes to be participating in the reformed planned retirement benefit. No later than August 19, 2018, all such members shall have made the election described in paragraph (B) of this section. Any member electing option (B)(2) shall also make an irrevocable election by that date of one of the three optional forms of distribution. If any member elected to take any portion of the planned retirement benefit as a lump sum upon termination, the member shall receive a refund equal to 7.5% or 9.0%, as applicable, of compensation and any contributions after the second full pay period following August 19, 2018 shall be at the rate of 0.5% of compensation.

(D) A member who elects to participate in the planned retirement benefit or the reformed planned retirement benefit shall not exceed 33 years of service with the City, including any time participating in the planned retirement benefit and the reformed planned retirement benefit, or a combination of the two benefits. A member may terminate employment any time prior to reaching the earlier of (i) the maximum participation period of eight years for the planned retirement benefit and the reformed planned retirement benefit, or a combination of the two benefits, or (ii) 33 years of service with the City.

(E) There are three methods of distribution of a member's interest in the planned retirement benefit, the reformed planned retirement, or a combination of the two benefits. The member may elect one of the following, which shall be calculated by the actuary for the Plan:

(1) A maximum lump sum based on the number of years a member worked after electing the benefit; or

(2) A larger annuity based on the number of years a member worked after electing the benefit; or

(3) A combination of the two methods.

Member balances may be left in the Plan until the required distribution date under the Internal Revenue Code. While they are left in the Plan, gains/losses on such balances shall be calculated as provided in Section (I) below.

(F) While participating in either the planned retirement benefit, the reformed planned retirement benefit or a combination of the two benefits, the member shall continue to pay the applicable employee contribution until termination of employment.

(G) Members who have reached normal retirement eligibility and have submitted the required election form shall have the right to participate in the planned retirement benefit or the reformed planned retirement benefit, or a combination of both benefits, until the maximum period prescribed. This maximum period of participation may not be diminished or impaired.

(H) If a lump sum benefit is elected, it shall be calculated based upon the monthly values of the member's final pension annuity benefit determined using the member's creditable service, average final compensation, and multiplier as provided in the Plan as of the beginning of the planned retirement benefit or reformed planned retirement benefit participation period, together with the appropriate measure of earnings as defined in this section.

(I) Investment earnings attributable to the lump sum benefit shall be calculated in arrears using the net investment rate earned by the pension fund for each month of creditable service worked during the planned retirement benefit participation period or the reformed planned retirement benefit participation period. The earnings shall be applied to the prior pension annuity balance including all prior months of creditable service and further including prior monthly earnings. The investment earnings shall be compounded monthly to determine the amount to be credited during each year of the planned retirement benefit participation period or the reformed planned retirement benefit participation period. The aggregate value of the monthly investment earnings will determine the amount of investment earnings to be credited for the planned retirement benefit participation period or the reformed planned retirement benefit participation period. In the case of the planned retirement benefit only, investment earnings shall be further calculated using the formula in subsection (J) below.

(J) In the case of the planned retirement benefit only, there shall be the following exclusions from earnings which shall be dependent on the funded ratio of the Plan. The member will share in Plan losses in those years in which Plan earnings are negative. While the Plan has a funded ratio of less than 80%, any year in which net plan earnings are greater than 4% (applied monthly at the rate of 0.327%), the next 2% of earnings (applied at the monthly rate of 0.165%) shall be excluded from the member's lump sum payment and retained by the Plan. When the Plan has a funded ratio of 80% but less than 90%, the retained earnings will decline to the first 1% in excess of net earnings of 4%. When the Plan reaches a funded ratio of 90%, the exclusions shall cease. In any year in which the funded ratio declines below the benchmarks in this subsection, the exclusion shall resume at the rate appropriate to the funding level.

(K) If an eligible member who is participating in the planned retirement benefit dies during the participation period, the surviving spouse or, in the case of no surviving spouse, the beneficiary designated in writing by the member, shall make the election provided in division (E)(1) above with respect to the planned retirement benefits earned. If an eligible member who is participating in the reformed planned retirement benefit elects option 1 (continuation of the 8% or 9% contribution, as applicable) under division (B) above and dies during the participation period, the surviving spouse or, in the case of no surviving spouse, the beneficiary designated in writing by the member, shall make the election provided in division (B)(1) above with respect to the reformed planned retirement benefits earned.

(L) In the case of any member of the Plan hired on or before July 15, 2009 and who becomes eligible for DROP, the member retains the right to continue participation in the planned retirement benefit or the reformed planned retirement benefit by electing to continue participation on a form and according to the procedures and timetables adopted by the Board.

(M) For any member who reached normal retirement date between October 1, 2011 and July 17, 2013, the time such member worked between the normal retirement date (on or after October 1, 2011) and the date the member submits the planned retirement benefit election form may be included in the member's planned retirement benefit participation period, provided the member shall not exceed the maximum period of participation set forth in division (D) above.

(N) Upon reaching DROP eligibility, Tier 1 Members shall be eligible to participate in the DROP Plan, with the Tier 1 Member to select an entry date on or after the day the member attained (or attains) age 50 or completed (or completes) 23 years of credited service subject to the existing limitation of 33 years of service with the City. Any member who attained age 50 with 10 years of credited service or completed 23 years of credited service before March 20, 2019 and who was not already participating in the reformed planned retirement benefit before March 20, 2019, who wants to participate retroactively in the DROP pPlan, must submit his or her irrevocable written election/decision within 60 days after March 20, 2019. ~~to participate retroactively in the~~

~~DROP plan starting on or after the date the~~ Any member who attained age 50 with 10 years of credited service or completed 23 years of credited service before March 20, 2019 and who was already participating in the reformed planned retirement benefit before March 20, 2019 and who wants to change from the reformed planned retirement benefit to the DROP pPlan must submit his or her irrevocable written election/decision within 60 days after March 20, 2019. ~~to change retroactively his or her participation to the DROP plan starting on or after the date the member attained age 50 with 10 years of credited service or 23 years of credited service.~~ No member shall receive any benefits from both the DROP and the reformed planned retirement benefit. Participants in the reformed planned retirement benefit who transition to DROP shall receive a return of the 0.5% employee contribution, which shall be added to the participant's DROP account.

~~(A) There is hereby created a benefit to be known as the planned retirement benefit. The planned retirement benefit, as described below, will be retroactive to October 1, 2011, but any member who retires or enters the DROP prior to July 3, 2013 will not be eligible for this benefit. Effective May 2, 2018, there is hereby created a benefit to be known as the reformed planned retirement benefit. Any member who retires or enters the DROP prior to May 2, 2018 will not be eligible for this benefit.~~

~~(B) In order to be eligible for the planned retirement benefit, a member must submit a written election, on a form created for this purpose, declaring the member's intent to participate in the planned retirement benefit at any time on or after reaching the member's normal retirement date, as defined in § 33.040; provided, however, that in no event shall such form be submitted later than May 1, 2018. In order to be eligible for the reformed planned retirement benefit, a member must submit a written election, on a form created for this purpose, declaring the member's intent to participate in the reformed planned retirement benefit at any time on or after reaching the member's normal retirement date, as defined in § 33.040. The form will identify the maximum number of years the member may participate in the planned retirement benefit or the reformed planned retirement benefit and the member's latest employment termination date based on the maximum number of years identified. The form to participate in the reformed planned retirement benefit will also require the member to make an irrevocable election of one of the following two options:~~

~~(1) During the period of participation in the reformed planned retirement benefit, continuation of contribution equal to 8% of the member's earnings until termination of employment, and upon termination, election of one of the three options regarding how the member wishes to receive the reformed planned retirement benefit earned (identical to the three options that are provided for the planned retirement benefit in division (E)(1) below), or~~

~~(2) During the period of participation in the reformed planned retirement benefit, contribution equal to .5% of the member's earnings until termination of employment, and upon termination, taking of a lump sum that would be valued based on~~

~~the number of years the member worked after electing to participate in the planned retirement benefit, reformed planned retirement benefit or combination of both.~~

~~(C) Effective May 2, 2018, a member participating in the planned retirement benefit shall no longer be deemed to be participating in the planned retirement benefit but shall automatically be deemed, for all purposes, to be participating in the reformed planned retirement benefit. Such member shall make the irrevocable election described in division (B) above not later than August 19, 2018. If the member elects option (2), he or she shall also make an irrevocable election, not later than August 19, 2018, of one of the three options that are provided for the planned retirement benefit in division (E)(1) below for the time he or she spent in planned retirement. If the member elects to take any portion of the planned retirement benefit as a lump sum upon termination, he or she shall receive a refund equal to 7.5% of his or her earnings (8% - .5%) for the time he or she spent in planned retirement that he or she elects to take as a lump sum upon termination. In addition, if the member elects option (2), the reduction of his or her contribution from 8% to .5% shall commence in the second full pay period after August 19, 2018.~~

~~(D) A member who elects to participate in the planned retirement benefit or the reformed planned retirement benefit shall not exceed 33 years of service with the city, including any time participating in the planned retirement benefit and the reformed planned retirement benefit combined. A member may terminate employment any time prior to reaching the earlier of (i) the maximum participation period of eight years for the planned retirement benefit and the reformed planned retirement benefit combined or (ii) 33 years of service with the city.~~

~~(E) (1) When a member who has participated in the planned retirement benefit but has not participated in the reformed planned retirement benefit terminates employment, the member shall elect how he/she wishes to receive the planned retirement benefit earned. The member may choose to take (i) a maximum lump sum payment that would be valued based on the number of years the member worked after electing to participate in the planned retirement benefit; (ii) a larger final pension annuity payment (meaning a larger annuity than that earned prior to electing to participate in the planned retirement benefit) based on the number of years the member worked after electing to participate in the planned retirement benefit; or (iii) any combination of a lump sum payment and larger annuity by dividing the years worked after electing to participate in the planned retirement benefit between a lump sum payment and larger annuity payments. Any lump sum payment must be paid out to the member at termination (i.e., it cannot be left in the pension plan).~~

~~(2) Upon termination of employment, a member who, at the beginning of his or her period of participation in the reformed planned retirement benefit, made the irrevocable election to take his or her benefit in a lump sum upon termination will be allowed to leave the lump sum in the pension plan. The pension plan's actual investment rates of return (whether positive or negative) shall be applied to the lump sum for as long~~

~~as any portion thereof remains in the pension plan. For as long as any portion of the lump sum remains in the pension plan, the member shall pay a fee, in an amount to be determined by the Board, for the administrative cost of managing the lump sum, or portion thereof, that remains in the plan.~~

~~—— (F) While participating in the planned retirement benefit, a member shall continue making his/her applicable employee contributions, as provided in the pension plan, until termination of employment. While participating in the reformed planned retirement benefit, a member shall make his/her applicable employee contributions, as provided in the pension plan, until termination of employment.~~

~~(G) Any member who has reached his/her normal retirement date and has submitted the written election form to participate in the planned retirement benefit or the reformed planned retirement benefit shall maintain the right to participate in the planned retirement benefit or the reformed planned retirement benefit up to the date on which the maximum period applicable to the member has been reached or employment has terminated pursuant to the terms of the planned retirement benefit or the reformed planned retirement benefit as provided in this section, and no amendment to the pension plan may alter this right.~~

~~—— (H) For any member who reached his/her normal retirement date between October 1, 2011 and July 17, 2013, the time such member worked between his/her normal retirement date (on or after October 1, 2011) and the date the member submits the planned retirement benefit election form may be included in the employee's planned retirement benefit participation period, provided the member shall not exceed the maximum period of participation set forth in division (D) above.~~

~~—— (I) The lump sum payment, if elected, shall be calculated based upon the monthly values of the member's final pension annuity benefit determined using the employee's creditable service, average final compensation, and multiplier, as provided in the pension plan as of the beginning of the elected planned retirement benefit participation period or the elected reformed planned retirement benefit participation period, plus earnings on such amounts as provided in division (J) below, with such earnings, in the case of the elected planned retirement benefit participation period, to be subject to the limitations under division (K) below.~~

~~—— (J) Investment earnings applicable to any lump sum payment shall be calculated in arrears using the net investment rate earned by the pension fund on its net assets for each month of creditable service worked during the planned retirement benefit participation period or reformed planned retirement benefit participation period and applied to the prior pension annuity balance including all prior months of creditable service, including prior monthly earnings. The investment earnings shall be compounded monthly to determine the amount of investment earnings to be credited during each year of the planned retirement benefit participation period or reformed planned retirement benefit participation period. The aggregate value of the monthly investment earnings~~

~~calculations will determine the amount of investment earnings to be credited for the planned retirement benefit participation period or the reformed planned retirement benefit participation period. The investment earnings credited to said member will be net of the investment earnings retained by the pension fund per division (K) below.~~

~~———— (K) The procedures established in this paragraph shall apply to the planned retirement benefit but not to the reformed planned retirement benefit. With regard to any plan earnings calculated into the member's lump sum payment, the member will share in plan losses in those years where plan earnings are negative. In any year where plan earnings are greater than 4% (applied monthly at the rate of .327%), the next 2% (applied monthly at the rate of .165%) of plan earnings (i.e., the annual earnings between 4% and 6%) shall be excluded from the employee's lump sum payment and retained by the pension plan. When the pension plan is 80% funded, the amount of investment earnings to be thereafter retained by the plan (i.e., to be excluded from members' lump sum payments at that time) will be reduced to the first 1% (applied monthly consistently with the above) of plan earnings in the years that earnings are greater than 4%, until the plan reaches 90% funding at which time no further exclusions will be taken from plan earnings in years the plan earnings exceed 4%. The above-noted exclusions from earnings shall automatically resume at the same amounts if the plan's funding drops back below 90% or 80%.~~

~~———— (L) If an eligible member who is participating in the planned retirement benefit dies during his/her planned retirement benefit participation period, then the member's surviving spouse (per §§ 33.041) or, if there is no surviving spouse, then the member's designated beneficiary (per § 33.045) shall make the election provided in division (E)(1) above with respect to the planned retirement benefits earned. If an eligible member who is participating in the reformed planned retirement benefit elects option 1 (continuation of 8% contribution) under division (B) above and dies during his/her reformed planned retirement benefit participation period, then the member's surviving spouse (per §§ 33.041) or, if there is no surviving spouse, then the member's designated beneficiary (per § 33.045) shall make the election provided in division (B)(1) above with respect to the reformed planned retirement benefits earned.~~

Section 18: That Section 33.063 of the Code of Ordinances is hereby amended to read as follows:

### TITLE III: ADMINISTRATION

\* \* \*

### CHAPTER 33: CITY EMPLOYEES

\* \* \*



*FIRE FIGHTER'S PENSION AND RETIREMENT*

\* \* \*

**§ 33.063 AMENDMENT TO THIS SUBCHAPTER.**

This subchapter, including this section, may be amended, in whole or in part, or repealed by the City Commission upon approval of any such amendment or repeal by:

(A) A "majority plus one" vote of the City Commission and 50% plus one of the voting members; or

(B) A majority vote of those qualified electors of the Ceity voting in a referendum election called for such purpose by the City Commission and held in accordance with the provisions of law relating to elections currently in force in the Ceity, or held in conjunction with a primary, general, or other special election held in the Ceity.

Section 19: That Section 33.064 of the Code of Ordinances is hereby amended to read as follows:

**TITLE III: ADMINISTRATION**

\* \* \*

**CHAPTER 33: CITY EMPLOYEES**

\* \* \*

*FIRE FIGHTER'S PENSION AND RETIREMENT*

\* \* \*

**§ 33.064 CITY OF HOLLYWOOD CHAPTER 175 SHARE PLAN.**

\* \* \*

(D) The membership of the plan shall consist of all Tier 1 and Tier 2 Mmembers in active service as of July 16, 2009, excluding retirees and persons who entered the DROP prior to July 16, 2009.

(E) For the period worked by any participant from October 1, 2004 through September 30, 2008, the participant shall receive a one-half share for each six months or part thereof up to a maximum of four shares. The value of each share shall be determined by dividing the total number of shares into the aggregate excess insurance premium tax revenue on September 30, 2008. For the purposes of this section, ***AGGREGATE EXCESS INSURANCE PREMIUM TAX REVENUE*** shall mean the sum of the excess insurance premium tax revenue not otherwise committed to the payment of existing defined benefits. The premium tax revenue committed to existing defined benefits is the amount set forth in the 2005 actuarial valuation report and the 2008 actuarial valuation report. Commencing on July 3, 2013, ***AGGREGATE EXCESS INSURANCE PREMIUM TAX REVENUE*** shall mean the amount, if any, by which the Chapter 175 insurance premium rebate taxes received in a particular year exceeds \$1,562,180 and for the period commencing in 2014, up through and including 2017 only, any excess premium tax above the limit in this section shall also be included.

\* \* \*

(G) Eligible Tier 1 and Tier 2 Mmembers shall earn shares for all active service prior to entering the DROP. For all service after entry into the DROP, the member shall not receive additional shares.

\* \* \*

(I) Should a member of the share plan terminate service with the Ceity prior to vesting in the defined benefit plan, all shares shall be deemed forfeited and the proceeds divided during the following January among those share plan members who earned shares during the year of termination.

\* \* \*

(K) The share plan shall be at no actuarial or other cost to the Ceity. All administrative expenses of the share plan shall be deducted from each year's available premium tax money before it is credited to the share accounts to pay for the administration of the Board. No participant in the share plan shall have any constitutionally-protected contract or property rights to any benefits in the share plan except with regard to those shares already accrued. In the event the State of Florida shall terminate the insurance premium

tax rebate program, the plan shall be administered solely on the basis of shares then accumulated.

\* \* \*

Section 20: That it is the intention of the City Commission that the provisions of this Ordinance shall become and be made a part of the Code of Ordinances of the City of Hollywood, Florida, and the provisions of this Ordinance may be renumbered to accomplish such intention.

Section 21: That if any word, phrase, clause, subsection or section of this Ordinance is for any reason held unconstitutional or invalid, the invalidity thereof shall not affect the validity of any remaining portions of this Ordinance.

Section 22: That all sections or parts of sections of the Code of Ordinances, all ordinances or parts of ordinances, and all resolutions or parts of resolutions in conflict are repealed to the extent of such conflict.

Section 23: That this Ordinance shall be in full force and effect immediately upon its passage and adoption.

ADVERTISED on \_\_\_\_\_, 2019.

PASSED on first reading this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

PASSED AND ADOPTED on second reading this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
JOSH LEVY, MAYOR

ATTEST:

\_\_\_\_\_  
PATRICIA A. CERNY, MMC  
CITY CLERK

APPROVED AS TO FORM AND LEGAL  
SUFFICIENCY for the use and reliance of  
the City of Hollywood, Florida only:

\_\_\_\_\_  
DOUGLAS R. GONZALES, CITY ATTORNEY